SONARWA General

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

	Q1 2023 Frw'000	Q1 2022 Frw'000
ASSETS		
Non-current assets		
Property and equipment	567,295	579,793
Intangible assets		-
Investment property	9,255,740	7,951,208
Financial assets		
- Fair value through profit or loss	840,690	813,167
- Available for sale	3,163,304	4,165,264
- Held to Maturity		-
Total non-current assets	13,827,029	13,509,431
Current assets		
Receivables arising out of re-insurance arrangements	197,049	50,521
Reinsurance share of Insurance contract liabilities	1,053,310	2,131,426
Receivables arising out of direct insurance arrangements	1,397,227	907,679
Prepaid tax	117,096	68,199
Deferred acquisition costs	129,883	67,757
Other receivables and prepayments	3,049,027	1,938,648
Lease asset	156,045	2,120
Cash and cash equivalents	5,167,237	5,970,078
Total assets	25,093,904	24,645,859
EQUITY AND LIABILITIES		
Equity		
Ordinary shares	5,200,000	5,200,000
Share premium	47,240	47,240
Revaluation reserve	2,475,575	1,681,246
Fair value reserve	1,775,138	2,476,511
Un-alloted shares	2,119,434	2,119,434
Retained earnings	1,863,241	591,766
Total equity	13,480,628	12,116,197
Liabilities		
Technical provisions:		
Outstanding Claims	2,123,980	4,181,901
Provision for Incurred But Not Reported Claims (IBNR)	1,388,812	727,875
Provision for unearned premium	3,186,332	2,562,622
Total technical provision	6,699,124	7,472,398
Amount due to reinsurers	1,216,300	1,480,038
Other payables	1,897,263	589,158
Lease liability	138,953	1,545
Deferred income tax liability	1,661,635	2,986,524
Total liabilities	11,613,276	12,529,663
Total equity and liabilities	25,093,904	24,645,859

These unaudited financial statements were approved by the Chief Executive Officer and attested by the Chairperson of the Board of Directors.

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A.g Chief Executive Officer **Chairperson of the board**

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2023

	Q1 2023 Frw'000	Q1 2022 Frw'000
Profit before income tax	2,027,006	761,885
Adjustments for:		
Depreciation	10,439	9,844
Investment income	(268,870)	(616,170)
Changes in:		
Reinsurance receivables	157,941	(50,521)
Insurance contract liabilities	(2,080,441)	(569,231)
Reinsurance creditors	117,958	79,265
Premium debtors	(87,677)	131,616
Reinsurance share of insurance contract liabilities	388,319	(133,867)
Other receivables and prepayments	(329,195)	268,475
Deferred acquisition costs	16,663	165,217
Other payable and provisions	442,093	(97,469)
Accrued intersest on Term deposits with financial institutions	-	(34,982)
Net cash used in operations	394,236	(85,938)
Investing activities		
Purchasing of property and equipment	(5,507)	(10,388)
Investment property disposals	(42,089)	-
Rental income received	159,783	540,941
Interest income received	109,087	75,229
Term deposit with financial institutions	0	34,982
Net cash generated from investing activities	221,274	640,764
Cashflows from financing activities		
Recapitalization	2,085,212	2,085,212
Increase in cash and cash equivalent	2,700,723	2,640,038
At start of the year	3,265,169	3,265,169
Decrease / (Increase)	2,700,723	2,640,038
Cash and cash equivalents at end of the year	5,965,892	5,905,207

Key highlights of financial year include:

Sonarwa General insurance Ltd's grew gross premium by 31 % 2,106 millions compared to 1,449 millions as at March 2023)

Net profit after tax decreased by 62% to 2,027 Millions compared to761 millions in 2022. The decrease in net profit was predominantly attributable to underwritting loss largely due to motor claims

