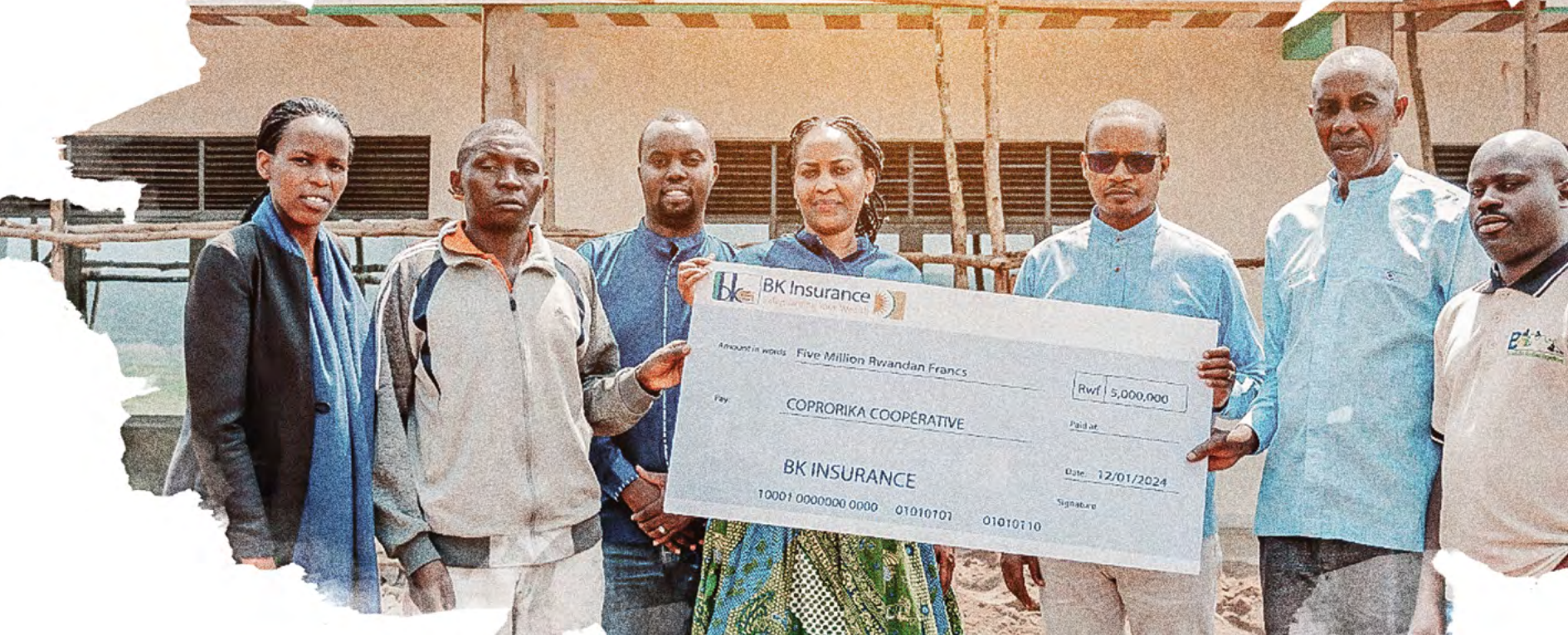




**BEYOND NUMBERS**  
Protecting Futures, Empowering Lives



# Acronyms & Descriptions

|                 |  |
|-----------------|--|
| <b>AIR</b>      | <b>Annual Integrated Report</b>                      |
| <b>CAR</b>      | <b>Contractors All Risk (Insurance)</b>              |
| <b>CRM</b>      | <b>Customer Relationship Management</b>              |
| <b>CPM</b>      | <b>Contractors Plant and Machinery</b>               |
| <b>DE&amp;I</b> | <b>Diversity, Equity, and Inclusion</b>              |
| <b>EAR</b>      | <b>Erection All Risk (Insurance)</b>                 |
| <b>ESG</b>      | <b>Environmental, Social, and Governance</b>         |
| <b>eNPS</b>     | <b>Employee Net Promoter Score</b>                   |
| <b>ERM</b>      | <b>Enterprise Risk Management</b>                    |
| <b>FVOCI</b>    | <b>Fair Value through Other Comprehensive Income</b> |
| <b>FVPL</b>     | <b>Fair Value through Profit or Loss</b>             |
| <b>GWP</b>      | <b>Gross Written Premium</b>                         |
| <b>GPA</b>      | <b>Group Personal Accident</b>                       |
| <b>HRIS</b>     | <b>Human Resource Information System</b>             |
| <b>HRMS</b>     | <b>Human Resource Management System</b>              |
| <b>IFRS</b>     | <b>International Financial Reporting Standards</b>   |
| <b>IIRC</b>     | <b>International Integrated Reporting Council</b>    |
| <b>MINAGRI</b>  | <b>Ministry of Agriculture and Animal Resources</b>  |
| <b>NPS</b>      | <b>Net Promoter Score</b>                            |
| <b>NBR</b>      | <b>National Bank of Rwanda</b>                       |
| <b>PA</b>       | <b>Personal Accident</b>                             |

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# About This Report



# About This Report

In a world where risks evolve and lives are constantly in motion, this report is more than a record, it is a reflection of our unwavering promise to protect, empower, and grow with the people we serve.

Welcome to BK General Insurance's 2024 Annual Integrated Report.

Within these pages, we offer more than data and disclosures, we share the story of a year shaped by purpose and propelled by our collective commitment to safeguarding what matters most.

Each section of this report sheds light on the decisions we made, the lives we touched, and the future we are helping to build; one policy, one partnership, one promise at a time.

This report covers the period from January 1 to December 31, 2024, and presents a comprehensive view of our operational, financial, social, and environmental performance.

It encompasses the full scope of BK General Insurance's activities in Rwanda and is guided by our dedication to transparency, accountability, and sustainability.

Our language may include words like 'vision', 'impact', and 'purpose', signposts of intention and optimism that reflect both our aspirations and our awareness of the ever-shifting landscape we navigate. We acknowledge the unpredictability of our context, yet remain steadfast in our mission to protect lives and empower futures through innovation and resilience.



“This report reflects our unwavering promise to protect, empower, and grow with those we serve. It tells the story of 2024, a year shaped by purpose, resilience, and impact. Guided by transparency and commitment, we continue building a future of trust and security. Welcome to BK General Insurance's Annual Integrated Report.”

# Structure of the Report

This report is prepared in alignment with the following globally recognized standards and regulatory frameworks:



To ensure a clear link between strategy, performance, governance, and future outlook



For consistency and comparability in financial disclosures



By the National Bank of Rwanda (NBR).

Through adherence to these frameworks, we reaffirm our commitment to responsible corporate citizenship and transparent stakeholder engagement.



This report is guided by the materiality principle, focusing on those issues that substantively influence the BKGI's ability to create value over time. The matters discussed herein reflect management's strategic focus areas, stakeholder priorities, market dynamics, and regulatory considerations. We aim to provide a holistic view of the BKGI's performance and its resilience in an increasingly complex operating environment.

The reporting boundary for non-financial matters extends beyond statutory requirements to include emerging areas of relevance such as sustainability, governance practices, and stakeholder relations.

## Financial and Non-Financial Reporting



Key performance indicators are disclosed to help investors and stakeholders understand both the financial results and the underlying drivers of performance, including environmental, social, and governance (ESG) metrics.

We continue to expand disclosure on non-financial issues including customer experience, digitization, sustainability, and corporate governance as we evolve toward integrated thinking and decision-making.

# Key Highlights

## Gross Written Premium

BK General Insurance recorded a **9.4% Increase** in gross written premiums, reaching FRW 16.0 billion in 2024.

**16.0 FRW Billion**  
**9.4% increase**

## Net Profit

Net profit for the year rose by 37.4% to FRW 4.3 billion, compared to FRW 3.2 billion in 2023.

**4.3 FRW Billion**  
**37.4% from FY 2023**

## Loss Ratio

The insurer paid FRW 3.7 billion in claims during the year, resulting in a loss ratio of 33%.

**33%**  
**as of December 31st, 2024**

## Total Assets

**27.7 FRW Billion**  
**as of December 31st, 2024**

## Customer Growth

Improved customer retention drove a 28.6% increase in active customers, reaching 22,900 by year-end.

**28.6%**  
**increase in active customers**

## Customer retention

Customer-first approach drove retention up from 71% to 75%.

**75%**  
**as of December 31st, 2024**

BK General Insurance complied with Key Prudential Ratios in 2024 as follows:



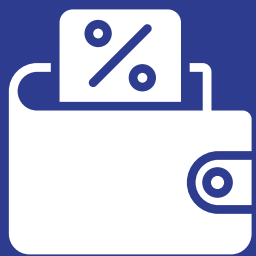
**33%**

Claims Ratio



**35%**

Expense Ratio



**25%**

Return on Equity



**324%**

Solvency Margin Ratio

“Since 2016, BK General Insurance has safeguarded over 51,000 lives and livelihoods with innovative non-life insurance across Rwanda. In 2024, gross written premium hit FRW 16.0 billion, net profit rose to FRW 4.3 billion, and claims ratio dropped to a record low of 33%. With trusted coverage in motor, fire, and agriculture, and a growing agent network, BKGI continues to turn insurance into a powerful driver of prosperity and resilience.”

# Our Corporate Profile



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# Who We Are

## Beyond Numbers: Protecting Futures, Empowering Lives

At BK General Insurance, we believe insurance is more than a transaction, it is a promise of protection, a shield against uncertainty, and a catalyst for empowerment.

Established as a strategic arm of Bank of Kigali in 2015 and licensed by the National Bank of Rwanda in 2016, BK General Insurance has steadily evolved into one of Rwanda's most trusted providers of general insurance services.

Our story is one of growth, resilience, and unwavering focus on people, protecting what matters today while laying the groundwork for a more secure tomorrow.

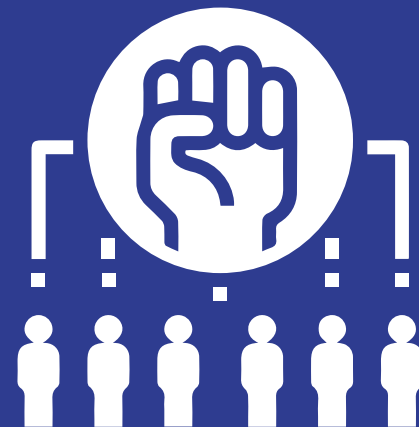
**Our vision is clear:** to be the leading provider of innovative, high-quality insurance services in the region. We pursue this vision through a mission rooted in value creation, innovation, and excellence, delivering technology-driven insurance solutions that not only safeguard our clients but also reward our shareholders and empower our people.

Backed by the strength of BK Group Plc (70% shareholding) and the regional expertise of SWAN General Ltd (30%), our foundation is strong, and our ambitions bold. Together, we are building an insurance model that redefines standards in service, reliability, and responsiveness.

In a market where gaps remain and risks continue to evolve, we are committed to closing those gaps with solutions that are inclusive, efficient, and impactful.

Our strategy focuses on setting the benchmark for excellence through product innovation, customer-centricity, prudent reserve building, and a passionate team dedicated to continuous improvement.

More than numbers on a balance sheet, our success is measured by the lives we protect, the trust we earn, and the futures we help secure. Because for us, insurance is not just about covering losses, it's about empowering lives and unlocking potential in every policy we write.

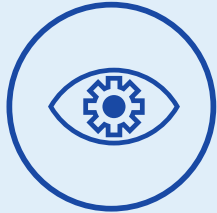


“At BK General Insurance, we go beyond numbers.

Offering more than policies, we deliver protection, inspire confidence, and empower lives. Rooted in resilience and innovation since 2015, we are committed to safeguarding what matters today while building a secure and empowered tomorrow for Rwanda and the region.”



# What Drives Us



## Vision

To be a leading provider of innovative, high-quality insurance services.



## Mission

To provide innovative, high-quality insurance services that add value to shareholders' investments through technology-enhanced products and motivated professional staff.



## Goals

To exceed customer expectations. In providing insurance services, BK General Insurance has put in place strategies to become a customer-centric company.



### CUSTOMER FOCUS:

At BK General Insurance, we are deeply committed to putting our customers at the center of everything we do. Our philosophy is rooted in consistently exceeding expectations by delivering high-quality, responsive services. We strive to understand our clients' needs and provide insurance solutions that help them achieve their personal and business goals with confidence and peace of mind.



### TEAM WORK:

We believe that collaboration drives success. We foster a culture where individuals are celebrated, and collective achievements are valued even more. We work seamlessly across departments and functions, united by a shared purpose and a spirit of mutual respect. Our team spirit is not only strong, it is a model we proudly uphold and strive to strengthen every day.



### INTEGRITY:

We uphold the highest standards of honesty, transparency, and accountability in all that we do. The trust our clients and stakeholders place in us is invaluable and we are committed to honoring that trust by consistently fulfilling our promises, acting ethically, and doing what is right, even when no one is watching.



### CREATIVITY:

At BK General Insurance, we see creativity as the engine of progress. It fuels our ability to design innovative solutions, adapt to a changing world, and meet the evolving needs of our customers. By embracing new ideas and thinking beyond convention, we stay agile, responsive, and visionary for the benefit of those we serve.

01

02

03

04

# Our Products





# Our Strategy

## Beyond Numbers – Protecting Futures, Empowering Lives

The strategy of BKGI reflects our vision that sustainable success goes beyond financial performance. We are committed to protecting the future of our clients and empowering lives through inclusive, customer-focused, and forward-looking insurance solutions.

Our 2021–2025 strategy was developed around four key pillars aimed at establishing a robust foundation for sustained impact and enduring expansion: Business Growth, Customer Centricity, Governance & Operations, and Profitability & Cost Management.

As we enter the final year of this strategic cycle, we successfully scaled our operations through rigorous execution, thereby becoming the most profitable insurance company in Rwanda.

In 2024, we remained focused on delivering tangible results while adapting to a rapidly evolving, market characterized by intensified competition, and preparing for the next phase of our development.

### 1. Boosting Sustainable Business Growth

We will deliver consistent, long-term performance, steadily growing our gross written premium at an average of 15% per year by:

- Building a solid and diversified customer base comprised of large companies and SMMEs.
- Introducing innovative products tailored to the unique needs of our customers.
- Strengthening and effectively leveraging our network of intermediaries.
- Diversifying our distribution channels to maximize customer reach.
- Growing our penetration of the agriculture sector.

#### Achievements:

- Increased network of agents from 105 to 126, growing this distribution channel from 26% to 29% of GWP.
- Actively supported the agricultural sector through sponsorships and field campaigns and entering into strategic agreements with major cooperatives.
- Established a roadmap to grow our bancassurance activities, reinforcing our relationship with Bank of Kigali.

### 2. Accelerating Delivery of Customer-First Initiatives

Customer centricity remains at the core of our operations as we continue to invest in initiatives that elevate the customer experience:

- Launching a digital distribution channel to improve access and convenience.
- Introducing a new customer relationship management system to continuously collect feedback from customers and improve responsiveness.
- Strengthening our brand visibility through strategic media engagements and regional and national events, and flagship sponsorships such as the BK Arena sponsorship that provides broad brand exposure at each event.



**“Beyond Numbers  
Protecting Futures,  
Empowering Lives.  
Our strategy reflects  
a vision where  
success means  
more than profits.  
Through innovation,  
customer focus, and  
strong governance,  
we drive sustainable  
growth, elevate  
client experiences,  
and empower  
communities making  
BKGI Rwanda’s  
most profitable and  
impactful insurer.”**

**Achievements:**

- Accelerated the development of a digital platform enabling the end-to-end purchase of insurance products online or via USSD.
- Successfully celebrated customers during the 2025 Customer Service Week.
- Achieved a net promoter score of 50.

**3. Solidifying Governance and Operational Excellence**

We recognize the importance of strong governance and efficient internal operations in delivering sustainable growth by:

- Continuously improving and optimizing internal processes.
- Establishing an ESG Committee to integrate environmental and social responsibility in our operations.
- Creating an engaging and positive work environment that facilitates recruitment and promotes retention.

**Achievements:**

- Pursued the development of a new core system to optimize the underwriting and claim processes.
- Trained staff across the different functions of BKGI on the ESG framework.
- Provided support to staff to pursue professional courses in finance and insurance.
- Obtained an employee net promoter score of 68.

**4. Maintaining Prudent Cost and Profitability Management**

We continue to drive profitability by refining our pricing strategies, optimizing costs, and effectively balancing our revenue streams. This pillar involves:

- Implementing adequate and compliant pricing models.
- Reinforcing underwriting discipline across the organization by developing in-house capacities for risk appraisal.
- Actively managing our investment portfolio to grow investment income by 15%.

**Achievements:**

- Transferred the management of our investment portfolio to BK Capital.
- Hired an investigator to process claims more effectively.

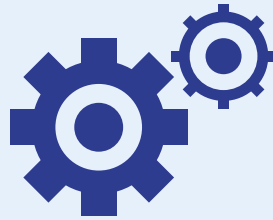
Looking ahead, we will lay the foundation for our next strategic cycle while accelerating the delivery of core initiatives. In particular, BK General Insurance will mobilize resources to rapidly advance its digitalization process, further diversify its customer base and product portfolio, and build meaningful and innovative ways to engage with customers.

1



We nurture, respect, and support our people to become a talent factory and the employer of choice in the financial sector.

2



We ambitiously challenge the status quo by continuously learning and experimenting to improve ourselves, our offering, and operations.

3



We are passionate about customer experience and place customers at the heart of everything we do.

4



We are a united team that views success through the lens of the organization and not the individual.

5



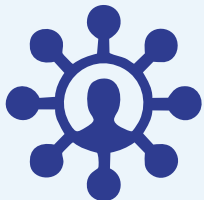
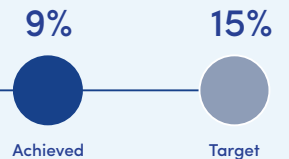
We are accountable for our role in our shared purpose and courageous when embracing challenging tasks.



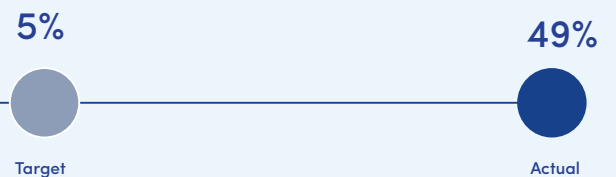
# Key Performance Indicators



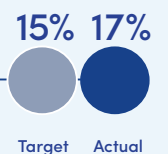
**Gross Written  
Premium Growth**



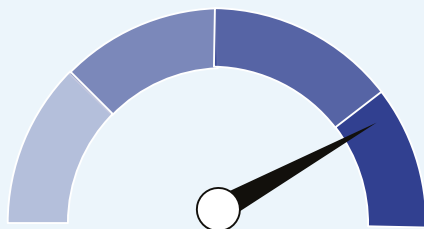
**Underwriting  
Profit Growth**



**Net Investment  
Income Growth**



## Strategic Execution



**83% Completed**

Despite the continued growth of our GWP, we ended the year slightly below the projected 15% increase.

In contrast, our underwriting profit surged by 49%, well exceeding target.

This result reflects deliberate onboarding decisions focused on prudent risk management.



# Our Value

## Creation Business Model

### Delivering Sustainable Impact to Customers, Employees, Intermediaries, and Shareholders

At BK General Insurance, our value creation model is rooted in delivering long-term, sustainable impact for all our key stakeholders—customers, employees, intermediaries, and shareholders. Aligned with our strategy and the theme of this report, “Beyond Numbers – Protecting Futures, Empowering Lives,” our business model is designed to drive inclusive growth, financial resilience, and operational excellence.

#### Customers: Empowering Resilience

- More than 51,000 and clients served since inception
- Wide product offering to appropriately meet the needs of our customers
- New digital channel to bring insurance closer to our clients
- Customer-first approach with Net Promoter Score (NPS) of 50
- Robust underwriting and claim processes

#### Employees: Enabling Growth

- 53 staff, 49% of whom are women
- Inclusive, performance-driven work culture
- Ongoing investment in staff development
- Strong employee Net Promoter Score of 68 and turnover rate of 7%

#### Intermediaries: Intermediaries: Fostering Core Relationships

- Network of over 100 agents and brokers across the country
- Quarterly trainings provided for continued professional development

#### Shareholders: Sustaining Value

- 25% dividend payout ratio (RWF 1.1 billion)
- Solvency ratio of 324%
- Strong financial position enabling consistent returns

This integrated model ensures we continue to protect what matters—our clients’ future, our people’s potential, and our investors’ confidence.



**“We deliver sustainable impact by empowering customers with resilient solutions, fostering growth for our employees, and generating consistent value for shareholders. Through innovation, inclusivity, and excellence, we protect what matters most futures, potential, and trust.”**

# Our Market and Operating Context

The year 2024 presented yet another set of complex challenges. Globally, the geopolitical landscape remained volatile, and the severity of climate-related risks continued to intensify. On the domestic front, Rwanda faced its own headwinds, including persistently high inflation despite signs of moderation and the outbreak of the Marburg virus.

Despite these challenges, the Rwandan economy demonstrated remarkable resilience, posting an impressive Gross Domestic Product (GDP) of 8.9%. This robust performance was underpinned by a strong rebound in the agriculture sector and sustained momentum in both the services and industry sectors. Inflation eased significantly, dropping to 4.8% from 14% in 2023, largely due to improved food availability. Meanwhile, although the Rwandan Franc remained under pressure, its depreciation against the U.S. Dollar slowed to 9.42%, a notable improvement compared to the 18.1% depreciation recorded in the previous year.

In alignment with the broader economic recovery, the Rwandan insurance market continued its steady expansion. However, competition remained fierce among the 16 active insurance companies, including 10 private general insurers. By the end of 2024, the sector's total assets grew by 18.1%, while gross written premiums from private insurers surged to RWF 216.1 billion, marking a 22% increase from 2023.

This positive trajectory translated into broader financial inclusion, with 2.2 million Rwandans covered by insurance in 2024—up from 1.2 million in 2020. The growth was largely fueled by the vibrant general insurance sub-sector, increased demand for medical and micro-insurance products, and the continued rollout of the national agriculture insurance scheme.

Sound risk management practices contributed to improved financial performance across the sector. The combined ratio across general and life insurance declined from 97% to 95%, while underwriting profit significantly increased to RWF 7.8 billion, a substantial leap from RWF 3.4 million at the end of 2023.

Throughout the year, insurers accelerated the transformation of their operations, with a focused effort on the digitalization of distribution and claims management processes. This shift reflects the industry's strategic pivot toward innovation, efficiency, and customer-centric service delivery.

At the same time, growing awareness of cybersecurity and digital threats has prompted insurers to adopt proactive measures and strategic investments aimed at mitigating emerging risks.

Finally, 2024 marked continued progress in the implementation of IFRS 17, a new accounting standard focused on the transparent and consistent representation of insurance contracts. Though the transition demands significant updates to internal systems and processes, it is expected to bring enhanced clarity and comparability to financial reporting across the sector.

For further details on the application of IFRS 17 at BK General Insurance, please refer to the Material Accounting Policies section of this report.



**“In a year of global and local challenges, Rwanda’s resilience fueled growth. At BK General Insurance, we met the moment with innovation, strong risk management, and a commitment to protecting and empowering lives.”**

## **Our Governance**

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# Our Governance



“In 2024, BK General Insurance demonstrated resilience and innovation, delivering strong growth in a dynamic and challenging environment. Our progress reflects the dedication of our team, the trust of our stakeholders, and our commitment to providing reliable, customer-focused insurance solutions. We continued to invest in digital transformation, operational efficiency, and inclusive products that meet the evolving needs of Rwandans. As we embrace technology, integrate ESG priorities, and expand our reach, we remain focused on protecting futures, empowering lives, and creating sustainable value for all. With a clear vision and strong foundation, we are confident in our path forward.”

”



# Reflections from the Board Chairperson

## Dear Shareholders,

I am honored to present the 2024 Annual Report of BK General Insurance Company Ltd, highlighting our continued commitment to excellence, resilience, and innovation in the insurance sector. As Chairperson of the Board of Directors, I take great pride in the progress we have made and the unwavering trust and support from our stakeholders.

The year 2024 has been a transformative period for both the insurance industry in Rwanda and BK General Insurance Company Ltd. Despite evolving market dynamics and challenging global developments, we have remained steadfast in our mission to provide reliable insurance solutions and exceptional customer service. This success is a direct result of the dedication and collaborative efforts of our Board, management, and employees.

We are pleased to report that insurance density in Rwanda showed substantial improvement, reaching FRW 124Bn in December 2024 compared to FRW 103Bn the previous year (General insurance excluding medical product). Consistent with the market trend, BK General Insurance delivered solid performance with gross written premiums reaching FRW 16.0Bn and net profit amounting to FRW 4.3Bn (a 37.4% increase compared to 2023). This growth reflects the increasing confidence in the insurance sector and our ability to meet the evolving needs of our customers.

## Chantal HABİYAKARE

We have continued to enhance our operational efficiency, embrace technological advancements, and expand our product offerings to meet the diverse needs of our clients. Additionally, ESG considerations are becoming an integral part of our strategy, reflecting our dedication to foster a resilient and future-ready community. Finally, our commitment to innovation has positioned us as a leading player in the market, ensuring that we not only adapt to industry changes but also drive meaningful progress.

I extend my deepest appreciation to our employees for their relentless commitment and professionalism. Your contributions are the foundation of our success. To our valued customers, partners, and stakeholders, we are grateful for your continued confidence in BK General Insurance Company Ltd. Your trust fuels our ambition to deliver even greater value.

Looking ahead, we remain committed to strengthening our market position, fostering financial inclusion, and delivering sustainable growth. With a clear vision and strategic direction, we are confident that our company will continue to thrive and set new benchmarks in the industry.

Thank you for being part of our journey,

**BK General Insurance delivered strong results through resilience, innovation, and a sharp focus on customer needs. With growing stakeholder trust and continued investment in technology and inclusive products, we remain committed to shaping a secure and sustainable future for all.**

# BK General Insurance Board of Directors



**Chantal Habiyakare**

Chairperson



**Jean E Habiyambere**

Board Member



**Achumile 'Ace' Majija**

Board Member



**Shehzad Noordally**

Board Member



**Athanase Rutabingwa**

Board Member



**Nicholas Murimi**

Board Member



**Patrice Bastide**

Board Member



# Risk Management

## Approach

The growth and resilience of BKG I is upheld by its careful risk management approach. The Board is responsible for the overall governance of risk through the Risk Management Committee (see Corporate Governance Framework).

Together, they have established firm principles to be applied throughout the organization including adopting Enterprise Risk Management (ERM) policies and frameworks. The business units take responsibility for all operational and risk-related matters within the limits set by our risk appetite, policies, and frameworks. Considering our activities, BK General Insurance is exposed to a variety of risks including insurance risk, credit risk, market risk, liquidity risk, operational risk, cybersecurity risk, and climate change risk.

The company continuously monitors and mitigate existing and emerging risks to safeguard its stakeholders and financial performance. Particularly, BKG I has established thorough underwriting guidelines and capacity limits aligned with our risk appetite. Furthermore, the company has instituted a reinsurance policy and credit policy along with clearly defined criteria for the approval of intermediaries and reinsurers. This section summarizes our risk management approach.

### 1. Insurance risk

Risk associated with the likelihood of the insured event and the uncertainty of the claim amount. The principal risk faced by BKG I as an insurance company is that the actual claim amount and benefit payment exceed the carrying amount of the insurance liabilities. Insurance events are random. Hence, the actual number and amount of claims and benefits may differ from the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The company has developed its insurance underwriting strategy to adequately diversify its exposure to insurance risks across risk types, amounts, industries, and geographies.

### 2. Credit Risk

Risk that counterparties (customers or reinsurers) default in their payments. BKG I is exposed to this risk through receivables arising from direct insurance and reinsurance arrangements. The company proactively mitigates this risk by establishing limits to counterparties, or groups of counterparties, and to industry segments. Risks are reviewed every quarter and limits approved once a year by the Board of Directors. The credit worthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalizing any contract.

### 3. Market risk

Risk that arise from open positions in interest rates, currency exchange rates, and equity securities prices, all of which are exposed to general and specific market movements. Foreign exchange or currency risk is

managed primarily through setting limits on the maximum exposure to any one currency. BKG I is particularly exposed to the U.S. Dollar exchange rate.

- Interest rate: Fixed interest rate financial instruments are deposits with financial institutions. No limits are placed on the ratio of variable rate financial instruments to fixed rate financial instruments.
- Security price: The Company has financial instruments in Treasury Bonds that are measured at amortized cost and commercial papers that are not subject to price risk.

### 4. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations as they fall due and to replace funds when they are withdrawn. The Company manages liquidity risk by continuously reviewing forecasts and actual cash flows and maintaining banking facilities to cover any shortfalls.

### 5. Operational Risk

The insurer maintains effective processes and systems through strong internal controls, quality assurance, and quality control programs to manage operational risk. BK General Insurance will accept controlled risks in operational activities and processes, but will remain in compliance with applicable legal requirements.

### 6. Cybersecurity Risk

Cybersecurity is an increasing threat as BKG I pursues its digitalization strategy. Therefore, our company continuously invests in strengthening its IT infrastructure and implementing robust and updated cybersecurity strategies. In 2024, we invested in setting up firewalls as an initial level of security. Next year, we will accelerate our efforts by setting up additional layer of securities such as multi-factor authentication and AI-powered threat detection.

### 7. Climate Change Risk

BK General Insurance has put in place some controls to monitor this risk that increasingly affects our customers and day-to-day operations. Agriculture, one of our largest business segments, is particularly exposed to climate change. BK General Insurance effectively supports farmers to mitigate this risk by encouraging proper irrigation, recommending the use of crop varieties resistant to heavy rains and droughts, promoting mandatory adherence to season calendar and planting window, and following instructions from Rwanda Meteorology on climate changes. In addition, staff members of BKG I completed a ESG training program organized by the Group and will spearhead our forthcoming ESG committee. In the year to come, they will contribute to the development of a comprehensive ESG framework and guide sustainability efforts to enhance our operations and products.

**“Our resilience is built on proactive risk management guided by strong governance. We monitor and mitigate key risks to protect stakeholders and ensure sustainable growth.”**



# Fraud Risk Management

BK General Insurance is committed to the culture of good corporate governance, compliance and ethical behaviour in exercising its business activities. As part of this culture the company is committed to maintaining an open environment in which employees are able to report unethical, unlawful, and undesirable conduct without fear of intimidation.

Fraud is defined as any intentional act or omission designed to deceive others resulting in the victim to suffer the loss and or the perpetrator achieving a gain. It is perpetrated by individuals knowing that it could result in unauthorised benefit to him/her or to another person and can be perpetrated by persons inside or outside the organization. Specifically, fraud in insurance is defined as an act or omission to gain dishonest or unlawful advantage for a party committing fraud or for other parties. Fraud in insurance companies can be categorised into: claims fraud, intermediary fraud, policyholder fraud, internal fraud, third party fraud and other frauds.

The company does not tolerate any unethical or dishonest behaviour even if the outcome of the behaviour benefits the company itself. Violators will be prosecuted and may be terminated and sent to appropriate authorities. The company values integrity, honest, and fairness in everyone from top to bottom.

This encourages openness to prevent any malpractice and cover-up and create a positive workplace environment where employees have a positive feeling about the company. The board of directors, managers and officers have set a ton for ethical behaviour by behaving ethically and openly communicating the expectations of good behaviour to employees. Integrity is a requirement for everyone in the company as reflected in the human resources policy and other policies of the company.

