



**RWANDA SOCIAL SECURITY BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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1. INTRODUCTION

1.1. Background of RSSB

In accordance with the Law n° 04/2015 of 11/03/2015 modifying and complementing Law n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB) and Law n° 003/2016 of 30/03/2016 establishing and governing maternity leave benefits scheme; the laws determining mission, organization and functioning of Rwanda Social Security Board, the Board has a legal personality, administrative and financial autonomy and is governed in accordance with laws governing organs of Public Institutions in Rwanda. According to article number 4 of the Law n° 45/2010 of 14/12/2010, RSSB has the following responsibilities:

1. To manage and promote pension, medical insurance, insurance on occupational hazards, insurance on maternity leave, the anticipated old age pension and other necessary schemes;
2. to register employers, employees, beneficiaries and self-insured persons in various schemes managed by RSSB;
3. to collect and manage contributions as provided by laws;
4. to receive and manage donations;
5. to pay benefits for or to beneficiaries;
6. to make investments in accordance with laws;
7. to contribute to the elaboration of social security policy;
8. to advise the Government on matters relating to social security;
9. to establish relations and collaborate with other regional or international institutions with similar missions;
10. to continue providing medical care for retirees who have monthly pension benefits.

1.2. Supervising authority of RSSB

RSSB is supervised by the Ministry of Finance and Economic Planning.

1.3. Management organs of RSSB

1.3.1. Board of Directors

The Board of directors is responsible for providing governance and oversight over the management of RSSB. The composition of the Board of Directors as at 30th June 2020 was as follows:

NAMES	Role on the board
Mr TURAHIRWA Ephraim	Chairperson
Mrs. KANYANGEYO Agnes	Vice Chairperson
Mr. KABERA Godfrey	Member
Prof. NZAMURAMBAHO Manasseh	Member
Mrs TENGERA KAYITARE Francoise	Member
Mrs. DUSHIMIRE Alice	Member
Mrs. KARAKE Doreen	Member

Subsequent to the year end on 10 September 2020, a new board of directors was appointed and is as follows:

NAMES	Role on the board
Dr Christopher John WALES	Chairperson
Mr. Marcel MUKESHIMANA	Vice Chairperson
Prof. Senait FISSEHA	Member
Mr. Patrick MARARA SHYAKA	Member
Mr. Kephers USENGE	Member
Ms. Liliane BWAKIRA	Member
Dr. Violette AYINGENEYE	Member
Mr. Yves GATSIMBANYI	Member
Mr. Alain NDAYISHIMIYE	Member

1.3.2. General Directorate

The day to day running of RSSB is entrusted to the management team headed by the Director General. The Director General is assisted by two (2) Deputies: Deputy Director General in charge of Benefits and Deputy Director General in charge of Fund Management. Officers who served on the General Directorate for the year ended 30th June 2020 were as follows:

NAMES	POSITION	
Mr TUSABE Richard	Director General, Rwanda Social Security Board	Left 26 th Feb 2020
Mr. RUGEMANSHURO Regis	Director General, Rwanda Social Security Board	Joined 27 th Feb 2020
Mr RWAKUNDA Christian	Deputy Director General in charge of Fund Management	Left 26 th Feb 2020
Mr GACANDAGA Jean Marie	Deputy Director General in charge of Fund Management	Joined 27 th Feb 2020
Dr Solange HAKIBA ITULINDE	Deputy Director General in charge of Benefits	Left on 11 th May 2020
Dr. HITIMANA Regis	Deputy Director General in charge of Benefits	Joined 12 th May 2020
Mr MURINDABIGWI Innocent	Head of Finance and Contributions Department	
Mr GASANA KWIZERA Eric	Head of Investment Department	
Mr RULISA Alexis	Head of CBHI Department	
Mr MUNYANDEKWE Oswald	Head of Pension and Occupational Hazards department	Left 11 th March 2020
MUJAWABEGA Yvonne	Head of Pension and Occupational Hazards department	Joined 12 th March 2020
Dr RURANGANWA Diane	Head of Medical Department	Left on 5 th May 2020
Dr UMUTESI Lysette	Head of Medical Department	Joined on 6 th May 2020

1.4. Registered office

Rwanda Social Security Board Headquarters
RSSB Building
Plot 1003 Ubumwe Cell,
African Union Boulevard
Kiyovu, Nyarugenge
POBOX 250/6655 Kigali
Email: Info@rssb.rw
Toll Free line 4044

1.5. Auditors

The Auditor General
Office of the Auditor General for State Finances
Kimihurura avenue du Lac Muhazi NEC, OAG, RRA Complex
B.P 1020,
Kigali- Rwanda

1.6. Bankers

Bank of Kigali Limited
P O Box 175
Kigali, Rwanda

GT Bank (Rwanda) Limited
P O Box 331
Kigali, Rwanda

I & M Bank Rwanda Limited
P O Box 354
Kigali, Rwanda

Access Bank (Rwanda) Limited
P O Box 2059
Kigali, Rwanda

National Bank of Rwanda
P O Box 531
Kigali, Rwanda

Zigama Credit and Saving Society
P O Box 4772
Kigali, Rwanda

Bank Populaire du Rwanda Limited
P O Box 1348
Kigali, Rwanda

Development Bank of Rwanda Limited
P.O Box 1341
Kigali, Rwanda

Ecobank Rwanda Limited
P O Box 3268
Kigali, Rwanda

Cogebanque Limited
P.O. Box 5230
Kigali, Rwanda

KCB Rwanda Limited
P O Box 5620
Kigali, Rwanda

Equity Bank Rwanda Limited
P O Box 494
Kigali, Rwanda

Unguka Bank Plc Rwanda
P.O BOX: 6417 Kigali.
Kigali, Rwanda

AB Bank Rwanda Limited
P.O Box 671,
Kigali, Rwanda

Letshego Rwanda Limited
P.O. Box 4062
Kigali, Rwanda

Bank of Africa
P.O. Box 265,
Kigali-Rwanda

NCBA Bank Rwanda PLC
Kigali Heights, 8th Floor, Boulevard de l'Umuganda
P O Box 6774, Kigali, Rwanda

Investment advisors for Ejo Heza
Rwanda National Investment Trust Ltd (RNIT)

1.7. Our Vision, Mission and Core Values

Our Vision

"To envision a comprehensive social security system that addresses the social security needs of all Rwandans"

Our Mission

"To provide high quality social security services, ensure efficient collection, benefits provision, management and investment of members' funds."

Our Core (Corporate) Values

In trying to achieve our vision and mission, we serve with empathy, creativity, integrity and determination by following the ICARE principles:

- Integrity
- Collaboration
- Accountability

- Respect
- Excellence

The Directors submit their report together with the audited financial statements for the year ended 30 June 2020 which discloses the state of affairs of Rwanda Social Security Board (RSSB).

1.8. Establishment

RSSB was established and is governed by Law N° 04/2015 of 11/03/2015, law modifying and complementing Law n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB) and determining its mission, organization and functioning. RSSB was established after a review of Law No. 60/2008 of 10/09/2008 determining the responsibilities, organization and functioning of Rwanda Social Security Board and Law No 27/2007 of 27/06/2007 determining the responsibilities, organization and functioning of a health insurance scheme for employees.

1.9. Principal activities

In accordance with Law N° 04/2015 of 11/03/2015, RSSB was established with four schemes.

- Under the pension scheme, RSSB collects contributions from employers and employees in Rwanda and provides benefits to pensioners, invalids and other beneficiaries.
- Under the medical scheme, RSSB provides medical insurance services.
- Under CBHI scheme, RSSB provides community-based health insurance scheme and by the same law the CBHI has been operating from July 2015.
- Under Maternity Leave Benefits Scheme, RSSB provides maternity leave insurance services and has been operating since 1st November 2016.
- A new regulation – Prime Minister Order No.58 of 4/04/2018 - Determining the administrator of the Long term savings scheme appointed RSSB as the administrator of the Long term saving scheme. Accordingly, this regulation introduces a new scheme to RSSB.

Membership of the defined benefit fund

a) Total members at 30 June	2020	2019
Contributing members	587,576	553,876
Pensioners	41,483	41,474
Deferred members	<u>926,861</u>	<u>846,907</u>
	1,555,920	1,442,257
b) Contributing members		
At start of year	553,876	472,560
Joiners	<u>145,775</u>	<u>106,503</u>
	699,651	579,063
Less:		
Retired (with pension or lumpsum)	3,578	3,365
Secessions (withdraw)	<u>108,497</u>	<u>21,822</u>
At end of year	587,576	553,876
c) Pensioners		
At start of the year	41,474	39,761
Contributing members who retired with pension	2,353	1,975
Widows or widowers' pension and orphans becoming payable	1,187	2,500
Members who got lump sum	1,225	1,390
	46,275	45,626
Less: Deaths and other secessionists	<u>4,756</u>	<u>4,152</u>
At end of year	<u>41,483</u>	<u>41,474</u>

Membership of the Workers' Medical Insurance

	2020	2019
Active members		
Affiliates	166,273	148,499
Dependents	366,024	298,897
Total	<u>532,297</u>	<u>447,396</u>

Membership of the Community Based Health Insurance

	2020	2019
Population coverage		
Target population	11,841,787	11,557,111
Active contributors	9,443,124	9,071,514
Coverage rate	79.7%	78.5%

Membership of the Maternity Leave Benefits Scheme

	2020
Contributors	587,576
Number of beneficiaries	6,906

Membership of *Ejo Hezu* Scheme

	2020	2019
Contributors	347,470	14,263
Number of beneficiaries	-	-

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements that give a true and fair view of Rwanda Social Security Board (RSSB) comprising the statement of financial position as at 30 June 2020, and the statements of comprehensive income, changes in Member funds and reserves and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 9 to 155, in accordance with International Financial Reporting Standards (except as noted 4 (2) – basis of accounting) and in the manner required by the provisions of the Law n° 04/2015 of 11/03/2015 modifying and complementing Law n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB).

The Directors' responsibility includes the maintenance of accounting records that may be relied upon in the preparation of financial statements, overseeing and endorsing the designing, implementing and maintenance of internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances and is also responsible for safe guarding the assets of the Board.

The Directors have made an assessment of the ability of Rwanda Social Security Board (RSSB) to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead from the date of this statement.

In our opinion, the financial statements of Rwanda Social Security Board (RSSB) for the year ended 30 June 2020 give a true and fair view of the state of financial affairs of Rwanda Social Security Board (RSSB). We further accept responsibility for maintenance of accounting records that may be relied upon in the preparation of financial statements and ensuring adequate system of internal controls to safeguard assets of Rwanda Social Security Board (RSSB).

3. FINANCIAL STATEMENTS

3.1. Statement of comprehensive income

	Notes	2020 Frw (in millions)	2019 Frw (in millions)
Dealings with members			
Contributions	9	212,959	181,025
Benefits paid	10	(112,059)	(104,007)
Net additions from dealings with members		<u>100,900</u>	<u>77,018</u>
Returns on investments			
Investment income	11	58,710	54,540
Change in fair value of financial assets at fair value through profit or loss	12	2,118	(803)
Change in fair value of investment properties	13	78,595	-
Write back of prior year		-	1,343
Realized (loss)/gain on disposal of assets	14	392	521
Less: investment management expenses	15	(2,015)	(1,501)
Net returns on investments		<u>137,800</u>	<u>54,101</u>
Grants	16	27,795	27,976
Other income	17	<u>1,165</u>	<u>1,936</u>
Expenditures			
Staff costs	18	(12,217)	(10,102)
Administrative expenses	19	(6,543)	(7,458)
Depreciation and amortization charge	20	(1,450)	(1,476)
Other expenses	21	(4,459)	(3,689)
Total expenses		<u>(24,669)</u>	<u>(22,725)</u>
Net income for the year		<u>242,991</u>	<u>138,306</u>
Other comprehensive income			
Revaluation gain on property and equipment (administrative assets)	22	2,587	0
Increase in net assets for the year		<u>245,578</u>	<u>138,306</u>

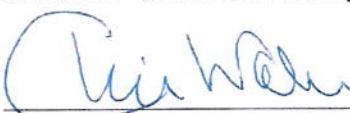
The notes on pages 14 to 155 form an integral part of these financial statements.

3.2. Statement of financial position

	Notes	2020 Frw (in millions)	2019 Frw (in millions)
Assets			
Property and equipment	23	13,166	11,454
Intangible assets	24	1,973	957
Investment properties	25	218,562	125,796
Investment properties in the process of construction	26	7,684	5,307
Assets held for sale	27	-	454
Equity investments	28	478,443	416,007
Corporate bonds	29	24,754	-
Treasury bonds	30	153,936	88,540
Treasury bills	31	54,323	120,224
Commercial papers	32	14,715	16,145
Loan and advances to third parties	33	41,322	41,259
Mortgage loans	34	63	147
Inventory	35	361	296
Advances to contractors	36	8,808	9,205
Dividend and other income receivable	37	1,258	4,583
Other assets	38	6,200	5,878
Due to/(Due from) other schemes	39	-	-
Deposits with financial institutions	40	291,273	231,302
Cash and bank balances	41	<u>89,311</u>	<u>85,066</u>
Total assets		<u>1,406,153</u>	<u>1,162,618</u>
Less: Liabilities			
Amounts retained on construction contracts		946	631
Benefits payable		26,541	24,212
Other payables	42 (a)	12,086	16,756
Deferred income	42 (b)	<u>691</u>	<u>830</u>
Total liabilities		<u>40,263</u>	<u>42,430</u>
Net assets available for benefits		<u>1,365,890</u>	<u>1,120,188</u>
Represented by:			
Capital		1,232	1,232
Retained earnings and Accumulated member funds	43	653,064	580,859
Ejo Heza member funds	43	4,119	104
Revaluation reserve	44	7,093	4,506
Fair value reserve	45	97,613	16,900
Statutory reserves	46	<u>602,768</u>	<u>516,586</u>
Total reserves and member funds		<u>1,365,890</u>	<u>1,120,188</u>

The financial statements were approved by the Board of Directors on 16th March 2021 and signed on its behalf by:


Regis RUGEMANSHURO
 Director General


Dr Christopher John WALES
 Chairperson – Board of Directors

The notes on pages 14 to 155 form an integral part of these financial statements.



3.3. Statement of changes in members' funds and reserves

	Capital	Occupational hazard reserves	Pension reserves	Accumulated member funds and retained earnings	Ejo Heza member funds	Fair value reserve	Revaluation reserve	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
At 1 July 2018	1,232	42,955	401,825	513,647	-	17,703	4,506	981,868
Prior year adjustments	-	-	-	-	-	-	-	-
Net increase in Ejo Heza member funds	-	-	-	-	90	-	-	90
Net increase in Ejo Heza unallocated member funds	-	-	-	-	15	-	-	15
Net income for the year	-	12,945	58,862	67,212	-	(803)	-	138,216
At 30 June 2019	1,232	55,899	460,687	580,859	104	16,900	4,506	1,120,188
Net income for the year	-	14,771	71,411	72,205	176	80,712	-	239,275
Net increase in Ejo Heza member funds	-	-	-	-	3,715	-	-	3,715
Net increase in Ejo Heza unallocated member funds	-	-	-	-	124	-	-	124
Revaluation of property	-	-	-	-	-	-	2,587	2,587
As at 30 June 2020	1,232	70,670	532,098	653,064	4,119	97,613	7,093	1,365,890

The notes on pages 14 to 155 form an integral part of these financial statements.

3.4. Statement of cash flows

	2020 Frw (millions)	2019 Frw (millions)
Cash flows from operating activities:		
Increase in net assets for the year	242,991	138,306
Adjusted for:		
Depreciation and amortization	1,450	1,476
Investment income	(58,710)	(54,540)
Realized loss on disposal of assets (equity investments, PPE, Assets held for sale and Investment properties)	(392)	(521)
Change in fair value of equity investments	(2,118)	803
Change in fair value of investment properties	(78,595)	0
Write back of prior fair value loss	-	(1,343)
Unrealised foreign exchange loss	158	-
Government grants	(27,064)	(26,343)
Adjustment of opening balances	(63)	0
In-kind expenditure	648	1,585
In-kind income	(731)	(1,633)
Operating income for changes in working capital	77,574	57,789
(Increase)/Decrease in advance to contractors	397	(1,145)
(Increase)/Decrease in other assets	519	(1,639)
(Increase)/Decrease in inventory	(65)	(75)
Increase/(Decrease) in medical/maternity claims payables	2,328	(901)
Increase/(Decrease) in other payables	(4,671)	7,578
Increase/(Decrease) in contract retentions	315	(61)
Net cash flows from operating activities	76,396	61,546
Cash flows used in investing activities:		
Dividend income received	5,967	4,118
Rent received	4,446	4,536
Other interest income received (current accounts, call deposit and mortgage loans)	3,070	4,803
Purchases for investment property under construction	(3,217)	(4,403)
Purchase of property and equipment	(408)	(99)
Purchase of intangible asset	(1,396)	(669)
Purchase of investment properties	(17,121)	(5,861)
Purchase of equity investments	(59,926)	(62,362)
Proceeds from disposal of Equity investments	-	-
Purchase of Corporate bonds	(24,000)	2,795
Receipts from settlement of Corporate bonds (Interest and principal)	-	2,806
Receipts from Treasury bond - coupon interest income received	20,463	13,477
Receipts from Treasury bill maturities (Interest and principal)	137,201	171,613
Receipts from Commercial papers maturities (principal and interest)	17,486	39,988
Investment in Treasury bonds	(71,469)	(39,608)
Investment in Treasury bills	(64,747)	(219,899)

Investment in Commercial papers	(14,520)	(37,828)
Receipts from settlement of loans and advances to third parties	9,937	4,477
Additional loans and advances to third parties during the year	(10,000)	(26,247)
Increase/(Decrease) in mortgages	90	159
Placement of term deposits during the year	(293,898)	(195,752)
Settlement of term deposits during the year	258,748	218,422
(Increase)/Decrease in call deposit	-	-
Refund of prior year purchase of Investment properties - Rusororo plots	2,135	0
Proceeds from disposal	<u>1,873</u>	<u>1,508</u>
Net cash used in investing activities	(99,284)	(124,028)
Cash flows from financing activities:		
Government grants	27,340	26,746
Government grants refunded	(332)	0
Increase in unidentified member contributions	<u>124</u>	<u>15</u>
Net cash from financing activities	27,132	26,761
Net increase in cash and cash equivalents	4,245	(35,721)
Cash and cash equivalents at 1 July	<u>85,066</u>	<u>120,787</u>
Cash and cash equivalents at 30 June	<u>89,311</u>	<u>85,066</u>

The notes on pages 14 to 155 form an integral part of these financial statements.

4. NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Rwanda Social Security Board was established by Law n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB) as modified and complemented by Law n° 04/2015 of 11/03/2015 and Law n° 003/2016 of 30/03/2016 establishing and governing maternity leave benefits scheme. The Board runs the following schemes under one management:

- Pension scheme
- Medical scheme
- Community Based Health Insurance (CBHI) scheme
- Maternity Leave scheme
- Long term savings scheme (*Ejo Heza*): Prime Minister Order No.58 of 4/04/2018 - Determining the administrator of the Long term savings scheme appointed RSSB as the administrator of the Long term saving scheme.

2. Basis of accounting

a) Statement of compliance

The financial statements of the Board have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). These are separate financial statements and are not consolidated, as would be required by *IFRS 10: Consolidated Financial Statements*, in respect of the investees over which the Board exercises control. The directors, in their judgment believe that despite this deviation, the financial statements provide reliable and useful information to its stakeholders.

Under paragraph 4B of IFRS 10, a parent entity that is an investment entity is exempt from consolidation if that entity measures interests in subsidiaries at fair through profit or loss. Paragraph 27 of IFRS 10 requires a parent entity to determine if it is an investment entity. An investment entity is an entity that:

- 1) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- 2) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- 3) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

Accordingly, the directors have determined RSSB to be an investment entity as its mandate includes the management of funds on behalf of contributing members to ensure the following:

- 1) Collects and invests funds contributed by fund members providing investment management services over investments made on behalf of contributing members with aim of ensuring that long term fund obligations to contributing members are met as and when they fall due.
- 2) Commits to contributing members to invest funds solely for returns from capital appreciation or both
- 3) And measures the performance of substantially all of its investments on a fair value basis.

The directors have thus chosen to apply the exemption from consolidation under paragraph 4B of IFRS 10 and to account for RSSB interests in entities that qualify to be subsidiaries at fair value through profit or loss.

In addition, under paragraph 18 of IAS 28, when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure investments in those associates and joint ventures at fair value through profit or loss in accordance with IFRS 9. RSSB as an investment entity has elected to measure its associates and joint ventures at fair value through profit or loss. The companies in which the Board has interests/shareholding and a summary of their key financial data are disclosed in note 28 to these financial statements.

IFRS 9- Financial instruments

RSSB has not adopted IFRS 9 in the preparation and presentation of these financial statements, IFRS 9 which was effective for accounting periods beginning on or after 1 January 2018. RSSB is in the process of assessing the impact of adopting IFRS 9 on its financial statements.

b) Basis for measurement

The financial statements are prepared under the historical cost basis except where otherwise mentioned in the policy notes. Financial assets including equity investments designated at fair value through profit or loss, investment properties, land and buildings and assets held for sale have been measured at fair value.

3. Functional and presentation currency

The financial statements are presented in Rwanda francs (Frw), which is the Board's functional currency and all values are presented in millions ('000,000), except where otherwise indicated.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Board's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are revised and in any future periods affected.

5. Significant accounting policies

Significant accounting policies set out below have been applied consistently to all periods presented in the financial statements.

a) Members' funds

The Board is funded through contributions from members and investment income. Contributions are accounted for as follows:

(i) Contributions from members

Contributions from employees remitted by the employers are recognized on a cash basis. Contributions due but not yet received at the end of the financial year are not accrued. They are accounted for and recognized in subsequent years when received. The contributions remitted by employers for Pension, medical and maternity on based on the respective laws for pension, medical and maternity schemes. Contributions for CBHI are remitted directly by the beneficiaries and from other sources of income as defined by the law.

(ii) Benefit payments to members

Benefits to members are accounted for on a cash basis. Benefit payments made but not collected by members are written back in the cash book and no liability thereof recognized in the financial statements.

(iii) Actuarial valuation

The current actuarial valuation exercise was ongoing and had not been concluded by the time of these financial statements. The available actuarial valuation covers the period up to 30 June 2016 for the pension, occupational hazards and medical benefit insurance schemes. See details in note 49.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The following specific recognition criteria must also be met before revenue is recognized.

(i) Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

(ii) Dividends

Dividend income is recognised when the right to receive dividends is established.

(iii) Rental income

Rental income from investment properties is recognized in the statement of comprehensive income on the straight line basis over the term of the property lease.

(iv) Other income

Other income comprises gains less losses related to trading assets and liabilities, and includes gains from disposal of Board's assets and all realised and unrealised foreign exchange differences.

c) Foreign currencies

Transactions in foreign currencies during the year are translated into Rwanda francs at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Rwandan francs at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Rwandan francs at the date when the fair value was determined. Foreign currency gains and losses arising from translation are recognised in the statement of comprehensive income for the year.

d) Financial instruments – initial recognition and subsequent measurement

IFRS 9 was effective 1 January 2018 and has changed the classification of financial instruments and impairment model for financial assets from incurred loss model to expected credit loss model. However, the Board has not adopted IFRS 9 in preparation of these financial statements.

The accounting policies applied for financial instruments are as detailed below:

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Board determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Board's financial assets include cash and cash equivalents, trade and other receivables, loans and advances, deposits with commercial banks, investments in government and corporate bonds and equity investments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in surplus or deficit. These include equity investments designated at fair value through profit or loss by the Board.

Financial assets held for trading

Financial assets held for trading include securities held for trading which are equity investments held by investment managers. Financial assets held for trading are carried in the statement of financial position at fair value with changes in fair value recognised in surplus or deficit. These include equity investments designated as held for trading by the Board.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of comprehensive income. The losses arising from impairment are recognised in impairment losses in the statement of comprehensive income. These include loans and advances to Government entities and staff loans and advances.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Board has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of comprehensive income. These include treasury bonds, treasury bills, corporate bonds, commercial papers and term deposits with financial institutions.

Other receivables

Other receivables are carried at amortised cost which approximates the original invoice amount less provision made for impairment losses. An allowance for impairment of other receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivables.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a Board of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Board has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Board has transferred substantially all the risks and rewards of the asset, or (b) the Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Board has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Board's continuing involvement in the asset. In that case, the Board also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained.

ii) Impairment of financial assets

The Board assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Board first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Board determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in surplus or deficit. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement

of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Board. 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 recovered in the future, the recovery is credited to other income in the statement of comprehensive income.

iii) Financial liabilities

Initial recognition and measurement

At initial recognition, the Board measures financial liabilities at initial recognition at fair value, plus, in the case of a financial liability not at fair value through profit or loss such as loans or borrowings, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Subsequent measurement

Subsequently after initial recognition, financial liabilities are measured at amortised cost using the effective interest method excluding financial liabilities through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing improvement approach applies, financial guarantee contracts as defined in paragraph 9 of IAS 39, commitments to provide a loan at below market interest rate and financial liabilities that are designated as hedge items which are subject to hedge accounting requirements. Financial liabilities have been subsequently measured as follows:

Medical payables

Medical payables include payables of medical claims by registered medical service providers and are subsequently measured at amortised cost. Gains and losses on de-recognition and amortisation are recognised in surplus or deficit.