Sonarwa General's Solvency remain solid at 461%

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST March 2023

	Q1 2023 Frw'000	Q1 2022 Frw'000
Gross premium written	2,101,668	1,449,987
Changes in unearned premium	208,070	291,018
Gross earned premiums	2,309,737	1,741,005
Less insurance premium ceded to reinsurers	(541,532)	(378,978)
Net Premium revenue	1,768,205	1,362,027
Add: commission earned	142,400	81,247
Net Earned Premium revenue	1,910,605	1,443,274
Gross Claims Paid	911,146	991,002
Add: Amounts recoverable from re-insurers	519,077	123,097
Changes in outstanding claims	299,459	(670,597)
Change in **Reserve for Incurred But Not Reported Claims** (IBNR)	(2,328,302)	49,622
Net claims incurred	(598,620)	493,124
Commission expenses	122,798	186,840
Management expenses	697,937	667,182
Net underwriting profit/loss	1,688,490	96,128
Investment income	268,870	616,170
Other operating income	69,647	49,587
Profit before income tax	2,027,007	761,885
Income tax expense / credit	-	-
Net Profit for the year	2,027,007	761,885
Other comprehensive income net of tax:		
Gross change in fair value through other comprehensive Financial Assets	-	-
Total Comprehensive profit/loss for the year	2,027,007	761,885

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2023

	Share capital Rwf '000	Share premium Rwf '000	Revaluation reserve Rwf '000	Fair value reserve Rwf '000	Retained earnings Rwf '000	Total Rwf '000
At 1 January 2023	5,200,000	47,240	2,475,576	1,775,138	(163,765)	9,334,189
Comprehensive Income						
Un alloted shares	2,119,434					2,119,434
Profit for the period					2,027,006	2,027,006
Total comprehensive profit					2,027,006	2,027,006
At 31st March 2023	7,319,434	47,240	2,475,576	1,775,138	1,863,241	13,480,629
At 1 January 2022	5,200,000	47,240	1,681,247	2,476,511	(170,119)	9,234,879
Comprehensive income						
Un alloted shares	2,119,434					2,119,434
Profit for the period					761,885	761,885
Total comprehensive profit					761,885	761,885
At 31st March 2022	7,319,434	47,240	1,681,247	2,476,511	591,766	12,116,198

QUANTITATIVE DISCLOSURE

Item	Formula/ Description	Amount/Ratio March 2023 Frw'000	Amount/Ratio March 2022 Frw'000
A. Solvency coverage			
a. Solvency required		940,326	688,976
b. Admitted assets		16,622,201	17,380,716
c. Admitted Liabilities		12,283,189	13,276,902
d. Solvency available		4,339,013	4,103,814
e. Solvency surplus(gap)		3,398,685	3,414,839
f. Solvency coverage ratio		461%	596%
B. Capital strength			
a. TAC(Total Available Capital)		8,219,701	8,548,519
b. RCR(Risk Based Capital Required)		16,135,400	13,429,539
b. CAR(Capital Adequacy Ratio)		51%	64%
C. Earnings Risk			
a. Claims ratio	Net Claims Incurred/Net Earned Premiums	31%	36%
b. Management Expense Ratio	Management expenses/Net Earned Premiums	37%	49%
c. Underwriting Expense Ratio	Commission expenses/Net Earned Premiums	6%	14%
d. Combined Ratio(General Insurance Only)	Claims ratio+Management expenses ratio+Underwriting expenses ratio	74%	99%
D. Investment Exposure			
a. Investment Exposure(s)	Any investment above ten percent of total assets(EAST Garden kicukiro	5,513,398	4,560,273
b. Earning assets ratio	Earning Assets/total assets	67%	64%
c. Investment property ratio	Investment property/total assets	37%	32%
d. Equities assets ratio	Investment Equities/total assets	16%	20%
E. Liquidity Risk			
a. Liquidity Ratio(LCR)	Liquid assets/current liabilities	79%	87%
F. Exposures to related parties			
a. Loans to Directors and Senior management			-
b. Loans to Employees/staff			-
c. Loans to Subsidiaries and affiliates			-
d. Loans to shareholders/holding company			-
e. Investments in related parties			-
G. Operational Risk			
a. Number and types of frauds and their corresponding amount			-
H. Business Composition			
a. Number of policy holders per branch		14,268	23,621
b. Number of policies in force per branch		15,386	26,739
I. Management and Board Composition			
a. Number of Board members(Independent and non-independent)		5	5
b. Number of Board Committees		4	4
c. Number of senior management staff by gender		2 Males And 6 Females	5 Males and 5 Females
J. Staff			
a. Total Number of non-managerial Staff by gender		22Males and 14 Females	36 Males and 31 Females
K. Insurance Intermediaries			
a. Number of insurance agents		50	30
b. Number of loss adjusters/assessors		1	1
L. Branches			
a. Number of Branches by Province Including Kigali City		19	17