All employees within senior management, claims and finance functions, as well as other employees in areas exposed to the risk of unethical behaviour (e.g., procurement, sales and marketing) are required to sign a confirmation statement acknowledging that they have read, understood and complied with Human Resources policy and the Anti-fraud policy statement of the company.

As part of the company's due diligence for fraud detection and mitigations, background checks on new employees and personnel (management and staff), insurance agents, and brokers are carried out in order to prevent fraud at the source. Exit interviews are conducted to the retiring, terminated and resigning employees regardless of their position to identify potential fraud and vulnerabilities to fraud that may be taking place in the company. Staff rotations and tying employee evaluations to ethics or compliance reviews and internal control reviews also help to prevent fraud at the source.



**“BK General Insurance upholds integrity, ethical conduct, and zero tolerance for fraud. We promote transparency, protect whistleblowers, and enforce strict compliance through policies, checks, and accountability at all levels.”**



# Corporate Governance Framework

## Upholding Integrity, Accountability, and Transparency

At BK General Insurance Company Limited, strong corporate governance is foundational to our success. It ensures that we operate with integrity, make responsible decisions, and maintain the trust of our stakeholders. Our governance framework is built to support sustainable value creation while promoting transparency, accountability, and sound risk management.

BKGI's Board of Directors is committed to the highest standards of corporate governance, in compliance with regulatory requirements and industry best practices. The roles and responsibilities of the Board and its various committees are clearly defined, ensuring effective oversight and strategic guidance across the organization.

To strengthen governance oversight, the Board operates through dedicated committees; Audit, Risk Management, Investments, Assets, Liability and Human Resources, and Underwriting and Claims Strategy each with distinct mandates and composed predominantly of independent, non-executive directors. These committees meet regularly to assess performance, manage risk, and ensure compliance with both financial and operational standards.

Furthermore, we maintain a clear separation between the roles of the Board Chairperson and the Managing Director. This structure reinforces balanced leadership and enhances accountability in the day-to-day running of the business.

As we continue to grow and adapt in a dynamic market environment, our corporate governance practices will remain a cornerstone of how we protect the interests of our customers, employees, shareholders, and the broader community.



**Chantal Habiyakare**  
Chairperson of the Board  
Independent



**Jean Enoch Habiyambere**  
Vice Chairperson  
Independent



**Nicolas Murimi**  
Board Member  
Non-Independent



**Achumile Majija**  
Board Member  
Independent



**Athanase Rutabingwa**  
Board Member  
Independent



**Shehzad Noordally**  
Board Member  
Independent



**Patrice Bastide**  
Board Member  
Non-Independent

The Board of Directors plays a pivotal role in shaping BKGI's strategic direction, maintaining financial integrity, and ensuring prudent risk management. With a blend of independent and non-independent directors, the Board fosters a balance between strategic oversight and operational excellence. To reinforce accountability, the Board operates through specialized committees:

## BK General Insurance

### Board Attendance

| Name                   | Title         | Meeting Attended |
|------------------------|---------------|------------------|
| Chantal Habiyakare     | Chairperson   | 4/4              |
| Jean Enoch Habiyambere | Vice chairman | 3/4              |
| Nicolas Murimi         | Director      | 3/4              |
| Achumile Majija        | Director      | 4/4              |
| Athanase Rutabingwa    | Director      | 4/4              |
| Shehzad Noordally      | Director      | 4/4              |
| Patrice Bastide M.G.M  | Director      | 4/4              |

### Audit Committee

The Audit Committee in principle meets quarterly or as required. In accordance with regulatory requirements, the committee comprises non-executive members of the Board who are independent of the day-to-day management of the company's operations with only one non-independent director. The committee deals with all matters relating to the financial statements and internal control systems of the Company including dealing with independent auditors and National Bank of Rwanda inspectors. Below is the table indicating the composition of the Audit Committee:

| Name                  | Position | Status          |
|-----------------------|----------|-----------------|
| Shehzad Noordally     | Chairman | Independent     |
| Patrice Bastide M.G.M | Member   | Non-independent |
| Nicholas MURIMI       | Member   | Non-independent |

### Risk Management Committee

The committee was set up to assist the Board to mitigate risks in the insurance business. It meets quarterly to advise the business on all matters pertaining to risk management in the market, operations and other risks. Below is the table indicating the composition of the Risk Management Committee:

| Name                   | Position | Status      |
|------------------------|----------|-------------|
| Athanase Rutabingwa    | Chairman | Independent |
| Achumile Majijja       | Member   | Independent |
| Jean Enock Habiyambere | Member   | independent |

### Underwriting and Claims Strategy Committee

This Committee was set to assist the Board to understand the framework of the insurance business – Underwriting, Reinsurance and Claims. It reviews all reports related claims in line with corporate governance regulation and assesses the adequacy of insurance reserves. It also advises the Board on the reinsurance treaties, related capacity and retention. Below is the table indicating the composition of the Underwriting and Claims Strategy Committee:

| Name                   | Position | Status          |
|------------------------|----------|-----------------|
| Jean Enoch Habiyambere | Chairman | Independent     |
| Patrice Bastide M.G.M  | Member   | Non-Independent |
| Achumile Majijja       | Member   | independent     |

### Investments, Assets, Liabilities, and HR Committee

The committee meets quarterly where applicable to review Company's investments, assets and liabilities. In addition to that, it reviews human resource policies and make suitable recommendations to the Board on senior management appointments and other related personnel. This committee advises the Board as well on remuneration related to employees. Below is the table indicating the composition of the Investments, Assets, Liability and HR Committee:

| Name                | Position | Status          |
|---------------------|----------|-----------------|
| Athanase Rutabingwa | Chairman | Independent     |
| Shehzad Noordally   | Member   | Independent     |
| Nicholas Murimi     | Member   | Non-independent |

### Separation of Role of Chairman from Managing Director

The Chairman is responsible for managing the Board and providing leadership to the Company while the Managing Director is responsible to the Board for running the business in accordance with the delegation of powers given by the Board. The Managing Director directs the implementation of Board decisions and instructions and the general management of the business with the assistance of the Senior Management Team.

# Our Business





**Our Business**

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In 2024, despite global and local economic headwinds, BK General Insurance stayed the course delivering strong financial performance and reaffirming its market leadership. Through disciplined underwriting and a deep focus on customer experience, we continued to protect lives, support livelihoods, and drive sustainable value for our shareholders and communities alike.”

”



# Message From The Managing Director

## Dear Shareholders,

I hope this message finds you and your loved ones, in good health. Like in the previous four years, the economic activity across the world and domestically continued to be affected in the year 2024 by the war in Ukraine, climate change effects, insufficiency in food production, soaring inflation levels, and escalating geopolitical tensions.

This in effect, squeezed the expected activity and growth in key sectors such as construction which normally generates high insurance demand. Customers' cash flows looked weakened and paying insurance premiums became a challenge. Thus, the general insurance industry carried unexpectedly long premium installment payments that affected investment capacities.

BK General Insurance, like any other player sailing in the prevailing conditions, had quite a wave of challenges to navigate. This message gives me an opportunity to present you our results and future strategies for the growth and progress of the company.

## Financial Performance

BK General Insurance registered an unprecedented 37% growth in net profit for the year ending 31 December 2024, rising from RWF 3.1bn to RWF 4.3bn. BK General Insurance remains the most profitable general insurance company in the market for the fourth consecutive year. This was made possible by our sustained strict underwriting appraisal and the relentless efforts of our sales force and esteemed array of agents to secure new policies and foster renewals.

We registered a gross written premium income (GWP) of RWF 16.0bn in FY2024 against RWF 14.6bn in FY2023, a growth of 9%. We remarkably grew our leading product, motor insurance, which contributed to 60% of our GWP and 51% of our underwriting profit despite volatile loss ratios (especially on the passenger subclass) and intense competition.

The introduction of agriculture as an avenue to penetrate the micro-insurance space continues to show signs of potential as it registered 25% YoY growth, taking 13% of the portfolio share.

In terms of claims settlement, 4,429 claims were settled in 2024 compared to 3,458 claims settled in 2023, resulting in a paid amount of approximately RWF 4.0Bn. However, BKGI closed 2024 with an annualized claims ratio of 33%, one of the best in the market and in line with the underwriting philosophy established by the Board of Directors.

Looking at the technical revenues of BK General Insurance portfolio, I would like to communicate that the healthy line formed since the inception of the company continues to withstand the test of time. Our underwriting net profit grew YoY by 49%, from RWF 2.4Bn to 3.6Bn by end of 2024. This remains the best in the industry and unrivalled in the region.

The investment arm of the book continues to grow despite the cash flow challenges due to delayed premium payments from our customers. This secondary line of business grew by 17% YoY, rising from RWF 1.9 to 2.3Bn in absolute figures.

## Long Term Growth Strategy

Since its inception, the philosophy of BK General Insurance has been premised on profitability and return on investment – shareholder value. Over the years, we have remained focused on profitable growth through disciplined underwriting, sustainable value creation, and superior customer service.

Excellence in customer service remains one of our core pillars of strength. We believe that customer centricity is pivotal for any organization that strives to build solid and long-lasting business loyalty. Customer centricity largely revolves around being able to solve any issues that our clients may face and being able to promptly adapt to new opportunities to improve customer experience.

Our recent launch of agriculture, leveraging the partnership with the Government (Ministry of Agriculture-Minagri), has magnified our commitment to engage customers, especially the below the pyramid customer. This resonates directly with BK Group's moto of transforming community livelihoods.

## Diversity and Inclusion

BK General Insurance remains committed to building an inclusive work environment where people from diverse backgrounds and genders can come together without any social barriers. An amalgamation of diverse knowledge, experience, and thought-processes is the key to building an adaptive and innovative organization.

We are striving towards making our diversity, equity, and inclusion approach more contemporary to promote higher representation of diversity in the areas of gender, generation, and probably people with disabilities. As part of our action plan, we have reached almost equal gender representation of 49% of overall BK General Insurance staff headcount.

## Giving Back to the Society

The insurance sector is a major economic driver globally, not just by the virtue of the scale of investments it holds but also by the number of lives it touches. With multiple initiatives across domains, we also try to contribute towards social and environmental issues that call for immediate attention.

In collaboration with our sister company, BK Foundation, and The Ministry of Education, and in a bid to raise funds to feed school learners, employees of BK General Insurance participated in sponsoring this initiative, raising RWF 30.0M for such a noble cause.

Apart from our ongoing initiatives, and as part of our mission of insurance education and awareness, BK General Insurance sponsored the Road Safety Education program implemented by the National Police for a total amount of RWF 20.0M.

## ESG Focus

Renewing our commitment to Environmental, Social, and Governance (ESG) principles, BK General Insurance has realigned its strategic plan to embed ESG policies. We also have integrated ESG criteria into our risk management framework, thereby allowing us to take decisions based on long-term impact and sustainability.

**Alex N. BAHIZI**

**Managing Director, BK General Insurance**

BK Group Board has established a Foundation whose key pillars include Environmental Conservation and ESG. BK General Insurance has pledged 1% of its annual net income to the Foundation.

## Way Forward

The rate of change in recent times has accelerated way beyond a human mind can understand and plan for. However, we have all witnessed that the power of resilience and sustainable structures can withstand the most challenging of circumstances.

BK General Insurance will proactively implement strategies to stay ahead of the business threats whether internal or external. Customers are increasingly demanding and competition will remain a challenge to reckon with throughout the coming year and beyond. Challenges of the present and future will only change shape but remain probable occurrences.

We intend to expand and diversify our distribution channels, initiate digital technology to make business acquisition and claims settlement services more reliable and friendly. We shall deploy significant investments in these areas. The ongoing digitalization process will inevitably improve the turnaround time to record and assess claims, enabling us to pay claims in minutes and onboard customers through their phone. Good revelation is that, even customers with feature phones without internet connection will be served through our digital platforms.

## Recognition of the Board & Staff

I would like to express my gratitude to the Board of Directors for their unwavering support and guidance throughout the year. Their strategic vision and leadership have been instrumental in shaping our 2024 achievements

I would also like to thank our dedicated team of employees for their hard work and commitment to excellence and customer centricity. Their efforts have not gone unnoticed, and I am proud to lead such a talented and dedicated team.

**“At BK General Insurance, 2024 was a year of purpose-driven progress. We advanced diversity and inclusion with near-equal gender representation, deepened our social impact through partnerships supporting education and road safety, and strengthened our ESG commitments with long-term sustainability embedded in our strategy. As we invest in digital transformation and expand access to underserved communities, our focus remains on creating a resilient, inclusive, and forward-looking organization. These achievements are made possible by the vision of our Board and the dedication of our team, to whom I extend my deepest appreciation.”**

# Executive Leadership



**Alex N. Bahizi**

Managing Director



**Adolphe Ngunga**

Chief Operating Officer



**Alice Rwagasana**

Chief Commercial Officer



**Juvenal Seruzindu**

Chief Finance Officer

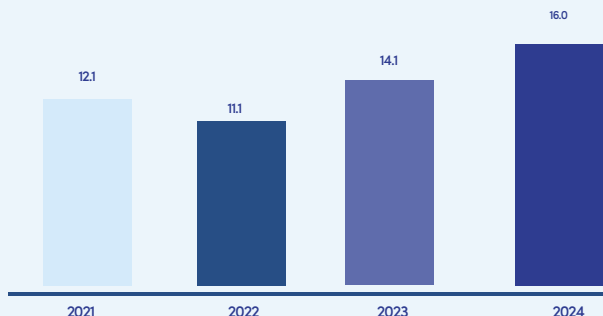


**Joelle G. Ruzigana**

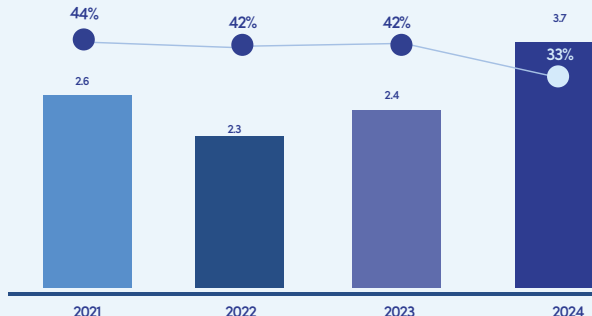
Company Secretary

# Key Financial Highlights

Gross Written Premium

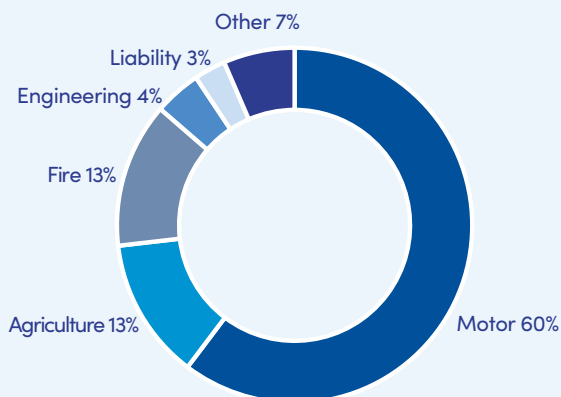


Underwriting Profit and Loss Ratio

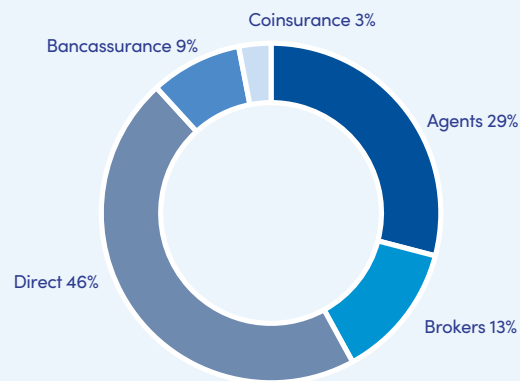


## Key Ratios

Gross Written Premium by Product



Gross Written Premium by Channel

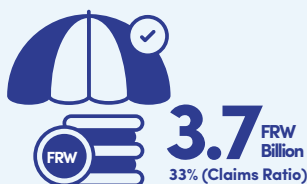


## Business Operations & Segments

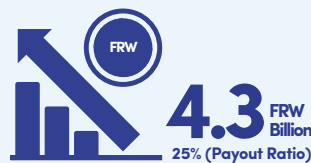
Gross Written Premium



Underwriting Profit



Net profit



Investment Income



## Balance Sheet and Prudential Ratios

Total Assets



Total Equity



Solvency Ratio



Risk-Based Capital

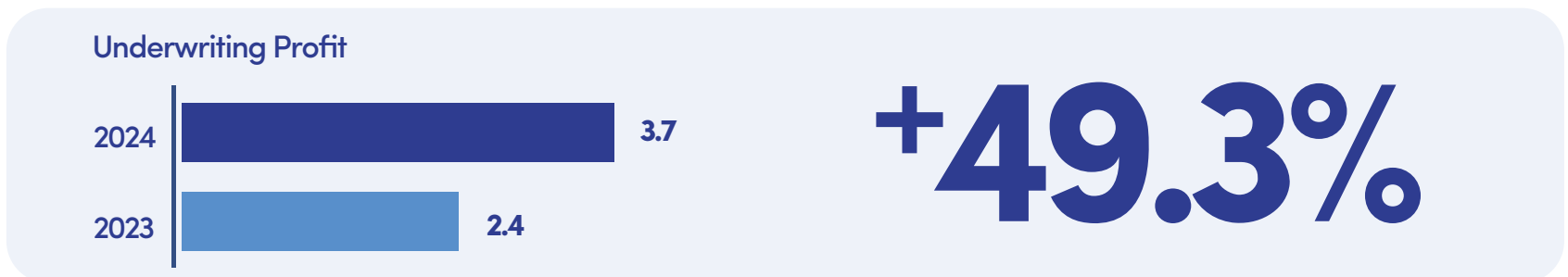
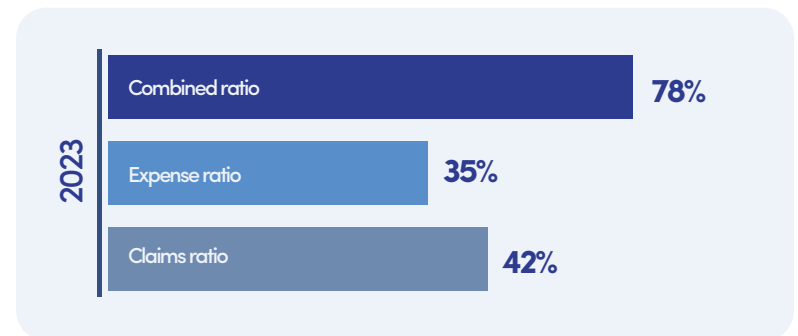
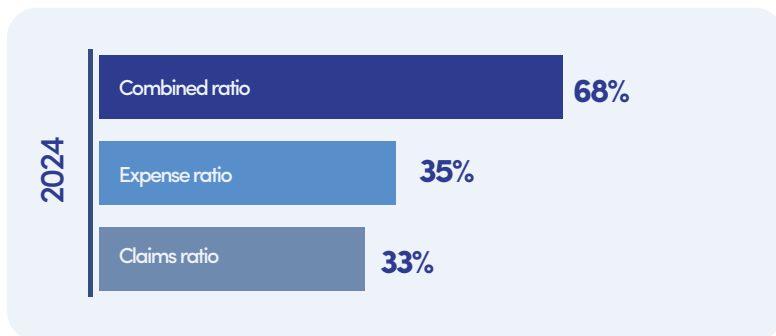


# Business Performance

This year, we experienced meaningful volumes growth across most product classes. We also deepened our penetration of the agricultural segment, expanding its share within the overall product mix to 13%. As a result, BK General Insurance is progressively mitigating its exposure on motor insurance.

| Product     | Portfolio Mix | Growth Rate |
|-------------|---------------|-------------|
| Motor       | 60%           | 9.0%        |
| Fire        | 13%           | 7.3%        |
| Agriculture | 13%           | 24.7%       |

Our disciplined approach to risk management continued to deliver compelling margins. Notably, motor, fire, and engineering insurance, our core product offering, remained highly profitable. This performance reflects our effective pricing strategies, disciplined underwriting, and efficient management of claims. In turn, those strategic efforts contributed to a substantial 49.3% increase in underwriting profit.



Additionally, BKGI continued to diversify its distribution network with notable progress in thoughtfully expanding its agency network. By the end of 2024, the total number of agents had increased to 126, contributing to a rise in GWP generated through this channel—from 26% in 2023 to 29% in 2024. This growth underscores the effectiveness of our investment in agency development and training.

Direct business continues to serve as the company's largest and most stable channel, delivering consistent performance and broad market reach.

Bancassurance remained steady throughout 2024 and is expected to gain momentum in 2025, supported by ongoing strategic initiatives aimed at reinforcing the partnership with our sister company, Bank of Kigali.

As we look ahead, sustaining profitability in our core lines while improving margin performance in high-growth areas such as agriculture will remain a strategic priority.

# Our Approach to ESG



**Our Approach to ESG**

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## Our Philosophy

Beyond numbers, BK General Insurance aims to be a catalyst for positive change and is steadfast in its mission to build a resilient and future-ready community. In 2024, ESG considerations are becoming an integral part of our strategy and ambitions.

This year, staff members across all functions of BK General Insurance engaged in a comprehensive ESG training program organized by the Group, subsequently stepping into the role of sustainability champions within BKGI. These champions are forming core group of our forthcoming ESG committee, which will be responsible for establishing a comprehensive ESG framework and shaping our sustainability efforts.

With sustainability and environmental practices increasingly embedded in our business model, our company has actively been driving meaningful impact for its stakeholders and is committed to sustaining this momentum.

## Our Stakeholders

### Our Customers

BK General Insurance strives to protect the long-term well-being of its customers while empowering them to own their future. To deliver maximum value for its clients, BKGI proactively engages them to understand their needs and develop tailored and sustainable insurance products that address their unique demands. To this end, BK General Insurance uses insights from regular customer and NPS surveys.

BK General Insurance is particularly committed to supporting vulnerable communities and has become the leading insurance partner of the agriculture sector. In 2024, premiums related to agricultural products, including our sustainable weather-index insurance coverage, increased to FRW 2.1bn compared to FRW 1.7bn in 2023.

Beyond our regular operations, BK General Insurance provided sponsorship amounting FRW 27.0M in equipment and machinery to support farmers and help mitigate challenges arising from climate change..

### Our Communities

Throughout this year, we deepened our commitment to building sustainably resilient communities and empowering them to face environmental, societal, and financial challenges:

- Employees of BKGI raised over FRW 5.0M to the DUSANGIRE National Lunch campaign, contributing to the delivery of daily meals for 100,000 primary school students.
- As part of our mission of insurance education and awareness, BK General Insurance sponsored the Road Safety Education program implemented by the National Police for a total amount of FRW 20.0M

Additionally, BK General Insurance pledged 1% of its annual net income to the BK Foundation, the philanthropic arm of the BK Group.

**“Beyond numbers, BK General Insurance is committed to being a catalyst for meaningful, lasting change. In 2024, we embedded ESG deeper into our strategy training ESG champions, strengthening governance, and delivering real impact to our customers, communities, employees, and shareholders. From expanding sustainable agricultural insurance to investing in employee wellness and education initiatives, we are building a resilient, inclusive future. Our focus remains clear: to protect, empower, and grow alongside the people we serve.”**



## Our Employees

BK General Insurance continuously seeks to build a conducive working environment for its 53 employees. Collaboration, fairness, and employee well-being are at the core of our operations. Driven by our commitment to the welfare of our team members BK General Insurance nurtures a learning environment, continuously supporting employees in their professional development journey.

This effort adds to a variety of other benefits, including 100% gym subsidy and a free daily lunch program that has effectively contributed to mitigate the burden of rising living costs and to the nutritional health of employees.

Furthermore, BK General Insurance strives to ensure equitable gender representation. At the end of 2024, female representation accounted for 49% of the total workforce.

As a result, BK General Insurance achieved a 68 NPS in the latest employee survey.

### Employee Age Group and Gender Breakdown

| Age Band     | Number Of Staff | Female    | Male      |
|--------------|-----------------|-----------|-----------|
| Under 25     | 2               | 3         | 0         |
| 25-30        | 8               | 5         | 3         |
| 31-35        | 13              | 8         | 5         |
| 36-40        | 11              | 3         | 8         |
| 41-45        | 7               | 3         | 4         |
| 46-50        | 7               | 1         | 5         |
| Above 50     | 5               | 3         | 2         |
| <b>Total</b> | <b>53</b>       | <b>26</b> | <b>27</b> |

## Our Shareholders

To uphold its engagement to creating value for shareholders, BKGI has built a robust governance framework consisting of a well-established executive board with dedicated strategic committees, transparent reporting and systematic internal audits, and ongoing risk management monitoring. Additionally, effective and unbiased oversight of the company is supported by the structure of its board, which comprises five independent directors out of seven.

Looking ahead, BK General Insurance is poised to accelerate the development and implementation of its ESG strategy, supported by the forthcoming internal ESG committee.

**“The most important person in any company is the one who works there”**

# Initiative Highlights

In 2024, BK General Insurance implemented several strategic and socially impactful initiatives that aligned with its mission to promote inclusive financial protection and strengthen community resilience. These efforts reflect our continued commitment to innovation, customer service, and social responsibility across Rwanda.

## 1. Strengthening Agribusiness

Since launching our agribusiness portfolio in 2021, BKGI has emerged as the leading insurer for farmers in Rwanda. In 2024, agribusiness accounted for 13% of BKGI's gross written premium (GWP).

- FRW 27.0M Invested in Cooperative Growth

We sponsored agricultural cooperatives to acquire essential tools such as motorcycles, spraying pumps, and office equipment. This support empowers farmers to expand operations and manage risks effectively.

- Funding Infrastructure for Coporika

A contribution of RWF 5.0M was made to Coporika, an agricultural cooperative, to construct a commercial building for administrative and business activities—strengthening the sustainability of the cooperative model.



## 2. Promoting Road Safety: Partnership with Rwanda National Police

In partnership with the Rwanda National Police, BKGI sponsored a RWF 20.0M road safety campaign in December 2024. This initiative focused on pedestrian safety, particularly around crosswalks. Volunteers were hired in high-traffic areas to guide and protect pedestrians, reducing the risk of accidents.

## 3. Supporting Educational Leadership

In May 2024, BKGI contributed RWF 3.0M to the Head of Schools Organization of Rwanda, which represents over 9,645 schools nationwide. The funds supported the “30 Years of Rwanda Education Transformation Journey” event—aimed at celebrating progress in the education sector and promoting awareness of insurance products such as school liability and fire & allied perils insurance.

## 4. Community Support: Uplifting Vulnerable Families

At BKGI, social responsibility is not just a duty—it is a value. In 2024, we provided RWF 5.0M in direct support to a single mother caring for her disabled child, enabling her to regain dignity and independence. The support included a wheelchair, a cow, and house renovations, helping the family recover from the economic impact of her inability to farm.



# Our Human Capital Development Strategy

At BK General Insurance, we believe that our employees are the driving force behind our success which they enable through their collective knowledge, skills, experience and abilities.

Our human capital strategy has been constantly evolving to adapt and align to changes in external environment, internal needs and requirements and this in turn has shaped the associated systems, processes and practices enabling our employees to deliver superior performance and growth for the present and beyond.

Below are the key pillars of BK General Insurance's Human

## PILLAR 1: ORGANIZATION DESIGN AND WORKFORCE PLANNING

Based on the evolving external environment, organisational strategy, technological changes, organisational life cycle and culture, the organization design and structure are refreshed on an ongoing basis. This ensures that we are able to build capabilities for growth and competitiveness and drive effectiveness to attain our strategic goals in an efficient manner. Based on the organisational strategic objectives, the current and future workforce requirements are reviewed every year. This includes understanding how workload and employee requirements would get impacted with the new plans and how productivity improvement opportunities can be best leveraged to address them. Assessment of the existing workforce in terms of talent mix, availability and skills and competencies is done to understand how the existing workforce can align or support the annual as well as the long-term requirements and what are the existing gaps. Talent management interventions and plans are agreed and rolled out to address the key gaps which have the greatest impact on organisational performance and help meet the strategic objectives. In addition, periodic productivity studies help us keep a check on the efficiency of the workforce.

## PILLAR 2: PERFORMANCE MANAGEMENT

Our performance management systems and allied processes have been designed to reinforce a high-performance culture. Philosophically, we practice meritocracy where rewards are aligned with performance. Based on the cascade of organisation goals and priorities to rest of the organisation, Individual Key Performance Indicators (KPI) and targets are assigned to employees. These KPIs and the achievements against the targets are reviewed every quarter to factor in any changes in business priorities during the year and for course corrections to further improve performance. This process helps drive superior performance of employees year-on-year by continuously raising the bar. Regular recognition of top performers at the national and regional levels helps drive and reinforce the performance culture. Performance-related interventions have also been customised for few businesses based on their unique needs and aligned to industry practices. Regular

tracking of the performance input parameters in the form of Critical Success Factors has been also deployed. This helps the manager to get visibility on the progress made by the employee in their efforts to achieve the KPIs and also help employee get regular feedback of such progress. The entire performance management process is hosted on & deployed via the HRMS system helping drive a robust tracking and feedback mechanism especially in the hybrid working environment.

## PILLAR 3: TALENT MANAGEMENT AND SUCCESSION PLANNING

Our integrated talent management which embodies identifying talent requirements, hiring the right talent, providing need-based development and career growth opportunities and rewarding for high performance, has been a key enabler for business performance and long-term growth. The current talent management framework, systems and processes have been operational for several years now and has helped build a robust talent pipeline which continues to be our enduring strength. Based on recent findings, changes in the Talent Management processes are planned in a phased manner. The key highlights of the changes implemented in the first phase were refreshing the model of potential and assessing potential using a fair, scientific and objective method, creating a leadership assessment process incorporating these changes, metrics to govern the new process and outcomes and refreshing the criteria for disbursement of long-term rewards.

## PILLAR 4: TALENT DEVELOPMENT

Based on evolving business needs and priorities and the transition to hybrid working, the learning & development agenda too has transitioned to adapt to these changes. Structured on-boarding and induction at the time of joining, job knowledge awareness sessions and certifications, functional domain inputs and people capability certifications equip our employees to meet the expectations and challenges in their roles. Leadership development interventions also help build a strong pipeline of leaders to take on higher and challenging responsibilities for the future. Virtual workshops including certifications enabled mid to senior managers with feedback skills, holding performance-coaching discussions in hybrid-working and action learning. Various learning initiatives have been rolled out to strengthen collaboration in hybrid working & alignment to organizational communication standards. Digital adoption is a critical pillar of the new learning philosophy.

## PILLAR 5: EMPLOYEE COMMUNICATION

We realise the importance of a continuous two-way communication with employees and continue to leverage multiple mediums & forums such as to listen, inform, communicate, build alignment and

educate employees about the organisation's goals, processes and systems periodically. Additionally, forums like meetings, workshops are aimed at discussing and updating the leadership team on the overall business and people strategy and plans, share best practices and review the progress made on business and critical enterprise initiatives. Employees are also updated through noticeboards and Local Area Networks (LANs) like intranet. In addition, as part of the integration of employees following the merger, communication helped employees understand the changes and transition and settle down quickly. Communication on employee initiatives, benefits, processes, health and wellness and recognition at regular intervals continued through different communication modes including mailers, posters, and audio-visuals, among others. Social connect and bonding amongst employees is facilitated through hobby groups and informal chat rooms.