Maternity leave payables

Maternity payables include payables to employers reimbursing them for employer social security contributions for the third month of maternity leave granted to employees and are subsequently measured at amortised cost. Gains and losses on de-recognition and amortisation are recognised in surplus or deficit.

Amounts retained on construction contracts

These are contractual amounts retained on payments to construction suppliers. They are reimbursable to contractors after the final handover of construction projects to the Board subject to terms and conditions regarding uncorrected defects during the defects liability period.

Other accounts payable

Other accounts payable are carried at amortised cost, which approximates the consideration to be paid in the future for goods and services received.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iv) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

v) Fair value of financial instruments

The Board measures financial instruments such as financial assets, and non-financial assets such as investment properties, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions - Note 7
- Quantitative disclosures of fair value measurement hierarchy – Note 7
- Financial instruments (including those carried at amortised cost) – Note 7

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction of transaction costs

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

e) Equity Investments

Under IAS 27: Separate Financial Statements, when separate financial statements are prepared, an entity accounts for investments in subsidiaries, associates and joint ventures either at:

- Cost
- In accordance with IAS 39/IFRS 9, or
- Using the equity method described in IAS 32

As an investment entity under IFRS 10, RSSB is expected to measure and evaluate the performance of substantially all of its investments on a fair value basis. RSSB also elected to measure investments in associates and joint ventures at fair value through profit or loss. Accordingly, all equity investments are accounted for on fair value basis. The classification for the respective investments have been done in accordance with IAS39. The measurement of fair value was determined in accordance with IFRS 13: Fair value measurement.

For the purpose of these financial statements, the Board has measured all equity investments (except those that are publicly listed and equity investments in preference shares) using the net asset valuation method restricted to the shareholding of RSSB in the respective investments. The directors believe that this basis of valuation provides the most relevant estimate of the worth of these investments.

f) Property and equipment

Initial recognition and measurement

Property and equipment is initially recognised at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials

and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of property and equipment is recognized in the carrying value of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The carrying value of the replaced part is de-recognised. The cost of day to day servicing of the property and equipment is recognized in the profit or loss as incurred.

Subsequent measurement

IAS 16 permits an accounting entity to choose the cost or revaluation model as its accounting policy for subsequent measurement of property and equipment. The accounting standard requires the accounting entity to apply the chosen model consistently across a class of property and equipment.

The Board has chosen the **revaluation model** for the class of land and buildings and the cost model for the rest of the classes of property and equipment i.e. office equipment, motor vehicles, furniture and fittings, computers, laboratory and kitchen equipment.

- Revaluation model

Land and buildings are subsequently measured at revalued amounts. It is the policy of the Board to revalue assets under the class of land and buildings every five years to determine their fair values (revalued amounts). Revalued amounts of assets determined at revaluation are compared to carrying values and are written up or down to match revalued amounts. Accordingly, the resultant, revaluation surplus or deficit is recognised as part of other comprehensive income during the year of revaluation and accumulated under the revaluation reserve. Assets are then subsequently measured at revalued amounts less accumulated depreciation until the next revaluation or until de-recognition of the asset.

- Cost model

Other classes of assets excluding land and building are measured subsequently at cost less accumulated depreciation.

Depreciation expense

Depreciation is recognized in the statement of comprehensive income and calculated to write off the cost/revalued amounts of the property and equipment on a straight line basis over the expected useful lives of the assets concerned. Land is not depreciated. The estimated depreciation rates for the current and comparative periods are as follows:

Class	Depreciation rate
Buildings	5%
Office equipment	20 %
Motor vehicles	25 %
Furniture and fittings	10%
Computers	33.33%
Kitchen equipment	25%
Laboratory equipment	25%

Management and directors review the depreciation methods, residual value and useful life of an asset at the year end and any change considered to be appropriate is recorded in surplus or deficit as a change in estimates.

De-recognition

Assets are de-recognised through disposal at sale or Board approved write off. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying value of property and equipment and recognized net within other income in profit or loss. At disposal of revalued assets, the revaluation surplus of revalued assets is transferred from the revaluation reserve to retained earnings.

g) Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. There are no intangible assets with indefinite useful lives. Intangible assets are amortised at a rate of 50%.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

h) Investment properties

Initial recognition

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent measurement

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in surplus or deficit in the period in which they arise. Fair values are evaluated every after five years by an accredited external, independent valuation expert.

De-recognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. When the use of property changes from owner occupied to investment property, the property is re-measured at fair value and reclassified as investment property. Any gain arising

on revaluation is recognized through other comprehensive income. Any loss arising on revaluation is recognized through the surplus or deficit.

i) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on first-in-first out (FIFO) principle and includes the expenditure incurred in acquiring the inventory, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses or the replacement cost as appropriate.

j) Impairment of non-financial assets

The carrying amounts of the Board's non-financial assets other than investment properties and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such condition exists, the asset's recoverable amount is estimated and an impairment loss recognised in surplus or deficit whenever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and impairment loss is reversed only to the extent that the assets' carrying amount that would have been determined net of depreciation or amortization if no impairment loss was recognized.

k) Provisions

A provision is recognised if, as a result of a past event, the Board has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Board expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

l) Tax

The Board is exempt from corporate income tax under Article 46 of law No.14/2018 of 13/04/2018.

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or rendering of services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or account payables in the statement of financial position.

m) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost subsequent to initial recognition. For the purposes of the statement of cash flows, cash and cash equivalents comprises of cash and bank that are available on demand as at the reporting date.

n) Capital work-in-progress

The ongoing construction/installation of capital projects are recorded at the cost to date or valuation and are only transferred into the relevant assets categories once completed and commissioned. No depreciation is computed on capital work-in-progress as these assets are not yet available for use. However, an expected impairment loss on capital work-in-progress is recognized immediately in surplus or deficit. Currently, capital work in progress consists of Investment properties under construction.

o) Leases

RSSB has applied IFRS 16 – Leases on 1 July 2019 using the modified retrospective approach. The adoption of IFRS 16 did not have a significant impact on the RSSB's financial statements.

Policy applicable from 1 January 2019

At inception of a contract, RSSB 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. To assess whether a contract conveys the right to control the use of an identified asset, the Board uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or changed) on or after 1 January 2019.

RSSB acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Board allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. The Board has elected to separate non-lease components and account for the lease and associated non-lease components separately. The Board recognises 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 branch office premises.

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 Board's incremental borrowing rate. Generally, the Board uses its incremental borrowing rate as the discount rate. The Board determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the 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 Board is reasonably certain to exercise, lease payments in an optional renewal period if the Board is reasonably certain to exercise an extension

option, and penalties for early termination of a lease unless the Board 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 Board's estimate of the amount expected to be payable under a residual value guarantee, if the Board 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 Board presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

RSSB has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Board recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. All leases for RSSB during the year ended 30 June 2020 were low value in nature.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, RSSB determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

p) Statutory reserves

The statutory reserves are set up under article 11 of law number 06/2004 of 22 March 2004 modifying and completing law of 22/08/1974. The article stipulates that the National Social Security Institutions provide the following reserves for both the occupational hazards and pensions branches.

Pension's branch statutory reserve

This comprises the working capital and technical reserves as explained below;

Working capital reserve is equivalent to a quarter of the total expenses of the pension's branch previous year. Technical reserve should not be lower than the total expenses of the branch for the last three years.

Occupational Hazards branch statutory reserve

This comprises the occupational hazards technical, security and working capital reserves as explained below;

Technical reserve must be equal to twelve times the total amount of occupational hazards paid during the year. Security reserve is equal to a quarter of the expenses incurred during the last three years Working capital reserve should be equal to a quarter of the expenses of the previous year.

6. New standards or amendments for 2019 and forthcoming requirements

i) New and currently effective requirements

The following standards or amendments issued by the International Accounting Standards Board (IASB) are effective for accounting periods beginning on or after 1 January 2019:

New amendments or interpretation	Effective date
IFRS 16 Leases	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments.	

New amendments or interpretation	Effective date
Prepayment features with Negative Compensation (Amendments to IFRS 9)	
Long-term interest in Associates and Joint Ventures (Amendments to IAS 28)	
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	
Annual improvement to IFRSs 2015-2017 cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	

The standards and amendments above, did not have an impact on the financial statements of RSSB.

ii) *New standards or amendments effective for 2019 and but not yet adopted by RSSB*

IFRS 9: Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and was effective from 1 January 2018. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

IFRS 9 changes the classification and measurement of financial assets. The category of available-for-sale investments (where fair value changes were deferred in reserves until disposal of the investment) has been replaced with the category of financial assets at Fair Value through Profit and Loss (for most investments) and the category of financial assets at Fair Value through Other Comprehensive Income (for qualifying equity investments). This standard introduces changes in the measurement bases of the financial assets to *amortised cost, fair value through other comprehensive income or fair value through profit or loss*. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "*expected credit loss*" model.

This standard was effective from 1 January 2018 and was due for adoption by RSSB in the financial year ended 30 June 2019. However, RSSB has not yet adopted IFRS 9 and is still assessing the impact of adopting IFRS 9 on its financial statements.

iii) *Forthcoming requirements*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020 and have not been applied in preparing these financial statements. Those which may be relevant to the Board are set out below. The Board does not plan to adopt these standards early. These will be adopted in the period that they become mandatory or/ and effective.

New standards or amendments	Effective date
Amendments to References to Conceptual Framework in IFRS standards.	1 January 2020
Definition of a Business (Amendments to IFRS 3)	
Definition of Material (Amendments to IAS 1 and IAS 8)	
IFRS 17 Insurance contracts	1 January 2023
Sale or Contribution of Assets between an investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 8)	Available for early adoption – effective date deferred indefinitely.

— *Amendments to References to Conceptual Framework in IFRS Standards- effective 1 January 2020*

This amendment sets out amendments to IFRS Standards (Standards), their accompanying documents and IFRS practice statements to reflect the issue of the International Accounting Standards Board (IASB) revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework).

Some Standards, their accompanying documents and IFRS practice statements contain references to, or quotations from, the IASB's Framework for the Preparation and Presentation of Financial Statements adopted by the IASB in 2001 (Framework) or the Conceptual Framework for Financial Reporting issued in 2010.

Amendments to References to the Conceptual Framework in IFRS Standards updates some of those references and quotations so that they refer to the 2018 Conceptual Framework, and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

These amendments are based on proposals in the Exposure Draft Updating References to the Conceptual Framework, published in 2015, and amend Standards, their accompanying documents and IFRS practice statements that will be effective for annual reporting periods beginning on or after 1 January 2020.

The adoption of these changes will not affect the amounts and disclosures in RSSB financial statements.

— *IFRS 3 Business Combinations – amendment effective 1 January 2020*

The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment is not expected to have a material impact on RSSB financial statements.

— *IAS 1 and IAS 8 Definition of Material—effective 1 January 2020*

The amendment refines the definition of Material to make it easier to understand and aligning the definition across IFRS Standards and the Conceptual Framework. The amendment includes the concept of 'obscuring' to the definition, alongside the existing references to 'omitting' and 'misstating'. Additionally, the amendments also adds the increased threshold of 'could influence' to 'could reasonably be expected to influence' as below.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

However, the amendment has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. RSSB is assessing the potential impact on its financial statements resulting from the application of the refined definition of materiality. RSSB did not early adopt new or amended standards in the year ended 30 June 2020.

- *IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its associate or joint venture (effective date is yet to be confirmed)*

The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and have no impact on the RSSB's financial statements.

7. Determination of fair value

i) Fair value measurement

Fair values of cash and deposits with commercial banks, trade receivables, loans and advances and other payables reasonably approximate their carrying amounts largely due to the short-term maturities of these instruments and/or because they carry interest rates that reasonably approximate to market rates.

The carrying amounts of equity securities held for trading and at fair value through profit or loss are the same as their fair values since the instruments are presented at fair value.

ii) Valuation hierarchy

IFRS 13 requires a three tiered disclosure for all financial assets and financial liabilities that are carried in the books of entities at fair value. This fair value disclosure is divided into three levels as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities e.g. quoted equity securities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data. These items are not Level 1 products and contain at least one significant input parameter which could not be price tested from any of the methods described for Level 2 products. Examples are products where correlation is a significant input parameter and products where there is severe illiquidity in the markets for a prolonged period of time.

a) Valuation models

The Board measures fair values using the following fair value hierarchy which reflects the significance of inputs used in making the measurements.

Level 1 – inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 – inputs other than quoted market prices included within level 1 that are observable either directly (like prices) or indirectly (derived prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

For the purpose of these financial statements, the Board has measured all equity investments (except those that are publicly listed and equity investments in preference shares) using the net asset valuation method restricted to the shareholding of RSSB in the respective investments. The directors believe that this basis of valuation provides the most relevant estimate of the worth of these investments.

b) Valuation Framework

The Board has established clear guidelines on how fair value is to be determined for all assets and liabilities measured at fair value. These guidelines are included in the board's operational manuals. The fair value of both financial/non-financial assets and fair values have been determined for measurement and/or disclosure purposes based on the methods below:

(i) Investment properties and Administrative land and buildings

The Board uses an external independent valuation company with recognized professional qualification experience and values the Board's investment properties after every five years (previously on an annual basis). The fair values are based on the market conditions being the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. In the absence of an active price in an active market, the values are prepared by using three methods of valuation – the direct comparison method, the replacement cost method and income capitalisation method.

- a) **The direct comparison method:** Under this method, the estimated market value of the asset is related to value of a known comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued with due allowance being made for value affecting differences such as: location, level and amount of services provided, accessibility, size, cyclical patterns in the local and regional property markets, development conditions discerned from land titles, date of transaction, condition (in case of buildings), sales data, tenure and unexpired term.
- b) **The replacement cost method:** This method is a method of last resort in the event of the absence of an active market or related market (under the direct comparison method). Under this method, the estimated value of the property is made in relation to what it will cost to acquire the asset at current price. The basic premise/assumption being that no prudent investor would pay for an asset on offer more than it would cost to acquire the asset new by undertaking property development. The valuation is thus based on the current cost of constructing a similar building capable of performing the same function as the asset being valued. Since the subject asset's life will have been relatively consumed with its age, then the cost estimate is then adjusted to reflect the consumed life. This method was applied in determining value for some investment properties and administrative buildings classified under the property and equipment class – land and buildings. This class of property and equipment is accounted for using the revaluation model in accordance with the requirements of IAS 16: Property, Plant and Equipment.
- c) **Investment method/ Income Capitalization method:** This method estimates market value of the property based income earned from the property. The value of the property under this method is determined by how much rental income the property generates. The market value of each property is determined by considering the annual market rent income of the property and an estimated multiplier/capitalisation factor (referred to as *years purchase*, YP). The capitalisation rate and multiplier are determined by the valuation experts based on the market for similar property. This method was applied in determining value for some investment properties.

(ii) Valuation of Land

The valuation for land was based on estimated land prices for specific locations across the country and value was determined by multiplying the land size with the estimated price per square metre. The estimated value of land forms part of the estimated fair value for investment properties and property, plant and equipment.

(iii) Investment in debt and equity securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available for sale is determined by reference to their quoted bid price at the reporting date if available.

The fair value for non-quoted equity instruments has been determined using the net asset value methodology and the fair value of held to maturity investments is determined using the discounted cash flow methodology.

(iv) *Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value of trade and other receivables is determined at initial recognition.

c) Assets measured at fair value

The table below shows the assets measured at fair value and their relevant fair hierarchy.

As at 30 June 2020

	Level 1	Level 3	Amount not measured at fair value	Total as per statement of financial position
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Property and equipment	-	12,625	541	13,166
Investment properties	-	218,562	-	218,562
Asset held for sale	-	-	-	-
Equity investments	106,575	255,712	116,156	478,443
Total	106,575	486,899	116,697	710,171

As at 30 June 2019

	Level 1	Level 3	Amount not measured at fair value	Total as per statement of financial position
	Frw	Frw	Frw	Frw
Property and equipment	-	10,797	657	11,454
Investment properties	-	125,796	-	125,796
Asset held for sale	-	454	-	454
Equity investments	101,583	241,129	73,294	416,007
Total	101,583	378,177	73,951	553,711

d) Financial assets and liabilities not measured at fair value

The table below sets out the carrying values of financial assets and liabilities not measured at fair value:

30 June 2020

Schemes	Pension	Medical	CBHI	Maternity leave	Ejo Heza	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Financial assets						
Equity investments	107,687	8,469	-	-	-	116,156

Treasury bonds	126,597	23,799	-	-	3,541	153,936
Treasury bills	37,811	16,513	-	-	-	54,323
Commercial papers	14,715	-	-	-	-	14,715
Loan and advances to third parties	5,510	35,812	-	-	-	41,322
Mortgage loans	63	-	-	-	-	63
Advances to contractors	8,790	13	4	0	-	8,808
Dividend receivable	731	527	-	-	-	1,258
Other assets	2,932	1,596	1,638	33	-	6,200
Due from/(Due to) other schemes	2,146	1,571	(3,544)	(173)	-	-
Deposits with financial institutions	139,118	139,513	-	12,643	-	291,273
Cash and bank balances	49,013	25,791	5,347	8,234	926	89,311
Total	495,113	253,603	3,446	20,737	4,466	777,366
Financial liabilities						
Amounts retained on construction contracts	886	60	1	-	-	946
Benefits payable	-	5,722	20,495	324	-	26,541
Other payables	4,003	(202)	8,240	45	-	12,086
Total	4,888	5,579	28,735	369	-	39,572

30 June 2019

Schemes	Pension	Medical	CBHI	Maternity leave	Ejo Heza	Total
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Financial assets						
Equity investments	64,910	8,384	-	-	-	73,294
Treasury bonds	81,742	6,700	-	-	98	88,540
Treasury bills	76,108	40,286	-	3,829	-	120,224
Commercial papers	16,145	-	-	-	-	16,145
Loan and advances to third parties	5,936	35,323	-	-	-	41,259
Mortgage loans	153	(6)	-	-	-	147
Advances to contractors	9,139	59	7	0	-	9,205
Dividend receivable	4,488	95	-	-	-	4,583
Other assets	2,571	376	2,925	6	-	5,878
Due from/(Due to) other schemes	1,494	2,931	(4,310)	(115)	-	-
Deposits with financial institutions	129,770	101,531	-	-	-	231,302
Cash and bank balances	40,022	28,117	6,505	10,013	409	85,066

Total	432,479	223,796	5,127	13,733	507	675,642
Financial liabilities						
Amounts retained on construction contracts	572	59	-	-		631
Benefits payable	-	5,672	18,129	411		24,212
Other payables	7,929	577	8,184	66		16,756
Total	8,502	6,308	26,313	477	-	41,600

8. Operating segments

8.1. Basis for Segmentation

Rwanda Social Security Board has the following five schemes as shown:

Reportable segments	Operations
Pension	Contributions from employers and employees in Rwanda and provides benefits to pensioners, invalids and other beneficiaries
Medical	Provides medical insurance services.
Community Based Health Initiative	Provides community-based health insurance scheme
Maternity	Provides maternity leave insurance services
Long term savings scheme (<i>Ejo Heza</i>)	Assisting the public to accumulate savings for a dignified and secure retirement. <i>Ejo Heza</i> is an inclusive scheme which targets both salaried and non-salaried workers

Although the schemes are overseen by the same management team, they have different objectives and are managed separately within the Board's management and internal reporting structure.

8.2. Contribution to performance

2019/2020	Pension	Medical	CBHI	Maternity	Ejo Heza
Contributions	48%	24%	23%	3%	2%
Benefits Paid	27%	25%	47%	1%	0.0%
Return on investment	83%	16%	0.2%	1%	0.1%
Assets	75%	23%	0.3%	1%	0.3%

2018/2019	Pension	Medical	CBHI	Maternity	Ejo Heza
Contributions	27%	25%	47%	2%	0.0%
Benefits Paid	66%	32%	1%	1%	0.0%
Return on investment	74%	24%	0.5%	1%	0.1%
Assets	27%	25%	47%	2%	0.0%

8.3. Information about reportable segments

8.3.1. Statement of comprehensive income per scheme

Notes	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity Leave Scheme		Ejo Heza		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019			
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)			
Dealing with members													
Contributions	9	102,178	94,371	51,335	46,431	48,315	33,383	7,416	6,750	3,715	90	212,959	181,025
Benefits paid	10	(30,468)	(27,594)	(27,597)	(25,918)	(52,710)	(48,684)	(1,284)	(1,812)	-	-	(112,059)	(104,007)
Net additions from dealings with members		71,710	66,777	23,738	20,513	-4,395	-15,300	6,132	4,938	3,715	90	100,900	77,018
Returns on investments													
Investment income	11	38,220	38,076	18,655	15,421	285	452	1,406	591	144	-	58,710	54,540
Change in fair value of financial assets at fair value through profit or loss	12	(1,715)	(2,768)	3,832	1,966	-	-	-	-	-	-	2,118	(803)
Change in fair value of investment properties	13	79,126	0	(531)	-	-	-	-	-	-	-	78,595	-
Write back/(off) of prior year FV loss and other adjustments		-	1,343	-	-	-	-	-	-	-	-	-	1,343
Realized (loss)/gain on disposal of assets	14	421	512	(27)	3	(2)	6	-	-	-	-	392	521
Less: investment management expenses	15	(1,701)	(1,281)	(314)	(219)	-	-	-	-	-	-	(2,015)	(1,501)
Net returns on investments		114,351	35,881	21,616	17,170	283	458	1,406	591	144	0	137,800	54,101
Grants													
	16	16,889	-	-	-	10,000	26,247	-	-	907	1,730	27,795	27,976
Other income													
	17	746	1,592	362	339	17	6	1	-	38	-	1,165	1,936
Expenditures													
Staff costs	18	(2,083)	(1,897)	(2,418)	(2,397)	(7,165)	(5,491)	(253)	(200)	(297)	(118)	(12,217)	(10,102)
Administrative expenses	19	(1,652)	(1,078)	(1,400)	(1,246)	(2,790)	(3,447)	(168)	(124)	(532)	(1,563)	(6,543)	(7,458)

Depreciation and amortization charge	20	(308)	(196)	(866)	(930)	(179)	(293)	(14)	(9)	(83)	(48)	(1,450)	(1,476)
Other expenses	21	(343)	(868)	(4,021)	(2,671)	(115)	(146)	20	(4)	-	-	(4,459)	(3,689)
Total expenses		(4,387)	(4,038)	(8,705)	(7,244)	(10,250)	(9,377)	(415)	(337)	(913)	(1,730)	(24,669)	(22,725)
Net income/(loss) for the year		199,309	100,212	37,011	30,778	(4,345)	2,034	7,125	5,192	3,891	90	242,991	138,306
Other comprehensive income													
Revaluation gain/(loss) on property and equipment	22	328	0	2,260	0	0	0	0	0	0	0	2,587	0
Increase in net assets for the year		199,636	100,212	39,271	30,778	(4,345)	2,034	7,125	5,192	3,891	90	245,578	138,306

8.3.2. Statement of financial position per scheme

Notes	Pension Scheme			Medical Scheme			CBHI Scheme			Maternity Leave Scheme			Ejo Heza			Total	
	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019
Assets																	
Property and equipment	23	1,316	922	11,627	10,149	193	311	15	10	16	63	13,166	11,454				
Intangible assets	24	1,516	272	119	266	9	51	1	2	328	365	1,973	957				
Investment properties	25	205,875	112,579	12,686	13,218	-	-	-	-	-	-	218,562	125,796				
Investment properties in the process of construction	26	7,684	5,288	-	19	-	-	-	-	-	-	7,684	5,307				
Assets held for sale	27	-	454	-	-	-	-	-	-	-	-	-	454				
Equity investments	28	428,417	373,971	50,027	42,036	-	-	-	-	-	-	478,443	416,007				
Corporate bonds	29	24,754	-	-	-	-	-	-	-	-	-	24,754	-				
Treasury bonds	30	126,597	81,742	23,799	6,700	-	-	-	-	3,541	98	153,936	88,540				
Treasury bills	31	37,811	76,108	16,513	40,286	-	-	-	3,829	-	-	54,323	120,224				
Commercial papers	32	14,715	16,145	-	-	-	-	-	-	-	-	14,715	16,145				
Loan and advances to third parties	33	5,510	5,936	35,812	35,323	-	-	-	-	-	-	41,322	41,259				
Mortgage loans	34	63	153	-	(6)	-	-	-	-	-	-	63	147				
Inventory	35	200	109	66	18	80	163	14	6	-	-	361	296				
Advances to contractors	36	8,790	9,139	13	59	4	7	-	-	-	-	8,808	9,205				
Dividend receivable	37	731	4,488	527	95	-	-	-	-	-	-	1,258	4,583				
Other assets	38	2,932	2,571	1,596	376	1,638	2,925	33	6	-	-	6,200	5,878				
Due from/(Due to) other schemes	39	2,146	1,494	1,571	2,931	(3,544)	(4,310)	(173)	(115)	-	-	-	-				

40	Deposits with financial institutions	139,118	129,770	139,513	101,531	-	-	12,643	-	-	-	291,273	231,302
41	Cash and bank balances	49,013	40,022	25,791	28,117	5,347	6,505	8,234	10,013	926	409	89,311	85,066
	Total assets	1,057,187	861,164	319,660	281,118	3,729	5,651	20,767	13,751	4,810	935	1,406,153	1,162,618
	Less: Liabilities												
	Current liabilities												
	Amounts retained on construction contracts	886	572	60	59	1	-	-	-	-	-	946	631
	Benefits payable	-	-	5,722	5,672	20,495	18,129	324	411	-	-	26,541	24,212
42 (a)	Other payables	4,003	7,929	(202)	577	8,240	8,184	45	66	-	-	12,086	16,756
42 (b)	Deferred income	-	-	-	-	-	-	-	-	691	830	691	830
	Total liabilities	4,888	8,502	5,579	6,308	28,735	26,313	369	477	691	830	40,263	42,430
	Net assets available for benefits	1,052,298	852,662	314,081	274,810	(25,007)	(20,662)	20,398	13,274	4,119	104	1,365,890	1,120,188
	Represented by												
	Capital	53	53	1,179	1,179	-	-	-	-	-	-	1,232	1,232
43	Accumulated member funds and retained earnings	366,960	331,244	290,713	257,003	(25,007)	(20,662)	20,398	13,274	-	-	657,045	580,949
43	Ejo Heza member funds	-	-	-	-	-	-	-	-	4,119	104	4,119	104
44	Revaluation reserve	581	254	6,512	4,252	-	-	-	-	-	-	7,093	4,506
45	Fair value reserve	81,936	4,525	15,677	12,376	-	-	-	-	-	-	97,613	16,900
46	Statutory reserves	602,768	516,586	-	-	-	-	-	-	-	-	602,768	516,586
48	Reserve for unallocated receipts	-	-	-	-	-	-	-	-	138	15	138	15
	Total reserves	1,052,298	852,662	314,081	274,810	(25,007)	(20,662)	20,398	13,274	4,119	104	1,365,890	1,120,188

8.3.3. Statements of changes in members' funds and reserves

As at 30 June 2020

Statement reference	Capital Frw (millions)	Occupational hazard reserves Frw (millions)	Pension reserves Frw (millions)	Accumulated member funds and retained earnings Frw (millions)	Ejo Heza member funds Frw (millions)	Fair value reserve Frw (millions)	Revaluation reserve Frw (millions)	Total Frw (millions)
Pension scheme	8.3.1	53	70,670	532,098	366,960	81,936	581	1,052,298
Medical scheme	8.3.2	1,179	-	-	290,713	15,677	6,512	314,081
CBHI scheme	8.3.3	-	-	-	(25,007)	-	-	(25,007)
Maternity leave scheme	8.3.4	-	-	-	20,398	-	-	20,398
Ejo Heza	8.3.5	-	-	-	-	-	-	4,119
Total	1,232	70,670	532,098	653,064	4,119	97,613	7,093	1,365,890

As at 30 June 2019

Statement reference	Capital Frw (millions)	Occupational hazard reserves Frw (millions)	Pension reserves Frw (millions)	Accumulated member funds and retained earnings Frw (millions)	Ejo Heza member funds Frw (millions)	Fair value reserve Frw (millions)	Revaluation reserve Frw (millions)	Total Frw (millions)
Pension scheme	8.3.1	53	55,899	460,687	331,244	4,525	254	852,662
Medical scheme	8.3.2	1,179	-	-	257,003	12,376	4,252	274,810
CBHI scheme	8.3.3	-	-	-	-20,662	-	-	-20,662
Maternity leave scheme	8.3.4	-	-	-	13,274	-	-	13,274
Ejo Heza	8.3.5	-	-	-	-	-	-	104
Total	1,232	55,899	460,687	580,859	104	16,900	4,506	1,120,188

8.3.3.1. Statement of member's fund and reserves – Pension scheme

	Capital	Occupational Hazard reserves	Total Pension reserves	Accumulated members' fund and retained earnings	Fair value reserve	Revaluation reserve	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
At 1 July 2018	53	42,955	401,825	300,071	7,293	254	752,450
Increase in net assets for the year	-	12,945	58,862	31,174	(2,768)	-	100,212
At 30 June 2019	53	55,899	460,687	331,244	4,525	254	852,662
At 1 July 2019	53	55,899	460,687	331,244	4,525	254	852,662
Adjustment for prior year	-	-	-	-	-	-	-
Increase in net assets for the year	-	14,771	71,411	35,715	77,411	-	199,309
Revaluation gain/(loss) for the year	-	-	-	-	-	328	328
At 30 June 2020	53	70,670	532,098	366,960	81,936	581	1,052,298

8.3.3.2. Statement of member's fund and reserves – Medical scheme

	Capital	Retained earnings	Fair Value Reserve	Revaluation Reserve	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
At 1 July 2018	1,179	228,191	10,410	4,252	244,032
Increase in net assets for the year	-	28,812	1,966	-	30,778
At 30 June 2019	1,179	257,003	12,376	4,252	274,810
At 1 July 2019	1,179	257,003	12,376	4,252	274,810
Increase in net assets for the year	-	33,710	3,301	-	37,011
Revaluation loss for the year	-	-	-	2,260	2,260
At 30 June 2020	1,179	290,713	15,677	6,512	314,081

8.3.3.3. Statement of member's fund and reserves – CBHI scheme

	Retained earnings Frw (millions)
At 1 July 2018	(22,695)
Increase in net assets for the year	2,034
At 30 June 2019	(20,662)
At 1 July 2019	(20,662)
Increase in net assets for the year	(4,345)
At 30 June 2020	(25,007)

8.3.3.4. Statement of member's fund and reserves – Maternity leave scheme

	Retained earnings Frw (millions)
At 1 July 2018	8,081
Increase in net assets for the year	5,192
At 30 June 2019	13,274
At 1 July 2019	13,274
Increase in net assets for the year	7,125
At 30 June 2020	20,398

8.3.3.5. Statement of member's fund and reserves – Ejo Heza

	Member funds		Unallocated member contributions		Retained earnings		Total	
	Frw (millions)		Frw (millions)		Frw (millions)		Frw (millions)	
At 1 July 2018								
Member contributions	-		-		-		-	
Government contributions	85		-		-		85	
Unallocated member contributions	5		-		-		5	
Net income/(loss) for the year	-		15		-		15	
Interest allocated to members	-		-		-		-	
At 30 June 2019	90		15		-		104	
At 1 July 2019								
Member contributions	90		15		-		104	
Government contributions	3,692		-		-		3,692	
Unallocated member funds	23		-		-		23	
Net income/(loss) for the year	-		124		-		124	
Interest allocated to members	-		-		176		176	
	136		-		(136)		0	
At 30 June 2020	3,942		138		39		4,119	

8.3.4. Statement of cash flows per scheme

	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity leave Scheme		Ejo Heza		Total
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	(millions)
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Increase in net assets for the year	199,309	100,212	37,011	30,778	(4,345)	2,034	7,125	5,192	3,891	90	138,306
Adjusted for:											
Depreciation and amortization	308	196	866	930	179	293	14	9	83	48	1,476
Investment income	(38,220)	(38,076)	(18,655)	(15,421)	(285)	(452)	(1,406)	(591)	(144)	-	(54,540)
Realized gain on disposal of assets	(421)	(512)	27	(3)	2	(6)	-	-	-	-	(521)
(equity investments, PPE, Assets held for sale and Investment properties)											
Fair value loss/(gain) on equity investments	1,715	2,768	(3,832)	(1,966)	-	-	-	-	-	-	803
Fair value loss/(gain) on investment properties	(79,126)	-	531	-	-	-	-	-	-	-	-
Write back prior year	-	(1,343)	-	-	-	-	-	-	-	-	(1,343)
Unrealised foreign exchange loss	158	-	-	-	-	-	-	-	-	-	158
Government grants	(16,889)	-	-	-	(10,000)	(26,247)	-	(175)	(97)	(97)	(26,343)
Other adjustments of opening balances	(339)	96	176	48	106	(136)	(6)	(8)	-	-	-
In-kind expenditure	-	-	-	-	-	-	-	-	648	1,585	1,585
In-kind income	-	-	-	-	-	-	-	-	(731)	(1,633)	(1,633)
Operating income for changes in working capital	66,495	63,341	16,124	14,367	(14,343)	(24,514)	5,726	4,602	3,572	(7)	57,789
(Increase)/Decrease in advance to contractors	349	(1,214)	46	73	2	(3)	-	-	-	-	397
(Increase)/Decrease in other assets	479	(758)	(1,220)	(1,045)	1,287	(1,935)	(28)	2,079	-	-	(1,639)

(Increase)/Decrease in amounts due from/(due to) other schemes	(652)	-	1,360	-	(767)	-	58	-	-	-	-	-
(Increase)/Decrease in inventory	(91)	10	(48)	(5)	82	(76)	(8)	(4)	-	-	(65)	(75)
Increase/(Decrease) in medical/maternity claims payables	-	-	50	1,031	2,366	(2,063)	(88)	131	-	-	2,328	(901)
Increase/(Decrease) in other payables	(3,927)	830	(780)	544	56	6,510	(21)	(307)	-	-	(4,671)	7,578
Increase/(Decrease) in contract retentions	314	365	-	(426)	1	-	-	-	-	-	315	(61)
Net cash flows from operating activities	62,967	62,594	15,533	14,539	(11,316)	(22,082)	5,641	6,501	3,572	(7)	76,396	61,546

Cash flows used in investing activities:

Dividend income received	5,850	3,659	117	459	-	-	-	-	-	-	5,967	4,118
Rent received	2,099	1,662	2,347	2,874	-	-	-	-	-	-	4,446	4,536
Other interest income received (current accounts, call deposit and mortgage loans)	2,332	3,938	-	-	285	452	439	414	13	-	3,070	4,803
Purchases for investment property under construction	(3,217)	(4,403)	-	-	-	-	-	-	-	-	(3,217)	(4,403)
Purchase of property and equipment	(126)	(24)	(118)	(20)	(151)	(50)	(12)	(4)	-	-	(408)	(99)
Purchase of intangible asset	(1,396)	(298)	-	(304)	-	(68)	-	-	-	-	(1,396)	(669)
Purchase of investment properties	(17,121)	(4,794)	-	(1,068)	-	-	-	-	-	-	(17,121)	(5,861)
Purchase of equity investments	(56,154)	(62,362)	(3,772)	-	-	-	-	-	-	-	(59,926)	(62,362)
Purchase of Corporate bonds	(24,000)	2,795	-	-	-	-	-	-	-	-	(24,000)	2,795
Receipts from settlement of Corporate bonds (Interest and principal)	-	2,806	-	-	-	-	-	-	-	-	-	2,806

Receipts from Treasury bond - coupon interest income received	19,313	9,489	1,020	3,988	-	-	-	-	130	20,463	13,477
Receipts from Treasury bill maturities (Interest and principal)	91,397	123,293	41,802	51,972	-	-	4,003	(3,652)	-	137,201	171,613
Receipts from Commercial papers maturities (principal and interest)	17,486	39,988	-	-	-	-	-	-	-	17,486	39,988
Investment in Treasury bonds	(51,259)	(39,510)	(16,767)	-	-	-	-	-	(3,443)	(71,469)	(39,608)
Investment in Treasury bills	(48,477)	(153,956)	(16,270)	(65,943)	-	-	-	-	-	(64,747)	(219,899)
Investment in Commercial papers	(14,520)	(37,828)	-	-	-	-	-	-	-	(14,520)	(37,828)
Receipts from settlement of loans and advances to third parties	426	1,553	9,511	2,924	-	-	-	-	-	9,937	4,477
Additional loans and advances to third parties during the year	-	-	(10,000)	(26,247)	-	-	-	-	-	(10,000)	(26,247)
Settlement of mortgage loans	90	159	-	-	-	-	-	-	-	90	159
Placement of term deposits during the year	(148,898)	(116,752)	(130,000)	(79,000)	-	-	(15,000)	-	-	(293,898)	(195,752)
Settlement of term deposits during the year	151,326	139,459	104,272	78,963	-	-	3,150	-	-	258,748	218,422
Refund of prior year purchase of Investment properties - Rusororo plots	2,135	-	-	-	-	-	-	-	-	2,135	-
Proceeds from disposal of PPE and Investment properties	1,849	1,498	-	3	23	6	-	-	-	1,873	1,508
Net cash used in investing activities	(70,864)	(89,628)	(17,859)	(31,400)	158	340	(7,420)	(3,242)	(3,299)	(98)	(124,028)

Cashflow from financing activities

Government subsidies	16,889	-	-	-	10,000	26,247	-	-	452	499	27,340	26,746
Government grants refunded	-	-	-	-	-	-	-	-	(332)	-	(332)	-
Increase in unidentified member contributions	-	-	-	-	-	-	-	-	124	15	124	15
Net cash from financing activities	16,889	-	-	-	10,000	26,247	-	-	244	514	27,132	26,761
Net increase in cash and cash equivalents	8,991	(27,033)	(2,326)	(16,861)	(1,158)	4,505	(1,779)	3,259	517	409	4,245	(35,721)
Cash and cash equivalents at 1 July	40,022	67,056	28,117	44,978	6,505	2,000	10,013	6,753	409	-	85,066	120,787
Cash and cash equivalents at 30 June	49,013	40,022	25,791	28,117	5,347	6,505	8,234	10,013	926	409	89,311	85,066

9. Contributions

	Sub-Note	2020 Frw (millions)	2019 Frw (millions)
Pension scheme	9.1	102,178	94,371
Medical scheme	9.2	51,335	46,431
Community Based Health Insurance (CBHI) scheme	9.3	48,315	33,383
Maternity leave scheme	9.4	7,416	6,750
Ejo Heza	9.5	3,715	90
		<u>212,959</u>	<u>181,025</u>

9.1. Contributions – Pension scheme

In accordance with Law No 45/2010 concerning the responsibilities, organization and functioning of the Rwanda Social Security Board, pension contributions are determined at 8% of an employee's gross salary (exclusive of transport allowance), of which 5% is paid by the employer and 3% is paid by the employee. Of the amounts paid by the employer, 2% relates to employee occupational hazards while 3% goes towards the employee's pension.

	2020 Frw (millions)	2019 Frw (millions)
Pension And Occupational Hazard Contributions	98,377	91,014
Pension And Occupational Hazard Contribution Penalties	948	2,043
Pension and Occupational Hazard Contribution arrears	2,853	1,314
	<u>102,178</u>	<u>94,371</u>

9.2. Contributions – Medical scheme

In accordance with Law No 45/2010 concerning the responsibilities, organization and functioning of the Rwanda Social Security Board, both employee and employer medical contributions are determined at 7.5% of an individual's basic salary.

	2020 Frw (millions)	2019 Frw (millions)
Public Medical Contributions	40,179	36,655
Private Medical Contributions	10,621	9,316
Pensioners Medical Contributions	535	460
	<u>51,335</u>	<u>46,431</u>

9.3. Contributions – CBHI scheme

In accordance with Article 2 of the Prime Minister's order No.034/01 of 13/01/2020 related to the Community-Based Health Insurance Scheme contributions, contributors to community-based health insurance are the following:

1. The Government;
2. Employees in State organs and those in private sector;
3. Entities providing health insurance services operating in Rwanda;
4. Telecommunication companies;
5. Petrol and gas oil trade companies.

CBHI contributions received by RSSB during the year were as follows:

	2020 Frw (millions)	2019 Frw (millions)
Government contributions	9,828	8,193
Members contributions	23,841	20,936
Insurance contribution	5,380	4,254
Employees contributions	1,093	-
Telecommunication contribution	3,915	-
Petrol and gas oil contributions	642	-
CBHI Contribution partners	2,914	-
Other CBHI Subsidies	701	-
	<u>48,315</u>	<u>33,383</u>

During the year the Prime minister's order No.034/01 of 13/01/2020 introduced new sources of CBHI contribution income which include Employees, Telecommunication companies, Petrol and Gas oil and other CBHI subsidies. CBHI also received contributions from its partners like Imbuto Foundation.

9.4. Contributions – Maternity leave scheme

Pursuant to Law N° 003/2016 of 30/03/2016 establishing and governing maternity leave benefits scheme. The contribution for maternity leave benefits is equal to zero point six percent (0.6%) of the salary to which the contribution is subscribed. The employer and the employee each contributes zero point three percent (0.3%) of the salary to which the contribution is subscribed.

9.5. Contributions – Ejo Heza

	2020 Frw (millions)	2019 Frw (millions)
Members contributions/savings	3,692	85
Government contributions to member savings	23	5
	<u>3,715</u>	<u>90</u>

10. Benefits paid

		2020 Frw	2019 Frw
Pension scheme	10.1	30,468	27,594
Medical scheme	10.2	27,597	25,918
Community Based Health Insurance (CBHI) scheme	10.3	52,710	48,684
Maternity leave scheme		1,284	1,812
		<u>112,059</u>	<u>104,007</u>

10.1. Benefits paid – Pension scheme

	2020 Frw (millions)	2019 Frw (millions)
Benefits paid to pensioners	23,788	21,304
Benefits paid to deceased members' beneficiaries	5,522	5,270
Sub-total benefits paid	29,311	26,575
Incapacity benefits	343	345
Other occupational hazards	814	674
Subtotal - Occupational hazard paid	1,157	1,019
Grand total benefits paid	30,468	27,594

10.2. Benefits paid – Medical scheme

	2020 Frw (millions)	2019 Frw (millions)
Medical services from partner hospitals, health centres and clinics	18,952	17,589
Pharmacy costs	8,645	8,329
	27,597	25,918

10.3. Benefits paid – CBHI scheme

	2020 Frw (millions)	2019 Frw (millions)
CBHI pharmacy costs	25,954	25,176
CBHI medical services	26,756	23,507
	52,710	48,684

11. Investment income

	note	Pension Scheme		Medical Scheme		CBHI		Maternity Leave		Ejo Heza		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Dividend income	11.1	2,092	5,660	943	793	-	-	-	-	-	-	3,036	6,453
Rental income	11.2	2,099	1,662	608	569	-	-	-	-	-	-	2,707	2,231
Interest income:													
Treasury bills		4,622	4,089	1,758	2,348	-	-	174	177	-	-	6,554	6,614
Term deposits with financial institutions	11.3	11,875	11,932	12,256	8,455	-	-	793	-	-	-	24,924	20,387
Commercial papers		1,537	3,189	-	-	-	-	-	-	-	-	1,537	3,189
Government bonds		-	394	-	-	-	-	-	-	-	-	-	394
Corporate bonds		754	270	-	-	-	-	-	-	-	-	754	270
Treasury bonds		12,909	6,942	1,351	951	-	-	-	-	130	-	14,391	7,893
Mortgage loans		32	51	-	-	-	-	-	-	-	-	32	51
Current accounts		2,300	3,887	1,739	2,305	285	452	439	414	13	-	4,777	7,057
		38,220	38,076	18,655	15,421	285	452	1,406	591	144	-	58,710	54,540

RSSB generates most of its income from interest on Treasury bonds and bills, term deposits with financial institutions and current accounts. Refer to notes 11.1 to 11.3 for further details.

11.1. Dividend income

	Pension Scheme		Medical Scheme		Total	
	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Local investments						
Bank of Kigali	-	3,698	-	94	-	3,793
Bralirwa	-	112	-	46	-	159
Crystal Telecom	316	366	-	-	316	366
Ruliba Clays Limited	383	22	-	-	383	22
I&M Bank	-	58	-	-	-	58
Cogebanque	-	-	-	306	-	306
Inyangye Industries Limited	-	760	-	-	-	760
Rwanda Investment Group Limited	67	-	20	-	87	-
Sub-total (1)	766	5,017	20	447	786	5,464
Foreign investments						
Safaricom Limited	277	160	-	-	277	160
PTA Bank	998	439	923	346	1,921	785
AFREXIM Bank	52	44	-	-	52	44
Sub-total (2)	1,326	643	923	346	2,249	990
Grand total (1+2)	2,092	5,660	943	793	3,036	6,453

11.2. Rental income

	Pension Scheme		Medical Scheme		Total	
	2020	2019	2019	2018	2019	2018
	Frw	Frw	Frw	Frw	Frw	Frw
Kacyiru Executive Apartments	494	535	-	-	-	-
Grand Pension Plaza	1,256	735	-	-	-	-
Other Rental income	37	21	-	-	-	-
Nyanza Pension Plaza	107	74	-	-	-	-
Karongi Pension Plaza	44	134	-	-	-	-
Musanze Pension Plaza	98	77	-	-	-	-
Rwamagana Pension Plaza	17	2	-	-	-	-
Crystal Plaza	45	85	-	-	-	-
Doctors' plaza						
Tower I	-	-	41	23	-	-
Tower II	-	-	567	545	-	-
	2,099	1,662	608	569	-	-

11.3. Interest income on term deposits with financial institutions

Financial institution	Pension Scheme		Medical Scheme		Maternity Leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Interest income on long term deposit								
Development Bank of Rwanda (BRD)	2,256	2,008	2,610	2,323	-	-	4,867	4,330
AB Bank	120	76	-	-	-	-	120	76
Bank of Kigali	351	50	-	-	-	-	351	50
Bank Populaire du Rwanda (Atlas Mara)	85	55	808	-	-	-	893	55
Commercial Bank of Africa (Rwanda)	36	84	-	-	-	-	36	84
Zigama CSS	421	133	-	-	-	-	421	133
sub-total (1)	3,270	2,406	3,418	2,323	-	-	6,688	4,728

Financial institution	Pension Scheme			Medical Scheme			Maternity Leave			Total		
	2020		2019	2020		2019	2020		2019	2020		2019
	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw
Interest income on short term deposits												
Access Bank Limited	-	-	-	1	-	-	-	-	-	1	-	-
Banque Populaire S.A	942	893	1,454	1,058	-	-	-	-	-	2,000	-	2,348
Cogebanque	1,519	1,678	932	1,385	-	-	191	-	-	3,095	-	2,610
Bank of Kigali Limited	2,997	3,483	1,478	2,175	-	-	387	-	-	5,560	-	4,961
Ecobank Rwanda Limited	386	253	167	77	-	-	-	-	-	463	-	419
KCB Rwanda Limited	1,204	1,036	754	1,025	-	-	-	-	-	2,229	-	1,789
I&M Bank Rwanda Limited	-	-	215	1,187	-	-	-	-	-	1,187	-	215
Zigama CSS	449	490	298	359	-	-	-	-	-	809	-	788
Equity bank	161	509	577	1,376	-	-	214	-	-	1,751	-	1,087
Uguka Bank	30	-	-	-	-	-	-	-	-	30	-	193
AB Bank	73	95	-	-	-	-	-	-	-	73	-	95
LETSHEGO	-	171	-	-	-	-	-	-	-	-	-	171
Commercial Bank of Africa (Rwanda)	42	-	-	-	-	-	-	-	-	42	-	-
Bank of Africa	419	314	64	193	-	-	-	-	-	613	-	378
Sub-total (2)	8,222	8,923	6,132	8,837	793	-	17,853	-	-	15,055	-	-
Interest income on call deposit												
KCB Rwanda Limited	190	604	-	-	-	-	-	-	-	190	-	604
Sub-total (3)	190	604	-	-	-	-	190	-	-	604	-	-
Interest income on BK Nest Fund												
Bank of Kigali Nest Fund	194	-	-	-	-	-	-	-	-	194	-	-
Sub-total (4)	194	-	-	-	-	-	194	-	-	-	-	-
Grand total (1+2+3)	11,875	11,932	8,455	12,256	793	-	24,924	-	-	20,387	-	-

12. Gain/(loss) on valuation of financial assets at fair value through profit or loss

	Pension Scheme		Medical Scheme		Total	
	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)
Subsidiaries						
Ultimate Developers Limited (UDL)	(1,164)	(2,347)	-	-	(1,164)	(2,347)
Akagcra Game Lodge SA (AGL)	(399)	(286)	-	-	(399)	(286)
SONARWA Life Assurance Limited	-	-	-	-	-	-
Rwanda Foreign Holding Investment Company (RFHIC)	1,739	18	753	8	2,492	25
Edge Hostels Limited	105	328	-	-	105	328
SONARWA General Insurance Limited	(90)	(200)	-	-	(90)	(200)
Joint venture	-	-	-	-	-	-
Building Materials Investment subsidiaries (RULIBA and EAGI)	281	(506)	-	-	281	(506)
Associates						
Rwanda Development Bank (BRD)	905	(1,779)	-	-	905	(1,779)
Ultimate Concepts Limited	-	-	-	-	-	-
Invange Industries	(241)	959	-	-	(241)	959
Bank of Kigali (BK)	(4,242)	(2,156)	(108)	(93)	(4,350)	(2,249)
Cogebanque	-	-	961	484	961	484
Crystal Telecom	1,216	162	-	-	1,216	162
Horizon SOPYRWA Limited	291	52	-	-	291	52
Rwanda Enterprise Investment Company (REIC)	62	11	-	-	62	11
RNIT Iterambere Limited	269	156	-	-	269	156
CIMERWA Limited	(4)	(159)	(4)	(159)	(9)	(318)
Eastern Province Investment Corporation (EPIC)	(2,028)	-	-	-	(2,028)	-
Other equity investments						
Rwanda Investment Group (RIG)	32	125	9	38	41	163

13. Gain/(loss) on valuation of investment properties

Description of property	Pension	Medical	Total
	2020	2020	2020
	Frw	Frw	Frw
	(millions)	(millions)	(millions)
Kacyiru executive apartments	1,199	-	1,199
Grand pension plaza	2,369	-	2,369
Musanze pension plaza	33	-	33
Rwamagana pension plaza	(920)	-	(920)
Nyanza pension plaza	(1,137)	-	(1,137)
Karongi pension plaza	(1,025)	-	(1,025)
Residential house - Kiyovu	23	-	23
Kiyovu residential house land	179	-	179
Nyagatare houses	(5)	-	(5)
Land for investment properties	435	-	435
Land for insurance plazas	1,103	-	1,103
Former CECFR plot	361	-	361
Gaculiro vision city land	31,635	-	31,635
CBD1-rugenge land	418	-	418
Kinyinya land	31,584	-	31,584
Batsinda parcel	6,230	-	6,230
Nyagatare land	424	-	424
Rwamagana parcel I & II	2,957	-	2,957
Nyanza plot	421	-	421
Rubavu plot	(2)	-	(2)
Land from GPD	(530)	-	(530)
Batsinda pipeline investment	23	-	23
Gisozi plot	963	-	963
Kigali golf club land	1,042	-	1,042
Crystal plaza building	1,345	-	1,345
Land for investment property	-	413	413
Twin tower 2	-	(944)	(944)
Total	79,126	(531)	78,595

RSSB completed valuation of its investment properties in June 2019 and adopted the revalued balances at 1 July 2019. The last revaluation had been conducted in 2012. Over this period, there has been significant increase in value of land in Gaculiro and Kinyinya. For further details on the valuation exercise refer to note 25.