#### **PILLAR 6: BUILDING CULTURE AND EMPLOYEE ENGAGEMENT**

We regularly align and educate employees on our guiding principles, which help employees understand how we can meet the evolving needs and expectations of our key external and internal stakeholders to achieve our organisational goals. This approach helps us to build a collective mindset and drive the behavioural standards across the board. Further, the initiatives taken on the feedback shared by employees and the recognition and celebration of teams who deliver organisational priorities by demonstrating and living up to these behavioural standards, help reinforce and strengthen the culture. The impact of these interventions to address the feedback have been duly validated through employee evaluations, the scores of which have improved consistently over the last years.

#### **PILLAR 7: PEOPLE AND CULTURE INTEGRATION**

During the year, a people and culture integration plan was deployed to ensure smooth transition of the incoming employees and their integration into the combined organisation. A critical pillar of the new learning philosophy.

#### **PILLAR 8: DIVERSITY EQUITY AND INCLUSION**

We believe in reinforcing and ultimately building a workplace culture where everyone feels included and respected. It includes building an environment where we value individual differences and leverage them for a variety of perspectives, ideas and decisions which will be the key to our success. This year, we renewed our focus on the Diversity

Equity and Inclusion (DE&I) agenda through a structured programme management approach.

#### **PILLAR 9: TECHNOLOGY ADOPTION**

Through the Human Resource Information System (HRIS), we brought the entire HR processes and systems encompassing the employee's entire life-cycle activities under a unified platform offering anytime, anywhere access to leaders and employees. Apart from carrying out daily transactions and executing the processes, this platform ensures the availability of information to all employees at a single place at the click of a button and also brings in uniformity and transparency of information for easy decision-making.

#### **PILLAR 10: HYBRID WORKING**

As we gradually moved towards normalcy after the pandemic, we introduced and evolved the new ways of working. We launched remote working during the pandemic which gradually evolved to hybrid working offering employee's location to work from office and home base location or completely from remote locations or from office, depending on the nature of roles. Such arrangements helped employees manage work & personal commitments better while continuing to focus on performance outcomes and impact. Given the benefits of such hybrid work arrangements for all, we have adopted it as an on-going work arrangement along with supportive work practices to make it effective, post the opening up and return to work.

#### **PILLAR 11: MEASURING THE PROGRESS**

We have well-defined metrics to help us track the progress made on the various interventions and the resulting outcomes of the human capital development process. These metrics are tracked on a regular basis with corrective actions being taken or the process being fine-tuned wherever necessary. Some of these outcomes include employee engagement scores, diversity and mix of talent, internal talent occupying leadership positions, employee attrition and retention of key talent, average tenure of employees, average experience of leadership team and senior management, time invested in learning, skill and leadership certification of employees and employee costs. As we continue on our organisational journey to drive superior performance and growth, our employees as our key assets continue to play a critical role. Accordingly, we continue to evaluate and remodel our people practices to improve resilience, agility and flexibility and further strengthen our position as an equal opportunity employer and an employer of choice to enable them in this journey.

**“Our people are our greatest asset. In 2024, we embraced new ways of working, integrated new talents, and advanced a people strategy rooted in performance, learning, and inclusion. By investing in our employees and adapting to a changing world, we continue to build a resilient, future-ready workforce that drives growth and impact.”**

# Financial Statements & Notes



**Financial Statements & Notes**

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## **BK GENERAL INSURANCE COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024**

BK General Insurance Company Ltd, a subsidiary of Bank of Kigali Group PLC, was incorporated as a limited liability company on 16th September 2015 by the Rwanda Development Board and was licensed by the National Bank of Rwanda to transact non-life insurance business on 22 March 2016.

### **Our Vision**

To be a leading provider of innovative, high quality insurance services.

### **Our Mission**

To provide innovative, high quality insurance services that add value to shareholders' investments through technology-enhanced products and motivated professional staff.

### **Our Goals**

To exceed customer expectations and we have put in place strategies to become a customer centric company.

### **Registered office**

#### **BK General Insurance Company Ltd**

TIN: 103752228

P.O. Box 724 Kigali, Rwanda

E: [bkinsurance@bk.rw](mailto:bkinsurance@bk.rw)

W: [www.bkgi.rw](http://www.bkgi.rw)

### **Bankers**

#### **Bank of Kigali Plc**

Kigali, Rwanda

#### **Cogebanque Plc**

Kigali, Rwanda

#### **Zigama CSS**

Kigali, Rwanda

#### **Equity Bank Rwanda Plc**

Kigali, Rwanda

#### **I&M Bank Rwanda Plc**

Kigali, Rwanda

#### **CBA Rwanda Plc**

Kigali, Rwanda

#### **KCB Bank Rwanda Plc**

Kigali, Rwanda

#### **Banque Populaire du Rwanda Plc**

Kigali, Rwanda

#### **Bank of Africa Rwanda Plc**

Kigali, Rwanda

## BK GENERAL INSURANCE STATEMENT OF THE DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The directors have the pleasure of submitting their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of BK General Insurance Company Limited (the "Company").

### PRINCIPAL ACTIVITY

The Company underwrites classes of non-life (short term) insurance risks as defined by Law No. 52/2008 governing the organisation of insurance business in Rwanda.

### RESULTS

The results for the year are set out on page 64 to 145

### DIVIDEND

The directors recommend payment of dividend for the year ended 31 December 2024 Amounting to Rwf'000. 1,086,087 (2023: FRW'000. 790,266).

### RESERVES

The reserves of the company are set out on page 64 to 145

### DIRECTORS

The Directors who served during the year and up to the date of this report are:

| Structure              | Title            | Status                 |
|------------------------|------------------|------------------------|
| Chantal Habiyakare     | Chairperson      | Independent member     |
| Jean Enoch Habiyambere | Vice Chairperson | Independent member     |
| Nicolas Murimi         | Director         | Non independent member |
| Achumile Majjja        | Director         | Independent member     |
| Athanase Rutabingwa    | Director         | Independent member     |
| Shehzad Noordally      | Director         | Independent member     |
| Patrice Bastide M.G.M  | Director         | Non Independent member |

The members of board committees who served during the year and to the date of this report were:

| Audit committee             | Risk management committee     | Underwriting&Claims Strategy committee | IAL&HR Committee              |
|-----------------------------|-------------------------------|--|-------------------------------|
| Shehzad Noordally, Chairman | Athanase Rutabingwa, Chairman | Jean Enock Habiyambere, Chairman       | Athanase Rutabingwa, Chairman |
| Patrice Bastide M.G.M       | Achumille Majjja              | Patrice Bastide M.G.M                  | Nicholas Murimi               |
| Nicholas Murimi             | Jean Enock Habiyambere        | Achumille Majjja                       | Shehzad Noordally             |

### AUDITOR

Ernst & Young Rwanda Limited as the external auditors in accordance with Regulation No. 44/2022 of 02/06/2022 on accreditation requirements and other conditions for external auditors for financial institutions and expressed willingness to continue in office.

By Order of the Board



**Joelle G. RUZIGANA**  
Company secretary

## **BK GENERAL INSURANCE CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

The Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023 requires the directors to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the Company's profit or loss. It also requires the directors to ensure that the Company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company.

The director accepts responsibility for the annual financial statements, which have been prepared using appropriate Material Accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The director further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, the Company's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 governing companies.

### **Approval of annual financial statements**

The financial statements on pages 64 to 145 were approved by the Board of directors and are signed on its behalf by:

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BK GENERAL INSURANCE

BK General Insurance Company Limited is owned by BK Group PLC and SWAN General Limited with 70% and 30% stakes respectively.

BK General Insurance Company Limited (“BK GI”) is committed to adhering to the highest standards of good corporate governance at all levels of its operations. This commitment is rooted in our core values and beliefs. We have put in place elaborate governance processes, which comply with best practice as set out in various codes on Corporate Governance.

### Board Of Directors & Their Meetings Attendance

The Board consists of four independent non-executive directors. The Board is composed of directors with a good mix of skills, experience, and competencies in the relevant fields of expertise and is well placed to take the business forward. Appointments to the Board are made after careful consideration.

During the year, the Board convened and held four (4) ordinary meetings. All the meetings convened had sufficient quorum. A review of attendance to meetings by individual members during the period under review indicates that all the members gave sufficient time and attention to the affairs of the Board.

The Directors in office and their attendance to main Board are as follows:

### Board Charter and Work Plan

The Board Charter contains provisions that ensure that the Board observes best practice in corporate governance and contains among other things; the size, role and functions of the Board; appointments, induction and tenure of directors and Board performance evaluation and remuneration of directors. The Work Plan has a formal schedule of matters specifically reserved for the Board’s attention to ensure it exercises full control over all significant matters. It sets out the schedule of meetings of the Board and its committees and the main business to be dealt with at those meetings. Additional meetings are scheduled as and when the need arises.

### Board Meetings

The Board of Directors meet quarterly or as required in order to monitor the implementation of the Company’s planned strategy, review it in conjunction with its financial performance and approves issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning.

| Name                   | Title         | Meeting Attended |
|------------------------|---------------|------------------|
| Chantal Habiyakare     | Chairperson   | 4/4              |
| Jean Enoch Habiyambere | Vice chairman | 3/4              |
| Nicolas Murimi         | Director      | 3/4              |
| Achumile Majjja        | Director      | 4/4              |
| Athanase Rutabingwa    | Director      | 4/4              |
| Shehzad Noordally      | Director      | 4/4              |
| Patrice Bastide M.G.M  | Director      | 4/4              |

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BK GENERAL INSURANCE

### Board Committees

The Board has created the following principal committees, which normally meet on quarterly basis under well-defined and materially delegated terms of reference set by the Board.

#### a. Audit Committee

The Audit Committee in principle meets quarterly or as required. In accordance with regulatory requirement, the committee comprise non-executive members of the Board who are independent of the day-to-day management of the company's operations with only one Non-Independent Director. The committee deals with all matters relating to the financial statements and internal control systems of the Company including dealing with independent auditors and National Bank of Rwanda inspectors. Below is the table indicating the composition of Audit Committee:

| Names                 | Position | Status          |
|-----------------------|----------|-----------------|
| Shehzad Noordally     | Chairman | Independent     |
| Patrice Bastide M.G.M | Member   | Non-Independent |
| Nicolas MURIMI        | Member   | Non-Independent |

#### b. Risk Management Committee

The committee was set up to assist the Board to mitigate risks in the Insurance business. It meets quarterly to advise the business on all matters pertaining to risk management in the market, operations and other risks. Below is the table indicating the composition of Risk Management Committee:

| Names                  | Position | Status      |
|------------------------|----------|-------------|
| Athanase Rutabingwa    | Chairman | Independent |
| Achumile Majijja       | Member   | Independent |
| Jean Enoch Habiyambere | Member   | Independent |

#### c. Investments, Assets, Liabilities and HR Committee

The committee meets quarterly where applicable to review Company's investments, Assets and liabilities in addition to that, it reviews human resource policies and make suitable recommendations to the Board on senior management appointments and other related personnel. This committee advises the Board as well on remuneration related to employees. Below is the table indicating the composition of Investments, Assets, Liability and HR Committee:

| Names               | Position | Status          |
|---------------------|----------|-----------------|
| Athanase Rutabingwa | Chairman | Independent     |
| Shehzad Noordally   | Member   | Independent     |
| Nicolas MURIMI      | Member   | Non-Independent |

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BK GENERAL INSURANCE

### d. Underwriting and Claims Strategy Committee

This Committee was set to assist Board to understand the framework of the Insurance Business – Underwriting, Reinsurance and Claims. It reviews all reports related claims in line with corporate governance regulation and assess the adequacy of insurance reserves. It also advises the Board on the reinsurance treaties, related capacity and retention. Below is the table indicating the composition of Underwriting and Claims Strategy Committee:

| Names                  | Position | Status          |
|------------------------|----------|-----------------|
| Jean Enoch Habiyambere | Chairman | Independent     |
| Patrice Bastide M.G.M  | Member   | Non-Independent |
| Achumille Majijja      | Member   | Independent     |

### Separation of Role of Chairman from Managing Director

The Chairman is responsible for managing the Board and providing leadership to the Company while the Managing Director is responsible to the Board for running the business in accordance with the delegation of powers given by the Board. The Managing Director directs the implementation of Board decisions and instructions and the general management of the business with the assistance of the Senior Management Team.



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BK GENERAL INSURANCE

### OPINION

We have audited the financial statements of BK General Insurance Company Limited, which comprise the statement of financial position as at 31 December 2024, the statement of Comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements including a summary of Material Accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of BK General Insurance Company Limited as at 31 December 2024, and its financial performance its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to the audit of the financial statements in Rwanda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description below, of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

## REPORT OF THE INDEPENDENT AUDITORS (CONTINUED) TO THE MEMBERS OF BK GENERAL INSURANCE



### Report of the Independent Auditor on the Consolidated Financial Statements (continued)

| KEY AUDIT MATTERS   | Audit procedures to address key audit matter   |
|---|--|
| <p><b>Determination of insurance contract liabilities</b></p> <p>Insurance contract liabilities included in note 28 of the financial statements are made up the liabilities for remaining coverage and liabilities for incurred claims. These were considered a matter of most significance to the current year audit for the following reasons:</p> <ul style="list-style-type: none"> <li>• The estimation of the provisions involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred.</li> <li>• The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience.</li> <li>• The magnitude of the insurance contract liabilities balance (Rwf'000 3,496,113) in relation to total liabilities of Rwf 7,892,334 (2023: Rwf 000' 6,284,675 in relation to total liabilities Rwf 000' 10,160,554. These insurance contract liabilities involve significant judgment over uncertain future outcomes, mainly the ultimate total settlement value of the insurance contract</li> </ul> | <p>Our testing approach included amongst others, the following procedures with the assistance of our actuarial specialists:</p> <ul style="list-style-type: none"> <li>• Evaluating and testing the controls around the claim reserving and settlement process.</li> <li>• Evaluating managements' review process of the provisions.</li> <li>• Comparing, for a sample of claims, the amounts as recorded in the claims systems to source documents.</li> <li>• Reviewing the reconciliation between the claims data and that used to calculate the reserves.</li> <li>• Considering the methodology and assumptions used by the Appointed Actuary and management in the estimation of reserves and assessing the methodologies applied against general accepted actuarial approaches; and</li> </ul> <p>Back testing the robustness of the reserving process by performing an actual versus expected analysis on prior year's reserves to assess this for any surpluses or shortfalls.</p> |

#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included on pages 1 to 6 which includes the Directors' Report, Statement of Directors' Responsibilities and Statement of Corporate governance as required by Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023. The other information does not include the financial statements and our auditor's report thereon.

#### **Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Report of the Independent Auditor on the Consolidated Financial Statements (continued)



### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of Material Accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report of the Independent Auditor on the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Law No. 007/2021 of 05/02/2021 governing Companies as amended by Law No. 019/2023 of 30 March 2023,

#### We confirm that:

1. We have no relationship, interests and debts in the Group.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books.
4. We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

**Stephen K Sang**

**For Ernst & Young Rwanda Limited**

**29/03/2025**

## BK GENERAL INSURANCE COMPANY LIMITED

### FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Statement of Profit Or Loss

|   | Note        | 2024<br>Frw'000    | 2023<br>Frw'000    |
|---|-------------|--------------------|--------------------|
| Insurance Revenue                                     | 8           | 15,351,291         | 12,770,247         |
| Insurance service expenses                            | 9           | (7,489,980)        | (7,002,018)        |
| <b>Net expenses from reinsurance contracts held</b>   | 10          | <b>(1,418,663)</b> | <b>(871,296)</b>   |
| Net Insurance service result                          |             | 6,442,648          | 4,896,933          |
| Interest and dividend income                          | 11. a       | 2,309,539          | 1,969,660          |
| Estimated Credit Losses on financial assets           | 4 e<br>(ii) | (233,585)          | (146,086)          |
| <b>Net Investment Income</b>                          |             | <b>2,075,954</b>   | <b>1,823,574</b>   |
| <b>Finance expense from insurance contract issued</b> | 12          | <b>67,169</b>      | <b>7,274</b>       |
| Finance income from reinsurance contract held         | 13          | (16,478)           | 20,028             |
| <b>Net insurance finance expenses</b>                 |             | <b>50,691</b>      | <b>27,302</b>      |
| Net Insurance and investment result                   |             | 8,569,293          | 6,747,809          |
| <b>Non attributable expenses</b>                      | 14          | <b>(2,608,321)</b> | <b>(2,332,826)</b> |
| Revaluation deficit                                   |             | (115,815)          | -                  |
| Other Income  | 15          | 167,356            | 153,870            |
| Profit before tax                                     |             | 6,012,513          | 4,568,853          |
| Income Tax Expense                                    | 16          | (1,668,165)        | (1,407,789)        |
| Profit After Tax                                      |             | 4,344,348          | 3,161,064          |
| <b>Other Comprehensive Income for the year</b>        |             | <b>-</b>           | <b>-</b>           |
| <b>Total Comprehensive Income for the Year</b>        |             | <b>4,344,348</b>   | <b>3,161,064</b>   |


The notes to the financial statements on pages 67 to 145 form an integral part of these financial statements.

**BK GENERAL INSURANCE COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**Statement of Financial Position**

| <b>Assets</b>                                   |             | <b>2023</b>       | <b>2022</b>       |
|---|-------------|-------------------|-------------------|
| <b>Non-current assets</b>                       | <b>Note</b> | <b>Frw'000</b>    | <b>Frw'000</b>    |
| Equipment and motor vehicles                    | 17          | 491,515           | 266,232           |
| Intangible assets                               | 18          | 467,028           | 235,064           |
| Right-of-use assets                             | 19.b        | 337,143           | 449,524           |
| Deferred Tax asset                              | 20          | 273,046           | 160,790           |
| <b>Total non-current assets</b>                 |             | <b>1,568,732</b>  | <b>1,111,610</b>  |
| <b>Current assets</b>                           |             |                   |                   |
| Insurance contract assets                       | 21          | 467,903           | 398,548           |
| Reinsurance contracts asset                     | 22          | 2,857,410         | 2,515,513         |
| Other receivables                               | 23          | 543,511           | 501,660           |
| Deposits with financial institutions            | 24          | 9,841,962         | 8,188,298         |
| Investment in securities                        | 25          | 11,585,002        | 12,448,004        |
| Cash and bank balances                          | 26          | 801,175           | 224,940           |
| Total current assets                            |             | 26,096,963        | 24,276,963        |
| <b>Total assets</b>                             |             | <b>27,665,695</b> | <b>25,388,573</b> |
| <b>Non-current Liabilities</b>                  |             |                   |                   |
| Lease liabilities                               | 19.a        | 428,741           | 527,660           |
| Insurance contract liabilities                  | 28          | 3,496,113         | 6,284,675         |
| Deferred tax liability                          |             | 78,165            | -                 |
| <b>Total Non-Current Liabilities</b>            |             | <b>4,003,019</b>  | <b>6,812,335</b>  |
| <b>Current Liabilities</b>                      |             |                   |                   |
| Creditors arising from reinsurance arrangements | 29          | 1,656,810         | 1,026,489         |
| Tax payable                                     | 27          | 227,432           | 52,089            |
| Other payables                                  | 30          | 2,005,073         | 2,269,641         |
| <b>Total Current Liabilities</b>                |             | <b>3,889,315</b>  | <b>3,348,219</b>  |
| <b>Total liabilities</b>                        |             | <b>7,892,334</b>  | <b>10,160,554</b> |
| <b>Equity</b>                                   |             |                   |                   |
| Share capital                                   | 31          | 3,000,000         | 3,000,000         |
| Retained earnings                               |             | 15,486,280        | 12,228,019        |
| Revaluation reserve                             |             | 200,994           | -                 |
| Proposed dividends                              |             | 1,086,087         | -                 |
| <b>Total Equity</b>                             |             | <b>19,773,361</b> | <b>15,228,019</b> |
| <b>Total equity and liabilities</b>             |             | <b>27,665,695</b> | <b>25,388,573</b> |

The financial statements were approved for issue by the Board of Directors and signed on its behalf by:



Director



Director

## BK GENERAL INSURANCE COMPANY LIMITED

### FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Statement Of Cash Flows

| Cash flows from operating activities                           | Note     | 2024<br>Frw'000  | 2023<br>Frw'000    |
|--|----------|------------------|--------------------|
| Profit before income tax                                       |          | 6,012,513        | 4,568,853          |
| <b>Adjusted for:</b>   |          |                  |                    |
| Depreciation of Tangible assets                                | 17       | 78,749           | 127,797            |
| Amortization of intangible assets                              | 18       | 23,999           | 26,181             |
| Depreciation on right of use asset                             | 19.b     | 112,381          | 112,381            |
| Loss on disposal of ROU  | 19.b     | -                | 10,301             |
| Terminated lease liability                                     | 19.a     | -                | (4,240)            |
| Revaluation deficit  |          | 115,815          | -                  |
| Write off on non-recoverable VAT                               |          | -                | 188,950            |
| Movement into expected credit loss of financial assets         | 4 e (ii) | 233,585          | 146,086            |
| Financial interest expense on lease liability                  | 19.a     | 87,081           | 103,266            |
| Interest income earned   | 11.a     | (2,309,539)      | (1,969,660)        |
|  |          | <b>4,354,584</b> | <b>3,309,915</b>   |
| <b>Changes in working capital:</b>                             |          |                  |                    |
| Increase / (decrease) in other receivables                     | 23       | (41,851)         | (251,765)          |
| Increase/(decrease) in reinsurance assets                      | 22       | (341,897)        | (312,340)          |
| Increase/ (decrease) in insurance contract asset               | 21       | (69,355)         | 2,694,235          |
| Increase /(decrease) in insurance contract liabilities         | 28       | (3,011,752)      | (1,647,948)        |
| Increase / (decrease) in reinsurance and coinsurance payable   | 29       | 630,321          | 94,728             |
| Increase / (decrease) in other payables                        | 30       | 525,698          | 399,674            |
| Tax paid in the year   | 27       | (1,605,078)      | (1,594,335)        |
| <b>Net Cash flows generated from operations</b>                |          | <b>440,670</b>   | <b>2,692,164</b>   |
| <b>Cash flows from investing activities</b>                    |          |                  |                    |
| Purchases of property and equipment                            | 17       | (140,688)        | (127,297)          |
| Purchases of intangible assets                                 | 18       | (255,963)        | (51,100)           |
| Purchase of term deposits with financial institutions          | 24       | (3,000,000)      | (2,200,000)        |
| Proceeds from disposal of deposits with financial institutions | 24       | 1,500,000        | -                  |
| Interests received from Bank deposits                          | 24       | 751,565          | 534,244            |
| Purchase of T.Bonds  | 25 (i)   | -                | (1,203,153)        |
| Proceeds from disposal of T.Bonds                              | 25 (i)   | 988,588          | -                  |
| Interest received from T.Bonds                                 | 25 (i)   | 1,125,023        | 1,099,420          |
| Purchase of commercial paper                                   | 25 (ii)  | -                | (842,074)          |
| Interest received from commercial paper                        | 25 (ii)  | -                | 120,074            |
| Interest received from corporate bond                          | 25 (iii) | 124,999          | 125,000            |
| Interests received from bank current accounts                  | 11.a     | 20,519           | 8,051              |
| <b>Net cash generated/(used) from investing activities</b>     |          | <b>1,114,043</b> | <b>(2,536,835)</b> |
| <b>Cash flows from financing activities</b>                    |          |                  |                    |
| Dividend paid  |          | (790,266)        | -                  |
| Lease interest payments  | 19.a     | (87,081)         | (103,265)          |
| Lease principal payments                                       | 19.a     | (98,919)         | (82,735)           |
| <b>Net cash flows from financing activities</b>                |          | <b>(976,266)</b> | <b>(186,000)</b>   |
| Net (decrease)/increase in cash and cash equivalents           |          | 578,447          | (30,671)           |
| Cash and cash equivalents at year start                        |          | 224,940          | 255,440            |
| Expected credit losses on cash                                 |          | (2,212)          | 171                |
| <b>Cash and cash equivalents at period end</b>                 |          | <b>801,175</b>   | <b>224,940</b>     |

The notes to the financial statements on pages 16 to 113 form an integral part of these financial statements.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1. General information

BK General Insurance Company Limited underwrites short-term insurance business (non-life) risks. The company is a limited liability company incorporated and domiciled in Rwanda. The registered office is:

BK General Insurance Company Limited  
Ground Floor, I&M Old building  
P.O. Box 724 Kigali, Rwanda

#### 2. Material Accounting policies

The principal Material Accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

##### (a) Basis of preparation

###### (i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Standards) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the certain financial assets carried at fair value through other comprehensive income.

###### (iii) Foreign currency transactions and balances

###### Functional and presentation currency

Items included in the financials are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs (Rwf), which is the Company's functional and presentation currency.

###### Transactions and balances

Foreign currency transactions are translated using daily average exchange rates as declared by the National Bank of Rwanda. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'.

All other foreign exchange gains and losses are presented in the statement of comprehensive income account within 'other income'

###### (i) New standards, amendments, and interpretations effective and adopted during the year

The Company has adopted the following new standards and amendments during the year ended 31 December 2024, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2024. The nature and effects of the changes are as explained here in

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Standards Effective date

| Standards   | Effective Dates |
|---|-----------------|
| Classification of Liabilities as Current or Non-current (Amendments to IAS 1) | 1 January 2024  |
| Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)               | 1 January 2024  |
| Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7   | 1 January 2024  |

#### i) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

Effective for annual periods beginning on or after 1 January 2024.

#### Key requirements

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

#### Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B apply only to liabilities arising from loan arrangements.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

#### Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

#### Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Disclosures

IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities.

#### Impact

The combined impact of the 2020 amendments and the 2022 amendments will have implications for entities applying them. Entities will, therefore, need to carefully consider the impact of the amendments on existing and planned loan agreements. In this context, it is important to highlight that the amendments must be applied retrospectively.

The adoption of these changes did not have significant impact on the amounts presented in the Company's financial statements.

#### Effective for annual periods beginning on or after 1 January 2024.

#### Key requirements

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

#### Transition

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The adoption of these changes did not have significant impact on the amounts presented in the Company's financial statements.

Specific disclosures about supplier finance arrangements (SFAs). Amendments respond to investors that said they urgently need more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. To meet investor's needs, the new disclosures will provide information about:

- a) The terms and conditions of SFAs
- b) The carrying amount of financial liabilities that are part of SFAs and the line items in which those liabilities are presented
- c) The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
- d) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- e) Non-cash changes in the carrying amounts of financial liabilities in (b)

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

##### f) Access to SFA facilities and concentration of liquidity risk with the finance providers

Entities will be required to aggregate the information they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information when the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

##### Impact

SFAs are described in the amendments as being characterised as arrangements in which one or more finance providers offer to pay amounts an entity owes its suppliers, and the entity agrees to pay according to the terms and conditions of the arrangement at the same date as, or a date later than, suppliers are paid. The arrangements typically provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

All entities that use SFAs in their operations will be required to provide the new disclosures provided they are material. The company does not have SFAs that are in the scope of these amendments.

The adoption of these changes will not affect the amounts and the disclosures of the Company's financial statements.

##### i) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

On 26 June 2023, after a year of deliberations on the feedback received on the two Exposure Drafts, the ISSB issued its first two IFRS sustainability disclosure standards (the ISSB standards). The standards are aimed to enable users of general-purpose financial reports to assess an entity's exposure to and management of sustainability-related risks and opportunities over the short, medium and long term, and inform their decisions relating to providing resources to an entity. Moreover, the sustainability-related financial information supplements and complements the information in the entity's general purpose financial statements. Under the governance of the IFRS Foundation, the ISSB works closely with the International Accounting Standards Board (the IASB), to ensure connectivity and compatibility between the IFRS accounting standards and the ISSB standards.

IFRS S1 sets out the general requirements for a complete set of sustainability-related financial disclosures and requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The effect on the entity's prospects refers to the effect on the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

The information required by IFRS S1 relates to general aspects of how an entity operates, in particular, its governance, strategy, risk management, and metrics and targets associated with sustainability-related risks and opportunities.

IFRS S2 is the first topic-based standard issued by the ISSB and is to be applied in conjunction with IFRS S1.

##### Impact

Both IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024. However, the mandatory application of the ISSB standards depends on each jurisdiction's endorsement or regulatory processes and it is not linked to the application of the IFRS accounting standards. Therefore, an entity applying the IFRS accounting standards for financial reporting purposes is not required to also apply the ISSB standards, and vice versa.

The Rwanda regulators have not mandated application of the ISSB standards. It is possible that this could change in future.

##### b) New standards, amendments, and interpretations

###### (ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024 and have not been applied in preparing these financial statements.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

The Company does not plan to adopt these standards early. All standards and interpretations will be adopted at their effective date. These are summarised below;

Lack of exchangeability – Amendments to IAS 21 1 January 2025

#### **i) Lack of exchangeability – Amendments to IAS 21**

The amendment requires disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. They apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.

The adoption of these changes will not affect the amounts and the disclosures of the Company's financial statements

#### **(i) Classification**

The Company issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines a significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Insurance contracts issued by the Company are classified as general insurance business based on the duration of the risk insured. Classes of general insurance include Aviation insurance, Engineering insurance, Fire insurance – domestic risks, Fire insurance – industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance – private vehicles, Motor insurance – commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance (i.e. class of business not included under those listed above).

Commercial insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor commercial vehicles, fire industrial, theft, workmen's compensation and liability inclusive of third party risks but exclusive of transit risks.

Personal accident insurance business means the business of affecting and carrying out contracts of insurance against risks related to motor private, fire domestic, risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class.

Engineering insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property relating to contractors all risks and construction related risks.

Marine-Aviation insurance business means the business of affecting and carrying out contracts of insurance, against loss of or damage related to aviation or marine related transport.

Miscellaneous insurance business means the business of affecting and carrying out contracts of insurance, against loss of or damage related to agricultural losses, bonds and personal travel risks.

Health insurance business means the business of affecting and carrying out contracts of insurance, against the cost of medical care.

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities. The Company does not issue any contracts with direct participating features.

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### iii) Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories:

- onerous contracts,
- contracts with no significant risk of becoming onerous, and the remainder.

This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The Company applied a full retrospective approach for transition to IFRS 17.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

#### As per IFRS 17, the below portfolios have been identified:

- Commercial- Motor commercial, Fire Industrial, Theft, Workmen's Compensation and Employer's Liability
- Engineering
- Marine and Aviation
- Miscellaneous
- Personal – Motor Private, Fire Domestic.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Recognition

The Company recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Company recognizes a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held. And.
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.
- The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

#### Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or
- Both of the following criteria are satisfied:
- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date. A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

#### (ii) Measurement - Premium Allocation Approach

Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, an entity first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. IFRS 17 consists of 3 measurement models:

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin.

The variable fee approach (VFA) is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

The premium allocation approach (PAA) is a simplified approach for the measurement of the liability for remaining coverage an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims.

This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds.