	Pension Scheme		Medical Scheme		Total	
	2020	2019	2020	2019	2020	2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
EX-CVL buildings	58	49	-	-	58	49
Nyarutarama Plaza	19	0	-	-	19	-
Vision City and Kiinyinya	3	0	-	-	3	-
Management fees Tower II and Doctor's plaza	0	0	254	219	254	219
Other investment management and administrative charges	344	134	60	-	403	134
	1,701	1,281	314	219	2,015	1,501

16. Grants

	2020	2019
Sub note	Frw (millions)	Frw (millions)
Grants to CBHI scheme- arrears	10,000	21,247
Grants to CBHI scheme- current		5,000
Grants to Pension scheme	16,889	0
Grants to Ejo Heza	907	1,730
	27,795	27,976

16.1. Government grants for CBHI Arrears

	2020	2019
	Frw (millions)	Frw (millions)
Accumulated surplus/(deficit) as at 1 July		
Prior year adjustment		
CBHI net income/(loss) for the year (without Government grants for arrears)	(20,662)	(22,695)
Accumulated surplus/(deficit) without Government grant	(0)	0
Government grant for CBHI arrears received during the year	(14,353)	(19,213)
Accumulated surplus/(deficit) as at 30 June	(35,015)	(41,908)
	10,000	21,247
	(25,015)	(20,662)

As at 30 June 2020, the CBHI scheme had arrears of Frw 25,014,936,354 and requires continued Government support to finance the CBHI funding deficit

16.2. Government grants to Pension scheme

Other Government grants to Pension scheme of Frw 16,888,519,600 relate to a donation of land by the Government for Kigali Golf Club investment during the year.

16.3. Grants to Ejo Heza

Year ended 30 June 2020

New grants utilised during the year

Capital grant amortised during the year

AFR cash grants Frw (millions)	AFR capital grants Frw (millions)	Govt cash grants Frw (millions)	Total Frw (millions)
648	-	175	823
-	83	-	83
648	83	175	907

Year ended 30 June 2019

New grants utilised during the year

Capital grant amortised during the year

AFR cash grants Frw (millions)	AFR capital grants Frw (millions)	Govt cash grants Frw (millions)	Total Frw (millions)
1,585	-	97	1,681
-	48	-	48
1,585	48	97	1,730

Cash grants

The cash grants are cases where funds were transferred to Ejo Heza and utilised to incur specific expenditure during the financial year (Government) or where the grantor incurred expenditure on behalf of Ejo Heza (AFR).

Capital grants

Ejo Heza received support in terms of assets from Access Finance Rwanda (AFR). The capital grant represents the amortised portion of the assets donated and is equivalent to the depreciation and amortisation charged for the year to utilise the assets. This amount is attributed to depreciation on computers and office equipment and amortisation charge for the software donated to Ejo Heza by AFR.

17. Other income

	Pension Scheme			Medical Scheme			CHBI Scheme			Maternity Leave Scheme			Ejo Heza			Total		
	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)
	Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)	
Issue of clearing certificates	483	119	483	18	4	18	17	4	17	1	-	-	-	-	-	519	127	-
Issue of card duplicates	0	1	0	7	21	7	-	1	-	-	-	-	-	-	-	7	23	-
Exchange rate gain	263	1,472	263	337	314	337	-	-	-	-	-	-	-	-	-	601	1,786	-
CBHI Sales of Medical and Members Cards	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1
Interest on Ejo Heza operational account	-	-	-	-	-	-	-	-	-	-	-	-	38	-	-	38	-	-
Total	746	1,592		362	339		17	6		1			38			1,165	1,936	

18. Staff costs

Description	Pension Scheme			Medical Scheme			CBHI			Maternity Leave			Ejo Heza			Total		
	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)	2020	2019	Frw (millions)
	Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)		Frw (millions)	Frw (millions)	
Basic salaries	1,363	1,288	1,363	1,616	1,627	1,616	4,896	3,728	168	156	118	247	8,290	6,896	18	-	-	-
Overtime	-	3	-	-	4	-	-	10	-	-	-	-	-	-	-	-	-	-
Pay in lieu of leave	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	3	-	-
Technical allowances	13	7	13	12	9	12	16	21	1	1	-	-	42	39	-	-	-	-
Responsibility allowances	4	12	4	3	15	3	67	35	1	1	-	-	74	64	-	-	-	-
Social security contributions	81	76	81	95	96	95	286	219	10	8	-	-	471	399	-	-	-	-
Medical insurance contributions	99	93	99	117	117	117	357	269	12	10	-	-	584	489	-	-	-	-
Maternity Leave contributions	5	5	5	6	6	6	17	13	1	-	-	-	28	24	-	-	-	-
Transport allowances	147	152	147	185	192	185	637	440	16	16	-	-	985	800	-	-	-	-
House allowances	194	175	194	227	221	227	687	506	24	18	-	-	1,133	921	-	-	-	-

Description	Pension Scheme				Medical Scheme				CBHI				Maternity Leave				Ejo Heza				Total			
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	
	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
Notice and dismissal costs	-	4	-	-	-	6	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-
Retirement benefits	14	-	-	5	-	1	4	1	-	-	-	-	-	-	-	-	-	-	-	-	23	2	-	-
Funeral charges	2	-	-	1	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	6	1	-	-
Training and internship expenses	117	43	109	55	140	124	111	5	-	-	-	-	377	226	-	-	-	-	-	-	-	-	-	-
Employee benefits in kind	-	1	-	-	-	1	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
Other Allowances & Indemnities	31	25	28	31	32	71	6	3	-	-	-	-	97	129	-	-	-	-	-	-	-	-	-	-
Personnel sport activities	7	5	7	6	9	14	1	-	-	-	-	-	23	25	-	-	-	-	-	-	-	-	-	-
Other benefits	7	6	5	7	6	17	-	1	51	-	-	-	69	31	-	-	-	-	-	-	-	-	-	-
Death indemnities	-	1	-	-	6	2	-	-	-	-	-	-	6	4	-	-	-	-	-	-	-	-	-	-
Membership fees	1	1	1	2	1	4	-	-	-	-	-	-	4	8	-	-	-	-	-	-	-	-	-	-
Total	2,083	1,897	2,418	2,397	7,165	5,491	253	200	297	118	12,217	10,102												

19. Administrative expenses

Description	Pension Scheme				Medical Scheme				CBHI				Maternity Leave				Ejo Heza				Total			
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	
	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
Water and electricity	69	31	48	40	49	91	4	3	-	-	-	-	170	165	-	-	-	-	-	-	-	-	-	-
Fuel	16	8	15	10	19	24	2	1	-	-	-	-	51	43	-	-	-	-	-	-	-	-	-	-
Office equipment	42	38	78	48	144	111	4	4	-	-	-	-	268	202	-	-	-	-	-	-	-	-	-	-
Other equipment	92	63	86	80	109	183	9	7	-	-	-	-	296	332	-	-	-	-	-	-	-	-	-	-
Office supplies	0	1	-	2	-	4	-	-	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-
IT Equipment	76	27	71	34	90	79	7	3	-	-	-	-	245	144	-	-	-	-	-	-	-	-	-	-
Transport of staff in the country	197	127	139	160	198	367	23	13	24	-	-	-	580	668	-	-	-	-	-	-	-	-	-	-

Description	Pension Scheme			Medical Scheme			CBHI			Maternity Leave			Ejo Heza			Total		
	2020	2019	Frw	2020	2019	Frw	2020	2019	Frw	2020	2019	Frw	2020	2019	Frw	2020	2019	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Transport expenses for staff abroad	12	4	11	5	10	1	15	10	1	-	-	-	-	-	39	19	-	
Transport expenses for Non staff	30	61	28	77	177	3	156	177	3	6	-	-	-	-	217	322	-	
Transport of equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Building maintenance	20	6	12	7	17	1	16	17	1	1	-	-	-	-	49	30	-	
Vehicle maintenance	3	5	3	6	13	-	4	13	-	-	-	-	-	-	10	25	-	
Maintenance of equipment and Furnitures	9	10	9	12	28	1	11	28	1	1	-	-	-	-	30	51	-	
Cleaning of buildings	37	23	35	29	67	4	44	67	4	2	-	-	-	-	119	121	-	
Mission	85	52	79	65	149	8	101	149	8	5	-	-	-	-	274	272	-	
Allowance in the country																		
Mission allowances abroad	35	4	33	5	42	11	42	11	3	-	-	-	-	-	113	20	-	
Representation fees	1	0	1	0	1	1	1	1	-	-	-	-	-	-	3	1	-	
Staff replacement fees	0	4	3	5	18	11	18	11	-	-	-	-	-	-	21	19	-	
Documentation & abonnement	2	1	2	1	3	-	2	3	-	-	-	-	-	-	6	5	-	
Publication	20	34	19	43	98	2	26	98	2	4	-	-	-	-	67	177	-	
Sensitization	1	-	1	-	1	-	1	-	-	-	-	84	722	86	722	722	-	
Branch rental expenses	54	28	51	35	66	80	66	80	5	3	-	-	-	-	176	146	-	
Other rental/hire service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Security services	156	62	56	78	180	6	69	180	6	7	-	-	-	-	286	326	-	
Maintenance of buildings	81	43	60	54	124	6	77	124	6	5	-	-	-	-	225	226	-	
Vehicle maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mission allowance – within the Country	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refreshment fees	35	25	33	32	73	3	42	73	3	3	-	-	-	-	113	133	-	

Description	Pension Scheme			Medical Scheme			CBHI			Maternity Leave			Ejo Heza			Total		
	2020		2019	2020		2019	2020		2019	2020		2019	2020		2019	2020		2019
	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw
Communication expenses	74	57	73	78	73	166	135	135	9	6	10	306	302	302	302	302	302	302
Internet fees	108	103	103	122	103	235	218	218	10	9	4	463	450	450	450	450	450	450
Loyers de service	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Fees for the upgrade of the IT system – IT modernisation costs	15	-	-	14	-	-	17	-	1	-	-	47	-	-	-	-	-	-
Honorarium	236	111	140	191	140	321	244	244	20	12	-	691	583	583	583	583	583	583
Casual wages	8	7	1	1	1	-	1	-	-	-	-	10	9	9	10	10	9	9
Casual wages	1	-	-	-	-	-	-	-	-	-	-	2	-	-	2	-	-	-
Bank charges	25	56	10	14	10	2	710	2	2	1	-	751	68	68	751	68	68	68
RRa commission fees	41	14	18	38	18	40	49	40	4	1	-	132	74	74	132	74	74	74
BNR supervision fees	72	69	69	72	69	-	-	-	27	26	-	170	164	164	170	164	164	164
CBHI bank charges	-	-	-	-	-	771	116	116	-	-	-	116	771	771	116	771	771	771
SACCOs Commission Fees	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Court costs - CBHI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	1	-	-	-	-	-	411	842	842	411	842	411	842
Total	1,652	1,078	1,246	1,400	1,246	3,447	2,790	2,790	168	124	532	6,543	7,458	7,458	6,543	7,458	7,458	7,458

20. Depreciation and amortisation expense

	Pension Scheme			Medical Scheme			CBHI			Maternity Leave			Ejo Heza			Total		
	2020			2019			2020			2020			2020			2020		
	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)	Frw	Frw	(millions)
Buildings	22	34	578	733	-	-	-	-	-	-	-	-	-	-	-	600	767	-
Motor vehicles	6	12	6	12	9	27	-	-	-	-	-	-	-	-	-	21	50	-
Office equipment	3	3	3	3	3	4	-	-	-	-	-	-	4	4	4	13	14	-
Furniture and fittings	51	58	58	77	58	82	5	3	3	5	3	3	-	-	-	171	219	-
Computers	68	37	64	46	84	108	7	4	4	4	4	4	43	44	44	266	240	-
Kitchen equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub total	150	143	709	871	154	221	12	7	48	47	48	1,071	1,291	1,291	1,291	1,450	1,476	-
Computer software	158	52	157	58	25	72	2	2	36	36	36	379	185	185	185	379	185	-
Sub total	158	52	157	58	25	72	2	2	36	36	36	379	185	185	185	379	185	-
Total	308	196	866	930	179	293	14	9	83	48	48	1,450	1,476	1,476	1,476	1,450	1,476	-

21. Other expenses

Description	Pension scheme		Medical scheme		CBHI scheme		Maternity leave scheme		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Fire Insurance	45	34	43	99	42	99	2	4	121	180
Vehicle insurance	4	5	6	14	5	14	0	1	14	26
Comprehensive all risks	-	-	-	-	-	-	-	-	-	1
Sitting allowance for contact committee	-	-	6	10	-	-	-	-	6	10
Board Sitting allowances	2	1	2	1	2	3	-	-	5	5
Corporate Social Responsibility	547	15	116	19	148	44	12	2	823	79
Subscription fees to international organization (ISSA, ECASSA etc)	7	3	23	3	9	7	1	-	40	14
Bad debts	158	-	-	-	-	-	-	-	158	0
Subsidy to CBHI	-	-	3,553	2,322	-	-	-	-	3,553	2,322
Exchange loss	19	2	0	0	-	-	-	-	19	2
Court charges	29	5	11	4	35	8	1	-	76	17
Tax penalties	-	-	-	-	-	-	-	-	-	-
Conference & Meeting fees	20	28	20	35	32	80	4	3	77	145
Genocide Commemoration events	4	-	4	-	5	1	-	-	14	1
Other miscellaneous charges and losses	(492)	776	251	227	(164)	(110)	(41)	(5)	(446)	888
charges and losses and prior year adjustments										
Total	343	868	4,021	2,671	115	146	(20)	4	4,459	3,689

22. Revaluation gain/(loss) on property

Class of property and equipment	Pension Frw (millions)	Medical Frw (millions)	Total Frw (millions)
Land for administrative buildings	170	242	413
Gicumbi plots	(6)	-	(6)
Nyamasheke plot	6	-	6
Nyamagabe plot	2	-	2
Gisagara plot	(3)	-	(3)
Muhanga plot	109	-	109
Ruhango plot	9	-	9
Rutsiro plot	(7)	-	(7)
Ngororero plot	(16)	-	(16)
Gakenke plot	12	-	12
Gatsibo plot	(2)	-	(2)
Nyabihu plot	(12)	-	(12)
Burera plot	(14)	-	(14)
RSSB headquarters	-	2,017	2,017
Assets held for sale (note 27)	82	-	82
Other buildings	(2)	-	(2)
	328	2,260	2,587

A revaluation gain on land and buildings was realised during the year as the result of a revaluation exercise undertaken by RSSB. For more details on the valuation refer to note 24.

23. Property and equipment

Scheme	Sub-Note	As at 30 June 2020		As at 30 June 2019		Net book value	
		Cost	Accumulated depreciation	Cost	Accumulated depreciation	Cost	Accumulated depreciation
		Frw	(millions)	Frw	(millions)	Frw	(millions)
		A	B	C=A-B	A	B	C=A-B
Pension	22.1	4,127	2,812	1,316	4,168	3,246	922
Medical	22.2	15,251	3,624	11,627	18,333	8,184	10,149
CBHI	22.3	697	504	193	812	502	311
Maternity leave	22.4	48	33	15	24	14	10
Ejo Meza	22.5	153	137	16	153	90	63
Total		20,275	7,109	13,166	23,491	12,037	11,454

23.1. Property and equipment- Pension scheme

Cost		Land and Buildings		Motor vehicle		Office equipment		Furniture, fixtures & fittings		Computers		Total	
		Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
		Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
At 1 July 2018 (restated)		1,251		108		434		1,628		896		4,317	
Adjustment to opening balance		-		-		(2)		(65)		(56)		(123)	
Additions		-		-		2		13		9		24	
Disposals		(45)		-		-		(5)		-		(50)	
At 30 June 2019		1,206		108		434		1,572		849		4,168	
Adjustment to opening balances		-		-		10		(161)		68		(83)	
Transfer from PPE to investment properties		(77)		-		-		-		-		(77)	
Revaluation adjustment - reversal of cost		(203)		-		-		-		-		(203)	

	Land and Buildings	Motor vehicle	Office equipment	Furniture, fixtures & Fittings	Computers	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Revaluation*	246	-	-	-	-	246
Additions	-	-	2	42	83	126
Disposals	-	-	(10)	(30)	(11)	(50)
At 30 June 2020	1,172	108	436	1,423	989	4,127
Accumulated depreciation						
At 1 July 2018 (restated)	181	90	568	1,531	789	3,160
Adjustment for reapportionment of common assets among schemes	136	-	(137)	(16)	(23)	(39)
Charge for the year	34	12	3	58	37	143
Disposal	(12)	-	-	(5)	-	(17)
At 30 June 2019	339	102	434	1,568	803	3,246
Adjustment to opening balances	(136)	(1)	4	(265)	66	(332)
Revaluation adjustment - reversal of accumulated depreciation	(203)	-	-	-	-	(203)
Charge for the year	22	6	3	51	68	150
Disposal	-	-	(10)	(30)	(11)	(50)
At 30 June 2020	22	108	431	1,324	926	2,812
Net book value (Cost less Accumulated depreciation)						
At 30 June 2020	1,150	-	5	98	62	1,316
At 30 June 2019	867	5	-	3	46	922

*A revaluation gain arose on land and buildings as a result of a revaluation exercise undertaken by RSSB. For more details on the valuation refer to note 25.

23.2. Property and equipment- Medical scheme

	Land and Buildings	Motor vehicle	Furniture, fixtures & Fittings	Computers	Office equipment	Laboratory equipment	Kitchen equipment	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Cost								
At 1 July 2018 (restated)	14,935	190	1,754	494	377	524	107	18,380
Adjustment for reapportionment of common assets among schemes	-	-	(35)	(30)	(1)	-	-	(67)
Additions	-	-	6	11	3	-	-	20
At 30 June 2019	14,935	190	1,725	474	379	524	107	18,333
Adjustment for reapportionment of common assets among schemes	-	-	266	26	(5)	-	-	287
Reversal of accumulated depreciation	(5,141)	-	-	-	-	-	-	(5,141)
Revaluation surplus*	2,260	-	-	-	-	-	-	2,260
Additions	-	-	39	78	2	-	-	118
Disposals	-	-	(125)	(10)	(1)	(470)	-	(607)
At 30 June 2020	12,054	190	1,904	568	374	54	107	15,251
Accumulated depreciation								
At 1 July 2018 (restated)	4,408	171	1,473	420	231	524	107	7,334
Adjustment to opening balance	-	-	(9)	(12)	-	-	-	(21)
Charge for the year	733	12	77	46	3	-	-	871

	Land and Buildings	Motor vehicle	Furniture, fixtures & Fittings	Computers	Office equipment	Laboratory equipment	Kitchen equipment	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
At 30 June 2019	5,141	183	1,541	454	234	524	107	8,184
Adjustment for reapportionment of common assets among schemes	-	1	315	2	134	-	-	451
Revaluation	(5,141)	-	-	-	-	-	-	(5,141)
Charge for the year	578	6	58	64	3	-	-	709
Disposals	-	-	(98)	(10)	(1)	(470)	-	(580)
At 30 June 2020	578	190	1,816	510	369	54	107	3,624
Net book value (Cost less Accumulated depreciation)								
At 30 June 2020	11,475	-	88	58	5	-	-	11,627
At 30 June 2019	9,794	7	184	20	145	-	-	10,149

* A revaluation gain arose on land and buildings as a result of a revaluation exercise undertaken by RSSB. For more details on the valuation refer to note 25.

23.3. Property and equipment-CBHI scheme

	Motor vehicle	Furniture, fixtures & fittings	Computers	Office equipment	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Cost					
At 1 July 2018 (restated)	107	229	234	14	584
Adjustment for reapportionment of common assets among schemes	-	94	81	3	178
Additions	-	15	29	6	50
At 30 June 2019	107	338	344	23	812
Adjustment for reapportionment of common assets among schemes	-	(111)	(100)	(5)	(216)
Additions	-	50	99	3	151
Disposals	(51)	-	-	-	(51)
At 30 June 2020	56	277	343	20	697
Accumulated depreciation					
At 1 July 2018 (restated)	44	56	116	7	224
Adjustment for reapportionment of common assets among schemes	(0)	23	33	1	57
Charge for the year	27	82	108	4	221
At 30 June 2019	71	161	258	12	502
Adjustment for reapportionment of common assets among schemes	(0)	(53)	(72)	(2)	(127)
Charge for the year	9	58	84	3	154
Disposals	(25)	-	-	-	(25)
At 30 June 2020	55	166	269	14	504
Net book value (Cost less Accumulated depreciation)					
At 30 June 2020	2	111	74	7	193
At 30 June 2019	37	177	86	11	311

23.4. Property and equipment- Maternity leave scheme

	Furniture, fixtures & Fittings		Computers		Office equipment		Total	
	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
Cost								
At 1 July 2018 (restated)	6		5		0.2		11	
Adjustment for reapportionment of common assets among schemes	6		5		0.2		11	
Additions	1		1		0.2		2	
At 30 June 2019	12		11		0.6		24	
Adjustment for reapportionment of common assets among schemes	6		6		0.3		12	
Additions	4		8		0.2		12	
At 30 June 2020	22		25		1.1		48	
Accumulated depreciation								
At 1 July 2018 (restated)	1.4		2.1		0.1		4	
Adjustment for reapportionment of common assets among schemes	1.4		2.1		0.1		4	
Charge for the year	3.0		3.9		0.1		7	
At 30 June 2019	5.9		8.0		0.2		14	
Adjustment for reapportionment of common assets among schemes	2.9		4.0		0.1		7	
Charge for the year	4.7		6.6		0.3		12	
At 30 June 2020	13.5		18.6		0.6		33	
Net book value								
At 30 June 2020	9.0		6.0		0.5		15	
At 30 June 2019	6.4		3.1		0.4		10	

23.5. Property and equipment- Ejo Heza

	Computers		Office equipment		Total	
	Frw (millions)		Frw (millions)		Frw (millions)	
Cost						
At 1 July 2018	126		19		146	
Additions	7				7	
At 30 June 2019	133		19		153	
Additions	-		-		-	
At 30 June 2020	133		19		153	
Accumulated depreciation						
At 1 July 2018	39		3		42	
Charge for the year	44		4		48	
At 30 June 2019	83		7		90	
Charge for the year	43		4		47	
At 30 June 2020	126		11		137	
Net book value						
At 30 June 2020	7		8		16	
At 30 June 2019	50		12		63	

24. Intangible assets

30-Jun-20	<u>Pension Scheme</u> Frw (millions)	<u>Medical Scheme</u> Frw (millions)	<u>CBHI</u> Frw (millions)	<u>Maternity Leave</u> Frw (millions)	<u>Ejo Heza</u> (millions)	<u>Total</u> Frw (millions)
Cost						
At start of year	585	813	281	7	365	2,051
Adjustment to opening balances	42	17	(63)	3	-	-
Additions - IT modernisation (Ishema project) [work in progress]	1,396	-	-	-	-	1,396
	2,022	831	218	10	365	3,447
Amortization						
At start of year	(313)	(547)	(229)	(5)	-	(1,094)
Adjustment to opening balances	(36)	(8)	46	(3)	-	-
Charge for the year	(158)	(157)	(25)	(2)	(36)	(379)
	(507)	(711)	(209)	(10)	(36)	(1,473)
Closing net book value	1,516	119	9	1	328	1,973

30-Jun-19	<u>Pension Scheme</u> Frw (millions)	<u>Medical Scheme</u> Frw (millions)	<u>CBHI</u> Frw (millions)	<u>Maternity Leave</u> Frw (millions)	<u>Ejo Heza</u> (millions)	<u>Total</u> Frw (millions)
Cost						
At start of year	312	523	177	2	246	1,260
Adjustment of opening Balance	(25)	(13)	36	2	-	-
Additions	298	304	68	2	119	791
	585	813	281	7	365	2,051
Amortization						
At start of year	(275)	(496)	(136)	(1)	-	(909)
Adjustment of opening Balance	15	8	(21)	(1)	-	-
Charge for the year	(52)	(58)	(72)	(2)	-	(185)
	(313)	(547)	(229)	(5)	-	(1,094)
Closing net book value	272	266	51	2	365	957

Intangible assets relate to computer software licenses. It also includes any cost that is used to upgrade the computer software.