Insurance revenue and insurance service expenses are recognised in the statement of comprehensive income based on the concept of services provided during the period. The standard requires losses to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions.
- Initial stages of a new business acquired where the underlying contracts are onerous.
- Any other strategic decisions the board considers appropriate.
- Accounting policy choices

The following table sets out the accounting policy choices adopted by the Company:

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**2. Summary of material accounting policies (continued)**

| KEY AUDIT MATTERS   | KEY AUDIT MATTERS   | Adopted approach   |
|---|---|--|
| <b>Premium Allocation Approach(PAA) Eligibility</b>   | Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model   | Coverage period for most of the company class of business is one year or less and so qualifies automatically for PAA. Both Engineering insurance and Performance guarantee insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.      |
| <b>Insurance acquisition cash flows for insurance contracts issued</b>                              | Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method to groups of insurance contracts.<br>For groups containing contracts longer than one year, insurance acquisition cash flows are amortized over the coverage period of the related group. | BKGI has adopted both approaches depending on the nature of group contracts.<br>For a one-year business, acquisition cashflow is expensed as incurred or allocated, using a systematic and rational method to groups of insurance contract.<br><br>For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group. |
| <b>Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money</b> | Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.  | For Engineering and Performance guarantee insurance, an allowance is made for accretion of interest on the LFRC. For all other business, there is no allowance as the premiums are received within one year of the coverage period.  |
| <b>Liability for Incurred Claims, (LFIC) adjusted for time value of money</b>                       | Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.  | For some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money.   |
| <b>Insurance finance income and expense</b>   | There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.   | The change in LFIC as a result of changes in discount rates will be captured within profit or loss.  |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

##### • Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer to 2.2.4)

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

##### (v). Insurance contracts – initial measurement (continued)

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date.
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

##### (vi). Reinsurance contracts held – initial measurement.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Company recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognized on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

##### (vii). Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows.
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

##### (vii). Insurance contracts – subsequent measurement

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognized. For additional disclosures on the loss component, please refer to Note 3.2.6.2. For a one-year business, acquisition cashflow is expensed as incurred or allocated, using a systematic and rational method to groups of insurance contract. For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group.

##### (viii). Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting, and starting a group of insurance contracts. If an impairment loss is recognized, the carrying amount of the asset is adjusted and an impairment loss is recognized in profit or loss. The Company recognizes in profit or loss a reversal of some or all of an impairment loss previously recognized and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved. For a one-year business, acquisition cashflow is expensed as incurred or allocated, using a systematic and rational method to groups of insurance contract. For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group.

##### (ix) Insurance contracts – modification and derecognition

The Company derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) Or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract When

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

#### (x) Presentation.

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities. This applies to reinsurance contracts held as well.

For a one-year business, acquisition cashflow is expensed as incurred or allocated, using a systematic and rational method to groups of insurance contract.

For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group

The Company disaggregates the total amount recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

#### (xi). Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognized on the basis of the passage of time.

#### (xii). Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned in Note 3.a indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

#### (xiii). Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

##### (xiv). Net income or expense from reinsurance contracts held

The Company presents as a single amount on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

##### (i) Classification and measurement.

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on both the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

- i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

Equity instruments are held at fair value through other comprehensive income.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

A financial asset is measured at fair value through profit and Loss if managed in a fair value business model or has been designated by management upon initial recognition or is mandatorily required to be measured at fair value under IFRS 9. This category includes assets whose cash flow characteristics fail the Solely Payment of Principal and Interest (SPPI) criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

##### (ii) Recognition and derecognition

Financial assets are recognized when the company becomes a party to the contractual provisions of the asset. Initial recognition of financial asset is at fair value plus, for all financial assets except those carried at fair value through other comprehensive income and transaction costs. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership.

In some circumstances, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset in accordance with this Standard. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset for the purposes of this Standard. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month expected credit losses until the requirements for the recognition of lifetime expected credit losses are met. However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset should be recognized as an originated credit-impaired financial asset. This might occur, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition.

Equity investments are carried at fair value. Gains and losses arising from changes in the fair value of equity investments are recognized through OCI. When equity investments are derecognized, the cumulative gains or losses previously recognized are also derecognized. Dividends on equity instruments are recognized in the statement of profit or loss when the company's right to receive payment is established.

Fair values of quoted investments in active markets are based on current bid prices. Fair values for unquoted equity securities are estimated using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

In accordance with IFRS 9, the 'expected credit loss' (ECL) model, results in credit losses are recognised earlier than under IAS 39. The ECL impairment model applies to financial assets measured at amortised cost. The entity also applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. Consequently, the company revised its impairment methodology. The Company assess whether impairment exists individually for financial assets and includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realised. An asset is considered irrecoverable when the debtor is experiencing a significant financial difficulty, such as bankruptcy, insolvency or default on payments, legal proceedings such as pending litigations or regulatory actions which may hinder the client's ability to fulfil its obligations.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss. The Company considers an instrument to be in default when contractual payments are 30 days past due for corporate clients and 60 days for NGOs and Government institutions.

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the financial instrument or similar financial instruments.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Summary of material accounting policies (continued)

##### (iv) Impairment of financial assets

In the absence of sufficient depth of data, management will apply expert judgment within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information.

Forward-looking information includes but is not limited to macro-economic conditions expected in the future. Forward looking information used in the ECL calculation should reflect the nature and characteristics of the credit risk exposures. All reasonable and supportable information that is available should be used when incorporating forward-looking information into the ECL allowance. Forward looking assessments can be performed on an individual or collective basis.

Forward-looking factors have been aligned with risk factors used in risk assessments, stress testing, budgeting as well as strategy and pricing decisions. Relevant factors include factors intrinsic to the entity and its business or derived from external conditions.

Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount should be reviewed at each reporting date and updated if necessary. The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

Stage 1: At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.

Stage 2: A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument. This is considered where the credit rating has moved by more than 2 basis points.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information. The company's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk

Stage 3: A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

Under IFRS 9, impairment loss allowances are measured on either of the following bases:

12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information. The Company's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Details on IFRS 9 impairment of financial instruments is outlined in note 4.

#### (v) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery and derecognized from the balance sheet. An asset is considered irrecoverable when the debtor is experiencing a significant financial difficulty, such as bankruptcy, insolvency or default on payments, legal proceedings such as pending litigations or regulatory actions which may hinder the client's ability to fulfil its obligations.

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the periods reported in these financial statements.

#### Financial Liabilities

In both the current and prior period, financial liabilities are classified and subsequently measured at amortized cost.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). For the period ended 31 December 2023 and 2022, BK General Insurance limited had Other payables as financial liabilities.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. For the period ended 31 December 2023 and 2023, BK General Insurance limited Plc had other payables as financial liabilities.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### e) Recognition of interest income

##### (i) The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortized cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument. If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

##### (ii) Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement. In its Interest income calculated using the effective interest method the Company only includes interest on financial instruments at amortized cost or FVOCI. Other interest income includes interest on all financial assets measured at FVPL, using the contractual interest rate. The Company calculates interest income on all financial assets that are not fully impaired (i.e Stage 1 and Stage 2), by applying the EIR to the gross carrying amount of the financial asset.

#### f) Property and equipment

All categories of property and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives, as follows:

**Equipment and motor vehicles: 3 - 8 years.**

**Furniture & fittings: 4 years**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and included in profit or loss when the item is derecognized.

The revaluation may be performed in case the management judge the necessity to do so.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### g) Intangible assets

The company's intangible assets relate to computer software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

Development costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets if:-

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and use or sell it are available; and,
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognized as an expense as incurred. Development costs that have been expensed are not recognized as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives on a straight-line basis. The existing intangible assets have a remaining useful life of two years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

#### h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

If impairment losses recognized/ reversed are material in aggregate to the financial statements as a whole, the company discloses in details the classes of assets affected, events and circumstances affected and provides the estimates used to measure recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful life.

#### i) Accounting for leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration i.e., the customer has the rights to obtain substantially all the economic benefits from using the asset and direct the use of the asset. \

#### I. Company acting as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

#### **Generally, the Company uses its incremental borrowing rate as the discount rate.**

The Company determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities in the statement of financial position.

#### **(i) Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **(ii) Extension and termination options**

Extension and termination options are included in a number of property leases across the company. These are used to maximize operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

## **II. Company acting as a lessor**

When the Company acts as a lessor, it determines at inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

#### **j) Cash and cash equivalents**

Cash and cash equivalents are measured at amortized cost subsequent to initial recognition. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are available on demand as at the reporting date. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### k) Employee benefits

##### (i) Retirement benefit asset/obligations

The Company's contributions to the defined contribution schemes are charged to the profit or loss account in the year to which they relate. Employer contribution is 9.8% of your Basic salary and an employee is eligible to join the Provident Fund on engagement.

Its employees also contribute to the appropriate national Social Security Fund, which are defined contribution schemes.

##### (ii) Other entitlements

Employee entitlements to long service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the financial reporting date.

The estimated monetary liability for employees accrued annual leave entitlement at the financial reporting date is recognized as an expense accrual

#### l) Income and deferred tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Rwanda tax laws.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in associates, subsidiaries, and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### m) Currency and translation of foreign currencies

##### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs which is the Company's functional currency.

##### (iii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Foreign exchange gains and losses that relate to other payables and cash and cash equivalents, as well as all other foreign exchange gains and losses are presented in the Foreign exchange (losses)/gains line item within the statement of other comprehensive income.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared.

#### o) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

#### p) Comparatives

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

#### q) Provisions

Provisions for legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

### 3. Critical accounting estimates and judgments in applying Material Accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

#### (a) Onerous Groups

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. Management has assessed the onerous portfolios based on historical profitability.

#### (b) Liability for remaining coverage

Premium income is recognized on assumption of risks and includes estimates of premiums due but not yet received less unexpired portion of the coverage period. The liability for remaining coverage is the Company's obligation to:

1. investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period); and
2. pay amounts under existing insurance contracts that are not included in (a) and that related to:
  - insurance contract services not yet provided (i.e., the obligation that relates to future provision of insurance contract services); or
  - any investment component or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

For groups of contracts measured under the Premium Allocation Approach, the liability for remaining coverage at any point in time is calculated as the sum of the liability for the remaining coverage excluding any loss component. Using the premium allocation approach, the Company measures the liability for remaining coverage as follows:

#### a) On initial recognition, the carrying amount of the liability is:

1. The premiums, if any, received at initial recognition.
2. Minus any insurance acquisition cash flows at that date
3. Plus, or minus any amount arising from the derecognition at that date of;
  - Any asset for insurance acquisition cashflows and
  - Any other asset or liability previously recognizes for cash flows

At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period:

1. plus the premiums received in the period
2. minus insurance acquisition cash flows;
3. plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period; unless the entity chooses to recognise insurance acquisition cash flows as an expense;
4. minus the amount recognised as insurance revenue for insurance contract services coverage provided in that period.

#### Risk adjustment

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all portfolios (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

#### D) Assets for insurance acquisition cash flows

BKGI has adopted both approaches depending on the nature of group contracts.

For a one-year business, acquisition cashflow is expensed as incurred.

For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortised over the coverage period of the related group.

The asset for insurance acquisition cashflow is derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

#### (c) Fair value of financial instruments

Fair values of certain financial assets recognized in the financial statements may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### (d) Impairment losses on financial assets (ECL)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information.

When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

#### (e) Determining the right-of-use assets and lease liabilities

The right-of-use assets, the restoration costs and lease liabilities recognized in the financial statements is determined using a financial model. The assumptions applied in the model including lease term extension options, Incremental Borrowing Rate and restoration provision costs are determined by management by analyzing various external sources and making certain adjustments to reflect the terms of the lease and type of asset leased as outlined on note 2 (k).

Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

#### (f) Income taxes

Judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In the current year, the directors have recognized a deferred income tax asset of Rwf 273 (2023 Rwf 160 M) because they are of the view that this will be recovered in future periods.

#### Insurance risk

##### a. Non-Life insurance contracts and reinsurance contracts

The Company principally issues the following types of non-life insurance contracts: personal accident; marine; property; and liability reinsurance. For non-life insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues.

The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company.

The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk mitigation programmed. Reinsurance held is placed on a proportional basis. Proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to its marine business. Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date. The following tables show the concentration of net insurance contract liabilities by type of contract:

| Class of Business          | 2024             |                  |                | 2023             |                  |                  |
|----------------------------|------------------|------------------|----------------|------------------|------------------|------------------|
|                            | Insurance        | Reinsurance      | Net            | Insurance        | Reinsurance      | Net              |
| Accident                   | 83,872           | 8,811            | 75,061         | 91,898           | 6,485            | 85,413           |
| Motor                      | 1,138,828        | 650,652          | 488,176        | 4,765,092        | 710,179          | 4,054,913        |
| Engineering                | 662,122          | 500,769          | 161,352        | 823,251          | 701,989          | 121,261          |
| Property                   | 828,609          | 751,732          | 76,876         | 534,184          | 485,898          | 48,286           |
| Transportation             | 6,443            | 23,320           | (16,877)       | 4,880            | 10,628           | (5,748)          |
| Guarantee                  | 134,114          | 75,774           | 58,341         | 163,155          | 80,338           | 82,817           |
| Liability                  | 90,505           | 90,887           | (382)          | 128,796          | 67,664           | 61,131           |
| Miscellaneous              | 551,621          | 755,464          | (203,843)      | (226,580)        | 452,332          | (678,912)        |
| <b>Total Net Contracts</b> | <b>3,496,113</b> | <b>2,857,410</b> | <b>638,703</b> | <b>6,284,675</b> | <b>2,515,513</b> | <b>3,769,162</b> |

#### b) Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are nonlinear. The method used for deriving sensitivity information did not change. However, the assumption on inflation has been changed considering the projected trend.

| Rwf'000        | Change in assumptions | 2024   |  |   |   |
|----------------|-----------------------|--|--|---|---|
|                |                       | Impact on profit before tax gross of Reinsurance | Impact on profit before tax Net of Reinsurance | Impact on Equity tax gross of Reinsurance | Impact on Equity tax Net of Reinsurance |
| Expected loss  | 10%                   | 462,088  | 357,463  | 332,703                                   | 257,373                                 |
| Inflation rate | 5.80%                 | 268,011  | 207,328  | 192,968                                   | 149,277                                 |
| Expected loss  | -10%                  | (462,088)  | (357,463)                                      | (332,703)                                 | (257,373)                               |
| Inflation rate | -5.80%                | (268,011)  | (207,328)                                      | (192,968)                                 | (149,277)                               |

| Rwf'000        | Change in assumptions | 2023   |  |   |   |
|----------------|-----------------------|--|--|---|---|
|                |                       | Impact on profit before tax gross of Reinsurance | Impact on profit before tax Net of Reinsurance | Impact on Equity tax gross of Reinsurance | Impact on Equity tax Net of Reinsurance |
| Expected loss  | 10%                   | 414,054  | 324,131  | 293,978                                   | 230,133                                 |
| Inflation rate | 6.40%                 | 264,994  | 207,444  | 188,146                                   | 147,285                                 |
| Expected loss  | -10%                  | (414,054)  | (324,131)                                      | (293,978)                                 | (230,133)                               |
| Inflation rate | -6.40%                | (264,994)  | (207,444)                                      | (188,146)                                 | (147,285)                               |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**C) Claims development table**

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

| Rwf'000  | Before 2019  | 2019      | 2020      | 2021                   | 2022      | 2023      | 2024         | Total      |
|--|--|-----------|-----------|------------------------|-----------|-----------|--------------|------------|
| <b>Accident Year</b>   |  |           |           |                        |           |           |              |            |
| At end of accident year  | 3,223,246  | 3,048,470 | 3,484,494 | 4,127,597              | 4,077,187 | 3,816,192 | 4,618,108    | 26,395,294 |
| One year later   | 3,383,077  | 3,143,929 | 3,730,816 | 4,218,495              | 4,138,973 | 3,886,049 | -            |            |
| Two years later  | 3,383,077  | 3,144,764 | 3,750,094 | 4,221,502              | 4,146,241 | -         | -            |            |
| Three Years Later  | 3,383,077  | 3,144,764 | 3,751,614 | 4,221,502              | -         | -         | -            |            |
| Four Year Later  | 3,383,077  | 3,144,764 | 3,751,614 | -                      | -         | -         | -            |            |
| Five year later  | 3,383,077  | 3,147,135 | -         | -                      | -         | -         | -            |            |
| Six Year Later   | 3,383,077  | -         | -         | -                      | -         | -         | -            |            |
| Gross estimates of the undiscounted amount of the claims                   | 3,383,077  | 3,147,135 | 3,751,614 | 4,221,502              | 4,146,241 | 3,886,049 | 4,618,108    | 27,153,726 |
| At end of accident year  | 1,903,284  | 1,626,212 | 2,147,616 | 2,589,072              | 2,449,135 | 1,993,691 | 2,345,305    | 12,709,011 |
| One year later   | 2,967,012  | 2,476,511 | 3,096,174 | 3,626,606              | 3,419,965 | 3,117,120 | -            |            |
| Two years later  | 3,241,086  | 2,837,329 | 3,506,801 | 3,823,641              | 3,678,456 | -         | -            |            |
| Three Years Later  | 3,300,776  | 2,988,237 | 3,573,449 | 3,903,169              | -         | -         | -            |            |
| Four Year Later  | 3,353,881  | 3,042,773 | 3,597,730 | -                      | -         | -         | -            |            |
| Five year later  | 3,367,407  | 3,113,880 | -         | -                      | -         | -         | -            |            |
| Six Year Later   | 3,367,907  | -         | -         | -                      | -         | -         | -            |            |
| Cumulative payments to date  | 3,367,907  | 3,113,880 | 3,597,730 | 3,903,169              | 3,678,456 | 3,117,120 | 2,345,305    | 23,123,567 |
| Gross undiscounted liabilities for incurred claims                         | 15,170   | 33,255    | 153,884   | 318,333                | 467,785   | 768,929   | 2,272,803    | 4,030,159  |
| Effect of discounting  |  |           |           |                        |           |           |              | 368,959    |
| Total gross liabilities for incurred claims                                |  |           |           |                        |           |           |              | 3,661,199  |
| <b>Gross undiscounted liabilities for incurred claims for 2024 – Motor</b> |  |           |           |                        |           |           |              |            |
| <b>Note</b>  | <b>Estimates of the present value of future cash flows</b> |           |           | <b>Risk adjustment</b> |           |           | <b>Total</b> |            |
| Total gross liabilities for incurred claims Relate to Motor Insurance      |  |           | 3,661,199 |                        | 74,644    |           |              | 3,735,843  |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Gross undiscounted liabilities for incurred claims for 2024 – Property

| Rwf'000  | Before 2019  | 2019  | 2020                   | 2021   | 2022    | 2023   | 2024    | Total        |
|--|--|-------|------------------------|--------|---------|--------|---------|--------------|
| <b>Accident Year</b>                                       |  |       |                        |        |         |        |         |              |
| At end of accident year                                    | 218,866  | 2,081 | 31,762                 | 18,891 | 165,982 | 69,743 | 354,172 | 861,497      |
| One year later   | 220,156  | 5,698 | 35,257                 | 20,394 | 171,973 | 86,067 | -       |              |
| Two years later  | 220,156  | 5,698 | 35,257                 | 20,394 | 171,973 | -      | -       |              |
| Three Years Later  | 220,156  | 5,698 | 35,257                 | 22,395 | -       | -      | -       |              |
| Four Year Later  | 220,156  | 5,698 | 39,899                 | -      | -       | -      | -       |              |
| Five year later  | 220,156  | 5,698 | -                      | -      | -       | -      | -       |              |
| Six Year Later   | 220,156  | -     | -                      | -      | -       | -      | -       |              |
| Gross estimates of the undiscounted amount of the claims   | 220,156  | 5,698 | 39,899                 | 22,395 | 171,973 | 86,067 | 354,172 | 900,360      |
| At end of accident year                                    | 8,859  | 1,926 | 31,762                 | 17,448 | 158,403 | 58,002 | 31,249  | 276,400      |
| One year later   | 21,031   | 4,870 | 35,257                 | 20,394 | 166,973 | 85,067 | -       |              |
| Two years later  | 21,291   | 5,543 | 35,257                 | 20,394 | 171,973 | -      | -       |              |
| Three Years Later  | 220,156  | 5,543 | 35,257                 | 22,395 | -       | -      | -       |              |
| Four Year Later  | 220,156  | 5,543 | 39,899                 | -      | -       | -      | -       |              |
| Five year later  | 220,156  | 5,543 | -                      | -      | -       | -      | -       |              |
| Six Year Later   | 220,156  | -     | -                      | -      | -       | -      | -       |              |
| Cumulative payments to date                                | 220,156  | 5,543 | 39,899                 | 22,395 | 171,973 | 85,067 | 31,249  | 576,282      |
| Gross undiscounted liabilities for incurred claims         | -  | 155   | -                      | -      | -       | 1,000  | 322,923 | 324,078      |
| Effect of discounting                                      |  |       |                        |        |         |        |         | 38,804       |
| Total gross liabilities for incurred claims                |  |       |                        |        |         |        |         | 285,274      |
| <b>Note</b>  | <b>Estimates of the present value of future cash flows</b> |       | <b>Risk adjustment</b> |        |         |        |         | <b>Total</b> |
| Total gross liabilities for incurred claims Relate to Fire |  |       | 285,274                |        | 42,947  |        |         | 328,221      |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**(I). Insurance risk (continued)**

**Claims development table**

**Gross undiscounted liabilities for incurred claims for 2024 – Engineering**

| Rwf'000  | Before 2019  | 2019   | 2020    | 2021                   | 2022    | 2023    | 2024         | Total   |
|--|--|--------|---------|------------------------|---------|---------|--------------|---------|
| <b>Accident Year</b>                                     |  |        |         |                        |         |         |              |         |
| At end of accident year                                  | 62,399   | 36,487 | 58,290  | 62,478                 | 90,054  | 218,090 | 154,915      | 682,713 |
| One year later   | 62,474   | 36,487 | 82,528  | 99,475                 | 107,250 | 264,349 | -            |         |
| Two years later  | 62,474   | 36,487 | 86,834  | 99,475                 | 112,289 | -       | -            |         |
| Three Years Later  | 62,474   | 36,487 | 86,834  | 99,475                 | -       | -       | -            |         |
| Four Year Later  | 62,474   | 36,487 | 86,834  | -                      | -       | -       | -            |         |
| Five year later  | 62,474   | 36,487 | -       | -                      | -       | -       | -            |         |
| Six Year Later   | 62,474   | -      | -       | -                      | -       | -       | -            |         |
| Gross estimates of the undiscounted amount of the claims | 62,474   | 36,487 | 86,834  | 99,475                 | 112,289 | 264,349 | 154,915      | 816,823 |
| At end of accident year                                  | 8,452  | 36,487 | 6,208   | 44,918                 | 15,888  | 116,649 | 65,560       | 228,602 |
| One year later   | 13,962   | 36,487 | 77,879  | 97,603                 | 106,252 | 236,647 | -            |         |
| Two years later  | 62,474   | 36,487 | 83,888  | 98,438                 | 111,291 | -       | -            |         |
| Three Years Later  | 62,474   | 36,487 | 86,294  | 98,438                 | -       | -       | -            |         |
| Four Year Later  | 62,474   | 36,487 | 86,834  | -                      | -       | -       | -            |         |
| Five year later  | 62,474   | 36,487 | -       | -                      | -       | -       | -            |         |
| Six Year Later   | 62,474   | -      | -       | -                      | -       | -       | -            |         |
| Cumulative payments to date                              | 62,474   | 36,487 | 86,834  | 98,438                 | 111,291 | 236,647 | 65,560       | 697,731 |
| Gross undiscounted liabilities for incurred claims       | -  | -      | -       | 1,038                  | 998     | 27,703  | 89,355       | 119,094 |
| Effect of discounting                                    |  |        |         |                        |         |         |              | 7,852   |
| Total gross liabilities for incurred claims              |  |        |         |                        |         |         |              | 111,242 |
| <b>Note</b>  |  |        |         |                        |         |         |              |         |
|  | <b>Estimates of the present value of future cash flows</b> |        |         | <b>Risk adjustment</b> |         |         | <b>Total</b> |         |
| Relate to Engineering                                    |  |        | 111,242 |                        | 6,935   |         |              | 118,177 |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Insurance and financial risk. (continued)

##### (I). Insurance risk (continued)

##### Claims development table

##### Gross undiscounted liabilities for incurred claims for 2024 – Accident

| Rwf'000  | Before 2019  | 2019  | 2020                   | 2021  | 2022  | 2023   | 2024   | Total        |
|--|--|-------|------------------------|-------|-------|--------|--------|--------------|
| <b>Accident Year</b>                                     |  |       |                        |       |       |        |        |              |
| At end of accident year                                  | 51,747   | 223   | 11,192                 | 1,417 | 7,469 | 9,692  | 37,990 | 119,730      |
| One year later   | 54,697   | 9,304 | 11,192                 | 7,010 | 9,182 | 12,417 | -      |              |
| Two years later  | 60,197   | 9,596 | 11,607                 | 8,380 | 9,182 | -      | -      |              |
| Three Years Later  | 60,197   | 9,596 | 11,607                 | 8,380 | -     | -      | -      |              |
| Four Year Later  | 60,197   | 9,596 | 11,607                 | -     | -     | -      | -      |              |
| Five year later  | 60,197   | 9,596 | -                      | -     | -     | -      | -      |              |
| Six Year Later   | 60,197   | -     | -                      | -     | -     | -      | -      |              |
| Gross estimates of the undiscounted amount of the claims | 60,197   | 9,596 | 11,607                 | 8,380 | 9,182 | 12,417 | 37,990 | 149,369      |
| At end of accident year                                  | 3,967  | 55    | 29                     | 348   | 128   | 7,038  | 3,676  | 11,565       |
| One year later   | 11,305   | 3,304 | 29                     | 4,519 | 5,559 | 11,462 | -      |              |
| Two years later  | 57,253   | 3,304 | 5,639                  | 8,380 | 8,759 | -      | -      |              |
| Three Years Later  | 60,053   | 6,596 | 5,639                  | 8,380 | -     | -      | -      |              |
| Four Year Later  | 60,197   | 6,596 | 5,639                  | -     | -     | -      | -      |              |
| Five year later  | 60,197   | 9,596 | -                      | -     | -     | -      | -      |              |
| Six Year Later   | 60,197   | -     | -                      | -     | -     | -      | -      |              |
| Cumulative payments to date                              | 60,197   | 9,596 | 5,639                  | 8,380 | 8,759 | 11,462 | 3,676  | 697,731      |
| Gross undiscounted liabilities for incurred claims       |  |       |                        |       |       |        |        | 41,660       |
| Effect of discounting                                    |  |       |                        |       |       |        |        | 3,690        |
| Total gross liabilities for incurred claims              |  |       |                        |       |       |        |        | 37,970       |
| <b>Note</b>  | <b>Estimates of the present value of future cash flows</b> |       | <b>Risk adjustment</b> |       |       |        |        | <b>Total</b> |
| Relate to Engineering                                    |  |       | 37,970                 |       | 2,525 |        |        | 40,495       |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**(I). Insurance risk (continued)**

**Claims development table**

**Gross undiscounted liabilities for incurred claims for 2024 – Accident**

| Rwf'000  | Before 2019 | 2019  | 2020   | 2021  | 2022  | 2023   | 2024   | Total   |
|--|-------------|-------|--------|-------|-------|--------|--------|---------|
| <b>Accident Year</b>                                     |             |       |        |       |       |        |        |         |
| At end of accident year                                  | 51,747      | 223   | 11,192 | 1,417 | 7,469 | 9,692  | 37,990 | 119,730 |
| One year later   | 54,697      | 9,304 | 11,192 | 7,010 | 9,182 | 12,417 | -      |         |
| Two years later  | 60,197      | 9,596 | 11,607 | 8,380 | 9,182 | -      | -      |         |
| Three Years Later  | 60,197      | 9,596 | 11,607 | 8,380 | -     | -      | -      |         |
| Four Year Later  | 60,197      | 9,596 | 11,607 | -     | -     | -      | -      |         |
| Five year later  | 60,197      | 9,596 | -      | -     | -     | -      | -      |         |
| Six Year Later   | 60,197      | -     | -      | -     | -     | -      | -      |         |
| Gross estimates of the undiscounted amount of the claims | 60,197      | 9,596 | 11,607 | 8,380 | 9,182 | 12,417 | 37,990 | 149,369 |
| At end of accident year                                  | 3,967       | 55    | 29     | 348   | 128   | 7,038  | 3,676  | 11,565  |
| One year later   | 11,305      | 3,304 | 29     | 4,519 | 5,559 | 11,462 | -      |         |
| Two years later  | 57,253      | 3,304 | 5,639  | 8,380 | 8,759 | -      | -      |         |
| Three Years Later  | 60,053      | 6,596 | 5,639  | 8,380 | -     | -      | -      |         |
| Four Year Later  | 60,197      | 6,596 | 5,639  | -     | -     | -      | -      |         |
| Five year later  | 60,197      | 9,596 | -      | -     | -     | -      | -      |         |
| Six Year Later   | 60,197      | -     | -      | -     | -     | -      | -      |         |
| Cumulative payments to date                              | 60,197      | 9,596 | 5,639  | 8,380 | 8,759 | 11,462 | 3,676  | 107,709 |
| Gross undiscounted liabilities for incurred claims       | -           | -     | 5,968  | -     | 423   | 955    | 34,314 | 41,660  |
| Effect of discounting                                    |             |       |        |       |       |        |        | 3,690   |
| Total gross liabilities for incurred claims              |             |       |        |       |       |        |        | 37,970  |

| Note   | Estimates of the present value of future cash flows | Risk adjustment | Total  |
|--|---|-----------------|--------|
| Total gross liabilities for incurred claims Relate to Accident | 37,970  | 2,525           | 40,495 |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Insurance and financial risk. (continued)

##### (I). Insurance risk (continued)

##### Claims development table

##### Gross undiscounted liabilities for incurred claims for 2024– Marine

| Rwf'000  | Before 2019  | 2019   | 2020   | 2021                   | 2022 | 2023         | 2024   | Total  |
|--|--|--------|--------|------------------------|------|--------------|--------|--------|
| <b>Accident Year</b>   |  |        |        |                        |      |              |        |        |
| At end of accident year  | 20,179   | 36,969 | 418    | -                      | -    | 1,337        | 18,973 | 77,876 |
| One year later   | 22,479   | 36,969 | 418    | 1,088                  | -    | 1,337        | -      |        |
| Two years later  | 22,479   | 36,969 | 418    | 1,088                  | -    | -            | -      |        |
| Three Years Later  | 22,479   | 36,969 | 418    | 1,088                  | -    | -            | -      |        |
| Four Year Later  | 22,479   | 36,969 | 418    | -                      | -    | -            | -      |        |
| Five year later  | 22,479   | 36,969 | -      | -                      | -    | -            | -      |        |
| Six Year Later   | 22,479   | -      | -      | -                      | -    | -            | -      |        |
| Gross estimates of the undiscounted amount of the claims             | 22,479   | 36,969 | 418    | 1,088                  | -    | 1,337        | 18,973 | 81,264 |
| At end of accident year  | 20,179   | 36,969 | 418    | -                      | -    | 1,337        | 3,224  | 58,903 |
| One year later   | 22,479   | 36,969 | 418    | 1,088                  | -    | 1,337        | -      |        |
| Two years later  | 22,479   | 36,969 | 418    | 1,088                  | -    | -            | -      |        |
| Three Years Later  | 22,479   | 36,969 | 418    | 1,088                  | -    | -            | -      |        |
| Four Year Later  | 22,479   | 36,969 | 418    | -                      | -    | -            | -      |        |
| Five year later  | 22,479   | 36,969 | -      | -                      | -    | -            | -      |        |
| Six Year Later   | 22,479   | -      | -      | -                      | -    | -            | -      |        |
| Cumulative payments to date  | 22,479   | 36,969 | 418    | 1,088                  | -    | 1,337        | 3,224  | 65,515 |
| Gross undiscounted liabilities for incurred claims                   | -  | -      | -      | -                      | -    | -            | 15,749 | 15,749 |
| Effect of discounting  |  |        |        |                        |      |              |        | 435    |
| Total gross liabilities for incurred claims                          |  |        |        |                        |      |              |        | 15,314 |
| <b>Note</b>  | <b>Estimates of the present value of future cash flows</b> |        |        | <b>Risk adjustment</b> |      | <b>Total</b> |        |        |
| Total gross liabilities for incurred claims Relate to Transportation |  |        | 15,314 |                        | 45   |              |        | 15,359 |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**(I). Insurance risk (continued)**