25. Investment properties

Scheme	Sub-Note	Carrying values	
		2020 Frw (millions)	2019 Frw (millions)
Pension Scheme	25.1	205,875	112,579
Medical Scheme	25.2	12,686	13,218
Total		218,562	125,796

During the year under review, RSSB's investment properties and administrative land and buildings (classified under property and equipment – note 23) were subject to valuation at 24 June 2019 by NSHIZIRUNGU Vincent an independent professional valuer. Valuations methods used were the Direct comparison, Replacement cost methods and the income capitalization method. Details of these valuation methods are as follows:

1. **The direct comparison method:** Under this method, the estimated market value of the asset is related to value of a known comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued with due allowance being made for value affecting differences such as: location, level and amount of services provided, accessibility, size, cyclical patterns in the local and regional property markets, development conditions discerned from land titles, date of transaction, condition (in case of buildings), sales data, tenure and unexpired term.
2. **The replacement cost method:** This method is a method of last resort in the event of the absence of an active market or related market (under the direct comparison method). Under this method, the estimated value of the property is made in relation to what it will cost to acquire the asset at current price. The basic premise/assumption being that no prudent investor would pay for an asset on offer more than it would cost to acquire the asset new by undertaking property development. The valuation is thus based on the current cost of constructing a similar building capable of performing the same function as the asset being valued. Since the subject asset's life will have been relatively consumed with its age, then the cost estimate is then adjusted to reflect the consumed life. For the purposes of this valuation, the valuer considered the replacement cost of a building to be equivalent to the insurable value of the building.
3. **Investment method/ Income Capitalization method:** This method estimates market value of the property based income earned from the property. The value of the property under this method is determined by how much rental income the property generates. The market value of each property is determined by considering the annual market rent income of the property and an estimated multiplier/capitalisation factor (referred to as *years purchase*, YP). The capitalisation rate and multiplier are determined by the valuation experts based on the market for similar property. This method was applied in determining value for some investment properties.

Valuation of Land

The valuation for land was based on estimated land prices for specific locations across the country and value was determined by multiplying the land size with the estimated price per square metre. The estimated value of land forms part of the estimated fair value for investment properties and property, plant and equipment.

Where the direct comparison method was used to determine property values, the properties have been recorded at their Open Market values which is the highest price in terms of money which the property under appraisal should or could fetch in a competitive and open market under conditions requisite for a fair sale.

Implicit in this definition is the consummation of a sale at specified date and the passing of ownership from seller to buyer under the following conditions;

1. Both the buyer and seller are economically motivated and are both acting prudently

2. The sale price is not affected by any undue influence
3. Both parties are well informed and well advised and are acting in what they consider to be their own best interest
4. A reasonable time is allowed for exposure in the open market value

The valuer has assumed that the property is not affected by statutory notices and neither the property nor its use gives rise to contravention of any statutory requirements. The Valuer did not inspect any woodwork or other parts of the structure that were covered, inaccessible or unexposed.

The open market values for the lands for development in urban and rural areas was obtained using the comparison valuation method and international valuation standards.

Where replacement cost method was used to determine property values, the cost of construction was recognized at 1,500 USD per square meter (at an exchange rate of Frw 910:US\$1) by analyzing the different costs of building similar modern commercial properties completed in the last 3 years.

As per the valuation report, total valuations of RSSB properties are as follows:

Valuation as at 24 June 2019

(Frw)

Open market	223,383,618,000
Insurance value	89,300,042,000

Although the valuation was done on 24 June 2019, the valuation report was not finalized in the financial year ended 30 June 2020 and therefore RSSB management has taken the decision to adopt these valuations for investment properties as at 1 July 2020. RSSB management has adopted the open market values for the properties.

25.1. Reconciliation of movement in Investment properties during the year - Pension Scheme

At 30 June 2020

Property description	As at 1 July 2019	Adjustment to opening balance (refund Rusororo plots)	Transfer from property and equipment to investment property	Fair valuation gain/(loss)	Additions	Disposals	As at 30 June 2020
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Kacyiru executive apartments	6,574	-	-	1,199	-	-	7,773
Grand pension plaza	21,680	-	-	2,369	-	-	24,049
Musanze pension piazza	4,487	-	-	33	-	-	4,519
Rwamagana pension plaza	4,323	-	-	(920)	-	-	3,403
Nyanza pension plaza	4,558	-	-	(1,137)	-	-	3,421
Karongi pension plaza	4,463	-	-	(1,025)	-	-	3,439
Residential house	200	-	-	23	-	-	224

Property description	As at 1 July 2019	Adjustment to opening balance (refund Rusororo plots)	Transfer from property and equipment to investment property	Fair valuation gain/(loss)	Additions	Disposals	As at 30 June 2020
Kiyovu							
Kiyovu residential house land	-	-	77	179	-	-	256
Nyagatare houses	60	-	-	(5)	-	-	55
Land for investment properties	350	-	-	435	741	-	1,526
Land for insurance piazzas	798	-	-	1,103	-	-	1,901
Former CECFR plot	781	-	-	361	-	-	1,143
Gaculiro vision city land	22,966	-	-	31,635	31	-	54,633
Cbd I-rugenge land	626	-	-	418	-	-	1,044
Kinyinya land	10,633	-	-	31,584	-	(834)	41,384
Batsinda parcel	1,003	-	-	6,230	-	-	7,233
Nyagatare land	247	-	-	424	-	-	670
Rwamagana parcel i&ii	179	-	-	2,957	-	-	3,136
Nyanza plot	135	-	-	421	-	-	556
Rubavu plot	53	-	-	(2)	-	-	51
Land from GPD	2,066	-	-	(530)	-	-	1,537
Batsinda pipeline investment	19	-	-	23	-	-	41
Gisozi plot	627	-	-	963	-	-	1,590
Kigali golf club land	5,642	-	-	1,042	-	-	6,684
Rusororo plots	14,056	(2,135)	-	-	-	-	11,920
Nyarugenge plots	1,264	-	-	-	-	-	1,264
Residential house - equipment	1	-	-	-	-	-	1
KEA - Equipment	224	-	-	-	31	-	255
KEA - Generator	170	-	-	-	-	-	170
KEA - Elevators	198	-	-	-	-	-	198
Crystal plaza building	1,160	-	-	1,345	-	-	2,505
Nyarutarama pension plaza	0	-	-	-	16,318	-	16,318
Furniture and fittings -	4	-	-	-	-	-	4
Residential houses							
Fixtures and	576	-	-	-	-	-	576

Property description	As at 1 July 2019	Adjustment to opening balance (refund Rusororo plots)	Transfer from property and equipment to investment property	Fair valuation gain/(loss)	Additions	Disposals	As at 30 June 2020
Fittings in other investment properties							
KEA – Furniture and fittings	290	-	-	-	-	(59)	232
Electrical equipment for all plazas	2,165	-	-	-	-	-	2,165
	112,579	(2,135)	77	79,126	17,121	(892)	205,875

At 30 June 2019

Property description	As at 1 July 2018	Adjustments to opening balance	Additions	Disposals	As at 30 June 2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Kacyiru Executive Apartments	6,574	-	-	-	6,574
Grand Pension Piazza	21,680	-	-	-	21,680
Musanze Pension Piazza	4,487	-	-	-	4,487
Rwamagana Pension Piazza	4,323	-	-	-	4,323
Nyanza Pension Piazza	4,558	-	-	-	4,558
Karongi Pension Piazza	4,463	-	-	-	4,463
Residential House Kiyovu	200	-	-	-	200
Nyagatare Houses	60	-	-	-	60
Fixtures and fittings in Investment properties	290	-	-	-	290
Land For Investment Properties	350	-	-	-	350
Land For Insurance Plazzas	798	-	-	-	798
Former CECPR Plot	781	-	-	-	781
Gaculiro Vision City Land	22,167	-	799	-	22,966
CBD1 -Rugenge Land	133	493	-	-	626
Kinyinya Land	11,542	-	-	(909)	10,633
Batsinda Parcel	1,048	-	-	(45)	1,003
Batsinda Pipeline	-	-	-	-	-
Kacyiru Land	-	-	-	-	-
Nyagatare Land	247	-	-	-	247
Rwamagana Parcel I & II	179	-	-	-	179
Nyanza Plot	135	-	-	-	135
Rubavu Plot	53	-	-	-	53
Land from GPP	2,066	-	-	-	2,066
Batsinda Pipeline Investment	19	-	-	-	19
Gisozi Plot	627	-	-	-	627
Kigali Golf Club Land	5,642	-	-	-	5,642
Rusororo Plots	0	-	14,056	-	14,056

Property description	As at 1 July 2018	Adjustments to opening balance	Additions	Disposals	As at 30 June 2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Nyarugenge Plots	-	-	1,264	-	1,264
Equipment- Residential houses	1	-	-	-	1
Equipment - Kacyiru Executive Apartments	224	-	-	-	224
Generators - Kacyiru Executive Apartments	170	-	-	-	170
Elevators - Kacyiru Executive Apartments	198	-	-	-	198
Crystal Plaza Building	1,160	-	-	-	1,160
Furniture and fittings - Residential houses	4	-	-	-	4
Furniture and fittings - Kacyiru Executive Apartments	576	-	-	-	576
Electrical equipment For all Plazas	2,165	-	-	-	2,165
	96,920	493	16,119	(954)	112,579

25.2. Reconciliation of movement in Investment properties during the year - Medical Scheme

As at 30 June 2020

Property description	At 1 July 2019 Frw (millions)	Fair valuation gai/loss Frw (millions)	At 30 June 2019 Frw (millions)
Land for investment property	512	413	925
Twin Tower 2	12,566	(944)	11,622
Twin Tower Equipment's	140	-	140
Total	13,218	(531)	12,686

As at 30 June 2019

Property description	At 1 July 2018 Frw (millions)	Additions Frw (millions)	At 30 June 2019 Frw (millions)
Land for investment property	512	-	512
Twin Tower 2	11,498	1,068	12,566
Twin Tower Equipment's	140	-	140
	12,150	1,068	13,218

25.3. Land without titles

Description	Asset Identifier	Classification	Location	Date of Acquisition	Amount Frw
Grand Pension Plaza B	1/01/09/03/785	Investment properties	NYARUGENGE	30/06/2012	16,800,000
TOWER III	1/01/06/07/72	Investment properties	NYARUGENGE	01/07/2016	47,700,000
Nyanza plot	2/01/01/04/2534	Investment properties	NYANZA	01/07/2019	475,600
					64,975,600

26. Investment properties in the process of construction

Scheme	Sub-Note	Carrying values	
		2020 Frw (millions)	2019 Frw (millions)
Pension Scheme	26.1	7,684	5,288
Medical Scheme	26.2	-	19
Total		7,684	5,307

26.1. Investment properties under construction – pension scheme

30 June 2020

Property description	At 1 July 2019 Frw (millions)	Adjustment to opening balances Frw (millions)	Additions Frw (millions)	Reclassification on to other assets Frw (millions)	At 30 June 2020 Frw (millions)
Land for development	(19)	19	-	-	-
Batsinda Housing project phase 2	4,467	-	3,217	-	7,684
Investment in CATCHUP INVESTMENTS LIMITED	840	-	-	(840)	-
	5,288	19	3,217	(840)	7,684

30 June 2019

Property description	At 1 July 2018 Frw	Additions Frw	At 30 June 2019 Frw
Land for development	(19)	0	(19)
Batsinda Housing project phase 2	64	4,403	4,467
Investment in CATCHUP INVESTMENTS LIMITED	840	0	840
	884	4,403	5,288

26.2. Investment properties under construction – medical scheme

At 30 June 2020

Property description	At 1 July 2019 Frw (millions)	Adjustment to opening balances (millions)	At 30 June 2020 Frw (millions)
LAND FOR DEVELOPMENT	19	(19)	-
	19	(19)	-

At 30 June 2019

Property description	At 1 July 2018	At 30 June 2019
	Frw	Frw
	(millions)	(millions)
LAND FOR DEVELOPMENT	19	19
	<u>19</u>	<u>19</u>

27. Assets held for sale

	2020	2019
	Frw	Frw
	(millions)	(millions)
Cost		
Opening at 1 July	454	454
Revaluation gain	82	
Disposals	(536)	0
Closing at 30 June	<u>0</u>	<u>454</u>

RSSB's assets held for sale comprise centre *socio-recréatif* at Kacyiru estate.

28. Equity investments

Scheme	Sub-Note	Carrying values 2020 Frw	Carrying values 2019 Frw (millions)
Pension Scheme	28.1	428,417	373,971
Medical Scheme	28.2	50,027	42,036
Total		478,443	416,007

28.1. Equity investments – Pension

Equity Investee	Type of equity instrument	%age holding 2020	%age holding 2019	Number of shares held 2020	Number of shares held 2019	Basis of measurement	Carrying Value as at 30-Jun-20 Frw (millions)	Carrying Value as at 30-Jun-19 Frw (millions)
Subsidiaries								
(Control evidenced by ownership of 50% or more of ordinary shares with voting rights and board representation)								
Ultimate Developers Limited (UDL)	Ordinary shares	100.00%	100.00%	9,915	9,915	Fair value	94,489	95,653
Akagera Game Lodge (AGL)	Ordinary shares	100.00%	100.00%	4,042,100	4,042,100	Fair value	8,273	8,261
SONARWA Life Assurance	Ordinary shares	100.00%	100.00%	494,005	494,005	Fair value	-	-
Rwanda Ultimate Golf Course	Ordinary shares	100%	-	292,024,677	-	Cost	29,202	-
Rwanda Foreign Holdings Investment Company Limited (RFHIC)	Ordinary shares	65.95%	65.95%	6,675,000	6,675,000	Fair value	2,852	1,112
Edge Hostels	Ordinary shares	87.01%	80.96%	9,041,380	5,741,380	Fair value	10,158	6,753
SONARWA General Insurance	Ordinary shares	79.20%	79.20%	382,586,233	382,586,233	Fair value	5,449	5,539
Joint Venture								
(Joint control evidenced with 50% of ordinary shares (considering both pension and medical schemes) with voting rights and board representation)								
BMI (RULIBA and EAGI)	Ordinary shares	50.00%	50.00%	9,526	8,000	Fair value	5,748	5,467

Equity Investee	Type of equity instrument	%age holding 2020	%age holding 2019	Number of shares held 2020	Number of shares held 2019	Basis of measurement	Carrying Value as at 30-Jun-20 Fmv (millions)	Carrying Value as at 30-Jun-19 Fmv (millions)
Associates								
(Significant influence evidence with ownership (considering both pension and medical schemes) of 20% or more of ordinary shares with voting rights and board representation)								
Rwanda Development Bank (BRD)	Ordinary shares	34.74%	44.98%	17,892,275	17,585,960	Fair value	26,393	25,488
Ultimate Concept LTD	Ordinary shares	43.57%	43.57%	2,316	2,316	Fair value	-	-
Inyanga Industries LTD	Ordinary shares	40.00%	40.00%	3,280,000	3,280,000	Fair value	11,664	11,905
Bank of Kigali (BK)	Ordinary shares	33.49%	33.78%	302,966,100	302,966,100	Fair value	78,771	83,006
Crystal Telecom	Ordinary shares	30.00%	30.00%	81,053,000	81,053,000	Fair value	5,674	4,458
Horizon SOPYRWA LTD	Ordinary shares	30.00%	30.00%	1,262	1,262	Fair value	9,795	9,504
Rwanda Enterprise Investment Company Limited (REIC)	Ordinary shares	26.52%	26.52%	2,652	2,652	Fair value	73	11
RNIT ITERAMBERE Fund	Fund units	23.91%	74.16%	18,995,095	18,994,814	Fair value	2,751	2,482
CIMERWA Ltd	Ordinary shares	10.12%	10.12%	3,557,652	3,557,652	Fair value	5,625	5,629
Eastern Province Investment Corporation (EPIC)	Ordinary shares	30.03%	13.59%	55,259	25,000	Fair value	3,332	5,360
Other equity investments								
(No control or significant influence evidenced by ownership of less than 20% of ordinary shares with voting rights)								
Rwanda Investment Group Limited (RIG)	Ordinary shares	17.39%	17.39%	2,400	2,400	Fair value	3,279	3,248
Prime Economic Zones Company Limited	Ordinary shares	14.40%	14.40%	164,748	164,748	Fair value	3,592	3,279
New Forest Company Rwanda (NFCR)	Ordinary shares	10.00%	10.00%	100,000	100,000	Fair value	2,528	2,528
Rwanda Stock Exchange (RSE)	Ordinary shares	10.00%	10.00%	10	10	Fair value	45	42
Eastern and Southern Africa Trade Development Bank	Ordinary shares	1.53%	1.62%	1,736	1,690	Fair value	20,979	18,348

Equity Investee	Type of equity instrument	%age holding 2020	%age holding 2019	Number of shares held 2020	Number of shares held 2019	Basis of measurement	Carrying Value as at 30-Jun-20 Frw (millions)	Carrying Value as at 30-Jun-19 Frw (millions)
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	Ordinary shares	1.99%	1.99%	20,418,800	20,418,800	Fair value	2,818	3,002
I&M RWANDA	Ordinary shares	1.94%	1.94%	9,813,600	9,813,600	Fair value	883	883
New Forests Company Holdings Limited (UK)	Ordinary shares	0.87%	0.87%	110,372	110,372	Fair value	395	395
AFREXIMBANK	Ordinary shares	0.10%	0.10%	124	121	Fair value	2,652	2,314
SAFARICOM	Ordinary shares	0.04%	0.04%	17,153,550	17,153,550	Fair value	4,469	4,394
Equity Group	Ordinary shares	0.6%	-	25,000,000	-	Fair value	8,041	-
Leaf Pharmaceuticals Limited	Ordinary shares	0.00%	0.00%	697	349	Cost	35,627	28,594
World Vu Satellites Limited	Ordinary shares	0.00%	0.00%	8	7	Cost	36,908	32,268
Akagera Medicines Inc	Preference shares	N/A	N/A	6,000,000	4,000,000	Cost	5,530	3,628
New Forest Company Rwanda (NFCR)	Preference shares	N/A	N/A	100,000	100,000	Cost	420	420
							428,417	373,971

28.1.1. Reconciliation of changes in carrying values of equity investments under pension scheme during the year

a) Summary reconciliation

	2020 Frw (millions)	2019 Frw (millions)
As at 1 July	373,971	313,946
Additional investments during the year	56,154	62,793
Write back/(offs)	7	-
Fair valuation gain/(loss) during the year	(1,715)	(2,768)
As at 30 June	428,417	373,971

b) Detailed reconciliation per equity investee

Financial year ended 30 June 2020

Equity Investee	Carrying value as at 1 July 2019 Frw (millions)	Additional capital injection during the year Frw (millions)	Prior year adjustment – inter-scheme correction Frw (millions)	Fair valuation gain/(loss) Frw (millions)	Carrying value as at 30 June 2020 Frw (millions)
Subsidiaries					
ULTIMATE DEVELOPERS LIMITED (UDL)	95,653	-	-	(1,164)	94,489
AKAGERA GAME LODGER (AGL)	8,261	412	-	(399)	8,273
SONARWA LIFE ASSURANCE	-	-	-	-	-
RWANDA ULTIMATE GOLF COURSE	-	29,202	-	-	29,202
RWANDA FOREIGN INVESTMENT HOLDING COMPANY LIMITED (RFIHC)	1,112	-	-	1,739	2,852
EDGE HOSTELS	6,753	3,300	-	105	10,158
SONARWA GENERAL INSURANCE	5,539	-	-	(90)	5,449
Joint venture					
BMI (RULIBA and EAGI)	5,467	-	-	281	5,748
Associates					
RWANDA DEVELOPMENT BANK (BRD)	25,488	-	-	905	26,393
ULTIMATE CONCEPT LTD	-	-	-	-	-
INYANGE INDUSTRIES LTD	11,905	-	-	(241)	11,664
BANK OF KIGALI (BK)	83,006	-	-	(4,242)	78,771
CRYSTAL TELECOM	4,458	-	-	1,216	5,674
HORIZON SOPYRWA LTD	9,504	-	-	291	9,795
RWANDA ENTERPRISE INVESTMENT COMPANY LIMITED (REIC)	11	-	-	62	73
RNIT Iterambere Fund	2,482	-	-	269	2,751
CIMERWA Ltd	5,629	-	-	(4)	5,625
EASTERN PROVINCE INVESTMENT CORPORATION (EPIC)	5,360	-	-	(2,028)	3,332
Other equity investments					
RWANDA INVESTMENT GROUP LIMITED (RIG)	3,248	-	-	32	3,279
PRIME ECONOMIC ZONES COMPANY LIMITED	3,279	-	-	314	3,592
NEW FOREST COMPANY RWANDA (NFCR)	2,528	-	-	-	2,528
RWANDA STOCK EXCHANGE (RSE)	42	-	-	4	45
					85

Equity Investee	Carrying value as at 1 July 2019 (millions)	Additional capital injection during the year (millions)	Prior year adjustment – inter-scheme correction (millions)	Fair valuation gain/(loss) (millions)	Carrying value as at 30 June 2020 (millions)
	Frw	Frw	Frw	Frw	Frw
EASTERN AND SOUTHERN AFRICA TRADE DEVELOPMENT BANK (FORMERLY PTA BANK)0	18,348	476	-	2,154	20,979
BRALIRWA	3,002	-	-	(184)	2,818
I&M RWANDA	883	-	-	-	883
NEW FORESTS COMPANY HOLDINGS LIMITED (UK)	395	-	-	-	395
AFREXIMBANK	2,314	49	-	289	2,652
SAFARICOM	4,394	-	-	75	4,469
EQUITY GROUP	-	9,140	-	(1,098)	8,041
LEAF PHARMACEUTICALS LIMITED	28,594	7,033	-	-	35,627
WORLD VU SATELITES LIMITED	32,268	4,640	-	-	36,908
AKAGERA MEDICINES INC	3,628	1,902	-	-	5,530
NEW FOREST COMPANY RWANDA (NFCR)	420	-	-	-	420
Total	373,971	56,154	7	(1,715)	428,417

Financial year ended 30 June 2019

Equity investee	Carrying value as at 1 July 2018 (millions)	Additional capital injection during the year (millions)	Write back/(off) (millions)	Fair valuation gain/(loss) (millions)	Carrying value as at 30 June 2019 (millions)
	Frw	Frw	Frw	Frw	Frw
Subsidiaries					
Ultimate Developers limited (UDL)	98,000	-	-	(2,347)	95,653
Akagera Game Lodger (AGL)	3,972	4,574	-	(286)	8,261
SONARWA Life Assurance	-	-	-	-	-
Edge Hostels Limited	6,425	-	0	328	6,753
SONARWA General Insurance	5,739	-	-	(200)	5,539
Rwanda Foreign Investment Holding Company Limited (RFIHC)	1,095	-	-	18	1,112
RNIT Iterambere Fund	822	1,504	-	156	2,482
Joint venture					
BMI (RULIBA and EAGI)	5,673	300	-	(506)	5,467
					86

Equity investee	Carrying value as at 1 July 2018 (millions)	Additional capital injection during the year (millions)	Write back/(off) (millions)	Fair valuation gain/(loss) (millions)	Carrying value as at 30 June 2019 (millions)
Subsidiaries					
Associates					
Ultimate Concept Limited	-	-	-	-	-
Inyange Industries Limited	10,945	-	-	959	11,905
Rwanda Development Bank (BRD)	27,268	-	-	(1,779)	25,488
Bank of Kigali (BK)	60,211	24,964	-	(2,156)	83,019
Crystal Telecom	4,296	-	-	162	4,458
Horizon SOP YRWA Limited	9,452	-	-	52	9,504
Rwanda Enterprise Investment Company Limited (REIC)	-	-	-	11	11
CIMERWA Limited	5,788	-	-	(159)	5,629
Eastern Province Investment Corporation (EPIC)	2,334	3,026	-	-	5,360
Other equity investments					
Rwanda Investment Group Limited (RIG)	3,123	-	-	125	3,248
Prime Economic Zones Company Limited	2,731	-	-	548	3,279
New Forest Company Rwanda (NFCR)	2,395	-	-	133	2,528
Rwanda Stock Exchange (RSE)	41	-	-	1	42
Eastern and Southern Africa Trade Development Bank	15,915	430	(0)	2,002	18,348
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	3,063	-	-	(61)	3,002
I&M Rwanda	942	-	-	(59)	883
New Forests Company Holdings (UK) Limited	435	-	-	(40)	395
AFREXIM Bank	1,901	-	-	413	2,314
Safaricom	4,477	-	-	(83)	4,394
Leaf Pharmaceuticals Limited	15,105	13,489	-	-	28,594
World Vu Satellites Limited	21,390	10,878	-	-	32,268
Akagera Medicines Inc	-	3,628	-	-	3,628
New Forest Company Rwanda (NFCR)	420	-	-	-	420

Equity investee	Carrying value as at 1 July 2018	Additional capital injection during the year	Write back/(off)	Fair valuation gain/(loss)	Carrying value as at 30 June 2019
	Frw	Frw	Frw	Frw	Frw
Subsidiaries	(millions)	(millions)	(millions)	(millions)	(millions)
Total	313,946	62,793	(0)	(2,768)	373,971

c) Significant fair valuation gain during the year ended 30 June 2020

Eastern and Southern Africa Trade Development Bank – Frw 2 billion gain

During the year, a fair value gain is consistent with the continued good performance of the bank. During the year ended 30 June 2019, the bank made a profit of USD 78.1 million, an improvement in financial performance when compared to the previous year - 2018 (profit of USD 68.8 million).