**Claims development table**

**Gross undiscounted liabilities for incurred claims for 2024 – Bonds**

| Rwf'000   | Before 2019  | 2019   | 2020                   | 2021 | 2022   | 2023   | 2024   | Total        |
|---|--|--------|------------------------|------|--------|--------|--------|--------------|
| <b>Accident Year</b>  |  |        |                        |      |        |        |        |              |
| At end of accident year   | 2,234  | 18,467 | 5,836                  | -    | 26,520 | 21,600 | 37,691 | 112,348      |
| One year later  | 2,234  | 18,467 | 6,561                  | 878  | 26,520 | 54,815 | -      |              |
| Two years later   | 2,234  | 18,467 | 6,561                  | 878  | 29,501 | -      | -      |              |
| Three Years Later   | 2,234  | 18,467 | 6,561                  | 878  | -      | -      | -      |              |
| Four Year Later   | 2,234  | 18,467 | 6,561                  | -    | -      | -      | -      |              |
| Five year later   | 2,234  | 18,467 | -                      | -    | -      | -      | -      |              |
| Six Year Later  | 2,234  | -      | -                      | -    | -      | -      | -      |              |
| Gross estimates of the undiscounted amount of the claims        | 2,234  | 18,467 | 6,561                  | 878  | 29,501 | 54,815 | 37,691 | 150,147      |
| At end of accident year   | 2,234  | 10,168 | 5,836                  | -    | 26,520 | 21,600 | 37,691 | 66,358       |
| One year later  | 2,234  | 10,168 | 6,561                  | 878  | 26,520 | 54,815 | -      |              |
| Two years later   | 2,234  | 10,168 | 6,561                  | 878  | 29,501 | -      | -      |              |
| Three Years Later   | 2,234  | 10,168 | 6,561                  | 878  | -      | -      | -      |              |
| Four Year Later   | 2,234  | 10,168 | 6,561                  | -    | -      | -      | -      |              |
| Five year later   | 2,234  | 10,168 | -                      | -    | -      | -      | -      |              |
| Six Year Later  | 2,234  | -      | -                      | -    | -      | -      | -      |              |
| Cumulative payments to date                                     | 2,234  | 10,168 | 6,561                  | 878  | 29,501 | 54,815 | 37,691 | 141,847      |
| Gross undiscounted liabilities for incurred claims              | -  | 8,299  | -                      | -    | -      | -      | -      | 8,299        |
| Effect of discounting   |  |        |                        |      |        |        |        | 363          |
| Total gross liabilities for incurred claims                     |  |        |                        |      |        |        |        | 7,936        |
| <b>Note</b>   | <b>Estimates of the present value of future cash flows</b> |        | <b>Risk adjustment</b> |      |        |        |        | <b>Total</b> |
| Total gross liabilities for incurred claims Relate to Guarantee |  |        | 7,936                  |      | 113    |        |        | 8,049        |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Insurance and financial risk. (continued)

##### (I). Insurance risk (continued)

##### Claims development table

##### Gross undiscounted liabilities for incurred claims for 2024 – Miscellaneous

| Rwf'000   | Before 2019  | 2019 | 2020                   | 2021   | 2022         | 2023    | 2024      | Total     |
|---|--|------|------------------------|--------|--------------|---------|-----------|-----------|
| <b>Accident Year</b>  |  |      |                        |        |              |         |           |           |
| At end of accident year   | 29,472   | -    | -                      | 7,240  | 418,228      | 616,463 | 1,083,332 | 2,154,735 |
| One year later  | 31,622   | -    | 393                    | 70,340 | 516,376      | 868,195 | -         |           |
| Two years later   | 31,622   | -    | 393                    | 72,413 | 608,193      | -       | -         |           |
| Three Years Later   | 31,622   | -    | 393                    | 72,413 | -            | -       | -         |           |
| Four Year Later   | 31,622   | -    | 393                    | -      | -            | -       | -         |           |
| Five year later   | 31,622   | -    | -                      | -      | -            | -       | -         |           |
| Six Year Later  | 31,622   | -    | -                      | -      | -            | -       | -         |           |
| Gross estimates of the undiscounted amount of the claims            | 31,622   | -    | 393                    | 72,413 | 608,193      | 868,195 | 1,083,332 | 2,664,148 |
| At end of accident year   | 21,487   | -    | -                      | 7,200  | 335,215      | 504,220 | 710,660   | 868,121   |
| One year later  | 31,622   | -    | 393                    | 67,305 | 473,417      | 801,113 | -         |           |
| Two years later   | 31,622   | -    | 393                    | 71,413 | 540,233      | -       | -         |           |
| Three Years Later   | 31,622   | -    | 393                    | 71,418 | -            | -       | -         |           |
| Four Year Later   | 31,622   | -    | 393                    | -      | -            | -       | -         |           |
| Five year later   | 31,622   | -    | -                      | -      | -            | -       | -         |           |
| Six Year Later  | 31,622   | -    | -                      | -      | -            | -       | -         |           |
| Cumulative payments to date   | 31,622   | -    | 393                    | 71,418 | 540,233      | 801,113 | 710,660   | 2,155,440 |
| Gross undiscounted liabilities for incurred claims                  | -  | -    | -                      | 995    | 67,960       | 67,082  | 372,673   | 508,710   |
| Effect of discounting   |  |      |                        |        |              |         |           | 25,349    |
| Total gross liabilities for incurred claims                         |  |      |                        |        |              |         |           | 483,361   |
| <b>Note</b>   | <b>Estimates of the present value of future cash flows</b> |      | <b>Risk adjustment</b> |        | <b>Total</b> |         |           |           |
| Total gross liabilities for incurred claims Relate to Miscellaneous |  |      | 483,361                |        | 12,958       |         |           | 496,318   |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**II). Financial risk**

**i). Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk: IFRS 17.124(a),(b) The Company's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

**a) Maturity analysis for financial assets (contractual undiscounted cash flow basis)**

The following table summarizes the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows, including interest receivable:

|                                    | <b>2024</b>         |                  |                  |                    |                   |
|------------------------------------|---------------------|------------------|------------------|--------------------|-------------------|
| <b>Rwf'000</b>                     | <b>Up to 1 Year</b> | <b>1-3 Years</b> | <b>3-5 years</b> | <b>More than 5</b> | <b>Total</b>      |
| <b>Financials assets</b>           |                     |                  |                  |                    |                   |
| Cash and bank balance              | 801,175             | -                | -                | -                  | 801,175           |
| Term deposits                      | 9,841,962           | -                | -                | -                  | 9,841,962         |
| Debt instruments at amortized cost | 2,715,339           | 1,528,800        | 2,389,626        | 4,951,237          | 11,585,002        |
| <b>Total</b>                       | <b>13,358,476</b>   | <b>1,528,800</b> | <b>2,389,626</b> | <b>4,951,237</b>   | <b>22,228,139</b> |

|                                    | <b>2023</b>         |                  |                  |                    |                   |
|------------------------------------|---------------------|------------------|------------------|--------------------|-------------------|
| <b>Rwf'000</b>                     | <b>Up to 1 Year</b> | <b>1-3 Years</b> | <b>3-5 years</b> | <b>More than 5</b> | <b>Total</b>      |
| <b>Financials assets</b>           |                     |                  |                  |                    |                   |
| Cash and bank balance              | 224,940             | -                | -                | -                  | 224,940           |
| Term deposits                      | 8,188,298           | -                | -                | -                  | 8,188,298         |
| Debt instruments at amortized cost | 2,936,179           | 3,476,176        | 1,520,716        | 4,514,933          | 12,448,004        |
| <b>Total</b>                       | <b>11,349,417</b>   | <b>3,476,176</b> | <b>1,520,716</b> | <b>4,514,933</b>   | <b>20,861,242</b> |

**b) Maturity analysis for financial liabilities (contractual undiscounted cash flow basis)**

**Financial Obligations**

|                               | <b>2024</b>         |                  |                  |                    |                  |
|-------------------------------|---------------------|------------------|------------------|--------------------|------------------|
| <b>Rwf'000</b>                | <b>Up to 1 Year</b> | <b>1-3 Years</b> | <b>3-5 years</b> | <b>More than 5</b> | <b>Total</b>     |
| <b>Financials liabilities</b> |                     |                  |                  |                    |                  |
| Lease liabilities             | 186,000             | 242,741          | -                | -                  | 428,741          |
| Other payables                | 1,208,439           | 796,634          | -                | -                  | 2,005,073        |
| Income tax payable            | 227,432             | -                | -                | -                  | 227,432          |
| <b>Total</b>                  | <b>1,621,871</b>    | <b>1,039,375</b> | <b>-</b>         | <b>-</b>           | <b>2,661,246</b> |

|                               | <b>2023</b>         |                  |                  |                    |                  |
|-------------------------------|---------------------|------------------|------------------|--------------------|------------------|
| <b>Rwf'000</b>                | <b>Up to 1 Year</b> | <b>1-3 Years</b> | <b>3-5 years</b> | <b>More than 5</b> | <b>Total</b>     |
| <b>Financials liabilities</b> |                     |                  |                  |                    |                  |
| Lease liabilities             | 186,000             | 341,660          | -                | -                  | 527,660          |
| Other payables                | 1,167,210           | 1,102,431        | -                | -                  | 2,269,641        |
| Income tax payable            | 52,089              | -                | -                | -                  | 52,089           |
| <b>Total</b>                  | <b>1,405,299</b>    | <b>1,444,091</b> | <b>-</b>         | <b>-</b>           | <b>2,849,390</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### II). Financial risk (Continued)

##### Maturity analysis for financial assets (contractual undiscounted cash flow basis)

Current and non-current assets and liabilities

The table below summarizes the expected utilization or settlement of assets and liabilities:

|  | 2024                    |                     |                   | 2023                    |                     |                   |
|--|-------------------------|---------------------|-------------------|-------------------------|---------------------|-------------------|
|  | Not more than 12 months | More than 12 Months | Total             | Not more than 12 months | More than 12 Months | Total             |
| <b>Financial Assets</b>                      | 83,872                  | 8,811               | 75,061            | 91,898                  | 6,485               | 85,413            |
| Cash and bank balance                        | 1,138,828               | 650,652             | 488,176           | 4,765,092               | 710,179             | 4,054,913         |
| Term deposits                                | 662,122                 | 500,769             | 161,352           | 823,251                 | 701,989             | 121,261           |
| Debt instruments at amortized cost           | 828,609                 | 751,732             | 76,876            | 534,184                 | 485,898             | 48,286            |
| <b>Total financial assets</b>                | <b>13,358,476</b>       | <b>8,869,663</b>    | <b>22,228,139</b> | <b>11,349,417</b>       | <b>9,511,825</b>    | <b>20,861,242</b> |
| <b>Insurance contract Assets</b>             |                         |                     |                   |                         |                     |                   |
| Insurance Issued                             | 467,903                 | -                   | 467,903           | 398,548                 | -                   | 398,548           |
| Reinsurance held                             | 2,857,410               | -                   | 2,857,410         | 2,515,513               | -                   | 2,515,513         |
| Total Insurance contract Assets              | 3,325,313               | -                   | 3,325,313         | 2,914,061               | -                   | 2,914,061         |
| <b>Insurance Contract Liability</b>          |                         |                     |                   |                         |                     |                   |
| Insurance Issued                             | 3,496,113               | -                   | 3,496,113         | 6,284,675               | -                   | 6,284,675         |
| Reinsurance held                             | 1,656,810               | -                   | 1,656,810         | 1,026,489               | -                   | 1,026,489         |
| <b>Total Insurance contracts Liabilities</b> | <b>5,152,924</b>        | <b>-</b>            | <b>5,152,924</b>  | <b>7,311,164</b>        | <b>-</b>            | <b>7,311,164</b>  |

#### ii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk). The Company's market risk policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

The nature of the Company's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

#### iii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Rwandan Francs and its exposure to foreign exchange risk arises primarily with respect to the US dollar. The Company's financial assets are primarily denominated in the same currencies as its insurance contract liabilities.

The Company mitigates some of the foreign currency risk associated with insurance contracts by holding reinsurance contracts denominated in the same currencies as its insurance contract liabilities. Based on the time series of Rwanda exchange rate from past five years, we assumed that the exchange rate can be changed upward or downward at the level of 5%. The table below indicates the currency sensitivity analysis:

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**II). Financial risk (Continued)**

|                                     | 2024                    |                             |                  | 2023                        |                  |
|-------------------------------------|-------------------------|-----------------------------|------------------|-----------------------------|------------------|
|                                     | Change in exchange rate | Impact on profit before tax | Impact on equity | Impact on profit before tax | Impact on equity |
| Insurance and reinsurance contracts | 5%                      |                             |                  |                             |                  |
| Financial assets                    | 5%                      | 12,405                      | 8,931            | 2,566                       | 1,847            |
| Insurance & reinsurance contracts   | -5%                     |                             |                  |                             |                  |
| <b>Financial assets</b>             | <b>-5%</b>              | <b>(12,405)</b>             | <b>(8,931)</b>   | <b>(2,566)</b>              | <b>1,847</b>     |

The tables below summarize the company's financial assets and insurance contract assets and liabilities by major currencies:

|                                       | 31 Dec 24<br>FRw'000 | 31 Dec 23<br>FRw'000 |
|---------------------------------------|----------------------|----------------------|
| <b>Financial assets</b>               |                      |                      |
| Cash and Cash equivalents             | 248,090              | 51,318               |
| Debt instruments at amortized cost    | 693,337              | -                    |
| <b>Total</b>                          | <b>941,427</b>       | <b>51,318</b>        |
| <b>Insurance contract liabilities</b> |                      |                      |
| Accident                              | 5,109                | 2,646                |
| Motor                                 | 377,267              | 189,798              |
| Engineering                           | 290,361              | 214,255              |
| Property                              | 435,876              | 198,277              |
| Transportation                        | 13,522               | 4,337                |
| Guarantee                             | 43,936               | 32,783               |
| Liability                             | 52,699               | 27,611               |
| Miscellaneous                         | 353,441              | 84,580               |
| <b>Total</b>                          | <b>1,572,211</b>     | <b>754,287</b>       |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Insurance and financial risk. (continued)

##### II). Financial risk (Continued)

##### iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk. There is no direct contractual relationship between financial assets and insurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest-bearing financial assets.

The Company has no significant concentration of interest rate risk. IFRS 17.127 IFRS 7.34(c) The Company is exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

**The sensitivity analysis based its estimate from the floating interest rate over past five years and the estimate of central bank with a conclusion that the interest rate can neither increase by more than 5% nor decrease to 5% for next 12 months.**

|                                   | 2024                    |                             |                  | 2023                        |                  |
|-----------------------------------|-------------------------|-----------------------------|------------------|-----------------------------|------------------|
|                                   | Change in exchange rate | Impact on profit before tax | Impact on equity | Impact on profit before tax | Impact on equity |
| Insurance & reinsurance contracts | 5%                      |                             |                  |                             |                  |
| Debt instruments                  | 5%                      | 1,071,348                   | 771,371          | 1,031,815                   | 732,589          |
| Insurance & reinsurance contracts | -5%                     |                             |                  |                             |                  |
| <b>Debt instruments</b>           | <b>-5%</b>              | <b>(1,071,348)</b>          | <b>(771,371)</b> | <b>(1,031,815)</b>          | <b>(732,589)</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**II). Financial risk (Continued)**

**v) Price risk**

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market. The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments. The Company has no significant concentration of price risk.

**vi). Operational risks**

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process

**vii). Credit risk**

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Company's exposure to credit risk. The Company's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. Credit risk relating to financial instruments is monitored by the Company's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments. Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in the policy document. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default. The nature of the Company's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Insurance and financial risk. (continued)

##### II). Financial risk (Continued)

##### Credit exposure

The table below provides information regarding the credit risk exposure of the Company by classifying Very good+ as the highest possible rating. Assets that fall outside the range of Very good to Good are classified as High grade. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk.

The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

|                                    | 2024              |            |                  |                  |                   |
|------------------------------------|-------------------|------------|------------------|------------------|-------------------|
| Rwf'000                            | Financial service | Government | Retails          | Construction     | Total             |
| <b>Financials assets</b>           |                   |            |                  |                  |                   |
| Cash and bank balance              | 801,175           | -          | -                | -                | 801,175           |
| Term deposits                      | 9,841,962         | -          | -                | -                | 9,841,962         |
| Debt instruments at amortized cost | 9,360,133         | -          | 1,104,795        | 1,120,074        | 11,585,002        |
| Insurance contract asset           | -                 | -          | 467,903          | -                | 467,903           |
| Reinsurance contract asset         | 2,857,410         | -          | -                | -                | 2,857,410         |
| <b>Total</b>                       | <b>22,860,680</b> | <b>-</b>   | <b>1,572,698</b> | <b>1,120,074</b> | <b>25,553,452</b> |

|                                    | 2023              |                   |                  |                  |                   |
|------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Rwf'000                            | Financial service | Government        | Retails          | Construction     | Total             |
| <b>Financials assets</b>           |                   |                   |                  |                  |                   |
| Cash and bank balance              | 224,940           | -                 | -                | -                | 224,940           |
| Term deposits                      | 8,188,298         | -                 | -                | -                | 8,188,298         |
| Debt instruments at amortized cost | -                 | 10,223,135        | 1,104,795        | 1,120,074        | 12,448,004        |
| Insurance contract asset           | -                 | -                 | 398,548          | -                | 398,548           |
| Reinsurance contract asset         | 2,515,513         | -                 | -                | -                | 2,515,513         |
| <b>Total</b>                       | <b>10,928,751</b> | <b>10,223,135</b> | <b>1,503,343</b> | <b>1,120,074</b> | <b>23,775,303</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Insurance and financial risk. (continued)**

**Credit exposure (Continued).**

**Credit exposure by credit rating**

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties:

|                                    | <b>2024</b>       |                   |                                  |                  |                   |
|------------------------------------|-------------------|-------------------|----------------------------------|------------------|-------------------|
| <b>Rwf'000</b>                     | <b>Very Good</b>  | <b>High grade</b> | <b>Past due but not impaired</b> | <b>Not Rated</b> | <b>Total</b>      |
| <b>Financials assets</b>           |                   |                   |                                  |                  |                   |
| Cash and bank balance              | 801,175           | -                 | -                                | -                | 801,175           |
| Term deposits                      | 9,841,962         | -                 | -                                | -                | 9,841,962         |
| Debt instruments at amortized cost | 9,360,133         | -                 | -                                | 2,224,869        | 11,585,002        |
| Insurance Contract asset           | -                 | -                 | -                                | 467,903          | 467,903           |
| Reinsurance contract asset         | -                 | 2,857,410         | -                                | -                | 2,857,410         |
| Other receivables                  | -                 | -                 | -                                | 543,511          | 543,511           |
| <b>Total</b>                       | <b>20,003,270</b> | <b>2,857,410</b>  | <b>-</b>                         | <b>3,236,283</b> | <b>26,096,963</b> |

|                                    | <b>2023</b>       |                   |                                  |                  |                   |
|------------------------------------|-------------------|-------------------|----------------------------------|------------------|-------------------|
| <b>Rwf'000</b>                     | <b>Very Good</b>  | <b>High grade</b> | <b>Past due but not impaired</b> | <b>Not Rated</b> | <b>Total</b>      |
| <b>Financials assets</b>           |                   |                   |                                  |                  |                   |
| Cash and bank balance              | 224,940           | -                 | -                                | -                | 224,940           |
| Term deposits                      | 8,188,298         | -                 | -                                | -                | 8,188,298         |
| Debt instruments at amortized cost | 10,223,135        | 2,224,869         | -                                | -                | 12,448,004        |
| Insurance Contract asset           | -                 | -                 | -                                | 398,548          | 398,548           |
| Reinsurance contract asset         | -                 | 2,515,513         | -                                | -                | 2,515,513         |
| Other receivables                  | -                 | -                 | -                                | 501,660          | 501,660           |
| <b>Total</b>                       | <b>18,636,373</b> | <b>4,740,382</b>  | <b>-</b>                         | <b>900,208</b>   | <b>24,276,963</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Financial risk (Continued).

##### e). Impairment assessment (Continued).

The Company's ECL assessment and measurement method is set out below.

##### i). Significant increase in credit risk, default, and cure

The Company continuously monitors all assets subject to ECLs. To determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 90 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees.
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection.
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

The Company considers a financial instrument defaulted and, therefore, credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments and that there is no indication that there shall be a possibility of recovery. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognizes a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

Except for premium receivables, other financial instruments do not have significant increase in credit risk or default for financial assets during the year.

##### ii). Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

The table below indicated the ECL financial assets:

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Financial risk (Continued).**

**e). Impairment assessment (Continued).**

**ii). Expected credit loss.**

|                               | <b>2024</b>       |                         |                        |                                    |                         |                            |
|-------------------------------|-------------------|-------------------------|------------------------|------------------------------------|-------------------------|----------------------------|
| <b>Rwf'000</b>                | <b>Cost</b>       | <b>Interest accrued</b> | <b>Impairment Cost</b> | <b>Impairment interest accrued</b> | <b>Impairment Total</b> | <b>Impairment Movement</b> |
| Government Bond               | 9,038,803         | 303,788                 | 45,194                 | 1,519                              | 46,713                  | (4,932)                    |
| Commercial Paper              | 1,120,074         | 98,633                  | 22,838                 | 2,011                              | 24,850                  | 2,453                      |
| Corporate Bond                | 1,000,000         | 105,479                 | 9,240                  | 975                                | 10,214                  | 6                          |
| <b>Total</b>                  | <b>11,158,878</b> | <b>507,901</b>          | <b>77,272</b>          | <b>4,505</b>                       | <b>81,777</b>           | <b>(2,473)</b>             |
| Term Deposit                  | 7,100,000         | 474,620                 | 35,500                 | 2,373                              | 37,873                  | 10,805                     |
| Term Deposit                  | 2,200,000         | 105,907                 | 660                    | 32                                 | 692                     | (149)                      |
| <b>Total</b>                  | <b>9,300,000</b>  | <b>580,527</b>          | <b>36,160</b>          | <b>2,405</b>                       | <b>38,565</b>           | <b>10,656</b>              |
| Bank Balance                  | 9,038,803         | 303,788                 | 45,194                 | 1,519                              | 46,713                  | (4,932)                    |
| Bank Balance                  | 1,120,074         | 98,633                  | 22,838                 | 2,011                              | 24,850                  | 2,453                      |
| <b>Total</b>                  | <b>11,158,878</b> | <b>507,901</b>          | <b>77,272</b>          | <b>4,505</b>                       | <b>81,777</b>           | <b>(2,473)</b>             |
| Insurance premium receivables | 8,846,172         | -                       | 409,603                | -                                  | 409,603                 | 223,190                    |
| <b>Total</b>                  | <b>8,846,172</b>  | <b>-</b>                | <b>409,603</b>         | <b>-</b>                           | <b>409,603</b>          | <b>223,190</b>             |
| <b>Grand Total</b>            | <b>30,109,073</b> | <b>1,088,427</b>        | <b>525,884</b>         | <b>6,910</b>                       | <b>532,794</b>          | <b>233,585</b>             |

|                               | <b>2023</b>       |                         |                        |                                    |                         |                            |
|-------------------------------|-------------------|-------------------------|------------------------|------------------------------------|-------------------------|----------------------------|
| <b>Rwf'000</b>                | <b>Cost</b>       | <b>Interest accrued</b> | <b>Impairment Cost</b> | <b>Impairment interest accrued</b> | <b>Impairment Total</b> | <b>Impairment Movement</b> |
| Government Bond               | 10,027,391        | 301,653                 | 50,137                 | 1,508                              | 51,645                  | 6,209                      |
| Commercial Paper              | 1,120,074         | (21,658)                | 22,838                 | (442)                              | 22,397                  | 16,848                     |
| Corporate Bond                | 1,000,000         | 104,795                 | 9,240                  | 968                                | 10,208                  | -                          |
| <b>Total</b>                  | <b>12,147,466</b> | <b>384,789</b>          | <b>82,215</b>          | <b>2,034</b>                       | <b>84,250</b>           | <b>23,057</b>              |
| Term Deposit                  | 5,100,000         | 313,569                 | 25,500                 | 1,568                              | 27,068                  | 4,007                      |
| Term Deposit                  | 2,700,000         | 102,637                 | 810                    | 31                                 | 841                     | 438                        |
| <b>Total</b>                  | <b>7,800,000</b>  | <b>416,206</b>          | <b>26,310</b>          | <b>1,599</b>                       | <b>27,909</b>           | <b>4,445</b>               |
| Bank Balance                  | 121,662           | -                       | 608                    | -                                  | 608                     | (170)                      |
| Bank Balance                  | 103,915           | -                       | 29                     | -                                  | 29                      | (1)                        |
| <b>Total</b>                  | <b>225,577</b>    | <b>-</b>                | <b>637</b>             | <b>-</b>                           | <b>637</b>              | <b>(171)</b>               |
| Insurance premium receivables | 5,297,958         | -                       | 186,413                | -                                  | 186,413                 | 118,755                    |
| <b>Total</b>                  | <b>5,297,958</b>  | <b>-</b>                | <b>186,413</b>         | <b>-</b>                           | <b>186,413</b>          | <b>118,755</b>             |
| <b>Grand Total</b>            | <b>25,471,001</b> | <b>800,995</b>          | <b>295,575</b>         | <b>3,634</b>                       | <b>299,209</b>          | <b>146,087</b>             |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4. Financial risk (Continued).

##### e). Impairment assessment (Continued).

##### ii). Expected credit loss.

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance by class of financial instrument.

| Rwf'000                              | 2024<br>Expected<br>Credit Loss | 2023<br>Expected<br>Credit Loss |
|--------------------------------------|---------------------------------|---------------------------------|
| <b>Government bond</b>               |                                 |                                 |
| Opening Balance                      | 51,645                          | 45,436                          |
| Net remeasurement of loss allowance  | (4,932)                         | 6,209                           |
| New financial assets acquired        |                                 |                                 |
| Financial assets derecognised        |                                 |                                 |
| <b>Balance at 31 December</b>        | <b>46,713</b>                   | <b>51,645</b>                   |
| <b>Commercial paper</b>              |                                 |                                 |
| Opening Balance                      | 22,397                          | 5,549                           |
| Net remeasurement of loss allowance  | 2,453                           | 16,848                          |
| <b>New financial assets acquired</b> |                                 |                                 |
| Financial assets derecognised        |                                 |                                 |
| <b>Balance at 31 December</b>        | <b>24,850</b>                   | <b>22,397</b>                   |
| <b>Corporate bond</b>                |                                 |                                 |
| Opening Balance                      | 10,208                          | 10,208                          |
| Net remeasurement of loss allowance  | 6                               | -                               |
| New financial assets acquired        |                                 |                                 |
| Financial assets derecognised        |                                 |                                 |
| <b>Balance at 31 December</b>        | <b>10,214</b>                   | <b>10,208</b>                   |
| <b>Term deposit</b>                  |                                 |                                 |
| Opening Balance                      | 27,909                          | 23,463                          |
| Net remeasurement of loss allowance  | 10,656                          | 4,446                           |
| New financial assets acquired        |                                 |                                 |
| Financial assets derecognised        |                                 |                                 |
| <b>Balance at 31 December</b>        | <b>38,565</b>                   | <b>27,909</b>                   |
| <b>Bank balance</b>                  |                                 |                                 |
| Opening Balance                      | 636                             | 808                             |
| Net remeasurement of loss allowance  | 2,213                           | (172)                           |
| New financial assets acquired        |                                 |                                 |
| Financial assets derecognised        |                                 |                                 |
| <b>Balance at 31 December</b>        | <b>2,849</b>                    | <b>637</b>                      |
| <b>Premium Debtors</b>               |                                 |                                 |
| Opening Balance                      | 186,413                         | 67,658                          |
| Net remeasurement of loss allowance  | 223,190                         | 118,755                         |
| New financial assets acquired        | -                               | -                               |
| Financial assets derecognized        | -                               | -                               |
| <b>Balance at 31 December</b>        | <b>409,603</b>                  | <b>186,413</b>                  |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. Financial risk (Continued).**

**e). Impairment assessment (Continued).**

**iii). Impairment losses on financial assets (continued)**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios, and the relevant inputs used.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 365 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 360 days past due with no commitment by the party.

Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables for which an impairment provision was recognized were written off against the provision when there was no expectation of recovering additional cash. The probability of the default on the premium receivable as at 31 December 2024 was at 4.6% of the total premium receivables. This has been arrived by using simplified method whereby a provision matrix has been made based on the past and forward information. The premium receivables have been put in the bucket from 30 days to a last bucket of 365 days and categorized as government, corporate and individual. Individual scored an ECL of 100% and Corporate and ECL of 20%. Based on the forward information and commitment, government category score almost 0% of ECL

All of the entity's debt investments at amortized cost are considered to have low credit risk as most of them are held with the government, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for government bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

**Deposits with financial institutions, cash at bank, government securities**

Deposits with financial institutions, cash at bank and government securities are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months' expected losses. Management considers 'low credit risk' for these financial assets as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The loss rate assigned to these has been determined to be 0.27% for deposits with financial institutions and cash at bank which is the probability of default assigned to a B+ investment grade by Standard & Poors Rating Agency. The loss rate assigned to government securities has been determined to be 0.50% which is the probability of default assigned to a B+ sovereign grade by Standard & Poors Rating Agency.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 5. Capital management objectives, Policies, and Approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Company is also subject to regulatory requirements within Rwanda. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the The National Bank of Rwanda (BNR). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Company met all these requirements throughout the financial year. The solvency ratios have been presented in the supplementary information.

#### Approach to capital management

The Company seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to the shareholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

**Below is the solvency margin status as at 31 December which is the key indicator of company capital adequacy:**

|                             | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|-----------------------------|----------------------|----------------------|
| Solvency Margin Required    | 2,184,605            | 1,462,450            |
| Admitted Assets             | 24,971,643           | 23,866,800           |
| Admitted Liabilities        | 17,662,028           | (16,524,123)         |
| Solvency Margin Available   | 7,309,615            | 7,342,677            |
| Excess on Solvency Required | 5,125,009            | 5,880,227            |
| <b>Solvency Ratio</b>       | <b>334.6%</b>        | <b>502.1%</b>        |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 6. Significant judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product lines namely, marine, property, personal accident insurance and liability reinsurance issued. This disaggregation has been determined based on how the Company is managed.

##### i). Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

##### ii). Liability for remaining coverage

###### Insurance acquisition cash flows

BKGI has adopted both approaches depending on the nature of group contracts.

For a one-year business, acquisition cashflow is expensed as incurred, or allocated using a systematic basis and rational method to group of insurance contracts.

For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group.