Rwanda Foreign Investment Holding Company – Frw 1.7 billion gain

The fair value gain of Frw 2.5 billion (Frw 1.7 billion for Pension scheme) is mainly attributable to the receipt of dividend from the Company's main investment in Merrimack Pharmaceutical PLC amounting to Frw 2.4 billion which was credited directly to RSSB bank account on 02 June 2017. This amount was transferred to RFIHC in 2019 thus increasing its net asset value, the performance of the company did not significantly change.

Crystal Telecom – Frw 1.2 billion gain

The fair value gain is consistent with the performance of the market price of the share which increased from Frw 55 per share as at 30 June 2019 to Frw 70 per share as at 30 June 2020.

d) Significant fair valuation losses during the year ended 30 June 2019

Bank of Kigali – Frw 4.3 billion loss

The fair value loss is consistent with the decrease in share price for RSSB shares held in Bank of Kigali. During the year the share price fell from Frw 274 per share (June 2019) to Frw 260 per share (June 2020).

Eastern Province Investment Corporation – Frw 2 billion loss

This fair valuation is consistent with the company's financial position as at 31 December 2019 and its financial performance for the period then ended. The company continued to make losses. For the year ended 31 December 2019, the company made a loss of Frw 2.86 billion (2017: Frw 508 million) increasing its accumulated losses to Frw 7.29 billion.

Ultimate Developers Limited – Frw 1.1 billion loss

The fair valuation loss is consistent with the performance of the company for the year ended 31 December 2019. The company made a loss of FRW1.126 billion for the year ended 31 December 2019 (2018: FRW 1.573 billion).

28.2. Equity investments – Medical

Equity Investee	Type of equity instrument	%age holding 2020	%age holding 2019	Number of shares held 2020	Number of shares held 2019	Basis of measurement	Carrying Value as at 30 June 2020 Frw (millions)	Carrying Value as at 30 June 2019 Frw (millions)
Subsidiary								
Rwanda Foreign Holdings Investment Company Limited (RFHIC)	Ordinary shares	28.55%	28.55%	2,889,606	2,889,606	Fair value	1,234	482
Associate								
Bank of Kigali (BK)	Ordinary shares	0.85%	0.86%	7,723,900	7,723,900	Fair value	2,008	2,123
COGEBANQUE sa	Ordinary shares	30.60%	30.91%	21,375	21,592	Fair value	9,230	8,269
CIMERWA Ltd	Ordinary shares	10.12%	10.12%	3,557,651	3,557,651	Fair value	5,625	5,629
Other equity investments								
Rwanda Investment Group Limited (RIG)	Ordinary shares	5.22%	5.22%	720	720	Fair value	984	974
Eastern And Southern Africa Trade Development Bank	Ordinary shares	1.53%	1.32%	1,376	1,376	Fair value	21,317	14,939
BRALIRWA	Ordinary shares	0.82%	0.82%	8,404,200	8,404,200	Fair value	1,160	1,235
KT Rwanda Limited	Preference shares	N/A	N/A	10,775,087	10,775,087	Amortised cost	8,469	8,384
							<u>50,027</u>	<u>42,036</u>

28.2.1. Reconciliation of changes in carrying values of equity investments under medical scheme during the year

a) Summary reconciliation

	2020 Frw (millions)	2019 Frw (millions)
As at 1 July	42,036	39,724
Prior year adjustment	(7)	0
Additional Investments during the year	4,165	346

Interest on preference dividends	84	83
Fair valuation gain/(loss) during the year	3,748	1,882
As at 30 June	50,027	42,036

b) Detailed reconciliation per equity investee

Financial year ended 30 June 2020

Equity Investee	Carrying value as at 01-Jul-19	Additional capital injection during the year	Interest on preference dividends	Prior year adjustment – inter- scheme correction	Fair valuation gain/(loss)	Carrying value as at 30-Jun-20
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Subsidiary						
Rwanda Foreign Holdings Investment Company Limited (RFHIC)	482	-	-	-	753	1,234
Associate						
Bank of Kigali (BK)	2,123	-	-	(7)	(108)	2,008
COGEBANQUE SA	8,269	-	-	-	961	9,230
CIMERWA Limited	5,629	-	-	-	(4)	5,625
Other equity investments						
Rwanda Investment Group Limited (RIG)	974	-	-	-	9	984
Eastern and Southern Africa Trade Development Bank	14,939	4,165	-	-	2,213	21,317
BRALIRWA	1,235	-	-	-	(76)	1,160
KIT Rwanda Limited	8,384	-	84	-	-	8,469
	42,036	4,165	84	(7)	3,748	50,027

Financial year ended 30 June 2019

Equity Investee	Carrying value as at 1-Jul-18 Frw (millions)	Additional capital injection during the year Frw (millions)	Interest on preference dividends Frw (millions)	Fair valuation gain/(loss) Frw (millions)	Carrying value as at 30-Jun-19 Frw (millions)
Subsidiary					
Rwanda Foreign Holdings Investment Company Limited (RFIHC)	474	-	-	8	482
Associate					
Bank of Kigali (BK)	2,216	-	-	(93)	2,123
Coge banque SA	7,785	-	-	484	8,269
CIMERWA Limited	5,788	-	-	(159)	5,629
Other equity investments					
Rwanda Investment Group Limited (RIG)	937	-	-	38	974
Eastern and Southern Africa Trade Development Bank (Formerly PTA Bank)	12,963	346	-	1,630	14,939
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	1,261	-	-	(25)	1,235
KT Rwanda Limited	8,301	-	83	-	8,384
	39,724	346	83	1,882	42,036

c) Significant fair valuation gains during the year ended 30 June 2020

Eastern and Southern Africa Trade Development Bank – Frw 2.2 billion

During the year, a fair value gain is consistent with the continued good performance of the bank. During the year ended 30 June 2019, the bank made a profit of USD 78.1 million, an improvement in financial performance when compared to the previous year – 2018 (profit of USD 68.8 million).

29. Corporate bonds

	Sub note	2020 Frw (millions)
Crystal Ventures Limited	29.1	12,529
Agaciro Development Fund	29.2	12,225
		<u>24,754</u>

Classification of Corporate bonds (Non-current Vs Current)

	2020 Frw (millions)
Non-current	
Crystal Ventures Limited	8,569
Agaciro Development Fund	9,609
	<u>18,178</u>
Current	
Crystal Ventures Limited	3,960
Agaciro Development Fund	2,616
	<u>6,576</u>

29.1. Corporate bond issued by Crystal Ventures Limited

	2020 Frw (millions)
At 1 July	-
Placement	12,000
Accrued interest	529
Maturity	-
At 30 June	<u>12,529</u>

29.2. Corporate bond issued by Agaciro Development Fund

	2020 Frw (millions)
At 1 July	-
Placement	12,000
Accrued interest	225
Maturity	-
At 30 June	<u>12,225</u>

30. Treasury bonds

The treasury bonds held by RSSB as at the end of the year per scheme were as follows:

Description	Sub-Note	Balance as at 30-Jun-20 Frw (millions)	Balance as at 30-Jun-19 Frw (millions)
Treasury bonds - Pension scheme	30.1	126,597	81,742
Treasury bonds - Medical scheme	30.2	23,799	6,700
Treasury bonds- Ejo Heza	30.3	3,541	98
Total		153,936	88,540

Classification of Treasury bonds (Non-current Vs Current)

	2020 Frw (millions)	2019 Frw (millions)
Non-current		
Treasury bonds - Pension scheme	106,469	75,201
Treasury bonds - Medical scheme	21,716	6,703
Treasury bonds- Ejo Heza	3,541	98
Sub-total (1)	131,726	82,002
Current		
Treasury bonds - Pension scheme	20,127	6,539
Treasury bonds - Medical scheme	2,083	0
Sub-total (2)	22,211	6,539
Grand total (1+2)	153,936	88,540

30.1. Treasury bonds – Pension scheme

Particular	2020 Frw (millions)	2019 Frw (millions)
Opening balance 1 July	81,742	44,779
Prior year adjustment	-	-
Investment during the year	51,259	39,510
Interest income earned during the year	12,909	6,942
Receipts during the year	(19,313)	(9,489)
Closing 30 June	126,597	81,742

The amortized cost of the government securities closely approximates their fair value.

30.2. Treasury bonds – Medical scheme

	2020	2019
	Frw	Frw
	(millions)	(millions)
Opening balance 1 July	6,700	9,737
Prior year adjustment	-	-
Investment during the year	16,767	-
Interest income earned during the year	1,351	951
Receipts during the year	(1,020)	(3,988)
Closing 30 June	23,799	6,700

The amortized cost of the government securities closely approximates their fair value.

31. Treasury bills

	Sub-Note	Balance as at 30-Jun-20	Balance as at 30-Jun-19
		Frw	Frw
		(millions)	(millions)
Treasury bills - Pension scheme	30.1	37,811	76,108
Treasury bills - Medical scheme	30.2	16,513	40,286
Treasury bills - Maternity leave scheme	30.3	-	3,829
Total		54,323	120,224

31.1. Treasury bills – Pension scheme

	2020	2019
	Frw	Frw
	(millions)	(millions)
Opening balance 1 July	76,108	41,357
Purchases	48,477	153,956
Interest accrued	4,622	4,089
Maturities	(91,397)	(123,293)
Closing 30 June	37,811	76,108

The amortized cost of the government securities closely approximates their fair value.

31.2. Treasury bills – Medical scheme

Particular	2020	2019
	Frw	Frw
	(millions)	(millions)
At 1 July	40,286	23,967
Purchases	16,270	65,943
Interest accrued	1,758	2,348
Maturities	(41,802)	(51,972)
Closing 30 June	16,513	40,286

The amortized cost of the government securities closely approximates their fair value.

31.3. Treasury bills – Maternity leave scheme

Particular	2020 Frw (millions)	2019 Frw (millions)
At 1 July	3,829	-
Purchases during the year	-	3,652
Interest accrued	174	177
Maturities	(4,003)	-
Closing 30 June	-	3,829

The amortized cost of the government securities closely approximates their fair value.

32. Commercial papers

During the year, RSSB invested in commercial papers as follows:

Company issuing commercial paper	Sub-Note	2020 Frw (millions)	2019 Frw (millions)
Horizon Group	32.1	-	2,756
NPD Limited	32.2	14,715	13,389
Total		14,715	16,145

Details of the commercial papers are as follows:

32.1. Commercial paper issued by Horizon Group

	2020 Frw (millions)	2019 Frw (millions)
Opening balance 1 July	2,756	2,767
Purchases during the year	-	2,640
Interest accrued during the year	211	349
Maturities	(2,966)	(3,000)
Closing 30 June	-	2,756

On 22 February 2019, Commercial papers with Horizon Group Limited were renewed attracting an annual interest of 11% with a term of 364 days from purchase. This commercial paper matured and was fully settled during the year.

32.2. Commercial papers issued by NPD Limited

	2020	2019
	Frw	Frw
	(millions)	(millions)
Opening balance 1 July	13,389	13,430
Purchases during the year	14,520	13,200
Interest accrued during the year	1,326	1,760
Maturities	(14,520)	(15,000)
Closing 30 June	14,715	13,389

On 13 May 2020, Commercial paper with NPD Limited was renewed attracting an annual interest of 10% with term of 364 days.

33. Loans and Advances to third parties

	Sub note	Pension		Medical		Total	
		2020	2019	2020	2019	2020	2019
		Frw	Frw	Frw	Frw	Frw	Frw
		(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Loan to City of Kigali	33.1	1,501	1,576	-	-	1,501	1,576
Loans to MININFRA	33.2	4,009	4,359	-	-	4,009	4,359
Loan to MINECOFIN (CBHI financing loan)	33.3	-	-	35,812	35,323	35,812	35,323
Total		5,510	5,936	35,812	35,323	41,322	41,259

Classification of Loans and advances to third parties (Non-current Vs Current)

	Pension		Medical		Total	
	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Non-current						
Loan to City of Kigali	1,501	1,276	-	-	1,501	1,276
Loans to MININFRA	-	-	-	-	-	-
Loan to MINECOFIN	-	-	35,812	35,323	35,812	35,323
Sub-total (1)	1,501	1,276	35,812	35,323	37,313	36,599
Current						
Loan to City of Kigali	-	300	-	-	-	300
Loans to MININFRA	4,009	4,359	-	-	4,009	4,359
Loan to MINECOFIN	-	-	-	-	-	-
Sub-total (2)	4,009	4,659	-	-	4,009	4,659
Grand total (1+2)	5,510	5,936	35,812	35,323	41,322	41,259

33.1. Loan to City of Kigali

	2020	2019
	Frw	Frw
At 1 July	1,576	876
Receivable for Well Springs Academy land	-	850
Repayments	(75)	(150)
At 30 June	<u>1,501</u>	<u>1,576</u>

The loan to City of Kigali is from the agreement for Kibagabaga - Kinyinya road project between City of Kigali, RSSB and Horizon Group where City of Kigali was responsible of contribution for the 60% of the total expropriation cost evaluated for the branch connecting to RSSB and 50% for the branch connecting to Horizon Group LTD investment sites, contribution of 100% cost for the study of road and contract management of all contracts related to this project which is road study and supervision services, road construction works and the expropriation related services. On 21 March 2019, an agreement between RSSB and City of Kigali to provide for the modalities of payment amounts due to RSSB by the City of Kigali was signed. The amounts covered under the agreement are as follows:

Details	Amount (Frw)
Advance for the construction of Kibagabaga – Kinyinya road	876,247,281
Compensation for plot transferred to Well Spring Academy	<u>850,000,000</u>
Total	<u>1,726,247,281</u>

It was agreed that payment would be made over a period of six (6) years from the financial year 2018/2019 to the financial year 2023-2024. Payment was to be executed on a quarterly basis with a payment of Frw 75,000,000 per quarter. As at 30 June 2020, a cumulative total of Frw 220,000,000 had been settled by the City of Kigali.

33.2. Loan to MININFRA

	Loan for CBD1 Infrastructure	2020 Loan for Partitioning of Kicukiro pension plaza	Total	Loan for CBD1 Infrastructure	2019 Loan for Partitionin g of Kicukiro pension plaza	Total
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
At 1 July	4,210	149	4,359	5,613	149	5,763
Repayments	(351)	-	(351)	(1,403)	-	(1,403)
At 30 June	<u>3,859</u>	<u>149</u>	<u>4,009</u>	<u>4,210</u>	<u>149</u>	<u>4,359</u>

33.3. Loan to MINECOFIN

The Loan to MINECOFIN relates to amounts advanced to Community Based Health Insurance (CBHI) Scheme during the year ended 30 June 2020 as per the movement shown below:

	2020	2019
	Frw	Frw
At 1 July	35,323	12,000
Additions	10,000	26,247
Repayments	(9,511)	(2,924)
At 30 June (net)	35,812	35,323

During the year RSSB (medical scheme) made an additional advance of Frw 10,000,000 to CBHI for the year ended 30 June 2020 on behalf of MINECOFIN. The ministry settled Frw 9,511,155,501 during the year, therefore the outstanding balance due from MINECOFIN is Frw 35,811,882,442.

34. Mortgages loans

	Pension		Medical		Total	
	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
At 1 July:	153	312	(6)	(6)	147	306
Adjustment to opening balance	(8)	6	6	-	(1)	6
Unallocated receipts on Mortgage loans - prior year	93	66	-	-	93	66
Receipts during the year	(97)	(139)	-	-	(97)	(139)
Unallocated receipts of Mortgage loans	(78)	(93)	-	-	(78)	(93)
Balance at the 30 June	63	153	-	(6)	63	147
Impairment provision	-	-	-	-	-	-
-Net balance at 30 June	63	153	-	(6)	63	147

Classification of Mortgage loans (Non-current Vs Current)

	Pension scheme	
	At 30 June 2020	At 30 June 2019
	Frw	Frw
Non-current	26	64
Current	36	89
Total	63	153

35. Inventory

	Pension Scheme		Medical Scheme		CBHI		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Office suppliers	199	109	65.5	17	79.7	161.4	14	6	199	109
Fuel inventory	1	-	0.9	1	0.6	1.3	-	-	1	-
	200	109	66	18	80	163	14	6	200	109

36. Advances to contractors

	Pension		Medical		CBHI		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Engineering Brigade	2,012	2,418	-	-	-	-	-	-	2,012	2,418
Afriprecast Limited	6,775	6,775	-	-	-	-	-	-	6,775	6,775
Other advances	4	(54)	13	59	4	7	-	-	21	12
	8,790	9,139	13	59	4	7	-	-	8,808	9,205

The advances to Engineering Brigade was reduced by the recognition of work done on Batsinda Housing project-phase 2 by Frw 406 inclusive of taxes the outstanding Frw 1.6 exclusive of taxes was compensated by a land swap between Engineering Brigade/Horizon Group and RSSB following the resolutions in the RSSB extraordinary Board meeting held on 21 August 2020 and a land sale agreement entered into on 12th November 2020. The total land purchase agreement is Frw 3,258,468,000 for 24.16h, RSSB withheld frw 1.6 billion for the advance paid to Engineering brigade/Horizon and paid the difference excluding 10% which will be paid after the transfer of land titles in RSSB names.

Afriprecast Limited has taken up the ongoing contract for the Batsinda Housing project – Phase 2. All advances to contractors are current are expected to be utilised in the next 12 months period.

37. Dividends and other income receivable

	Pension		Medical		Total	
	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Dividends receivable	731	4,488	527	94	1,258	4,583
Other income receivable	-	-	-	-	-	-
Total	731	4,488	527	95	1,258	4,583

37 (a) Summary reconciliation of movement in dividend receivable

	Year ended 30 June 2020			Year ended 30 June 2019		
	Pension	Medical	Total	Pension	Medical	Total
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Opening balance	4,489	94	4,583	2,917	107	3,024
Dividends declared	2,092	943	3,036	5,660	793	6,453
Dividends received	(5,325)	(117)	(5,442)	(3,659)	(459)	(4,118)
Dividends converted into share capital	(525)	(394)	(919)	(430)	(346)	(777)
Closing balance	731	527	1,258	4,489	94	4,583

37 (b) Detailed reconciliation of movement in dividends receivable per equity investee – Pension scheme

For the year ended 30 June 2020

	At 1 July 2019	Dividend declared	Dividend received	Dividend converted into share capital	At 30 June 2020
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Local investments					
Bank of Kigali Limited	3,698	-	(3,698)	-	-
Crystal Telecom Ltd	366	316	(682)	-	-
Ruliba Clays Limited	-	383	(383)	-	-
Inyangye Industries	424	-	(212)	-	212
Rwanda Investment Group	-	67	(67)	-	-
Sub-total (1)	4,489	766	(5,043)	-	212
Foreign investments					
Safaricom Limited	-	277	(277)	-	-
PTA Bank	-	998	(3)	(476)	519
Afexim Bank	-	52	(3)	(49)	-
Sub-total (2)	-	1,326	(282)	(525)	519
Grand total (1+2)	4,489	2,092	(5,325)	(525)	731

For the year ended 30 June 2019

	At 1 July 2018	Dividend declared	Dividend received	Dividend converted into share capital	At 30 June 2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Local investments					
Bank of Kigali Limited	2,915	3,698	(2,915)	-	3,698
Brakira Limited	-	112	(112)	-	0
Crystal Telecom Ltd	-	366	0	-	366
Ruliba Clays Limited	-	22	(22)	-	0
I&M Bank	3	58	(61)	-	0
Inyangye Industries	-	760	(336)	-	424
Rwanda Investment Group	-	0	-	-	0
Sub-total (1)	2,917	5,017	(3,446)	-	4,489
Foreign investments					
Safaricom Limited	-	160	(160)	-	-
PTA Bank	-	439	(9)	(430)	-
Afexim Bank	-	44	(44)	-	-
Sub-total (2)	-	643	(213)	(430)	-
Grand total (1+2)	2,917	5,660	(3,659)	(430)	4,489

37 (c) Detailed reconciliation of movement in dividends receivable per equity investee – Medical scheme

For the year ended 30 June 2020

	At 1 July 2019	Dividend declared	Dividend received	Dividend converted into share capital	At 30 June 2020
	Frw	Frw	Frw	Frw	Frw
Local investments					
Bank of Kigali Limited	94	-	(94)	-	-
Rwanda Investment Group	-	20	(20)	-	-
Sub-total (1)	94	20	(114)	-	-
Foreign investments					
PTA Bank	-	923	(2)	(394)	527
Sub-total (2)	-	923	(2)	(394)	527
Grand total (1+3)	94	943	(117)	(394)	527

For the year ended 30 June 2019

	Opening balance	Dividend declared	Dividend received	Dividend converted into share capital	Closing balance
	Frw	Frw	Frw	Frw	Frw
Local investments					
Bank of Kigali Limited	107	94	(107)	-	94
Bralirwa Limited	-	46	(46)	-	-
Cogebanque	-	306	(306)	-	-
Rwanda Investment Group	-	0	-	-	-
Sub-total (1)	107	447	(459)	-	94
Foreign investments					
PTA Bank	-	346	-	(346)	-
Sub-total (2)	-	346	-	(346)	-
Grand total (1+2)	107	793	(459)	(346)	94

38. Other assets:

[illegible]

	Pension		Medical		CBHI		Maternity leave		Total	
	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2018 Frw (millions)
recovered from payroll										
Advances yet to be accounted for:	(10)	(17)	7	3	59	-	1	1	58	(14)
Other debtors	1,356	882	14	59	2,903	63	1	1	4,273	1,005
KCC Debt	437	437	-	-	-	2,752	-	-	437	3,189
Receivables-Bainsinda houses	(17)	(17)	-	-	-	-	-	-	(17)	(17)
Withholding tax retained	32	32	26	24	-	-	-	-	58	56
Loan to Ejo Heza	-	425	-	-	-	-	-	-	-	425
Other income receivable	335	319	3	1	-	-	-	-	338	320
Inter-scheme transfer	(290)	-	1,352	0	(1,167)	-	38	-	(67)	-
Other advances	23	3	14	4	11	9	1	-	48	16
	2,932	2,571	1,596	376	1,638	2,925	33	6	6,200	5,878

39. Due from/(Due to) other schemes

	Pension		Medical		CBHI		Maternity leave		Total	
	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)
Inter-scheme loan receivable	7,642	9,086	9,021	10,879	369	96	121	196	17,154	20,257
Inter-scheme loan payables	(5,496)	(7,592)	(7,451)	(7,948)	(3,913)	(4,406)	(294)	(310)	(17,154)	(20,257)
Net due from/(due to) other schemes	2,146	1,494	1,571	2,931	(3,544)	(4,310)	(173)	(115)	-	-

40. Deposits with financial institutions

Sub note	Pension		Medical		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Long term deposits								
Rwanda Development Bank	25,398	23,142	26,673	26,773	-	-	52,071	49,915
AB Bank	1,076	1,076	-	-	-	-	1,076	1,076
Bank of Kigali	8,146	3,050	-	-	-	-	8,146	3,050
Bank Populaire du Rwanda (Atlas Mara)	1,052	1,055	10,808	-	-	-	11,860	1,055
Commercial Bank of Africa (Rwanda)	-	1,084	-	-	-	-	-	1,084
Zigama CSS	6,134	6,133	-	-	-	-	6,134	6,133
40.1 Sub-total (1)	41,807	35,540	37,481	26,773	-	-	79,288	62,313
Short term deposits								
AB BANK Rwanda Limited	779	788	-	-	-	-	779	788
Bank of Africa	5,323	3,233	2,057	2,064	-	-	7,380	5,297
Bank of Kigali Limited	32,373	29,103	32,118	16,541	4,387	-	68,879	45,644
Bank Populaire du Rwanda (Atlas Mara)	10,463	7,222	11,527	11,590	-	-	21,990	18,812
Cogebanque	13,248	16,333	17,611	9,128	5,191	-	36,050	25,462
ECOBANK Rwanda Limited	5,270	3,199	0	2,133	-	-	5,270	5,332
Equity Bank Rwanda Limited	18	7,293	9,278	9,257	3,064	-	12,360	16,549
I&M Bank Rwanda Limited	-	-	16,585	8,215	-	-	16,585	8,215
Kenya Commercial Bank	15,009	10,755	8,628	11,584	-	-	23,637	22,339
LETSHEGO Bank	-	-	-	-	-	-	-	-
Unguka Bank	1,030	-	2	2	-	-	1,032	2
Zigama CSS	5,264	5,290	4,225	4,245	-	-	9,489	9,535
Commercial Bank of Africa (Rwanda)	1,042	-	-	-	-	-	1,042	-
40.2 Sub-total (2)	89,818	83,217	102,031	74,758	12,643	-	204,492	157,975
Call deposit - KCB	2,300	11,014	-	-	-	-	2,300	11,014
40.3 Sub-total (3)	2,300	11,014	-	-	-	-	2,300	11,014
40.4 Bank of Kigali - Nest fund (long term deposit)	5,194	-	-	-	-	-	5,194	-