The asset for insurance acquisition cashflow is derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

##### iii). Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bereuter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates. The subrogation is recognized as receivable after the related claims has been paid and the counterparty insurer is in agreement with the notified amount.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

##### v). Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. Discount rates applied for discounting of future cash flows are listed below:

| Years | 1     | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Yield | 8.295 | 9.798 | 11.300 | 11.575 | 11.850 | 11.900 | 11.950 | 12.290 | 12.630 | 12.970 |

Source: National Bank of Rwanda (BNR)

##### vi). Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

#### 7. Insurance and reinsurance contracts

The breakdown of groups of insurance contracts issued, that are in an asset position and those in a liability position is set out in the table below:

##### 7.1 Re-insurance contract assets

| Rwf'000                                   | 2024             |                    |                  | 2023             |                    |                  |
|---|------------------|--------------------|------------------|------------------|--------------------|------------------|
|   | Assets           | Liabilities        | Net              | Assets           | Liabilities        | Net              |
| <b>Reinsurance contract issued</b>        | 8,811            | (5,109)            | 3,702            | 6,485            | (2,646)            | 3,839            |
| <b>Accident</b>                           |                  |                    |                  |                  |                    |                  |
| Motor                                     | 650,652          | (377,267)          | 273,385          | 710,179          | (289,798)          | 420,381          |
| Engineering                               | 500,769          | (290,361)          | 210,408          | 701,989          | (286,456)          | 415,533          |
| Property                                  | 751,732          | (435,876)          | 315,856          | 485,898          | (198,277)          | 287,621          |
| Transportation                            | 23,320           | (13,522)           | 9,798            | 10,628           | (4,337)            | 6,291            |
| Guarantee                                 | 75,774           | (43,936)           | 31,838           | 80,338           | (32,783)           | 47,555           |
| Liability                                 | 90,887           | (52,699)           | 38,188           | 67,664           | (27,611)           | 40,053           |
| Miscellaneous                             | 755,464          | (438,040)          | 317,424          | 452,332          | (184,580)          | 267,752          |
| <b>Total Reinsurance contracts issued</b> | <b>2,857,409</b> | <b>(1,656,810)</b> | <b>1,200,600</b> | <b>2,515,513</b> | <b>(1,026,488)</b> | <b>1,489,025</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7.2 Insurance contract liabilities**

| Rwf'000                                   | 2024           |                  |                  | 2023           |                  |                  |
|---|----------------|------------------|------------------|----------------|------------------|------------------|
|   | Assets         | Liabilities      | Net              | Assets         | Liabilities      | Net              |
| <b>Reinsurance contract issued</b>        |                |                  |                  |                |                  |                  |
| <b>Accident</b>                           | 2,309          | 83,872           | 81,563           | 2,509          | 91,898           | 89,389           |
| Motor                                     | 188,947        | 1,138,828        | 949,881          | 210,930        | 4,765,092        | 4,554,163        |
| Engineering                               | 53,554         | 662,122          | 608,568          | 66,957         | 823,251          | 756,294          |
| Property                                  | 102,164        | 828,609          | 726,445          | 57,569         | 534,184          | 476,615          |
| Transportation                            | 1,679          | 6,443            | 4,764            | 2,204          | 4,880            | 2,676            |
| Guarantee                                 | 17,834         | 134,114          | 116,280          | 2,947          | 163,155          | 160,207          |
| Liability                                 | 1,893          | 90,505           | 88,612           | 2,599          | 128,796          | 126,196          |
| Miscellaneous                             | 99,522         | 551,621          | 452,099          | 52,833         | (226,580)        | (279,412)        |
| <b>Total Reinsurance contracts issued</b> | <b>467,903</b> | <b>3,496,110</b> | <b>3,028,212</b> | <b>398,548</b> | <b>6,284,675</b> | <b>5,886,127</b> |

7.3. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately:

- Motor
- Property
- Engineering
- Transportation/Marine
- Guarantee
- Accident
- Liability, and
- Miscellaneous
- This disaggregation has been determined based on how the company is managed.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.3. Roll forward of liability of insurance contract

##### 7.3.1. Motor

##### Liability for insurance contracts–Motor 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Motor Product year end 2024, is disclosed in the table below. The short forms in the table are the following:

- Lfrc =Liability for remaining Coverage
- Lfic Be = Liability for Incurred Claims Best estimate
- Lfic Ra = Liability for incurred claims Risk Adjustment

##### 7.3.1. Motor insurance–Liability for insurance contracts 2024

| Name   | Lfic Ra       | Lfic Be          | Lfrc Excl Loss Component | Loss Component | Total          |
|--|---------------|------------------|--------------------------|----------------|----------------|
| <b>Insurance Contract Liabilities</b>                  | 236,503       | 3,493,735        | 963,183                  | 71,673         | 4,578,681      |
| Insurance Contract Assets                              | -             | -                | (210,930)                | -              | (210,930)      |
| Net Balance  | 236,503       | 3,493,735        | 752,253                  | 71,673         | 4,367,751      |
| Insurance Revenue                                      | -             | -                | (9,216,953)              | -              | (9,216,953)    |
| Insurance Service Expense                              | (161,858)     | 4,815,561        | 570,910                  | (71,673)       | 5,152,940      |
| Incurred Claims  | -             | 4,077,019        | -                        | -              | 4,077,019      |
| Directly Attributable Expenses                         | -             | 738,542          | -                        | -              | 738,542        |
| Adjustment To Liabilities For Incurred Claims          | (161,858)     | -                | -                        | -              | (161,858)      |
| Losses On Onerous Contracts & Reversal Of Those Losses | -             | -                | -                        | (71,673)       | (71,673)       |
| Acquisition Cash Flows Amortization                    | -             | -                | 570,910                  | -              | 570,910        |
| Insurance Service Result                               | (161,858)     | 4,815,561        | (8,646,043)              | (71,673)       | (4,064,013)    |
| Insurance Finance Expense Total                        | -             | (42,790)         | -                        | -              | (42,790)       |
| Therefore Recognized In Pnl                            | -             | (42,790)         | -                        | -              | (42,790)       |
| Cash Flows   | -             | (4,605,307)      | 5,107,827                | -              | 502,521        |
| Premiums Received                                      | -             | -                | 5,656,755                | -              | 5,656,755      |
| Claims Excl Non Distinct Investment Component Paid     | -             | (3,866,764)      | -                        | -              | (3,866,764)    |
| Directly Attributable Expenses Paid                    | -             | (738,542)        | -                        | -              | (738,542)      |
| Insurance Acquisition Cash Flows                       | -             | -                | (548,928)                | -              | (548,928)      |
| Insurance Contract Liabilities                         | 74,644        | 3,661,199        | (2,597,015)              | -              | 1,138,828      |
| Insurance Contract Assets                              | -             | -                | (188,947)                | -              | (188,947)      |
| <b>Net Balance</b>                                     | <b>74,644</b> | <b>3,661,199</b> | <b>(2,785,962)</b>       | <b>-</b>       | <b>949,881</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.1. Motor(continued)**

**Liability for insurance contracts–Motor 2023**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Motor Product year end 2023, is disclosed in the table below:

| Name   | Lfic Ra        | Lfic Be          | Lfrc Excl Loss Component | Loss Component | Total            |
|--|----------------|------------------|--------------------------|----------------|------------------|
| Insurance Contract Liabilities                         | 185,487        | 2,727,502        | 734,918                  | 3              | 3,647,910        |
| Insurance Contract Assets                              | -              | -                | (164,183)                | -              | (164,183)        |
| Net Balance  | 185,487        | 2,727,502        | 570,735                  | 3              | 3,483,727        |
| Insurance Revenue                                      | -              | -                | (7,881,938)              | -              | (7,881,938)      |
| Insurance Service Expense                              | 51,016         | 4,549,827        | 446,517                  | 71,670         | 5,119,030        |
| Incurred Claims  | -              | 4,083,020        | -                        | -              | 4,083,020        |
| Directly Attributable Expenses                         | -              | 466,807          | -                        | -              | 466,807          |
| Adjustment To Liabilities For Incurred Claims          | 51,016         | -                | -                        | -              | 51,016           |
| Losses On Onerous Contracts & Reversal Of Those Losses | -              | -                | -                        | 71,670         | 71,670           |
| Acquisition Cash Flows Amortization                    | -              | -                | 446,517                  | -              | 446,517          |
| Insurance Service Result                               | 51,016         | 4,549,827        | (7,435,421)              | 71,670         | (2,762,908)      |
| Insurance Finance Expense Total                        | -              | (9,343)          | -                        | -              | (9,343)          |
| Therefore Recognized In Pnl                            | -              | (9,343)          | -                        | -              | (9,343)          |
| Cash Flows   | -              | (3,774,252)      | 7,616,939                | -              | 3,842,687        |
| Premiums Received                                      | -              | -                | 8,110,203                | -              | 8,110,203        |
| Claims Excl Non Distinct Investment Component Paid     | -              | (3,307,445)      | -                        | -              | (3,307,445)      |
| Directly Attributable Expenses Paid                    | -              | (466,807)        | -                        | -              | (466,807)        |
| Insurance Acquisition Cash Flows                       | -              | -                | (493,264)                | -              | (493,264)        |
| Insurance Contract Liabilities                         | 236,503        | 3,493,734        | 963,183                  | 71,673         | 4,765,092        |
| Insurance Contract Assets                              | -              | -                | (210,930)                | -              | (210,930)        |
| <b>Net Balance</b>                                     | <b>236,503</b> | <b>3,493,734</b> | <b>752,253</b>           | <b>71,673</b>  | <b>4,554,163</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.3. Roll forward of liability of insurance contract

##### 7.3.2. Property

#### Liability for insurance contracts–Property 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Property year end 2024, is disclosed in the table below:

| Name   | Lfic Ra       | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total          |
|--|---------------|----------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                     | 5,446         | 132,798        | 395,940                  | -              | 534,184        |
| Insurance Contract Assets                          | -             | -              | (57,569)                 | -              | (57,569)       |
| Net Balance  | 5,446         | 132,798        | 338,371                  | -              | 476,615        |
| Insurance Revenue                                  | -             | -              | (1,974,806)              | -              | (1,974,806)    |
| Insurance Service Expense                          | 37,501        | 352,992        | 112,277                  | -              | 502,770        |
| Incurred Claims                                    | -             | 256,727        | -                        | -              | 256,727        |
| Directly Attributable Expenses                     | -             | 96,265         | -                        | -              | 96,265         |
| Adjustment To Liabilities For Incurred Claims      | 37,501        | -              | -                        | -              | 37,501         |
| Acquisition Cash Flows Amortization                | -             | -              | 112,277                  | -              | 112,277        |
| Insurance Service Result                           | 37,501        | 352,992        | (1,862,529)              | -              | (1,472,036)    |
| Insurance Finance Expense Total                    | -             | (34,131)       | -                        | -              | (34,131)       |
| Therefore Recognized In Pnl                        | -             | (34,131)       | -                        | -              | (34,131)       |
| Therefore Recognized In Oci                        | -             | -              | -                        | -              | -              |
| Cash Flows   | -             | (166,385)      | 1,922,382                | -              | 1,755,997      |
| Premiums Received                                  | -             | -              | 2,079,253                | -              | 2,079,253      |
| Claims Excl Non Distinct Investment Component Paid | -             | (70,121)       | -                        | -              | (70,121)       |
| Non Distinct Investment Component Paid             | -             | -              | -                        | -              | -              |
| Directly Attributable Expenses Paid                | -             | (96,265)       | -                        | -              | (96,265)       |
| Insurance Acquisition Cash Flows                   | -             | -              | (156,872)                | -              | (156,872)      |
| Insurance Contract Liabilities                     | 42,947        | 285,274        | 500,387                  | -              | 828,609        |
| Insurance Contract Assets                          | -             | -              | (102,164)                | -              | (102,164)      |
| <b>Net Balance</b>                                 | <b>42,947</b> | <b>285,274</b> | <b>398,223</b>           | <b>-</b>       | <b>726,444</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.2. Property (Continued)**

**Liability for insurance contracts–Property 2023**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Property year end 2023, is disclosed in the table below:

| Name   | Lfic Ra      | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total          |
|--|--------------|----------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                           | 4,252        | 62,642         | 98,544                   | -              | 165,438        |
| Insurance Contract Assets                                | -            | -              | (44,098)                 | -              | (44,098)       |
| Net Balance  | 4,252        | 62,642         | 54,446                   | -              | 121,340        |
| Insurance Revenue  | -            | -              | (1,601,995)              | -              | (1,601,995)    |
| Insurance Service Expense                                | 1,194        | 238,859        | 98,694                   | -              | 338,747        |
| Incurred Claims  | -            | 134,133        | -                        | -              | 134,133        |
| Directly Attributable Expenses                           | -            | 104,727        | -                        | -              | 104,727        |
| Adjustment To Liabilities For Incurred Claims            | 1,194        | -              | -                        | -              | 1,194          |
| Losses On Onerous Contracts And Reversal Of Those Losses | -            | -              | -                        | -              | -              |
| Acquisition Cash Flows Amortization                      | -            | -              | 98,694                   | -              | 98,694         |
| Insurance Service Result                                 | 1,194        | 238,859        | (1,503,301)              | -              | (1,263,247)    |
| Insurance Finance Expense Total                          | -            | 2,596          | -                        | -              | 2,596          |
| Therefore Recognized In Pnl                              | -            | 2,596          | -                        | -              | 2,596          |
| Cash Flows   | -            | (171,299)      | 1,787,226                | -              | 1,615,927      |
| Premiums Received  | -            | -              | 1,899,391                | -              | 1,899,391      |
| Claims Excl Non Distinct Investment Component Paid       | -            | (66,572)       | -                        | -              | (66,572)       |
| Directly Attributable Expenses Paid                      | -            | (104,727)      | -                        | -              | (104,727)      |
| Insurance Acquisition Cash Flows                         | -            | -              | (112,165)                | -              | (112,165)      |
| Insurance Contract Liabilities                           | 5,446        | 132,798        | 395,940                  | -              | 534,184        |
| Insurance Contract Assets                                | -            | -              | (57,569)                 | -              | (57,569)       |
| <b>Net Balance</b>                                       | <b>5,446</b> | <b>132,798</b> | <b>338,371</b>           | <b>-</b>       | <b>476,615</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

#### 7.3. Roll forward of liability of insurance contract (Continued)

#### 7.3.3. Engineering

#### Liability for insurance contract-Engineering 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Engineering product line for year-end 2024, is disclosed in the table below:

| Name   | Lfic Ra      | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total          |
|--|--------------|----------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                           | 10,339       | 180,193        | 583,731                  | 48,988         | 823,251        |
| Insurance Contract Assets                                | -            | -              | (66,957)                 | -              | (66,957)       |
| Net Balance  | 10,339       | 180,193        | 516,774                  | 48,988         | 756,294        |
| Insurance Revenue  | -            | -              | (862,612)                | -              | (862,612)      |
| Insurance Service Expense                                | (3,404)      | 152,235        | 31,200                   | (48,988)       | 131,043        |
| Incurred Claims  | -            | 114,781        | -                        | -              | 114,781        |
| Directly Attributable Expenses                           | -            | 37,455         | -                        | -              | 37,455         |
| Adjustment To Liabilities For Incurred Claims            | (3,404)      | -              | -                        | -              | (3,404)        |
| Losses On Onerous Contracts And Reversal Of Those Losses | -            | -              | -                        | (48,988)       | (48,988)       |
| Acquisition Cash Flows Amortization                      | -            | -              | 31,200                   | -              | 31,200         |
| Insurance Service Result                                 | (3,404)      | 152,235        | (831,412)                | (48,988)       | (731,569)      |
| Insurance Finance Expense Total                          | -            | 7,405          | -                        | -              | 7,405          |
| Therefore Recognized In Pnl                              | -            | 7,405          | -                        | -              | 7,405          |
| Cash Flows   | -            | (228,591)      | 805,029                  | -              | 576,437        |
| Premiums Received  | -            | -              | 822,826                  | -              | 822,826        |
| Claims Excl Non Distinct Investment Component Paid       | -            | (191,137)      | -                        | -              | (191,137)      |
| Directly Attributable Expenses Paid                      | -            | (37,455)       | -                        | -              | (37,455)       |
| Insurance Acquisition Cash Flows                         | -            | -              | (17,797)                 | -              | (17,797)       |
| Insurance Contract Liabilities                           | 6,935        | 111,241        | 543,945                  | -              | 662,122        |
| Insurance Contract Assets                                | -            | -              | (53,554)                 | -              | (53,554)       |
| <b>Net Balance</b>                                       | <b>6,935</b> | <b>111,241</b> | <b>490,391</b>           | <b>-</b>       | <b>608,568</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.3. Engineering (continued)**

**Liability for insurance contracts-Engineering 2023**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Engineering year end 2023, is disclosed in the table below:

| Name   | Lfic Ra       | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total          |
|--|---------------|----------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                         | 14,102        | 207,771        | 167,716                  | -              | 389,589        |
| Insurance Contract Assets                              | -             | -              | (7,849)                  | -              | (7,849)        |
| Net Balance  | 14,102        | 207,771        | 159,868                  | -              | 381,740        |
| Insurance Revenue                                      | -             | -              | (652,667)                | -              | (652,667)      |
| Insurance Service Expense                              | (3,763)       | 231,597        | 37,508                   | 48,988         | 314,331        |
| Incurred Claims  | -             | 173,821        | -                        | -              | 173,821        |
| Directly Attributable Expenses                         | -             | 57,776         | -                        | -              | 57,776         |
| Adjustment To Liabilities For Incurred Claims          | (3,763)       | -              | -                        | -              | (3,763)        |
| Losses On Onerous Contracts & Reversal Of Those Losses | -             | -              | -                        | 48,988         | 48,988         |
| Acquisition Cash Flows Amortization                    | -             | -              | 37,508                   | -              | 37,508         |
| Insurance Service Result                               | (3,763)       | 231,597        | (615,159)                | 48,988         | (338,336)      |
| Insurance Finance Expense Total                        | -             | 8,853          | -                        | -              | 8,853          |
| Therefore Recognized In Pnl                            | -             | 8,853          | -                        | -              | 8,853          |
| Cash Flows   | -             | (268,029)      | 972,066                  | -              | 704,037        |
| Premiums Received                                      | -             | -              | 1,068,682                | -              | 1,068,682      |
| Claims Excl Non Distinct Investment Component Paid     | -             | (210,252)      | -                        | -              | (210,252)      |
| Non Distinct Investment Component Paid                 | -             | -              | -                        | -              | -              |
| Directly Attributable Expenses Paid                    | -             | (57,776)       | -                        | -              | (57,776)       |
| Insurance Acquisition Cash Flows                       | -             | -              | (96,616)                 | -              | (96,616)       |
| Insurance Contract Liabilities                         | 10,339        | 180,193        | 583,731                  | 48,988         | 823,251        |
| Insurance Contract Assets                              | -             | -              | (66,957)                 | -              | (66,957)       |
| <b>Net Balance</b>                                     | <b>10,339</b> | <b>180,193</b> | <b>516,774</b>           | <b>48,988</b>  | <b>756,294</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.3. Roll forward of liability of insurance contract (Continued)

##### 7.3.4. Liability

##### Liability for insurance contracts–Liability 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability product line for year-end 2024, is disclosed in the table below:

| Name   | Lfic Ra    | Lfic Be       | Lfrc Excl Loss Component | Loss Component | Total         |
|--|------------|---------------|--------------------------|----------------|---------------|
| Insurance Contract Liabilities                         | 2,905      | 33,354        | 61,945                   | 30,591         | 128,795       |
| Insurance Contract Assets                              | -          | -             | (2,599)                  | -              | (2,599)       |
| Net Balance  | 2,905      | 33,354        | 59,346                   | 30,591         | 126,196       |
| Insurance Revenue                                      | -          | -             | (401,581)                | -              | (401,581)     |
| Insurance Service Expense                              | (2,106)    | 16,622        | 5,892                    | (30,591)       | (10,183)      |
| Incurred Claims  | -          | 969           | -                        | -              | 969           |
| Directly Attributable Expenses                         | -          | 15,654        | -                        | -              | 15,654        |
| Adjustment To Liabilities For Incurred Claims          | (2,106)    | -             | -                        | -              | (2,106)       |
| Losses On Onerous Contracts & Reversal Of Those Losses | -          | -             | -                        | (30,591)       | (30,591)      |
| Acquisition Cash Flows Amortization                    | -          | -             | 5,892                    | -              | 5,892         |
| Insurance Service Result                               | (2,106)    | 16,622        | (395,689)                | (30,591)       | (411,764)     |
| Insurance Finance Expense Total                        | -          | 5,220         | -                        | -              | 5,220         |
| Therefore Recognized In Pnl                            | -          | 5,220         | -                        | -              | 5,220         |
| Therefore Recognized In Oci                            | -          | -             | -                        | -              | -             |
| Total Amounts Recognised In Comprehensive Income       | -          | -             | -                        | -              | -             |
| Investment Components                                  | -          | -             | -                        | -              | -             |
| Other Changes  | -          | -             | -                        | -              | -             |
| Cash Flows   | -          | (36,614)      | 405,574                  | -              | 368,960       |
| Premiums Received                                      | -          | -             | 410,760                  | -              | 410,760       |
| Claims Excl Non Distinct Investment Component Paid     | -          | (20,961)      | -                        | -              | (20,961)      |
| Non Distinct Investment Component Paid                 | -          | -             | -                        | -              | -             |
| Directly Attributable Expenses Paid                    | -          | (15,654)      | -                        | -              | (15,654)      |
| Insurance Acquisition Cash Flows                       | -          | -             | (5,186)                  | -              | (5,186)       |
| Insurance Contract Liabilities                         | 799        | 18,581        | 71,125                   | -              | 90,505        |
| Insurance Contract Assets                              | -          | -             | (1,893)                  | -              | (1,893)       |
| <b>Net Balance</b>                                     | <b>799</b> | <b>18,581</b> | <b>69,232</b>            | <b>-</b>       | <b>88,612</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.4. Liability (continued)**

**Liability for insurance contracts -Liability 2023**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability product year end 2023, is disclosed in the table below:

| Name   | Lfic Ra      | Lfic Be       | Lfrc Excl Loss Component | Loss Component | Total          |
|--|--------------|---------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                         | 1,322        | 19,475        | 42,679                   | -              | 63,476         |
| Insurance Contract Assets                              | -            | -             | (2,422)                  | -              | (2,422)        |
| Net Balance  | 1,322        | 19,475        | 40,257                   | -              | 61,054         |
| Insurance Revenue                                      | -            | -             | (150,989)                | -              | (150,989)      |
| Insurance Service Expense                              | 1,583        | 45,447        | 4,530                    | 30,591         | 82,151         |
| Incurred Claims  | -            | 36,196        | -                        | -              | 36,196         |
| Directly Attributable Expenses                         | -            | 9,251         | -                        | -              | 9,251          |
| Adjustment To Liabilities For Incurred Claims          | 1,583        | -             | -                        | -              | 1,583          |
| Losses On Onerous Contracts & Reversal Of Those Losses | -            | -             | -                        | 30,591         | 30,591         |
| Acquisition Cash Flows Amortization                    | -            | -             | 4,530                    | -              | 4,530          |
| Insurance Service Result                               | 1,583        | 45,447        | (146,458)                | 30,591         | (68,837)       |
| Insurance Finance Expense Total                        | -            | (4,533)       | -                        | -              | (4,533)        |
| Therefore Recognized In Pnl                            | -            | (4,533)       | -                        | -              | (4,533)        |
| Cash Flows   | -            | (27,035)      | 165,548                  | -              | 138,513        |
| Premiums Received                                      | -            | -             | 170,255                  | -              | 170,255        |
| Claims Excl Non Distinct Investment Component Paid     | -            | (17,784)      | -                        | -              | (17,784)       |
| Non Distinct Investment Component Paid                 | -            | -             | -                        | -              | -              |
| Directly Attributable Expenses Paid                    | -            | (9,251)       | -                        | -              | (9,251)        |
| Insurance Acquisition Cash Flows                       | -            | -             | (4,708)                  | -              | (4,708)        |
| Insurance Contract Liabilities                         | 2,905        | 33,354        | 61,945                   | 30,591         | 128,796        |
| Insurance Contract Assets                              | -            | -             | (2,599)                  | -              | (2,599)        |
| <b>Net Balance</b>                                     | <b>2,905</b> | <b>33,354</b> | <b>59,346</b>            | <b>30,591</b>  | <b>126,196</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.3. Roll forward of liability of insurance contract (Continued)

##### 7.3.5. Accident

##### Liability for insurance contracts – Accident 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for accident insurance product line for year end 2024, is disclosed in the table below:

| Name   | Lfic Ra      | Lfic Be       | Lfrc Excl Loss Component | Loss Component | Total         |
|--|--------------|---------------|--------------------------|----------------|---------------|
| Insurance Contract Liabilities                         | 3,495        | 51,822        | 30,993                   | 5,587          | 91,898        |
| Insurance Contract Assets                              | -            | -             | (2,509)                  | -              | (2,509)       |
| Net Balance  | 3,495        | 51,822        | 28,484                   | 5,587          | 89,388        |
| Insurance Revenue                                      | -            | -             | (90,059)                 | -              | (90,059)      |
| Insurance Service Expense                              | (970)        | 6,098         | 7,631                    | (5,587)        | 7,172         |
| Incurred Claims  | -            | (1,483)       | -                        | -              | (1,483)       |
| Directly Attributable Expenses                         | -            | 7,581         | -                        | -              | 7,581         |
| Adjustment To Liabilities For Incurred Claims          | (970)        | -             | -                        | -              | (970)         |
| Losses On Onerous Contracts & Reversal Of Those Losses | -            | -             | -                        | (5,587)        | (5,587)       |
| Acquisition Cash Flows Amortization                    | -            | -             | 7,631                    | -              | 7,631         |
| Insurance Service Result                               | (970)        | 6,098         | (82,428)                 | (5,587)        | (82,887)      |
| Insurance Finance Expense Total                        | -            | 1,931         | -                        | -              | 1,931         |
| Therefore Recognized In Pnl                            | -            | 1,931         | -                        | -              | 1,931         |
| Therefore Recognized In Oci                            | -            | -             | -                        | -              | -             |
| Total Amounts Recognised In Comprehensive Income       | -            | -             | -                        | -              | -             |
| Investment Components                                  | -            | -             | -                        | -              | -             |
| Other Changes  | -            | -             | -                        | -              | -             |
| Cash Flows   | -            | (21,881)      | 95,011                   | -              | 73,130        |
| Premiums Received                                      | -            | -             | 102,442                  | -              | 102,442       |
| Claims Excl Non Distinct Investment Component Paid     | -            | (14,300)      | -                        | -              | (14,300)      |
| Non Distinct Investment Component Paid                 | -            | -             | -                        | -              | -             |
| Directly Attributable Expenses Paid                    | -            | (7,581)       | -                        | -              | (7,581)       |
| Insurance Acquisition Cash Flows                       | -            | -             | (7,432)                  | -              | (7,432)       |
| Insurance Contract Liabilities                         | 2,525        | 37,970        | 43,376                   | -              | 83,872        |
| Insurance Contract Assets                              | -            | -             | (2,309)                  | -              | (2,309)       |
| <b>Net Balance</b>                                     | <b>2,525</b> | <b>37,970</b> | <b>41,067</b>            | <b>-</b>       | <b>81,563</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.5. Accident (continued)**

**Liability for insurance contracts -Accident 2023**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Accident product year end 2023, is disclosed in the table below:

| Name   | Lfic Ra      | Lfic Be       | Lfrc Excl Loss Component | Loss Component | Total         |
|--|--------------|---------------|--------------------------|----------------|---------------|
| Insurance Contract Liabilities                           | 2,517        | 37,093        | 20,964                   | -              | 60,574        |
| Insurance Contract Assets                                | -            | -             | (849)                    | -              | (849)         |
| Net Balance  | 2,517        | 37,093        | 20,114                   | -              | 59,724        |
| Insurance Revenue  | -            | -             | (69,893)                 | -              | (69,893)      |
| Insurance Service Expense                                | 978          | 36,661        | 3,660                    | 5,587          | 46,886        |
| Incurred Claims  | -            | 32,376        | -                        | -              | 32,376        |
| Directly Attributable Expenses                           | -            | 4,286         | -                        | -              | 4,286         |
| Adjustment To Liabilities For Incurred Claims            | 978          | -             | -                        | -              | 978           |
| Losses On Onerous Contracts And Reversal Of Those Losses | -            | -             | -                        | 5,587          | 5,587         |
| Acquisition Cash Flows Amortization                      | -            | -             | 3,660                    | -              | 3,660         |
| Insurance Service Result                                 | 978          | 36,661        | (66,232)                 | 5,587          | (23,006)      |
| Insurance Finance Expense Total                          | -            | (1,317)       | -                        | -              | (1,317)       |
| Therefore Recognized In Pnl                              | -            | (1,317)       | -                        | -              | (1,317)       |
| Cash Flows   | -            | (20,615)      | 74,602                   | -              | 53,987        |
| Premiums Received  | -            | -             | 79,922                   | -              | 79,922        |
| Claims Excl Non Distinct Investment Component Paid       | -            | (16,329)      | -                        | -              | (16,329)      |
| Non Distinct Investment Component Paid                   | -            | -             | -                        | -              | -             |
| Directly Attributable Expenses Paid                      | -            | (4,286)       | -                        | -              | (4,286)       |
| Insurance Acquisition Cash Flows                         | -            | -             | (5,320)                  | -              | (5,320)       |
| Insurance Contract Liabilities                           | 3,495        | 51,822        | 30,993                   | 5,587          | 91,897        |
| Insurance Contract Assets                                | -            | -             | (2,509)                  | -              | (2,509)       |
| <b>Net Balance</b>                                       | <b>3,495</b> | <b>51,822</b> | <b>28,484</b>            | <b>5,587</b>   | <b>89,388</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

#### 7.3. Roll forward of liability of insurance contract (Continued)

#### 7.3.6. Marine

#### Liability for insurance contracts—Marine 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2024, is disclosed in the table below:

| Name   | Lfic Ra    | Lfic Be      | Lfrc Excl Loss Component | Loss Component | Total        |
|--|------------|--------------|--------------------------|----------------|--------------|
| Insurance Contract Liabilities                         | 689        | 10,144       | (14,575)                 | -              | (3,742)      |
| Insurance Contract Assets                              | -          | -            | (779)                    | -              | (779)        |
| Net Balance  | 689        | 10,144       | (15,355)                 | -              | (4,522)      |
| Insurance Revenue                                      | -          | -            | (98,315)                 | -              | (98,315)     |
| Insurance Service Expense                              | 28         | 1,129        | 8,984                    | -              | 10,141       |
| Incurred Claims  | -          | (5,021)      | -                        | -              | (5,021)      |
| Directly Attributable Expenses                         | -          | 6,150        | -                        | -              | 6,150        |
| Adjustment To Liabilities For Incurred Claims          | 28         | -            | -                        | -              | 28           |
| Losses On Onerous Contracts & Reversal Of Those Losses | -          | -            | -                        | -              | -            |
| Acquisition Cash Flows Amortization                    | -          | -            | 8,984                    | -              | 8,984        |
| Insurance Service Result                               | 28         | 1,129        | (89,331)                 | -              | (88,174)     |
| Insurance Finance Expense Total                        | -          | 569          | -                        | -              | 569          |
| Therefore Recognized In Pnl                            | -          | 569          | -                        | -              | 569          |
| Cash Flows   | -          | (7,487)      | 102,289                  | -              | 94,802       |
| Premiums Received                                      | -          | -            | 112,698                  | -              | 112,698      |
| Claims Excl Non Distinct Investment Component Paid     | -          | (1,337)      | -                        | -              | (1,337)      |
| Non Distinct Investment Component Paid                 | -          | -            | -                        | -              | -            |
| Directly Attributable Expenses Paid                    | -          | (6,150)      | -                        | -              | (6,150)      |
| Insurance Acquisition Cash Flows                       | -          | -            | (10,409)                 | -              | (10,409)     |
| Insurance Contract Liabilities                         | 717        | 4,355        | (193)                    | -              | 4,879        |
| Insurance Contract Assets                              | -          | -            | (2,204)                  | -              | (2,204)      |
| <b>Net Balance</b>                                     | <b>717</b> | <b>4,355</b> | <b>(2,397)</b>           | <b>-</b>       | <b>2,675</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.7. Guarantee**