Sub note	Pension		Medical		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Sub-total (4)	5,194	-	-	-	-	-	5,194	-
Grand total (1+2+3+4)	139,118	129,770	139,513	101,531	12,643	-	291,273	231,302

Classification of deposits with financial institutions (Non-current Vs Current)

	Pension		Medical		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Non-current	47,000	35,540	37,481	26,773	-	-	84,481	62,313
Current	92,118	94,231	102,031	74,758	12,643	-	206,792	168,989
	139,118	129,770	139,513	101,531	12,643	-	291,273	231,302

40.1. Reconciliation of movement in long term deposit during the year

	Pension		Medical		Total		Pension		Medical		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Opening 1 July	35,540	-	26,773	-	62,313	-	21,134	-	24,450	-	45,584	-
Prior year adjustment	5,000	-	10,000	-	15,000	-	12,000	-	0	-	12,000	-
Placements	3,355	-	3,418	-	6,774	-	2,406	-	2,323	-	4,728	-
Interest accrued during the year	(2,003)	-	(2,706)	-	(4,709)	-	-	-	-	-	-	-
Receipts during the year	41,892	-	37,485	-	79,377	-	35,540	-	26,773	-	62,313	-
Closing 30 June												

40.2. Reconciliation of movement in short term deposits in financial institutions during the year

	Pension	Medical	Maternity leave	Total	Pension	Medical	Total
	2020 Frw (millions)	2020 Frw (millions)	2020 Frw (millions)	2020 Frw (millions)	2019 Frw (millions)	2019 Frw (millions)	2019 Frw (millions)
Opening 1 July	83,217	74,758	-	157,975	109,477	68,589	178,067
Adjustment to opening balance	58	2	-	60	-	-	-
Placements during the year	90,763	120,000	15,000	210,763	83,750	79,000	162,750
Interest accrued during the year	8,222	8,837	793	17,059	8,923	6,132	15,055
Maturities	(92,442)	(101,566)	(3,150)	(194,008)	(118,934)	(78,963)	(197,896)
Closing 30 June	89,818	102,031	12,643	191,849	83,217	74,758	157,975

40.3. Reconciliation of movement in call deposit during the year

	2020 Kshs (millions)	2020 Frw (millions)	2019 Kshs (millions)	2019 Frw (millions)
Opening balance - 1 July 2018	1,208	11,014	1,124	9,933
Placements during the year	5,317	48,135	2,335	21,002
Interest accrued during the year	21	190	67	602
Receipt of principal and interest	(6,294)	(56,880)	(2,317)	(20,843)
Unrealised exchange (loss)/gain	-	(158)	-	319
Closing balance - 30 June 2019	252	2,300	1,208	11,014

40.4. Reconciliation of movement in Bank of Kigali – Nest Fund

	2020 Frw (millions)
Opening 1 July	-
Placements during the year	5,000
Interest accrued during the year	194
Maturities	-
Closing 30 June	5,194

41. Cash and bank balances

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
BNR and Commercial banks	47,032	37,890	27,397	29,659	3,553	5,059	8,227	9,991	921	405	87,130	83,004
Savings and Credit Societies (SACCOs)	-	-	-	-	-	224	-	-	-	-	-	224
Mobicash	-	-	-	-	1,053	999	-	-	-	-	1,054	999
Petty cash	5	4	5	5	6	7	1	-	-	-	17	16
Transit accounts	1,976	2,129	(1,611)	(1,547)	734	217	6	22	4	3	1,110	824
Total	49,013	40,022	25,791	28,117	5,347	6,505	8,234	10,013	926	409	89,311	85,066

42. (a) Other payables

	Pension		Medical		CBHI		Maternity leave		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
Service providers	955	830	(170)	193	381	521	41	41	1,206	1,575
Advance to suppliers	-	-	-	-	-	-	-	-	-	-
Unidentified contributions	1,412	1,369	-	-	-	-	-	-	1,412	1,369
Remunerations due to staff	2	2	10	6	(1)	(7)	(1)	(1)	10	0
Solidarity fund	(9)	(14)	16	14	0	7	1	1	8	7
Contributions to CESTRAR	-	-	-	-	-	-	-	-	-	-
Mutual aid fund	-	-	-	-	-	-	-	-	-	-
Tontine - CSR	-	-	-	-	(1)	-	-	-	-	-
Assurance individual SONARWA	-	1	-	(1)	-	-	-	-	-	-

	Pension 2020	2019	Medical 2020	2019	CBHI 2020	2019	Maternity leave 2020	2019	Total 2020	2019
	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)	Frw (millions)
Burundi										
Electricity advances to tenants	1	1	-	-	-	-	-	-	1	1
<i>Caisse sociale de Rwanda (CSR)</i>										
RAMA	(273)	(267)	297	295	31	32	1	1	56	61
Contributions maternity leave	356	349	(343)	(311)	58	47	2	2	74	87
Unidentified payments	2	1	1	1	2	2	-	-	4	4
Other miscellaneous creditors	399	409	(5)	(5)	22	-	-	-	416	404
Agrears CBHI	238	3,451	317	605	7,324	6,947	16	26	7,895	11,030
Prepayments to suppliers	-	-	-	-	1,028	1,296	-	-	1,028	1,296
	48	444	-	-	-	-	-	-	48	444
	4,003	7,929	(202)	577	8,240	8,184	45	66	12,086	16,756

42 (b) Deferred income-Ejo Heza

	2020	2019
	Frw (millions)	Frw (millions)
MINECÔFIN deferred income- unutilised funds	347	403
AFR deferred income (Property Plant and Equipment donated)	16	63
AFR deferred income (Intangible assets donated)	328	365
	691	830

The balance for deferred income on PPE and intangible assets is equivalent to the netbook value of the assets as at the reporting date.

43. Accumulated members funds and retained earnings

Retained earnings relate to surpluses from the medical and pension division not converted to statutory reserve. Accumulated members' funds represent the surplus on the other reserves of occupational Hazards. Movements in the reserve are shown on the statement of changes in equity.

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
At 1 July (A)	331,244	300,071	257,003	228,191	(25,662)	(22,695)	13,274	8,081	104	575,963	513,647	-
Adjustments to opening balances (B)	-	-	-	-	-	-	-	-	-	-	-	-
Net increase in Ejo Heza member funds	-	-	-	-	-	-	-	-	3,715	90	3,715	90
Net increase in Ejo Heza unallocated member funds	-	-	-	-	-	-	-	-	124	15	124	15
Allocation of net income for the year to reserves	199,309	100,212	37,011	30,778	(4,345)	(2,966)	7,125	5,192	176	239,275	133,216	-
Net income for the year (1)	(163,593)	(69,038)	(3,301)	(1,966)	-	-	-	-	-	(166,895)	(71,004)	-
Allocation of net income for the year to statutory reserves and fair value reserve (2)	35,715	31,174	33,710	28,812	(4,345)	(2,966)	7,125	5,192	176	72,381	62,212	-
Net income for year after allotment (C=1+2)	366,960	331,244	290,713	257,003	(30,007)	(25,662)	20,398	13,274	4,119	652,183	575,963	-
At 30 June (D=A+B+C)												

44. Revaluation reserve

The revaluation surplus represents the surplus on the revaluation of land and buildings and is non-distributable. Movements in the reserve are shown on the statement of changes in equity.

	Pension Frw (millions)	Medical Frw (millions)	Total Frw (millions)
At 1 July 2018	254	4,252	4,506
At 30 June 2019	254	4,252	4,506
At 1 July 2019	254	4,252	4,506
Revaluation gain/(loss)	328	2,260	2,587
At 30 June 2020	581	6,512	7,093

45. Fair value reserve

The fair value reserve represents the surplus on the revaluation of available-for-sale equity investments and investment properties. This surplus is non-distributable. Movements in the reserve are shown on the statement of changes in equity. The revaluation has no deferred tax impact as RSSB is tax exempt by law.

	Pension		Medical		Total	
	2020	2019	2020	2019	2020	2019
	Frw	Frw	Frw	Frw	Frw	Frw
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)
At 1 July (A)	4,525	7,293	12,376	10,410	16,900	17,703
Allotment of increase in net assets during the year - gain/(loss) arising from changes in fair values of equity investments (B)	(1,715)	(2,768)	3,832	1,966	2,118	(803)
Allotment of increase in net assets during the year - gain/(loss) arising from change in fair value of investment properties	79,126	-	(531)	-	78,595	-
At 30 June (D=A+B)	81,936	4,525	15,677	12,376	97,613	16,900

46. Statutory reserves

The statutory reserves are set out by decree law of 22 August 1974 concerning organisation of Social Security. Article 15 of the Law stipulates that the National Social Security Institutions provide the following reserves for both the occupational hazards and pensions branches:

- Pension Working Capital reserve is equivalent to a quarter of the total expenses of the pension's branch previous year
- Pension Technical reserve should not be lower than the total expenses of the branch for the last three years
- Occupational Hazards Technical reserve must be equal to twelve times the total amount of occupational hazards paid during the year
- Occupational Hazards Security reserve is equal to a quarter of the expenses incurred during the last three years
- Occupational Hazards Working capital reserve should be equal to a quarter of the expenses of the

Statutory reserves as at the end of the year were as follows:

	Sub note	2020 Frw (millions)	2019 Frw (millions)
Occupational hazard reserve -technical	46.1	61,168	47,281
Occupational hazard reserve -Security	46.2	7,006	6,377
Occupational hazard reserve- Working capital	46.3	2,497	2,242
Sub-total (1)		70,670	55,899
Pension reserve- technical	46.4	501,390	436,623
Pension reserve- working capital	46.5	30,708	24,064
Sub-total (2)		532,098	460,687
Grand total		602,768	516,586

46.1. Occupational hazard reserve -technical

	Sub note	2020 Frw (millions)	2019 Frw (millions)
At 1 July (A)		47,281	35,052
Allotment of net income for the year (B)	46.1 (a)	13,887	12,229
At 30 June (C=A+B)		61,168	47,281

46.1 (a) Reconciliation of allotment of net income for the year to reserve

Allotment for the year ended 30 June 2020	Amount (Frw) (millions)
Occupational hazard benefit paid during the year (A) [See note 10.1]	1,157
Allocation of net income to Occupational hazard technical reserve (A x 12)	13,887
Allotment for the year ended 30 June 2019	Amount (Frw) (millions)
Occupational hazard benefit paid during the year (A) [See note 10.1]	1,019
Allocation of net income to Occupational hazard technical reserve (A x 12)	12,229

46.2. Occupational hazard reserve -Security

	Sub note	2020 Frw (millions)	2019 Frw (millions)
At 1 July (A)		6,377	5,880
Allotment of net income for the year (B)	46.2 (a)	630	497
At 30 June (C=A+B)		7,006	6,377

46.2 (a) Reconciliation of allotment of net income for the year to reserve

Allotment for the year ended 30 June 2020	Amount (Frw) (millions)
Total occupational hazard benefits expense 2017	624
Total occupational hazard benefits expense 2018	875
Total occupational hazard benefits expense 2019 [see note 10.1]	1,019
Total occupational hazards benefit expenses paid in the last three years (A)	2,518
Allocation of net income of pension scheme to reserve (C=A x 25%)	630

	Amount (Frw) (millions)
Allotment for the year ended 30 June 2019	
Total occupational hazard benefits expense 2016	489
Total occupational hazard benefits expense 2017	624
Total occupational hazard benefits expense 2018	875
Total occupational hazards benefit expenses paid in the last three years (A)	1,988
Allocation of net income of pension scheme to reserve (C=Ax25%)	497

46.3. Occupational hazard reserve- Working capital

	Sub-note	2020 Frw (millions)	2019 Frw (millions)
At 1 July (A)		2,242	2,023
Allotment of net income during the year (B)	46.3 (a)	255	219
At 30 June (C=A+B)		2,497	2,242

46.3 (a) Reconciliation of allotment of net income for the year to reserve

	Amount (Frw) (millions)
Allotment for the year ended 30 June 2020	
Total occupational hazard benefits expense 2019 (Frw) (A)[see note 10.1]	1,019
Allocation of net income of pension scheme to reserve (Frw) (B=Ax25%)	255
Allotment for the year ended 30 June 2019	
Total occupational hazard benefits expense 2018 (Frw) (A)	875
Allocation of net income of pension scheme to reserve (Frw) (B=Ax25%)	219

46.4. Pension reserve- technical

	Sub- note	2020 Frw (millions)	2019 Frw (millions)
At 1 July (A)		436,623	382,926
Allotment of net income for the year (B)	46.4 (a)	64,768	53,696
At 30 June (C=A+B)		501,390	436,623

46.4 (a) Reconciliation of allotment of net income for the year

	Amount (Frw) (millions)
Allotment of net income for the year ended 30 June 2020	
Total pension benefits paid 2017	17,531
Total pension benefits paid 2018	20,662
Total pension benefits paid 2019[see note 10.1]	26,575
Total benefits expense for the last three years (A)	64,768
Allocation of net income to pension technical reserve (B=A)	64,768

Allotment of net income for the year ended 30 June 2019		Amount (Frw)
		(millions)
Total pension benefits paid 2016		15,503
Total pension benefits paid 2017		17,531
Total pension benefits paid 2018		20,662
Total benefits expense for the last three years (A)		53,696
Allocation of net income to pension technical reserve (B=A)		53,696

46.5. Pension reserve- working capital

	Sub- Note	2020 Frw (millions)	2019 Frw (millions)
At 1 July (A)		24,064	18,898
Allotment of net income for the year (B)	46.5 (a)	6,644	5,166
At 30 June (C=A+B)		30,708	24,064

46.5 (a) Reconciliation of allocation of net income for the year to reserve

Allotment of net income for the year ended 30 June 2020		Amount (Frw)
		(millions)
Benefits paid to pensioners in 2019 (A)		26,575
Allocation of net income to Pension working capital reserve for the year (B=A*25%)		6,644
Allotment of net income for the year ended 30 June 2019		Amount (Frw)
		(millions)
Benefits paid to pensioners in 2018 (A)		20,662
Allocation of net income to Pension working capital reserve for the year (B=A*25%)		5,166

47. Contingent liabilities

The Board is a litigant in various cases for breach of contract arising in the normal course of business. The directors are of the view that the Board has high chances of success against the plaintiffs and none of the cases individually or in aggregate would have a significant impact on the Board's operation. The directors are confident that the Board shall receive favourable ruling from the outstanding cases. Information on these cases has not been disclosed as the directors consider that the disclosure of the information could prejudice the Board's position. The cases in which the Board is a litigant majorly relate to alleged breach of contracts that the Board entered into and members suing for their unsettled benefit claims.

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the Board at 30 June 2020.

48. Related parties

The Rwanda Social Security Board operates under the Ministry of Finance and Economic Planning (MINECOFIN). In accordance with Law No 45 of 2010 establishing the Rwanda Social Security Board and determining its mission, organization and functioning, the Prime Minister appoints the directors to the Board of RSSB. RSSB considers the Government of Rwanda ("GoR") to be in a position to exercise significant influence over it, and therefore regards GoR and several of its bodies as related parties for the purpose of the disclosures required by IAS 24 (2009) *Related Parties Disclosures*.

RSSB has elected to adopt the exemption available in paragraph 25 of IAS 24, and therefore has not provided detailed disclosure of its transactions with GoR and its agencies. A summary of the Board's transactions with the GoR and its bodies is included below:

- RSSB advanced amounts to the City of Kigali, Ministry of Infrastructure and Ministry of Finance and Economic Planning. Details of these advances are disclosed in note 33 to these financial statements.
- RSSB in the normal course of its investment and treasury operations during the year purchased treasury bonds and bills as reflected in notes 30 and 31 to the financial statements. RSSB also places term deposits and operates current bank accounts with the following institutions which are related parties;
 - National Bank of Rwanda (BNR) which is the central bank of the Republic of Rwanda.
 - Rwanda Development Bank (BRD) - RSSB held 37.74% of ordinary shares in BRD as at 30 June 2020.
 - Bank of Kigali (BK) – RSSB held 33.49% of ordinary shares in BK as at 30 June 2020.
 - Cogebanque SA – RSSB held 30.6% of ordinary shares in Cogebanque as at 30 June 2020.
 - Zigama CSS – is a credit and savings bank under the Ministry of Defence (MINADEF).

The transactions described above are both collectively and individually significant to the financial statements.

49. Actuarial valuation

a) Pension and occupational hazard scheme

Background and purpose of the actuarial valuation

The purpose of an actuarial valuation is to review the long-term financial sustainability of a scheme. RSSB therefore commissioned AON Hewitt limited to conduct actuarial valuation of the pension and occupational hazard scheme as at 30 June 2020. Aon Hewitt Ltd has issued a draft actuarial report dated 16 February 2021.

The actuarial valuation report includes projections over the next 50 years from the valuation date, i.e. over the period 2020-2021 to 2069-2070 for:

- i) the financial position of the Scheme on a "going concern" basis, comparing the actual assets held against a target amount planned to be sufficient to pay the benefits;
- ii) the planning or budgeting of contributions required to bring the assets in line with the planned target.
- iii) the contribution rate required to balance contribution income and expenditure (known as 'Breakeven Contribution Rate')
- iv) income and expenditure
- v) The 'Balance of Fund' as a multiple of expenditure (also known as the 'Fund Ratio')
- vi) Dependency ratio and membership profile

The results of the actuarial valuation of the Rwanda Pension and Occupational Hazard Scheme ("the Scheme") as at 30 June 2020 over are as summarised below:

1) Actuarial present value of promised retirement benefits for the scheme

The actuarial valuation shows that the pension and occupational hazards scheme had projected actuarial present value of promised retirement benefits of Frw 5,709.2 billion compared to net assets of at Frw 1,052.3 billion at 30 June 2020, resulting to a deficit of Frw 4,656.9 billion, as shown below:

	As at 30 June 2020 Frw' billions
Net assets of the scheme (A)	1,052.3
Past service liabilities (present value of benefits promised on service)	
Active members	(4,640.9)
Deferred members	(716.4)

Pensioners	(351.9)
Total past service liabilities (B)	(5,709.2)
Short fall (C-B)	(4,656.90)

This corresponds to a funding ratio of 18.4%. This compares with a Scheme funding position of 54.1% at the previous actuarial valuation as at 30 June 2016 (issued in January 2018).

The actuarial present value of benefits promised on service as at the valuation date is derived as the discounted present value of projected expenditure in respect of accrued benefits, based on projected salary levels.

Pension branch

For Pension branch of the scheme, the actuarial valuation shows that the branch had projected actuarial present value of promised retirement benefits of Frw 5,673.9 billion compared to net assets of at Frw 789.2 billion at 30 June 2020, resulting to a deficit of Frw 4,884.7 billion, as shown below:

	As at 30 June 2020 Frw' billions
Assets of the scheme (A)	789.2
Past service liabilities owed (present value of benefits promised on service)	
Active members	(4,614.8)
Deferred members	(716.4)
Pensioners	(342.7)
Total past service liabilities (B)	(5,673.9)
Short fall (A-B)	(4,884.7)

This corresponds to a funding ratio of 13.9%. This compares with a funding ratio of 41.1% at the previous actuarial valuation.

Occupational hazard branch of the scheme

For Occupational hazard branch of the scheme, the actuarial valuation shows that the branch had projected actuarial present value of promised retirement benefits of Frw 35.3 billion compared to net assets of at Frw 263.1 billion at 30 June 2020, resulting to a surplus of Frw 227.8 billion, as shown below:

	As at 30 June 2020 Frw' billions
Assets of the scheme as at 30 June 2020	263.1
Past service liabilities (present value of benefits promised on service)	
Active members	(26.1)
Pensioners	(9.2)
Total past service liabilities	(35.3)
Surplus	227.8

The surplus of the assets relative to the technical provisions is RWF 227.8bn for the occupational hazards branch. This corresponds to a funding ratio of 745.5%, compared to funding ratio of 1,100.9% at the previous actuarial valuation.

The overall decline in the funding ratio of the scheme compared to previous actuarial valuation is attributed to a number of changes to the Scheme since the previous actuarial valuation was completed as at 30 June 2016; as well as changes in the data, methodology and assumptions. This has led to changes in the results since the previous actuarial valuation. The main changes to the Scheme during the inter-valuation period were outlined in the actuarial report to as follows:

- a) The last pension increase in the Scheme was awarded in 2018 where the Minimum Pension was increased from RWF 5,200 per month (which was applicable from 2002) to RWF 13,000 per month and other pension benefits increased as well.
- b) Prior to 2015, deferred members who had contributed but did not make any claim on their pensions for a period of 10 years and above would forfeit their benefits. However, new laws with effect from 2015 have reversed this approach and now anyone who contributed and who claims their pension even after a 10-year period, will have their accrued rights preserved.

Funding position excluding deferred members

The overall shortfall of the assets relative to the technical provisions excluding deferred members is RWF 3,940.5 billion for the Scheme. This corresponds to a funding ratio of 21.1%. The shortfall of the assets relative to the technical provisions excluding deferred members is RWF 4,168.3 billion for the Pension Branch. This corresponds to a funding ratio of 15.9%.

2) Contributions required to bring the assets in line with the planned target (the required future service contribution rate)

The required future service contribution rate is the rate of contribution that would normally be appropriate if the Scheme had no surplus or shortfall and the assets were exactly equal to the technical provisions at the valuation date. The required total contribution rate under the Pension Branch to cover the cost of benefits accruing over the next year, excluding expenses of the Scheme, is 27.1% of pensionable salaries (The rate is before any allowance to cover the amortisation of the deficit) as shown below:

Pension branch

Required contributions for:	%age of pensionable salary
Future service benefits under pension branch	27.1
Administrative expenses under pension branch	0.3
	27.5

This compares with contributions of approximately 16.6% of pensionable salaries at the previous valuation. It should also be noted that only 6% of pensionable salaries is currently being paid by the employer and employee jointly.

The increase in contribution rate over the valuation period under the Pension Branch is mainly due to the change in financial assumptions and demographic assumptions (ageing population and increase in life expectancy).

Occupational hazard branch

The required total contribution rate under the Occupational Hazard Branch to cover the cost of benefits accruing over the next year, excluding expenses of the Scheme, is 0.2% of pensionable salaries (The rate is before any allowance to lower the surplus).

Required contributions for:	%age of pensionable salary
Future service benefits under occupational hazard branch	0.2
Administrative expenses under occupational hazard branch	0.1
	0.3

Historically, administrative expenses represent on average 0.4% of pensionable salaries. These expenses were apportioned between the pension and occupational hazard branches in a 75%/25% split.

3) The contribution rate required to balance contribution income and expenditure (known as 'Breakeven Contribution Rate')

The breakeven contribution rate represents the Pay-As-You-Go (PAYG) contribution rate as if the Scheme was unfunded and only considers money-in and money-out without future investment returns. The contribution-weighted average break-even contribution rate over the projection period is around 23.4% of pensionable salary as compared to the current 6% of contributions.

The projected short term and long-term break-even contribution rates required to balance contribution income with expenditure on benefits and expenses each year over a 50-year projection period are shown below:

Short-term break-even contribution rates:

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Pension	6.60%	3.30%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	4.00%
Occupational hazard	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Scheme	6.80%	3.50%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.20%

Long-term break-even contribution rates:

Year	2021	2030	2040	2050	2060	2070
Pension	6.60%	4.00%	9.70%	27.80%	33.10%	18.70%
Occupational hazard	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Scheme	6.80%	4.20%	10.00%	28.00%	33.30%	18.90%

These compare with the current 8% salary contribution rate of which 6% in respect of the pension branch and 2% is in respect of the occupational hazard branch.

The current contribution rate seems to be sufficient to meet benefits on a PAYG basis until the year 2038. The lower Break-even contribution rate at the start of the projection period reflects the lower average service (i.e. those entitled to a lump sum instead of the more costly pension payments) and part subsidy by the surplus in occupational hazard branch as well as covering pension payments by a large active population earlier in the projection. After 2038, the current contribution rate is no longer sufficient as evidenced by the rising required break-even contribution rate.

The current pension branch contribution rate is expected to be sufficient to benefits on a PAYG basis until the year 2036. However, after 2036, the pension branch break-even contribution rate increases to 35.6% of pensionable salary in 2056/2057 assuming that there will be fewer active members in the future to bear the cost of benefit payments and expenses thereby clearly indicating that the current contribution rate of 6% would not be adequate over the projection period. The occupational hazard Branch break-even contribution rate is low for the duration of the projection period to reflect the low level of benefits currently claimed from this section of the Scheme.

4) Membership profile and dependency ratio

Age distribution of active membership as at 30 June 2020 is shown below:

Age bracket (years)	16-20	20-30	30-40	40-50	50-60	>60
Number of active members	20,401	206,471	204,903	102,781	42,315	10,398

The dependency ratio shows how the membership profile is expected to change over time and is calculated as a projected ratio of pension beneficiaries to active members. The dependency ratio is expected to increase and then stabilize at around 120% reflecting the Scheme maturing over the projection period and the ageing of the population as shown below:

Year	2020/2021	2021/2022	2030/2031	2040/2041	2050/2051	2060/2061	2070/2071
Active members	587,269	639,456	1,097,689	1,149,344	1,013,552	862,940	971,205
Deferred members	925,028	916,993	850,291	763,115	647,691	504,600	343,605

Pensioners	38,338	54,584	102,959	273,629	650,594	1,040,366	1,161,163
Dependency ratio	7%	9%	9%	24%	64%	121%	120%

Active membership is projected to increase rapidly initially due to the high assumptions for new entrants and low number of pensioners. It starts to fall after year 2050 due to the higher number of pensioners and the slower increase in new entrants.