**Liability for insurance contracts -Guarantee 2024**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Guarantee product year end 2024, is disclosed in the table below:

| Name   | Lfic Ra    | Lfic Be      | Lfrc Excl Loss Component | Loss Component | Total          |
|--|------------|--------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                           | 721        | 18,884       | 143,550                  | -              | 163,155        |
| Insurance Contract Assets                                | -          | -            | (2,947)                  | -              | (2,947)        |
| Net Balance  | 721        | 18,884       | 140,603                  | -              | 160,208        |
| Insurance Revenue  | -          | -            | (360,240)                | -              | (360,240)      |
| Insurance Service Expense                                | (608)      | 86,924       | (5,029)                  | -              | 81,287         |
| Incurred Claims  | -          | 62,691       | -                        | -              | 62,691         |
| Directly Attributable Expenses                           | -          | 24,233       | -                        | -              | 24,233         |
| Adjustment To Liabilities For Incurred Claims            | (608)      | -            | -                        | -              | (608)          |
| Losses On Onerous Contracts And Reversal Of Those Losses | -          | -            | -                        | -              | -              |
| Acquisition Cash Flows Amortization                      | -          | -            | (5,029)                  | -              | (5,029)        |
| Insurance Service Result                                 | (608)      | 86,924       | (365,269)                | -              | (278,953)      |
| Insurance Finance Expense Total                          | -          | 248          | -                        | -              | 248            |
| Therefore Recognized In Pnl                              | -          | 248          | -                        | -              | 248            |
| Cash Flows   | -          | (98,119)     | 332,898                  | -              | 234,779        |
| Premiums Received  | -          | -            | 342,755                  | -              | 342,755        |
| Claims Excl Non Distinct Investment Component Paid       | -          | (73,886)     | -                        | -              | (73,886)       |
| Non Distinct Investment Component Paid                   | -          | -            | -                        | -              | -              |
| Directly Attributable Expenses Paid                      | -          | (24,233)     | -                        | -              | (24,233)       |
| Insurance Acquisition Cash Flows                         | -          | -            | (9,857)                  | -              | (9,857)        |
| Insurance Contract Liabilities                           | 113        | 7,936        | 126,065                  | -              | 134,114        |
| Insurance Contract Assets                                | -          | -            | (17,834)                 | -              | (17,834)       |
| <b>Net Balance</b>                                       | <b>113</b> | <b>7,936</b> | <b>108,231</b>           | <b>-</b>       | <b>116,280</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

#### 7.3. Roll forward of liability of insurance contract (Continued)

#### 7.3.7. Guarantee(continued)

#### Liability for insurance contracts–Guarantee 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Guarantee product year end 2023, is disclosed in the table below:

| Name   | Lfic Ra    | Lfic Be       | Lfrc Excl Loss Component | Loss Component | Total          |
|--|------------|---------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                           | 696        | 10,253        | 274,107                  | -              | 285,056        |
| Insurance Contract Assets                                | -          | -             | (5,610)                  | -              | (5,610)        |
| Net Balance  | 696        | 10,253        | 268,497                  | -              | 279,446        |
| Insurance Revenue  | -          | -             | (469,442)                | -              | (469,442)      |
| Insurance Service Expense                                | 25         | 47,627        | 9,589                    | -              | 57,241         |
| Incurred Claims  | -          | 29,652        | -                        | -              | 29,652         |
| Directly Attributable Expenses                           | -          | 17,975        | -                        | -              | 17,975         |
| Adjustment To Liabilities For Incurred Claims            | 25         | -             | -                        | -              | 25             |
| Losses On Onerous Contracts And Reversal Of Those Losses | -          | -             | -                        | -              | -              |
| Acquisition Cash Flows Amortization                      | -          | -             | 9,589                    | -              | 9,589          |
| Insurance Service Result                                 | 25         | 47,627        | (459,852)                | -              | (412,200)      |
| Insurance Finance Expense Total                          | -          | 579           | -                        | -              | 579            |
| Therefore Recognized In Pnl                              | -          | 579           | -                        | -              | 579            |
| Cash Flows   | -          | (39,575)      | 331,958                  | -              | 292,382        |
| Premiums Received  | -          | -             | 338,884                  | -              | 338,884        |
| Claims Excl Non Distinct Investment Component Paid       | -          | (21,600)      | -                        | -              | (21,600)       |
| Non Distinct Investment Component Paid                   | -          | -             | -                        | -              | -              |
| Directly Attributable Expenses Paid                      | -          | (17,975)      | -                        | -              | (17,975)       |
| Insurance Acquisition Cash Flows                         | -          | -             | (6,927)                  | -              | (6,927)        |
| Insurance Contract Liabilities                           | 721        | 18,884        | 143,550                  | -              | 163,155        |
| Insurance Contract Assets                                | -          | -             | (2,947)                  | -              | (2,947)        |
| <b>Net Balance</b>                                       | <b>721</b> | <b>18,884</b> | <b>140,603</b>           | <b>-</b>       | <b>160,208</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.3. Roll forward of liability of insurance contract (Continued)**

**7.3.8. Miscellaneous**

**Liability for insurance contracts–Miscellaneous 2024**

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Miscellaneous product year end 2024, is disclosed in the table below:

| Name   | Lfic Ra       | Lfic Be        | Lfic Excl Loss Component | Loss Component | Total          |
|--|---------------|----------------|--------------------------|----------------|----------------|
| Insurance Contract Liabilities                           | 21,338        | 225,397        | (503,563)                | 30,247         | (226,581)      |
| Insurance Contract Assets                                | -             | -              | (52,832)                 | -              | (52,832)       |
| Net Balance  | 21,338        | 225,397        | (556,395)                | 30,247         | (279,412)      |
| Insurance Revenue  | -             | -              | (2,358,208)              | -              | (2,358,208)    |
| Insurance Service Expense                                | (8,380)       | 1,428,214      | 208,981                  | (30,247)       | 1,598,568      |
| Incurred Claims  | -             | 1,337,564      | -                        | -              | 1,337,564      |
| Directly Attributable Expenses                           | -             | 90,650         | -                        | -              | 90,650         |
| Adjustment To Liabilities For Incurred Claims            | (8,380)       | -              | -                        | -              | (8,380)        |
| Losses On Onerous Contracts And Reversal Of Those Losses | -             | -              | -                        | (30,247)       | (30,247)       |
| Acquisition Cash Flows Amortization                      | -             | -              | 208,981                  | -              | 208,981        |
| Insurance Service Result                                 | (8,380)       | 1,428,214      | (2,149,226)              | (30,247)       | (759,639)      |
| Insurance Finance Expense Total                          | -             | (5,226)        | -                        | -              | (5,226)        |
| Therefore Recognized In Pnl                              | -             | (5,226)        | -                        | -              | (5,226)        |
| Therefore Recognized In Oci                              | -             | -              | -                        | -              | -              |
| Total Amounts Recognised In Comprehensive Income         | -             | -              | -                        | -              | -              |
| Investment Components                                    | -             | -              | -                        | -              | -              |
| Other Changes  | -             | -              | -                        | -              | -              |
| Cash Flows   | -             | (1,165,025)    | 2,661,403                | -              | 1,496,378      |
| Premiums Received  | -             | -              | 2,917,074                | -              | 2,917,074      |
| Claims Excl Non Distinct Investment Component Paid       | -             | (1,074,374)    | -                        | -              | (1,074,374)    |
| Non Distinct Investment Component Paid                   | -             | -              | -                        | -              | -              |
| Directly Attributable Expenses Paid                      | -             | (90,650)       | -                        | -              | (90,650)       |
| Insurance Acquisition Cash Flows                         | -             | -              | (255,671)                | -              | (255,671)      |
| Insurance Contract Liabilities                           | 12,958        | 483,361        | 55,303                   | -              | 551,622        |
| Insurance Contract Assets                                | -             | -              | (99,522)                 | -              | (99,522)       |
| <b>Net Balance</b>                                       | <b>12,958</b> | <b>483,361</b> | <b>(44,219)</b>          | <b>-</b>       | <b>452,100</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.3. Roll forward of liability of insurance contract (Continued)

##### 7.3.8. Miscellaneous (Continued)

##### Liability for insurance contracts–Miscellaneous 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Miscellaneous product year end 2023, is disclosed in the table below:

| Name   | Lfic Ra       | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total            |
|--|---------------|----------------|--------------------------|----------------|------------------|
| Insurance Contract Liabilities                           | 9,033         | 133,098        | 310,416                  | 2,064          | 454,611          |
| Insurance Contract Assets                                | -             | -              | (38,543)                 | -              | (38,543)         |
| Net Balance  | 9,033         | 133,098        | 271,873                  | 2,064          | 416,068          |
| Insurance Revenue  | -             | -              | (1,845,008)              | -              | (1,845,008)      |
| Insurance Service Expense                                | 12,305        | 850,507        | 142,494                  | 28,183         | 1,033,489        |
| Incurred Claims  | -             | 743,508        | -                        | -              | 743,508          |
| Directly Attributable Expenses                           | -             | 106,999        | -                        | -              | 106,999          |
| Adjustment To Liabilities For Incurred Claims            | 12,305        | -              | -                        | -              | 12,305           |
| Losses On Onerous Contracts And Reversal Of Those Losses | -             | -              | -                        | 28,183         | 28,183           |
| Acquisition Cash Flows Amortization                      | -             | -              | 142,494                  | -              | 142,494          |
| Insurance Service Result                                 | 12,305        | 850,507        | (1,702,514)              | 28,183         | (811,519)        |
| Insurance Finance Expense Total                          | -             | (4,678)        | -                        | -              | (4,678)          |
| Therefore Recognized In Pnl                              | -             | (4,678)        | -                        | -              | (4,678)          |
| Cash Flows   | -             | (753,529)      | 874,247                  | -              | 120,718          |
| Premiums Received  | -             | -              | 1,031,030                | -              | 1,031,030        |
| Claims Excl Non Distinct Investment Component Paid       | -             | (646,530)      | -                        | -              | (646,530)        |
| Directly Attributable Expenses Paid                      | -             | (106,999)      | -                        | -              | (106,999)        |
| Insurance Acquisition Cash Flows                         | -             | -              | (156,783)                | -              | (156,783)        |
| Insurance Contract Liabilities                           | 21,338        | 225,397        | (503,563)                | 30,247         | (226,581)        |
| Insurance Contract Assets                                | -             | -              | (52,832)                 | -              | (52,832)         |
| <b>Net Balance</b>                                       | <b>21,338</b> | <b>225,397</b> | <b>(556,395)</b>         | <b>30,247</b>  | <b>(279,413)</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. Insurance and reinsurance contracts (Continued)**

**7.4. Roll forward for reinsurance contract 2024**

The roll-forward of the net asset or liability for re insurance contracts held, showing the asset for remaining coverage and the asset for incurred claims for the company portfolios, are disclosed in the table below:

| Name   | Lfic Ra       | Lfic Be          | Lfrc Excl Loss Component | Loss Component | Total            |
|--|---------------|------------------|--------------------------|----------------|------------------|
| Reinsurance Contract Assets                                      | 61,118        | 899,226          | 2,070,526                | 82,342         | 3,113,212        |
| Reinsurance Contract Liabilities                                 | -             | -                | (597,699)                | -              | (597,699)        |
| Net Balance  | 61,118        | 899,226          | 1,472,827                | 82,342         | 2,515,513        |
| Allocation Of Reinsurance Premiums Paid                          | -             | -                | (4,586,566)              | -              | (4,586,566)      |
| Amounts Recoverable From Reinsurers                              | (4,807)       | 1,871,258        | 1,383,795                | (82,342)       | 3,167,903        |
| Incurred Claims Recovered And Other Reinsurance Service Expenses | -             | 1,871,258        | -                        | -              | 1,871,258        |
| Adjustments To Assets For Incurred Claims                        | (4,807)       | -                | -                        | -              | (4,807)          |
| Recovery Of Losses And Reversal On Recovery Of Losses            | -             | -                | -                        | (82,342)       | (82,342)         |
| Amortization Of Reinsurance Acquisition Cash Flows               | -             | -                | 1,383,795                | -              | 1,383,795        |
| Reinsurance Service Result                                       | (4,807)       | 1,871,258        | (3,202,771)              | (82,342)       | (1,418,663)      |
| Reinsurance Finance Expense Total                                | -             | (16,478)         | -                        | -              | (16,478)         |
| Therefore Recognized In Pnl                                      | -             | (16,478)         | -                        | -              | (16,478)         |
| Cash Flows   | -             | (1,707,759)      | 3,484,796                | -              | 1,777,037        |
| Premiums Paid  | -             | -                | 4,719,357                | -              | 4,719,357        |
| Claims Excl Non Distinct Investment Component Paid               | -             | (1,707,759)      | -                        | -              | (1,707,759)      |
| Reinsurance Acquisition Cash Flows                               | -             | -                | (1,234,561)              | -              | (1,234,561)      |
| Reinsurance Contract Assets                                      | 56,310        | 1,046,248        | 2,203,317                | -              | 3,305,875        |
| Reinsurance Contract Liabilities                                 | -             | -                | (448,465)                | -              | (448,465)        |
| <b>Net Balance</b>   | <b>56,310</b> | <b>1,046,248</b> | <b>1,754,852</b>         | <b>-</b>       | <b>2,857,410</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Insurance and reinsurance contracts (Continued)

##### 7.4. Roll forward for reinsurance contract (Continued)

##### Year end 2023

| Name   | Lfic Ra       | Lfic Be        | Lfrc Excl Loss Component | Loss Component | Total            |
|--|---------------|----------------|--------------------------|----------------|------------------|
| Reinsurance Contract Assets                                      | 63,024        | 928,443        | 1,441,244                | -              | 2,432,711        |
| Reinsurance Contract Liabilities                                 | -             | -              | (304,387)                | -              | (304,387)        |
| Net Balance  | 63,024        | 928,443        | 1,136,857                | -              | 2,128,324        |
| Allocation Of Reinsurance Premiums Paid                          | -             | -              | (3,442,167)              | -              | (3,442,167)      |
| Amounts Recoverable From Reinsurers                              | (1,906)       | 1,530,136      | 960,299                  | 82,342         | 2,570,871        |
| Incurred Claims Recovered And Other Reinsurance Service Expenses | -             | 1,530,136      | -                        | -              | 1,530,136        |
| Adjustments To Assets For Incurred Claims                        | (1,906)       | -              | -                        | -              | (1,906)          |
| Recovery Of Losses And Reversal On Recovery Of Losses            | -             | -              | -                        | 82,342         | 82,342           |
| Amortization Of Reinsurance Acquisition Cash Flows               | -             | -              | 960,299                  | -              | 960,299          |
| Reinsurance Service Result                                       | (1,906)       | 1,530,136      | (2,481,868)              | 82,342         | (871,294)        |
| Reinsurance Finance Expense Total                                | -             | 20,027         | -                        | -              | 20,027           |
| Therefore Recognized In Pnl                                      | -             | 20,027         | -                        | -              | 20,027           |
| Cash Flows   | -             | (1,579,380)    | 2,817,838                | -              | 1,238,457        |
| Premiums Paid  | -             | -              | 4,071,449                | -              | 4,071,449        |
| Claims Excl Non Distinct Investment Component Paid               | -             | (1,579,380)    | -                        | -              | (1,579,380)      |
| Reinsurance Acquisition Cash Flows                               | -             | -              | (1,253,611)              | -              | (1,253,611)      |
| Reinsurance Contract Assets                                      | 61,118        | 899,226        | 2,070,526                | 82,342         | 3,113,212        |
| Reinsurance Contract Liabilities                                 | -             | -              | (597,699)                | -              | (597,699)        |
| <b>Net Balance</b>   | <b>61,118</b> | <b>899,226</b> | <b>1,472,827</b>         | <b>82,342</b>  | <b>2,515,513</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

### 8. Insurance Revenue

|                   | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|-------------------|----------------------|----------------------|
| Insurance Revenue | 15,351,291           | 12,770,247           |
| Insurance Revenue | 15,351,291           | 12,770,247           |

### 9. Insurance Service Expenses

|  |                    |                    |
|--|--------------------|--------------------|
| Incurring Claims   | (5,862,276)        | (5,227,684)        |
| Directly Attributable Expenses                           | (1,015,663)        | (773,971)          |
| Acquisition Cash Flows Amortization                      | (939,624)          | (751,976)          |
| Adjustment To Liabilities For Incurred Claims            | 140,496            | (63,367)           |
| Losses On Onerous Contracts And Reversal Of Those Losses | 187,087            | (185,020)          |
| <b>Insurance Service Expenses</b>                        | <b>(7,489,980)</b> | <b>(7,002,018)</b> |

Note: Details are in the roll forward insurance contract assets and liabilities in note 7.3

### 10. Allocation of reinsurance premium

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Allocation Of Reinsurance Premiums Paid</b>                    | <b>(4,586,566)</b> | <b>(3,442,167)</b> |
| Amortization Of Reinsurance Acquisition Cash Flows                | 1,383,795          | 960,299            |
| Incurring Claims Recovered And Other Reinsurance Service Expenses | 1,871,258          | 1,530,136          |
| Adjustments To Assets For Incurred Claims                         | (4,807)            | (1,907)            |
| Recovery Of Losses And Reversal On Recovery Of Losses             | (82,343)           | 82,343             |
| <b>Net expenses from reinsurance contracts held</b>               | <b>(1,418,663)</b> | <b>(871,296)</b>   |

Note: Details are in the roll forward for reinsurance in note 7.4

### 11.a Interest and dividend income

|   |                  |                  |
|---|------------------|------------------|
| Interest on term Deposit                          | 915,885          | 594,273          |
| Interest on Governments Bonds                     | 1,127,159        | 1,138,055        |
| Interest From corporate Commercial paper and Bond | 245,976          | 229,281          |
| Impairment loss on financial assets               | -                | -                |
| Interest on current Account                       | 20,519           | 8,051            |
| <b>Total Investment Income</b>                    | <b>2,309,539</b> | <b>1,969,660</b> |

### 11.b Estimated Credit loss on Financials asset

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Losses on financial assets   | 10,395           | 27,331           |
| <b>Net Investment Income</b> | <b>2,299,144</b> | <b>1,942,329</b> |

### 12. Finance income for insurance contracts issued:

|   |               |              |
|---|---------------|--------------|
| Interest accreted to insurance contracts using current financial assumptions: | -             | -            |
| Interest accreted to insurance contracts using locked in rate:                | -             | -            |
| Due to changes in interest rates and other financial assumptions:             | -             | -            |
| Net foreign exchange income (expenses)  | -             | -            |
| <b>Insurance finance expenses from insurance contracts issued</b>             | <b>67,169</b> | <b>7,274</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 13. Finance expense for reinsurance contracts held

|  | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|--|----------------------|----------------------|
| Interest accreted to reinsurance contracts held using current financial assumptions: | (5,862,276)          | (5,227,684)          |
| Changes in non-performance risk of reinsurer   | (1,015,663)          | (773,971)            |
| Net foreign exchange income (expense)  | (939,624)            | (751,976)            |
| Reinsurance finance income from reinsurance contracts held                           | 140,496              | (63,367)             |
| <b>Losses On Onerous Contracts And Reversal Of Those Losses</b>                      | <b>(16,478)</b>      | <b>20,028</b>        |

#### 14. Non attributable expenses

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| <b>Audit Fees</b>                     | 28,050           | 32,490           |
| Bank charges and Exchange Loss        | 39,504           | 21,284           |
| Board of Directors sitting allowances | 54,442           | 44,514           |
| Cleaning and Maintenance Cost         | 40,092           | 31,007           |
| Communications Cost                   | 61,219           | 49,947           |
| Consultancy and Professional fees     | 107,037          | 137,313          |
| Depreciations                         | 215,129          | 455,309          |
| Finance costs on lease                | 87,081           | 103,265          |
| Fines and Penalties                   | 5,118            | 4                |
| Insurance expenses                    | 28,420           | 60,597           |
| IT and related cost                   | 6,524            | 4,101            |
| Local Taxes                           | 1,000            | 276              |
| Marketing expenses                    | 199,155          | 131,254          |
| Office supplies                       | 39,841           | 43,769           |
| Other Expenses                        | 74,151           | 36,239           |
| Refreshment and receptions            | 32,792           | 24,075           |
| Sport and entertainment cost          | 20,504           | 3,450            |
| Staff Cost                            | 1,408,285        | 1,056,238        |
| Supervision Fees                      | 73,339           | 55,286           |
| Travel and accommodation cost         | 46,718           | 14,966           |
| Vehicle running Cost                  | 28,321           | 23,700           |
| Water and Electricity                 | 11,599           | 3,742            |
| <b>Grand Total</b>                    | <b>2,608,321</b> | <b>2,332,826</b> |

#### 15. Other Income

|                                |                |                |
|--------------------------------|----------------|----------------|
| Policy Fees                    | 92,771         | 83,686         |
| Foreign exchange gain          | 28,454         | 10,817         |
| Fees on certificate issued     | 37,393         | 38,746         |
| Sub rental income and disposal | 8,738          | 20,621         |
| <b>Total Other Income</b>      | <b>167,356</b> | <b>153,870</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

### 16. Current Income Tax Expenses

The tax rate was changed from 30% to 28%. The law enacting the new rate was gazetted on September 2023. Hence a prorate computation for 270 days at 30% and 95 days at 28% in the year 2023. A constant rate of 28% has been applied throughout the year 2024.

|  | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|--|----------------------|----------------------|
| Current Income Tax Charge                              | 1,780,421            | 16,504,489           |
| Deferred Income tax credit                             | (112,256)            | 3,557,696            |
| <b>Interest on consumer loans</b>                      | <b>1,668,165</b>     | <b>1,407,789</b>     |
| Profit before income tax                               | 6,012,513            | 4,568,853            |
| Tax Calculated at the statutory income tax rate of 28% | 1,683,504            | 1,346,873            |
| <b>Tax effect of:</b>                                  |                      |                      |
| Expenses not deductible for tax purpose                | 46,071               | 88,374               |
| Over/Under provision                                   | (61,410)             | (27,458)             |
| <b>Net Income tax expense</b>                          | <b>1,668,165</b>     | <b>1,407,789</b>     |

### 17. Equipment and motor vehicles

| 31 December 2024                      | IT equipment<br>Frw'000 | Motor vehicle<br>Frw'000 | Furniture & Other<br>Fixed Asset<br>Frw'000 | TOTAL<br>Frw'000 |
|---------------------------------------|-------------------------|--------------------------|---|------------------|
| <b>Assets</b>                         |                         |                          |   |                  |
| At 1 January 2024                     | 192,217                 | 417,206                  | 134,195                                     | 743,618          |
| Additions                             | 135,546                 | -                        | 5,142                                       | 140,688          |
| Revaluation Adjustments               | (183,175)               | 16,501                   | 116,023                                     | (50,651)         |
| Investment in corporate bond          | 16,139,396              |                          | 16,139,396                                  |                  |
| <b>At 31 December 2024</b>            | <b>144,588</b>          | <b>433,707</b>           | <b>255,360</b>                              | <b>833,655</b>   |
| <b>Acc. depreciation:</b>             |                         |                          |   |                  |
| At 1 January 2024                     | 136,645                 | 295,464                  | 45,277                                      | 477,386          |
| Charge for the year                   | 2,576                   | 54,066                   | 22,107                                      | 78,749           |
| Revaluation Adjustments               | (67,360)                | (157,154)                | 10,519                                      | (213,995)        |
| Total Acc Depreciation at 31 Dec 2024 | 71,861                  | 192,376                  | 77,903                                      | 342,140          |
| <b>Net Book Value 31 Dec 2024</b>     | <b>72,727</b>           | <b>241,331</b>           | <b>177,457</b>                              | <b>491,515</b>   |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 17. Equipment and motor vehicles

| 31 December 2024                      | IT equipment<br>Frw'000 | Motor vehicle<br>Frw'000 | Furniture & Other<br>Fixed Asset<br>Frw'000 | TOTAL<br>Frw'000 |
|---------------------------------------|-------------------------|--------------------------|---|------------------|
| <b>Cost</b>                           |                         |                          |   |                  |
| At 1 January 2023                     | 160,091                 | 331,013                  | 125,217                                     | 616,321          |
| Additions                             | 32,126                  | 86,193                   | 8,978                                       | 127,297          |
| <b>At 31 December 2023</b>            | <b>192,217</b>          | <b>417,206</b>           | <b>134,195</b>                              | <b>743,618</b>   |
| <b>Acc. depreciation:</b>             |                         |                          |   |                  |
| At 1 January 2023                     | 131,729                 | 199,969                  | 17,891                                      | 349,589          |
| Charge for the year                   | 4,916                   | 95,495                   | 27,386                                      | 127,797          |
| Total Acc Depreciation at 31 Dec 2023 | 136,645                 | 295,464                  | 45,277                                      | 477,386          |
| <b>Net Book Value 31 Dec 2024</b>     | <b>55,571</b>           | <b>121,742</b>           | <b>88,919</b>                               | <b>266,232</b>   |

The company performed the revaluation of all its intangible assets as at 31 December 2024 done by an independent valuer called Petno Trust Company Ltd. The methodology used is Open Market Value (O.M.V). They have considered the current purchase prices of similar assets or their functional replacements, in the overseas or local market to arrive at the replacement cost values. All tangible assets have been revalued namely IT Equipment's, Motor Vehicle and Furniture and Fitting. The revaluation resulted in a surplus of Rwf'000 173,655 for motor vehicles and Rwf '000 105,504 for furniture & fittings. This surplus is not distributable to the shareholders. The revaluation also resulted in a revaluation deficit of Rwf'000 115,815 for IT equipments. This deficit has been recognized in the profit & loss statement.

#### 18. Intangible assets

|                           | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|---------------------------|----------------------|----------------------|
| At 1 January              | 389,556              | 338,456              |
| Work in progress          | 255,963              | 51,100               |
| <b>At 31 December</b>     | <b>645,519</b>       | <b>389,556</b>       |
| <b>Acc. depreciation:</b> |                      |                      |
| At 1 January              | 154,492              | 128,311              |
| Charge for the year       | 23,999               | 26,181               |
| <b>At 31 December</b>     | <b>178,491</b>       | <b>154,492</b>       |
| <b>Net Book Value</b>     | <b>467,028</b>       | <b>235,064</b>       |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**19. Right of Use Assets and Lease Liability**

**19(a) Lease liability**

|                             | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|-----------------------------|----------------------|----------------------|
| At 1 January                | 527,660              | 614,634              |
| Interest for the period     | 87,081               | 103,266              |
| Termination of lease        | -                    | (4,240)              |
| Principal Payments of Lease | (98,919)             | (82,735)             |
| Interest Paid on lease      | (87,081)             | (103,265)            |
| <b>Closing balance</b>      | <b>428,741</b>       | <b>527,660</b>       |

**19(b) Right of Use Asset**

|   |                |                 |
|---|----------------|-----------------|
| Cost  |                |                 |
| At 1 January                                | 674,286        | 698,292         |
| Additions                                   | -              | -               |
| <b>Disposal due to termination of lease</b> | <b>-</b>       | <b>(24,006)</b> |
| <b>Accumulated Depreciation</b>             |                |                 |
| Cost  |                |                 |
| At 1 January                                | 224,762        | 126,086         |
| Charge of the Year                          | 112,381        | 112,381         |
| Disposal due to termination of lease        | -              | (13,705)        |
| <b>At 31 December</b>                       | <b>337,143</b> | <b>224,762</b>  |
| <b>Closing balance</b>                      | <b>337,143</b> | <b>449,524</b>  |

BKGI has a contract with I&M for leasing of office space in Kigali city. The contract was signed in August 2021 however it was effective on 30 December 2021. Lease term is 5 years with renewable option. BKGI has the right to control and direct the use leased houses, there is no substitution right for the landlord and BK General Insurance will enjoy economic benefits from the use of leased building as they have the right to control the use of asset. There are no variable lease payments.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 20. Deferred Tax asset

| 31-Dec-24                                   | 1-Jan-24       | Credit/<br>Debit to P&L | 31-Dec-24      |
|---|----------------|-------------------------|----------------|
| <b>Deferred income tax asset relates to</b> |                |                         |                |
| Staff Bonus                                 | 71,028         | 52,838                  | 123,866        |
| Expected credit losses on financial assets  | 33,838         | 654                     | 34,492         |
| Provision for impairments                   | 55,924         | 58,764                  | 114,688        |
| <b>Deferred Income tax asset</b>            | <b>160,790</b> | <b>112,256</b>          | <b>273,046</b> |

| 31-Dec-23                                   | 1-Jan-24       | Credit/<br>Debit to P&L | 31-Dec-24      |
|---|----------------|-------------------------|----------------|
| <b>Deferred income tax asset relates to</b> |                |                         |                |
| Staff Bonus                                 | 62,991         | 8,037                   | 71,028         |
| Expected credit losses on financial assets  | 25,640         | 8,198                   | 33,838         |
| Provision for impairments                   | 44,702         | 11,222                  | 55,924         |
| <b>Deferred Income tax asset</b>            | <b>133,333</b> | <b>27,457</b>           | <b>160,790</b> |

#### 21. Insurance Contract Assets

|                           | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|---------------------------|----------------------|----------------------|
| Insurance Contract Assets | 467,903              | 398,548              |

Note: For details refer to note 7.3-roll forward for net or liability of insurance contract liability per product

#### 22. Reinsurance contract asset

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Ri Afrc Excl Loss Component        | 2,203,317        | 2,070,526        |
| Ri Afic Be                         | 1,046,248        | 899,226          |
| Ri Afic Ra                         | 56,310           | 61,118           |
| Unearned Commission                | (448,465)        | (597,699)        |
| Effect of onerous contract         | -                | 82,342           |
| <b>Reinsurance contract assets</b> | <b>2,857,410</b> | <b>2,515,513</b> |

Note: For details refer to note 7.4-roll forward for net or liability of reinsurance contract held

#### 23. Other Receivables

|                                |                |                |
|--------------------------------|----------------|----------------|
| Prepayments                    | 78,590         | 65,406         |
| Cash guarantee with bank       | 39,670         | 41,571         |
| Subrogation Recoveries         | 183,564        | 314,237        |
| SWAN 10% Withhold              | 23,708         | -              |
| Sundry debtors                 | 833            | -              |
| Comp Pension Scheme            | 4,217          | -              |
| VAT Recoverable                | 212,929        | 80,446         |
| <b>Total Other Receivables</b> | <b>543,511</b> | <b>501,660</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**24. Deposits with financial institutions**

| <b>Term deposits</b>  | <b>31 Dec 24<br/>Frw'000</b> | <b>31 Dec 23<br/>Frw'000</b> |
|---|------------------------------|------------------------------|
| Bank of Kigali  | 1,500,000                    | 2,000,000                    |
| Cogebanque/Equity   | 500,000                      | 500,000                      |
| I&M Bank  | 400,000                      | 1,400,000                    |
| Bank of Africa  | 500,000                      | 500,000                      |
| Equity Bank Rwanda  | 1,900,000                    | 1,900,000                    |
| Aguka   | 700,000                      | 700,000                      |
| BPR   | 1,500,000                    | 800,000                      |
| NCBA  | 1,500,000                    | -                            |
| AB Bank   | 800,000                      | -                            |
| <b>Total term deposits</b>                                    | <b>9,300,000</b>             | <b>7,800,000</b>             |
| <b>Gross carrying amount reconciliation for term deposits</b> |                              |                              |
| Opening Balance   | 7,800,000                    | 5,600,000                    |
| Additions during the Year                                     | 3,000,000                    | 2,200,000                    |
| Matured during the year                                       | (1,500,000)                  | -                            |
| Equity Bank Rwanda  | 1,900,000                    | 1,900,000                    |
| <b>Closing Balance</b>  | <b>9,300,000</b>             | <b>7,800,000</b>             |
| <b>Add: Interest receivable</b>                               |                              |                              |
| As at the start of the year                                   | 416,207                      | 356,178                      |
| Interest income during the year                               | 915,885                      | 594,273                      |
| Interest received during the year                             | (751,565)                    | (534,244)                    |
| <b>As at the end of the year</b>                              | <b>580,527</b>               | <b>416,207</b>               |
| Less: Expected credit losses                                  | (38,565)                     | (27,909)                     |
| <b>Carrying amount</b>  | <b>9,841,962</b>             | <b>8,188,298</b>             |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 25. Investment in Securities

|   | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|---|----------------------|----------------------|
| <b>i) T.Bonds/ National Bank of Rwanda</b>  |                      |                      |
| As at the start of the year                 | 10,027,391           | 8,824,239            |
| Addition during the year                    | -                    | 1,203,153            |
| disposal during the year                    | (988,588)            | -                    |
| Total T.Bonds                               | 9,038,803            | 10,027,391           |
| <b>Add: Interest receivable</b>             |                      |                      |
| As at the start of the year                 | 301,652              | 263,017              |
| Interest income during the year             | 1,127,159            | 1,138,055            |
| Interest received during the year           | (1,125,023)          | (1,099,420)          |
| Total interest receivable                   | 303,788              | 301,652              |
| Less: Expected credit losses                | (46,713)             | (51,645)             |
| <b>Carrying amount</b>                      | <b>9,295,879</b>     | <b>10,277,398</b>    |
| <b>ii) Commercial Paper / Horizon Group</b> |                      |                      |
| As at the start of the year                 | 1,120,074            | 5,600,000            |
| Addition during the year                    | -                    | 2,200,000            |
| Disposal during the year                    | -                    | -                    |
| Total Commercial paper                      | 1,120,074            | 1,120,074            |
| <b>Add: Interest received in advance</b>    |                      |                      |
| As at the start of the year                 | (21,658)             | (5,865)              |
| Interest income during the year             | 120,291              | 104,281              |
| Interest received during the year           | -                    | (120,074)            |
| Total interest received in advance          | 98,634               | (21,658)             |
| Less: Expected credit losses                | (24,849)             | (22,397)             |
| <b>Closing Balance</b>                      | <b>1,193,858</b>     | <b>1,076,020</b>     |
| <b>iii) Long term Corporate Bond /(CVL)</b> |                      |                      |
| As at the start of the year                 | 1,000,000            | 1,000,000            |
| Less: Expected credit losses                | (10,215)             | (10,208)             |
| Total Corporate Bond                        | 989,785              | 989,792              |
| <b>Add Interest receivable</b>              |                      |                      |
| As at the start of the year                 | 104,794              | 104,794              |
| Interest income during the year             | 125,685              | 125,000              |
| Interest received during the year           | (124,999)            | (125,000)            |
| <b>Total interest receivable</b>            | <b>105,479</b>       | <b>104,794</b>       |
| <b>Carrying amount</b>                      | <b>1,095,265</b>     | <b>1,094,586</b>     |
| <b>Total investments in securities</b>      | <b>11,585,002</b>    | <b>12,448,004</b>    |

**BK GENERAL INSURANCE COMPANY LIMITED**  
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**26. Cash and Bank balances**

|                          | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|--------------------------|----------------------|----------------------|
| Cash and bank balances   | 804,024              | 225,577              |
| Less: Excess credit loss | (2,849)              | (637)                |
|                          | <b>801,175</b>       | <b>224,940</b>       |

**27. Tax Payable**

|                                     |                |               |
|-------------------------------------|----------------|---------------|
| Opening Balance                     | 52,089         | 211,177       |
| Income tax for the period           | 1,780,421      | 1,435,247     |
| Income tax payments during the year | (1,605,078)    | (1,594,335)   |
| <b>Current income tax payable</b>   | <b>227,432</b> | <b>52,089</b> |

**28. Insurance contract Liabilities**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Liability for Remaining Coverage | (1,265,731)      | 1,675,587        |
| Liability for Incurred Claims    | 4,620,877        | 4,140,538        |
| Lfic Ra                          | 140,967          | 281,464          |
| Loss Component                   | -                | 187,086          |
|                                  | <b>3,496,113</b> | <b>6,284,675</b> |

**29. Creditors arising from reinsurance & coinsurance arrangement**

| <b>Reinsures payables</b>                    |                  |                |
|--|------------------|----------------|
| ZEP-RE                                       | 969,874          | 194,133        |
| Africa-RE                                    | 446,991          | 267,428        |
| Kenya-RE                                     | 36,575           | 46,352         |
| GHANA REINSURANCE COMPANY LIMITED            | 36,658           | 35,875         |
| WAICA REINSURANCE KENYA LIMITED              | 46,261           | 75,111         |
| MAPFRE                                       | (7,740)          | 15,342         |
| CONTINENTAL                                  | 4,392            | 79,489         |
| SOCIÉTÉ COMMERCIALE GABONAISE DE RÉASSURANCE | (2)              | 40,558         |
| GRAND RE                                     | 7,875            | -              |
| SONARWA-COMESA                               | 31,327           | -              |
| <b>Sub Total</b>                             | <b>1,572,211</b> | <b>754,288</b> |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 29. Creditors arising from reinsurance & coinsurance arrangement (continued)

|                                  | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|----------------------------------|----------------------|----------------------|
| <b>Reinsures payables</b>        |                      |                      |
| SONARWA                          | 1,770                | 27,328               |
| BRITAM INSURANCE CO (RWANDA) LTD | 33,080               | 24,226               |
| MUA INSURANCE                    | 13,288               | 35,156               |
| PRIME INSURANCE LTD              | 19,996               | 52,728               |
| RADIANT INSURANCE CO LTD         | 2,655                | 44,708               |
| OLD MUTUAL Rwanda                | 6,294                | 40,135               |
| SANLAM                           | 2,809                | 15,773               |
| MAYFAIR                          | 4,707                | 32,147               |
| <b>Sub Total</b>                 | <b>84,599</b>        | <b>272,201</b>       |
| <b>TOTAL</b>                     | <b>1,656,810</b>     | <b>1,026,489</b>     |
| <b>30. Other Payables</b>        |                      |                      |
| Suppliers Account                | 94,850               | 43,790               |
| Accrued Expenses                 | 497,282              | 286,043              |
| PAYE                             | 86,596               | 67,457               |
| Other Governments Payables       | 23,480               | 9,323                |
| Intercompany Balance             | 21,731               | 2,595                |
| RSSB PAYABLES                    | 28,588               | 22,527               |
| Special Guarantee Fund           | 28,006               | 25,742               |
| COMP PENSION SCHEME              | -                    | 1,735                |
| Commission Payables              | 332,317              | 261,194              |
| Other Creditors                  | 1,062                | 2,480                |
| Cash collateral held             | 891,161              | 756,489              |
| Dividends payable                | -                    | 790,266              |
| <b>Total</b>                     | <b>2,005,073</b>     | <b>2,269,641</b>     |

BK General Insurance holds cash collateral as performance guarantee placed by bidders in various tendering processes.

BK General Insurance will therefore compensate the contractor if the bidder fails to deliver on its mandate. The amounts are returned to the bidders in the event of successful delivery of its mandate in the tender. BK General Insurance charges fees for this service.

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**31. Share Capital**

| Authorized shares        | % Holding | 2024             | 2023             |
|--------------------------|-----------|------------------|------------------|
| Cash and bank balances   | 70%       | 3,500,000        | 3,500,000        |
| Less: Excess credit loss | 30%       | 1,500,000        | 1,500,000        |
|                          |           | <b>5,000,000</b> | <b>5,000,000</b> |

| Issued and fully paid up shares | % Holding | 2024             | 2023             |
|---------------------------------|-----------|------------------|------------------|
| BK Group                        | 70%       | 2,100,000        | 2,100,000        |
| SWAN Group                      | 30%       | 900,000          | 900,000          |
|                                 |           | <b>3,000,000</b> | <b>3,000,000</b> |

The Authorized share capital of the company is 5,000,000 shares (2023: 5,000,000) of Rwf 1,000 each (2023: Rwf. 1,000).

The issued and fully paid-up share capital of the company is 3,000,000 shares (2023: 3,000,000) of Rwf 1,000 each (2023: Rwf. 1,000). BK Group has paid Rwf 2.1 bn and SWAN paid Rwf 0.9 bn.

The directors recommend payment of dividend for the year ended 31 December 2024 Amounting to Rwf'000. 1,086,087 (2023: Rwf'000. 790,266) representing Dividends Per Share of Rwf. 362 (2023: Rwf 263)

**32. Related party transactions and balances**

The company is controlled by BK Group Plc incorporated in Rwanda. There are other companies that are related to BK General Insurance company Limited through common shareholdings or common directorships namely, BK tech, BK Capital, Bank of Kigali and BK Foundation.

**The following transactions were carried out with related parties:**

| Investments with related parties | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|----------------------------------|----------------------|----------------------|
| Bank of Kigali Plc*              | 1,822,131            | 2,173,835            |
| BK Capital (Aguka fund)          | 768,017              | 731,338              |
|                                  | <b>2,590,148</b>     | <b>2,905,173</b>     |

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 32. Related party transactions and balances

##### a) Bank balance and Term deposits

\*Bank of Kigali Plc is a sister company as well as the primary Banker. The deposit with related parties is included in the respective financial statement captions on the face of the statement of financial position as follows:

| Investments with related parties | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|----------------------------------|----------------------|----------------------|
| Term Deposits                    | 1,573,016            | 2,071,299            |
| Cash and bank balances           | 249,115              | 102,536              |
| <b>Total</b>                     | <b>1,822,131</b>     | <b>2,173,835</b>     |

The term deposits with the Bank of Kigali are unsecured and attract interest at rates of between 8.5% and 10% per annum. The principal of Rwf 1.5 billion are at the interest rate of 10% and Rwf 300 Million at a rate of 8.5%. They are denominated in Rwanda Francs. They have a maturity period of one year, maturing between April and December 2025.

The deposit with BK Capital (Aguka fund) is unsecured and attracts interest at the rate of 11% per annum. It matures in August 2025 and it's denominated in Rwanda Francs.

Cash and bank balances are unsecured and do not attract interest. They are denominated in both Rwanda Francs and United States of America Dollars. They are payable on demand.

| b) Interest Income with related party | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|---------------------------------------|----------------------|----------------------|
| Bank of Kigali Plc                    | 73,016               | 71,299               |
|                                       | <b>73,016</b>        | <b>71,299</b>        |

##### c) Internet cost with BK Tech house

|         |               |              |
|---------|---------------|--------------|
| BK Tech | 35,167        | 2,595        |
|         | <b>35,167</b> | <b>2,595</b> |

BK Tech is a sister company that render internet services to BKGI. Related party transactions throughout the year relate to internet services rendered.

##### d) Directors and Key management Remunerations

| Reinsures payables           |                |                |
|------------------------------|----------------|----------------|
| Directors' fees              | 54,442         | 44,514         |
| Key Managements staff (EXCO) | 665,097        | 628,873        |
|                              | <b>719,539</b> | <b>673,387</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**32. Related party transactions and balances (continued)**

**e) Premium and claims with related Parties**

| Related Party                          | 31 Dec 24<br>Frw'000 | 31 Dec 23<br>Frw'000 |
|--|----------------------|----------------------|
| <b>Premium Income</b>                  |                      |                      |
| Bank of Kigali Plc                     | 224,446              | 434,553              |
| BK Group                               | 65,595               | 197,606              |
| BK Techouse                            | 11,909               | 14,456               |
| BK Capital                             | 10,144               | 8,144                |
| BK Foundation                          | 3,056                | -                    |
| <b>Sub Total</b>                       | <b>315,150</b>       | <b>654,759</b>       |
| <b>Claims Incurred</b>                 |                      |                      |
| Bank of Kigali Plc                     | 2,573                | 922                  |
| BK Group                               | 4,183                | 1,328                |
| BK Techouse                            | 2,067                | 940                  |
| BK Capital                             | -                    | -                    |
| BK Foundation                          | -                    | -                    |
| <b>Sub Total</b>                       | <b>8,823</b>         | <b>3,190</b>         |
| <b>f) Premium receivables balances</b> |                      |                      |
| Related Party                          |                      |                      |
| Bank of Kigali                         | 26,427               | 108,916              |
| Bk Group                               | 741                  | 51,220               |
| BK Foundation                          | 3,605                | -                    |
| Bk Tech                                | 19                   | 19                   |
| <b>Total</b>                           | <b>30,792</b>        | <b>160,155</b>       |

**33. Contingent liabilities**

In common with the insurance industry, the company is subject to litigation arising in the normal course of insurance business. These amounts are already provided for, as part of insurance contract liabilities.

**34. Events after reporting Date.**

The directors are not aware of any events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report.

**35. Reclassification**

The entity has reclassified some numbers in the prior period in order to improve on IFRS 17 requirements and presentation in order to give more clarity to the users.

## BK GENERAL INSURANCE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### Statement Of Comprehensive Income

|  | Note    | 31 Dec 24<br>signed<br>Frw'000 | Reclassification   | 31 Dec 23<br>after<br>reclassification |
|--|---------|--------------------------------|--------------------|--|
| Insurance Revenue                              |         | 12,770,247                     | -                  | 12,770,247                             |
| Insurance service expenses                     | A,B,C,D | (9,044,644)                    | 2,042,626          | (7,002,018)                            |
| Net expenses from reinsurance contracts held   | B,E,F   | (944,004)                      | 72,708             | (871,296)                              |
| <b>Net Insurance service result</b>            |         | <b>2,781,599</b>               | <b>2,115,334</b>   | <b>4,896,933</b>                       |
| Interest and dividend income                   |         | 1,969,660                      | -                  | 1,969,660                              |
| Estimated Credit Losses on financial assets    |         | (146,086)                      | -                  | (146,086)                              |
| <b>Net Investment Income</b>                   |         | <b>1,823,574</b>               | <b>-</b>           | <b>1,823,574</b>                       |
| Finance expense from insurance contract issued | C, D    | (263,303)                      | 270,577            | 7,274                                  |
| Finance income from reinsurance contract held  | E, F    | 73,113                         | (53,085)           | 20,028                                 |
| <b>Net insurance finance expenses</b>          |         | <b>(190,190)</b>               | <b>217,492</b>     | <b>27,302</b>                          |
| <b>Net Insurance and investment result</b>     |         | <b>4,414,983</b>               | <b>(2,332,826)</b> | <b>6,747,809</b>                       |
| Non attributable expenses                      | A       | -                              | (2,332,826)        | (2,332,826)                            |
| Other Income                                   |         | 153,870                        | -                  | 153,870                                |
| <b>Profit before tax</b>                       |         | <b>4,568,853</b>               | <b>-</b>           | <b>4,568,853</b>                       |
| Income Tax Expense                             |         | (1,407,789)                    | -                  | (1,407,789)                            |
| Profit After Tax                               |         | 3,161,064                      | -                  | 3,161,064                              |
| <b>Other Comprehensive Income for the year</b> |         | <b>-</b>                       | <b>-</b>           | <b>-</b>                               |
| <b>Total Comprehensive Income for the Year</b> |         | <b>3,161,064</b>               | <b>-</b>           | <b>3,161,064</b>                       |

- A) Non attributable expenses of Rwf 2,332,826 were reclassified from Insurance service expenses to Non-attributable expenses
- B) Recoveries from insured of (19,622) were reclassified from Insurance Service expenses to Net expenses from reinsurance contracts held
- C) Claims incurred of 263,303 were reclassified from Finance expense to Insurance service expense
- D) Present value of incurred claims of 7,274 was reclassified from finance income from insurance contracts issued to Insurance service expense
- E) Reinsurance increase in PV in risk adjustment for claim liability of (73,113) has been reclassified from Finance income from reinsurance contract held to Net expenses from reinsurance contracts held
- F) Discounting on reinsurance recoveries of (20,027) was reclassified from Net expense from reinsurance to finance expense from reinsurance contract held

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Statement Of Financial Position**

|                                      | Note    | 31 Dec 24<br>signed<br>Frw'000 | Reclassification   | 31 Dec 23<br>after<br>reclassification |
|--------------------------------------|---------|--------------------------------|--------------------|--|
| <b>Assets</b>                        |         |                                |                    |  |
| <b>Non-current assets</b>            |         |                                |                    |  |
| Equipment and motor vehicles         |         | 266,232                        | -                  | 266,232                                |
| Intangible assets                    |         | 235,064                        | -                  | 235,064                                |
| Right-of-use assets                  |         | 449,524                        | -                  | 449,524                                |
| Deferred Tax asset                   |         | 160,790                        | -                  | 160,790                                |
| <b>Total non-current assets</b>      |         | <b>1,111,610</b>               | <b>-</b>           | <b>1,111,610</b>                       |
| <b>Current assets</b>                |         |                                |                    |  |
| Insurance contract assets            | G, H, I | 5,111,545                      | (4,712,997)        | 398,548                                |
| Reinsurance contracts asset          |         | 2,515,513                      | -                  | 2,515,513                              |
| Other receivables                    | H, J    | 186,653                        | 315,007            | 501,660                                |
| Deposits with financial institutions |         | 8,188,298                      | -                  | 8,188,298                              |
| Investment in securities             |         | 12,448,004                     | -                  | 12,448,004                             |
| Cash and bank balances               |         | 224,940                        | -                  | 224,940                                |
| <b>Total current assets</b>          |         | <b>28,674,953</b>              | <b>(4,397,990)</b> | <b>24,276,963</b>                      |
| <b>Total assets</b>                  |         | <b>29,786,563</b>              | <b>(4,397,990)</b> | <b>25,388,573</b>                      |
| <b>Non-current Liabilities</b>       |         |                                |                    |  |
| Lease liabilities                    |         | 527,660                        | -                  | 527,660                                |
| Insurance contract liabilities       | G, I, K | 10,944,629                     | (4,659,954)        | 6,284,675                              |
| Deferred tax liability               |         | -                              | -                  | -                                      |
| <b>Total Non-Current Liabilities</b> |         | <b>11,472,289</b>              | <b>(4,659,954)</b> | <b>6,812,335</b>                       |
| <b>Total liabilities</b>             |         | <b>14,558,544</b>              | <b>(4,397,990)</b> | <b>10,160,554</b>                      |
| <b>Equity</b>                        |         |                                |                    |  |
| Share capital                        |         | 3,000,000                      | -                  | 3,000,000                              |
| Retained earnings                    |         | 12,228,019                     | -                  | 12,228,019                             |
| Revaluation reserve                  |         | -                              | -                  | -                                      |
| <b>Total Equity</b>                  |         | <b>15,228,019</b>              |                    | <b>15,228,019</b>                      |
| <b>Total equity and liabilities</b>  |         | <b>29,786,563</b>              | <b>(4,397,990)</b> | <b>25,388,573</b>                      |

G – Premium receivables of Rwf 4,797,307,926 were reclassified from insurance contract assets into insurance contract liabilities

H – Subrogation recoveries of Rwf 314,236,838 were reclassified from insurance contract assets into other receivables

I – Deferred acquisition cost of Rwf 398,547,783 were reclassified from insurance contract liabilities into insurance contract assets

J – Other taxes of Rwf (770,225) were reclassified from other receivables into other payables

K – Commissions payable of Rwf 261,194,019 were reclassified from insurance contract liabilities into other payables

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| Required Solvency   | 31 Dec 24        |                    |                  |
|---|------------------|--------------------|------------------|
| <b>Gross premium less reinsurance ceded last preceding year</b>                                     | 10,923,027       |                    |                  |
| Solvency margin Required:20% of previous year net premium or Rwf 1 000 million whichever is greater | 2,184,605        |                    |                  |
| <b>Compliance with Solvency Margin</b>  |                  |                    |                  |
| Total Assets  | 36,319,896       |                    |                  |
| Less:Non-Admitted Assets as per II.A,7  | 7,210,236        |                    |                  |
| less:Deductions for assets subject to maximum admissible %as per II.B,7                             | 4,138,017        |                    |                  |
| Admitted Assets I.3 less I.4 and I.5  | 24,971,643       |                    |                  |
| Less Admitted Liabilities as per III.C,3  | 17,662,028       |                    |                  |
| Solvency margin Available (1,6 less 1,7)  | 7,309,615        |                    |                  |
| Excess or Deficiency of solvency required(I.8 less I.2)   | <b>5,125,009</b> |                    |                  |
| Solvency Coverage Ratio (I.8 divided by I.2)  | <b>334.6%</b>    |                    |                  |
| <b>II. A. Non-Admitted Assets</b>   |                  |                    |                  |
| Intangible Assets   | 467,028          |                    |                  |
| Exposures (loans & Investments) to connected persons  | -                |                    |                  |
| Loans to insurance intermediaries overdue for more than 6 months                                    | -                |                    |                  |
| Reinsurance receivables overdue for more than 6 months  | -                |                    |                  |
| Loans and other receivables overdue for more than 2 months  | 6,450,721        |                    |                  |
| Deferred expenses,deferred taxes and prepayments  | 292,488          |                    |                  |
| <b>Total Non-Admitted Assets (add 11,A,1 to 7)</b>  | <b>7,210,236</b> |                    |                  |
| <b>II.B Assets Subject to Maximum Admissible Percentages</b>  |                  |                    |                  |
|   | <b>Amount A</b>  | <b>Admissible%</b> | <b>Deduction</b> |
| Investment in equities, Listed  | -                | 85%                | -                |
| Investment in equities,unlisted   | -                | 70%                | -                |
| Investment in debt securities   | 2,324,187        | 70%                | 697,256          |
| Investment in properties  | -                | 80%                | -                |
| Receivables from reinsurer which are not overdue  | -                | 90%                | -                |
| <b>Less:</b>  |                  |                    |                  |
| (-)Cash   | 804,024          |                    |                  |
| (-)Deposit Balances   | 9,880,527        |                    |                  |
| (-)Government securities  | 9,219,400        |                    |                  |
| (b) All other assets subject to maximum %   | 6,881,522        | 50%                | 3,440,761        |
| <b>Total Deductions(add II.B,1,2,3 and 4e)</b>  |                  |                    | <b>4,138,017</b> |

**BK GENERAL INSURANCE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**II.B Assets Subject to Maximum Admissible Percentages**

|   |
|---|
| Technical Provisions  |
| Unearned premium  |
| Unexpired risk  |
| Outstanding claims  |
| IBNR  |
| <b>Other provisions</b>   |
| All other liabilities (Total liabilities-less Technical provisions) |
| <b>Total Admitted Liabilities</b>                                   |

| Amount A          | Admissible% | Deduction         |
|-------------------|-------------|-------------------|
| 11,932,682        | 1,193,268   | 13,125,950        |
| 7,170,838         | 717,084     | 7,887,922         |
|                   | -           | -                 |
| 3,757,811         | 375,781     | 4,133,592         |
| 1,004,033         | 100,403     | 1,104,436         |
| -                 | -           | -                 |
| 4,536,078         | -           | 4,536,078         |
| <b>16,468,760</b> |             | <b>17,662,028</b> |



## BK GENERAL INSURANCE COMPANY LIMITED SUPPLEMENTARY INFORMATION

### Revenue account per product

| 31-Dec-24   | Motor                | Property (Fire)   | Engineering       | Liability            | Accident            | Guarantee (Bond)     | Marine               | Miscellaneous        | Total                |
|---|----------------------|-------------------|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Insurance Revenue                                       | 9,216,953            | 1,974,806         | 862,612           | 401,581              | 90,059              | 360,240              | 86,833               | 2,358,208            | 15,351,291           |
| Insurance service expenses                              | 138,866,679          | 10,312,284        | 1,469,539         | 150,648,503          | (8,472,197)         | 142,176,306          | 296,350,555          | (154,174,249)        | (154,174,249)        |
| Net expenses from reinsurance contracts held            | 726,284,086          | 17,420,238        | 33,971,138        | 777,675,461          | (24,603,086)        | 753,072,375          | 906,350,095          | (153,277,720)        | (153,277,720)        |
| Net Insurance service result                            | 2,804,366            | 197,065           | 714,106           | 3,715,536            | (675,470)           | 3,040,066            | -                    | 3,040,066            | 3,040,066            |
| Interest and dividend income                            |                      |                   |                   |                      |                     |                      |                      |                      |                      |
| Losses on financial assets                              | 31,786,586           | 507,387           | 1,569,698         | 33,863,670           | (1,226,521)         | 32,637,150           | 3,949,328            | 28,687,822           | 28,687,822           |
| <b>Net Investment Income</b>                            | <b>1,172,182,006</b> | <b>30,691,721</b> | <b>43,184,398</b> | <b>1,246,058,126</b> | <b>(41,499,780)</b> | <b>1,204,558,345</b> | <b>1,489,019,734</b> | <b>(284,461,389)</b> | <b>(284,461,389)</b> |
| Finance income/expenses from insurance contract issued  | 513,106              | 5,173             | 4,329,050         | 4,847,328            | (3,757,611)         | 1,089,718            | 124,490,488          | (123,400,770)        | (123,400,770)        |
| Finance Expenses/ income from reinsurance contract held | 494,181              | 15,216            | 21,213            | 530,611              | (17,194)            | 513,417              | 135,133,783          | (134,620,366)        | (134,620,366)        |
| <b>Net insurance finance income/ expenses</b>           | <b>3,427,018</b>     | <b>232,996</b>    | <b>788,413</b>    | <b>4,448,427</b>     | <b>(587,786)</b>    | <b>3,860,641</b>     | <b>225,072,021</b>   | <b>(221,211,380)</b> | <b>(221,211,380)</b> |
| <b>Net Insurance and investment result</b>              | <b>5,494,430</b>     | <b>1,257,211</b>  | <b>518,949</b>    | <b>261,800</b>       | <b>106,871</b>      | <b>310,365</b>       | <b>62,356</b>        | <b>557,310</b>       | <b>8,569,293</b>     |
| Non attributable expenses                               | (1,666,908)          | (376,277)         | (161,589)         | (81,325)             | (32,564)            | (94,219)             | (19,069)             | (176,344)            | (2,608,295)          |
| Revaluation deficit                                     | (74,015)             | (16,708)          | (7,175)           | (3,611)              | (1,446)             | (4,184)              | (847)                | (7,830)              | (115,815)            |
| <b>Other Income</b>                                     | <b>100,465</b>       | <b>21,526</b>     | <b>9,403</b>      | <b>4,377</b>         | <b>982</b>          | <b>3,927</b>         | <b>946</b>           | <b>25,705</b>        | <b>167,330</b>       |
| Profit before tax                                       | 3,853,973            | 885,753           | 359,588           | 181,242              | 73,843              | 215,888              | 43,387               | 398,840              | 6,012,513            |
| Income Tax Expense                                      | (1,069,279)          | (245,751)         | (99,767)          | (50,285)             | (20,488)            | (59,898)             | (12,038)             | (110,657)            | (1,668,162)          |
| <b>Profit After Tax</b>                                 | <b>2,784,694</b>     | <b>640,002</b>    | <b>259,821</b>    | <b>130,957</b>       | <b>53,356</b>       | <b>155,991</b>       | <b>31,349</b>        | <b>288,182</b>       | <b>4,344,351</b>     |

## BK GENERAL INSURANCE COMPANY LIMITED SUPPLEMENTARY INFORMATION

### Revenue account per product

| 31-Dec-23   | Motor            | Property (Fire)  | Engineering    | Liability     | Accident      | Guarantee (Bond) | Marine        | Miscellaneous  | Total            |
|---|------------------|------------------|----------------|---------------|---------------|------------------|---------------|----------------|------------------|
| Insurance Revenue                                       | 7,881,938        | 1,601,995        | 652,667        | 150,989       | 69,893        | 469,442          | 98,315        | 1,845,008      | 12,770,247       |
| Insurance service expenses                              | (5,119,029)      | (338,747)        | (314,331)      | (82,152)      | (46,886)      | (57,241)         | (10,142)      | (1,033,490)    | (7,002,018)      |
| Net expenses from reinsurance contracts held            | 95,447           | (322,417)        | (38,815)       | (1,719)       | 1,130         | (104,137)        | (35,670)      | (465,113)      | (871,295)        |
| Net Insurance service result                            | 2,858,356        | 940,830          | 299,521        | 67,118        | 24,136        | 308,064          | 52,503        | 346,406        | 4,896,933        |
| Interest and dividend income                            | 1,149,697        | 378,424          | 120,474        | 26,996        | 9,708         | 123,910          | 21,118        | 139,332        | 1,969,660        |
| Losses on financial assets                              | (206,788)        | (42,029)         | (17,123)       | (3,961)       | (1,834)       | (12,316)         | (2,579)       | (48,405)       | (335,036)        |
| <b>Net Investment Income</b>                            | <b>942,909</b>   | <b>336,394</b>   | <b>103,351</b> | <b>23,035</b> | <b>7,874</b>  | <b>111,594</b>   | <b>18,539</b> | <b>90,927</b>  | <b>1,634,624</b> |
| Finance income/expenses from insurance contract issued  | 9,343            | (2,596)          | (8,853)        | 4,533         | 1,317         | (579)            | (569)         | 4,678          | 7,274            |
| Finance Expenses/ income from reinsurance contract held | 27,810           | (19,094)         | 13,537         | 90            | (905)         | 661              | (73)          | (1,998)        | 20,027           |
| <b>Net insurance finance income/ expenses</b>           | <b>37,153</b>    | <b>(21,690)</b>  | <b>4,684</b>   | <b>4,623</b>  | <b>412</b>    | <b>82</b>        | <b>(642)</b>  | <b>2,680</b>   | <b>27,301</b>    |
| <b>Net Insurance and investment result</b>              | <b>3,838,418</b> | <b>1,255,534</b> | <b>407,557</b> | <b>94,776</b> | <b>32,422</b> | <b>419,740</b>   | <b>70,400</b> | <b>440,013</b> | <b>6,558,859</b> |
| Non attributable expenses                               | (1,251,387)      | (411,895)        | (131,130)      | (29,384)      | (10,567)      | (134,870)        | (22,986)      | (151,656)      | (2,143,876)      |
| <b>Other Income</b>                                     | <b>94,971</b>    | <b>19,303</b>    | <b>7,864</b>   | <b>1,819</b>  | <b>842</b>    | <b>5,656</b>     | <b>1,185</b>  | <b>22,231</b>  | <b>153,870</b>   |
| Profit before tax                                       | 2,682,001        | 862,942          | 284,290        | 67,211        | 22,697        | 290,526          | 48,599        | 310,587        | 4,568,854        |
| Income Tax Expense                                      | (826,398)        | (265,896)        | (87,598)       | (20,710)      | (6,994)       | (89,519)         | (14,975)      | (95,700)       | (1,407,789)      |
| <b>Profit After Tax</b>                                 | <b>1,855,603</b> | <b>597,046</b>   | <b>196,693</b> | <b>46,502</b> | <b>15,704</b> | <b>201,007</b>   | <b>33,624</b> | <b>214,887</b> | <b>3,161,064</b> |





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