The deferred members are projected to decrease over time only considering the existing deferred members without allowing for any new members and a zero-withdrawal rate has been assumed to reflect the mandatory nature of the Scheme.

The pensioners are projected to increase gradually over time to reflect the retirement of the existing active membership, retirement of new entrants in the active membership and retirement of deferred members. It also reflects the fact that pensioners are living longer than expected.

5) Income and expenditure

The long term projections of future income and expenditure from financial year 2020/2021 to financial year 2070/2071 are shown below:

	2020/2021	2030/2031	2040/2041	2050/2051	2060/2061	2070/2071
	Frw' billions					
Assets at start of the year	1,052	3,726	9,294	(850)	(81,609)	(271,854)
Income						
Contributions	167	518	981	1,485	2,619	6,087
Outgo						
Benefits payment	131	233	1,153	5,095	10,702	13,931
Expenses	12	36	69	104	183	426
Total outgo	143	269	1,222	5,199	10,885	14,357
Operating surplus/(deficit)	24	249	(241)	(3,714)	(8,266)	(8,270)
Investment income	68	246	587	(171)	(5,483)	(17,659)
Assets at the end of the year	1,144	4,221	9,640	(4,735)	(95,358)	(297,783)

Expenditure is projected to be more than income on an annual basis from the year 2043. The projected income becomes negative as a result of exhaustion of assets around 2049, assuming the shortfall will be financed out of borrowing (hence the negative interest).

At branch level, the pension branch has higher income than expenditure until around 2039/2040. After 2040, the projected expenditure is higher than the projected income. This is due to the scheme demographics of having higher number of beneficiaries many of whom are currently above normal retirement age and the effect of the lower contributions than required. The assets held are projected to reduce to become negative due to increasing benefits payments and expenses.

The occupational hazard branch is projected to have higher income than expenditure over the whole projected period.

6) The 'Balance of Fund' as a multiple of expenditure (also known as the 'Fund Ratio')

The fund ratio shows the projected balance of the fund at the start of the year expressed as a multiple of expenditures on benefits and other administrative costs expected in that year. The projected fund ratios have been calculated assuming the current contribution rates remain unchanged and allowing for future investment returns and are as follows:

	2021	2030	2040	2050	2060	2070
Fund ratio - Pension branch	5.7	9.6	4	(2.5)	(10.1)	(23.6)
Fund ratio - Occupational hazard branch	63.7	96.8	161.4	278.3	445.9	532.9
Scheme	7.4	13.8	7.6	(0.2)	(7.5)	(18.9)

The scheme is projected to continue to grow for several years and peak in the financial year 2029/2030 after which it is projected to decline and become insolvent at around financial year

2049/2050. This is because the pension branch is expected in the long term to pay out pension benefits to an increased number of members while insufficient contributions are being made to pay for the required benefits.

At branch level, the pension branch is projected to continue to grow and peak at financial year 2023/2024 after which it is expected to decline until it becomes insolvent around financial year 2046/2047. The occupational hazard branch has a net surplus and is projected to continue to grow and remain solvent over the projected period due to the projected low level of benefit payments.

Methods and key assumptions used

Projection methodology

The model used for projection used as a starting point the clean data and applied the labour force assumptions for the development of the future contributory population.

The model used was based on a cohort approach using the flow method for generating future generations of pensioners on a single age basis, i.e. the identification of each new pensioner and the recording of the average period of past pension credits and the average earnings of each cohort. Future new entrants were assumed to have the same average salary as the relevant cohort at the valuation date but allowing for the rate of earnings inflation assumption.

The present value of the liabilities was calculated by projecting cashflows over the whole lifetime of the existing membership, i.e. effectively allowing for every existing member to die. For the year on year income and expenditure projection, only a snapshot of the cashflows over a projection period of 50 years was illustrated.

The same active member pensionable service proportions at the valuation date for the projection period were used. Members with more than 15 years' service were projected to receive pension benefits; whereas members with less than 15 years' service were projected to receive lump sum benefits, as per the rules of the Scheme.

Active members were grouped by age and sex based on who would receive pension and lump sum benefits based on the June 2020 membership data taking into account the members' projected service at retirement. We assumed that these groups would apply to future new entrants during the projection period.

Each cohort of future new entrants was assumed to follow the same age, gender, salary and marital status distribution of existing actives for the different age groups. The distribution of new entrants by age and sex would reflect that observed at the valuation date and it was assumed that these distributions remain constant throughout the projection period.

The Projected Unit Method has been used to calculate the future service contribution rate. This calculation draws on the same assumptions used for the technical provisions.

The Projected Unit Method (PUM) is one of the common methods used by actuaries to calculate a contribution rate for a funded scheme. This method calculates the present value of the benefits expected to accrue to members over a control period (often one year) following the valuation date.

The present value is usually expressed as a percentage of the members' pensionable pay. It allows for projected future increases to pay through to retirement or date of leaving service.

Key assumptions made

▪ *Margin for adverse experience*

An allowance has been made for adverse experience in both the financial and demographic assumptions used to calculate technical provisions.

▪ **Financial assumptions**

A summary of the key economic and expense assumptions adopted for the valuation of the Scheme as at 30 June 2020, together with the long-term assumptions adopted for the previous valuation as at 30 June 2016 are shown below:

Key assumptions	Valuation as at 30 June 2020	Valuation as at 30 June 2016
Price inflation	10.0% p.a. for the first year; 6.0% p.a. in the second year; 5.0% p.a. in the third year and for the remainder of the projection period	9.0% p.a. for the first year; 7.0% p.a. in the second year; 5.0% p.a. in the third year and for the remainder of the projection period
Earnings inflation	12.0% p.a. for the first year; 8.0% p.a. in the second year; 7.0% p.a. in the third year and for the remainder of the projection period	10.0% p.a. for the first year; 8.0% p.a. in the second year; 6.0% p.a. in the third year and for the remainder of the projection period
Investment return	6.4% p.a.	11.0% p.a. for the first year; 9.0% p.a. for the second year; 7.0% p.a. in the third year and for the remainder of the projection period
Pensions increase	1.0% p.a.	No allowance
Expenses	7% of contribution income assumed to be funded in future each year	10% of contribution income assumed to be funded in future each year

The long-term economic assumptions adopted are the same for all future years of the projection.

▪ **Demographics**

A summary of the key demographic assumptions adopted for the valuation of the Scheme as at 30 June 2020, together with the long-term assumptions adopted for the previous valuation as at 30 June 2016 are shown below:

Key assumptions	Valuation as at 30 June 2020	Valuation as at 30 June 2016
Labour Market (Increase in Scheme membership)	Increase of 12% in the first year of the projections, reducing to a long-term assumption of 2.0% a year over a 10-year period, and continuing at 2.0% p.a. for the remainder of the projection period.	Increase of 10% in the first year of the projections, reducing to a long-term assumption of 2.5% a year over a 10-year period, and continuing at 2.5% p.a. for the remainder of the projection period.
Mortality assumptions	Rwanda Mortality Table; 2012- 2016 scaled by 60%; with an allowance for future annual improvements of 0.8% for males and 1% for females	Rwanda Mortality Table; 2012- 2016; with an allowance for future annual improvements of 1.25% for males and 1.5% for females
Withdrawal Rates	Same as last valuation	No allowance was made for early withdrawal from active service. However, an implicit allowance was captured in the labour market assumption.
Invalidity Rates (Pension Branch)	A rate of 0.01% for active members between ages 20 and 64	A rate of 0.01% for active members between ages 20 and 60
Incapacity Rates (Occupational Hazards Branch)	Same as last valuation	Permanent Incapacity Rate of 0.005% for both males and females between the ages of 20

Key assumptions	Valuation as at 30 June 2020	Valuation as at 30 June 2016
		and 60. Assumed that 5% of future permanent incapacity will be full incapacity (based on 100% incapacity rate) and 95% will be partial incapacity based on a 40% incapacity rate).
Workers Medical Benefits (Occupational Hazards Branch)	An uplift of 30% to the projected Permanent Incapacity expenditure in order to make an allowance for the Workers Medical Benefits.	An uplift of 33% to the projected Permanent Incapacity expenditure in order to make an allowance for the Workers Medical Benefits.
Constant Care Supplement (Pension Branch and Occupational Hazards Branch)	No allowance	No allowance
Retirement Rates	Same as last valuation	Non-Uniformed members retire at age 60 and that Uniformed members retire at age 50. No allowance has been made for early retirements as the experience indicated that few such benefits are paid.
Family Statistics – proportion married	76% of male members and 62% of female members are married at all ages	80% of male members and 65% of female members are married at all ages.
Family Statistics – Age difference	A 4-year age difference between members and spouses has been adopted, with husbands older than wives, with a 27-year age difference between male parents and children and a 23-year age difference between female parents and children.	A 4-year age difference between members and spouses has been adopted, with husbands older than wives, with a 32-year age difference between male parents and children and a 28-year age difference between female parents and children.
Family Statistics – Number of dependants	Same as last valuation	Unmarried members have two dependents, that is, both parents, and that married members have three dependents; a spouse and two dependent children. We have not made any allowances for remarriage rates and we have assumed that orphan benefits cease at age 25.

▪ **Deferred members**

The previous valuation results did not allow for deferred members who left active employment before July 1994; The previous actuary was provided with 641,018 deferred member records, of which 208,754 last contributed before July 1994.

At the valuation date, all the deferred members even those prior to 1994 have been included.

▪ ***Investment returns***

In determining the investment return assumption, an allowance for the benchmark allocation set out in the Fund's Investment Policy (third edition) and expected returns on each asset class has been made. A long term expected investment return of 6.4% per annum was obtained.

The previous valuation constructed the investment return assumption by adding a margin to the price inflation assumption whereby a long-term margin of plus 2.0% p.a. in addition to price inflation was used to get an investment return assumption of 11% p.a. for the first year, 9% p.a. for the second year, 7% p.a. in the third year and for the remainder of the projection period.

The net effective rate in service would be -0.6% in the long term which is lower than the previous valuation.

▪ ***Earnings inflation***

The previous valuation assumed that the rate of earnings inflation to be 10.0% p.a. for the first year; 8.0% p.a. for the second year; 6.0% p.a. for the third year; and remaining at 6.0% p.a. for the remainder of the projection period. This was equivalent to the price inflation assumption plus a 1.0% p.a. margin.

The current valuation assumes that the rate of earnings inflation to be 12.0% p.a. for the first year; 8.0% p.a. for the second year; 7.0% p.a. for the third year; and remaining at 7.0% p.a. for the remainder of the projection period. This is equivalent to the price inflation assumption plus a 2.0% p.a. margin. The higher margin was derived based on the data analysis.

▪ ***Pension increase***

The current valuation makes an allowance of 1% per annum for any increases in benefit payments or minimum pensions as such increases are provided on a discretionary basis based on our analysis of past increases and following a request by RSSB.

The previous valuation did not include any allowance for periodic increases to benefit payments.

▪ ***Expenses***

The expense assumption is based on our findings from the Annual Report & Accounts during the inter-valuation period. The actuarial assumption is 7% p.a. of contribution income for the projection period.

This compares to the previous actuarial valuation expense assumption of 10% a year of contribution income for the projection period which reflected higher expenses recorded at that time.

▪ ***Labour market***

The current valuation assumes that the active membership of the Scheme increases by 12% in the first year reducing to a long term assumption of 2.0% over a 10-year period (i.e. using a declining scale from 12% to 2% at the end of the 10 years); and continuing at 2.0% for the remainder of the projection period. The long-term assumption reflects the combined effect of increases in the employed population and increases in coverage that might be expected during the period.

The previous valuation assumed that the active membership of the Scheme increases by 10% in the first year reducing to a long-term assumption of 2.5% over a 10-year period; and continuing at 2.5% for the remainder of the projection period.

The short-term assumptions adopted reflect the high numbers of new entrants to the Scheme in recent years. The long-term assumption reflects the combined effect of increases in the total population, total employed population and increases in the coverage of the Scheme.

It is assumed that these high levels will not continue over the longer-term as Rwanda is the most densely populated country in East Africa (and Africa); and so it is likely that the population growth will begin to plateau during the projection period. However, it is expected that the formal sector will expand during the projection period; and therefore creating more gradual increase each year.

▪ **Mortality**

The current valuation assumes mortality experience in line with the 'Rwanda Mortality Table; 2012-2016' scaled by 60% with an allowance for future annual improvements of 0.8% for males and 1.0% for females. A 60-year old male pensioner is assumed, on average, to live to age 84.4 years and under a 60-year old female pensioner is assumed, on average, to live to age 85.4 years.

The previous valuation assumed mortality experience in line with the 'Rwanda Mortality Table; 2012-2016' with an allowance for future annual improvements of 1.25% for males and 1.5% for females. The new Rwanda specific mortality table had been constructed using RSSB data.

▪ **Incapacity rates**

The incapacity rates reflect the proportions of active, deferred and pensioner members who become eligible to (start to) receive Incapacity Benefits at each age as a result of occupational disease or accident.

The valuation assumes an Incapacity Rate of 0.06% for both males and females between the ages of 20 and 60 based on a 10-year analysis of annual claim payments.

The previous valuation assumed a permanent incapacity rate of 0.005% for both males and females between ages of 20 and 60.

The difference comes from the fact that all incapacity claims were considered instead of focusing only on permanent incapacity since the data was relatively scarce for such benefits and unlikely to be credible.

b) Medical scheme

Background and purpose of the actuarial valuation

The purpose of an actuarial valuation is to review the long-term financial sustainability of a scheme. RSSB therefore commissioned Zamara Actuaries, Administrators and Consultants Limited to conduct actuarial valuation of the medical benefits insurance scheme as at 30 June 2020. Zamara Actuaries, Administrators and Consultants Limited have issued a draft actuarial report dated 03 February 2021.

The core basis projections over the next 40 years from the valuation date, i.e. over the period 2020-2021 to 2039-2040 is as shown below:

Financial year	Total Population Size	Total Contribution Income (Frw' millions)	Total Benefit Expenditure (Frw' millions)	Accumulated Fund (Frw' millions)
2019/2020	166,273	51,335	27,597	296,025
2020/2021	171,472	56,599	31,078	339,990
2021/2022	176,816	60,500	35,884	386,295
2022/2023	182,329	64,550	41,550	434,383
2023/2024	188,051	68,740	48,260	483,445
2024/2025	193,966	73,086	56,221	532,403
2025/2026	200,144	77,584	65,714	579,781
2026/2027	206,496	82,226	77,029	623,668
2027/2028	213,156	86,980	90,605	661,492
2028/2029	220,069	91,830	106,906	689,960
2029/2030	227,317	96,742	126,569	704,788
2030/2031	234,863	101,692	150,317	700,537
2031/2032	242,703	106,660	179,056	670,323
2032/2033	250,829	111,622	213,898	605,471
2033/2034	259,352	116,480	256,327	494,899
2034/2035	268,258	121,228	308,076	324,733

2035/2036	277,713	125,769	371,519	77,300
2036/2037	287,483	130,167	449,073	(261,261)
2037/2038	297,822	134,228	544,469	(691,770)
2038/2039	308,542	137,973	661,589	(1,236,220)
2039/2040	319,784	141,350	805,903	(1,922,116)

The projected fund will be depleted by 30 June 2036 with the deficit growing exponentially until the end of the projected period.

For the first seven years of the projection period, annual contributions are expected to exceed annual claims, however, after this, annual claims are expected to exceed annual contributions as the assumed rate of claims escalation exceeds the rate of salary growth. For the year ending 30 June 2027, total claims are expected to represent 93.7% of total gross contributions income before allowing for expenses of the scheme. In the following year ending 30 June 2028, the total claims are projected to exceed total gross contributions and the utilisation ratio is 104.2%.

From the year ending 30 June 2028 to 30 June 2030, the projected investment income will be sufficient to meet the shortfall caused by increasing claim costs as well as projected expenses of the scheme.

After the year ending 30 June 2030, net cashflows are projected to be negative. This differs from the projection as at 30 June 2016 where the scheme was projected to remain in a positive cashflow position for 55 years in the future. This difference is mainly attributable to the worse than expected claims escalation that resulted from an upward revision of tariffs. Claims management solutions are essential to improving the long term health of the scheme.

Methodology and key assumptions used

Methodology

The projection model used considered the evolution of the contributing members, which forms the basis for projecting the future primary cashflows of the scheme. The primary cashflows were then used to model the future retained funds of the scheme, by considering projections of future investment returns and expenses.

The membership of the scheme has been segregated into employees from the public sector, employees from the private sector and retirees in assessing the future evolution of the scheme. The bases used for the various projections have been arrived at as a result of detailed analysis on data and experience over the past five years as this is most likely to reflect future experience. However, long term expectations based on regional and global benchmarking as well as macro-economic factors have been used in determining the final set of assumptions for these projections.

Key assumptions used

Below is a summary of the key assumptions used in preparing these projections:

Demographics

Assumption	Value used in valuation as at 30 June 2020
Membership growth rate	2.60%
New entrants' proportion (per age)	Based on data - distributing the new entrants in a given year into a suitable age
Mortality rates	Rwanda Mortality Table - May 2017
Retirement rates	Stepped retirement rates for different age groups
Salary growth rate public	5.90%
Salary growth rate private	4.40%
Pension growth rate	7.20%
Working population contribution rate	15.0% of basic salary
Pensioners contribution rate	7.5% of pension

Economic

Assumption	Value used in valuation as at 30 June 2020
Inflation	10% in the first year, 6% in the second year and 5% from year 3 onwards
Investment rate of return	8.9%
Other income	0.43% of contributions
Administrative expenses	12% of contributions
Statutory CBHI contributions	10% of contribution s

Claims

Assumption	Value used in valuation as at 30 June 2020	
Cost Component	Annual Claims escalation rate	Average Cost per Affiliate Member (Frw)
Consultation	9.8%	22,867
Laboratory tests	9.7%	36,620
Medical imaging	21.1%	13,513
Hospitalization	14.0%	6,242
Procedures and materials	20.5%	29,710
Other consumables	2.9%	2,650
Medicines	10.8%	10,535
Pharmacy	5.3%	40,171

50. Events after the reporting period

Other than, the performance of actuarial valuations as at 30 June 2020 of the pension and medical schemes in February 2021, there are no reportable subsequent events. The results of the actuarial valuations have been disclosed in note 49 to these financial statements

51. Financial risk management

The Board has exposure to the following risks from its use of financial instruments:

- Market risk,
- Liquidity risk,
- Credit risk, and
- Capital management risk

Included below is information about the Board's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing the risks and the Board's management of capital.

Risk management framework

The Board's Board of Directors has overall responsibility for the establishment and oversight of the Board's risk management framework. The Board has established an Audit and Risk Committee, and the Risk Department, which are responsible for developing and monitoring the risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Board's risk management policies are established to identify and analyse the risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Board through its training and management standards and

procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board's Audit and Risk Committee is responsible for monitoring compliance with the Board's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Board. The Audit and Risk Committee is assisted in these functions by Internal Audit and Risk functions.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee

a) Market risk

Market risk is the risk that changes in market prices, such as investment prices, interest rates and foreign exchange rates will affect the Board's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimising the return on investment.

Management of market risks

Market risk arises from a decrease in the market value of a portfolio of financial instruments caused by adverse movements in the market variables such as equity, bonds and property prices, currency exchange rates and interest rates.

The Board grants authority to take on market risk exposure to the Management Investment Committee (MIC). This committee manages this risk through the guidelines set out in the Board's investment policy.

Equity price risk

The Board is exposed to equity securities price risk through its investments in quoted and unquoted shares. The Board's Investment committee diversifies its portfolio. Diversification of the portfolio is done in accordance with the guidelines set out in the Board's investment policy. All shares held by the Board are either quoted on Rwanda Stock Exchange and Nairobi Securities Exchanges or unquoted.

The table below shows the effect of share price sensitivity on the surplus for the year based on the share price volatility as at 30 June 2020;

	Change in share price %	Effect on surplus	
		Pension	Medical
		2020	2020
		Frw	Frw
		(millions)	(millions)
Equity investments at fair value through profit or loss	+/-8%	8,273	253
		2019	2019
		Frw	Frw
Equity investments at fair value through profit or loss	+/-8%	7,858	268

Property price risk

The Board is exposed to property price risk through its investments in real estate properties. The Board's Investment committee diversifies its portfolio. Diversification of the portfolio is done in accordance with the guidelines set out in the Board's investment policy. The Board undertook a valuation of its investment property on 24 June 2019 and adopted valuations of investment and administrative properties as at 1 July 2019.

The table below shows the effect of property price sensitivity on the surplus for the year;

	Change in property price %	Effect on surplus	
		Pension	Medical

		2020 Frw (millions)	2020 Frw (millions)
Investment property	+/-8%	16,470	1,015

		2019 Frw (millions)	2019 Frw (millions)
Investment property	+/-8%	9,006	1,057

Currency risk

The Board is exposed to currency risk through transactions in foreign currencies. The Board transactional exposures give rise to foreign currency gains and losses that are recognised in the statement of comprehensive income. In respect of monetary assets and liabilities in foreign currencies, the Board ensures that its net exposure is kept to an acceptable level by matching foreign currency assets to liabilities when considered appropriate. Monitoring of foreign currency fluctuations is done through the Investment Committee. The Board operates wholly within Rwanda and its assets and liabilities are reported in Rwanda Francs, although it maintains some of its assets and trades with banks in foreign currencies.

Currency risk

The Board had the following currency positions:

30-Jun-20	Pension USD (millions)	Medical USD (millions)	Pension Kshs (millions)	Pension Frw (millions)	Medical Frw (millions)	CBHI Frw (millions)	Maternity Leave Frw (millions)	Ejo Heza Frw (millions)	Total Frw (millions)
Financial assets									
Cash and bank balances	20,379	7,773	0	28,634	18,018	5,347	8,234	926	89,311
Deposits with financial institutions	-	-	2,300	136,818	139,513	-	12,643	-	291,273
Treasury bonds	-	-	-	126,597	23,799	-	-	3,541	153,936
Treasury bills	-	-	-	37,811	16,513	-	-	-	54,323
Corporate bonds	-	-	-	24,754	-	-	-	-	24,754
Commercial papers	-	-	-	14,715	-	-	-	-	14,715
Mortgage loans	-	-	-	63	-	-	-	-	63
Loans and advances to third parties	-	-	-	5,510	35,812	-	-	-	41,322
Dividend receivable	519	527	-	212	-	-	-	-	1,258
Advances to contractors	-	-	-	8,790	13	4	-	-	8,808
Other assets	-	-	-	2,932	1,596	1,638	33	-	6,200
Due from/(Due to) other schemes	-	-	-	2,146	1,571	(3,544)	(173)	-	0
Equity investments	102,090	21,317	12,510	313,816	28,710	-	-	-	478,443
Total financial assets (A)	122,988	29,617	14,810	702,798	265,544	3,446	20,737	4,466	1,164,407

30-Jun-20	Pension USD (millions)	Medical USD (millions)	Pension Kshs (millions)	Pension Frw (millions)	Medical Frw (millions)	CBHI Frw (millions)	Maternity Leave Frw (millions)	Ejo Heza Frw (millions)	Total Frw (millions)
Financial liabilities									
Retentions on construction contracts	-	-	-	886	60	1	-	-	946
Medical and maternity leave benefits payable	-	-	-	-	5,722	20,495	324	-	26,541
Other payables	-	-	-	4,003	(202)	8,240	45	-	12,086
Total financial liabilities (B)	-	-	-	4,888	5,579	28,735	369	-	39,572
Net financial assets (A-B)	122,988	29,617	14,810	697,909	259,965	(25,289)	20,368	4,466	1,124,835
Foreign currency exposure at 30 June 2020	122,988	29,617	14,810	-	-	-	-	-	167,416

30-Jun-19	Pension USD (millions)	Medical USD (millions)	Pension Kshs (millions)	Pension Frw (millions)	Medical Frw (millions)	CBHI Frw (millions)	Maternity Leave Frw (millions)	Ejo Heza Frw (millions)	Total Frw (millions)
Financial assets									
Cash and bank balances	5,006	7,511	0	35,016	20,607	6,505	10,013	409	85,066
Deposits with financial institutions	-	-	11,014	118,757	101,531	-	-	-	231,302
Treasury bonds	-	-	-	81,742	6,700	-	-	98	88,540
Treasury bills	-	-	-	76,108	40,286	-	3,829	-	120,224
Commercial papers	-	-	-	16,145	-	-	-	-	16,145
Mortgage loans	-	-	-	153	-	-	-	-	153
Loans and advances to third parties	-	-	-	5,936	35,323	-	-	-	41,259
Dividend receivable	-	-	-	4,488	95	-	-	-	4,583
Advances to contractors	-	-	-	9,139	59	7	-	-	9,205
Other assets	-	-	-	2,571	376	2,925	6	-	5,878
Due from/(Due to) other schemes	-	-	-	1,494	2,931	(4,310)	(115)	-	-
Equity investments	85,547	14,939	4,394	284,037	27,097	-	-	-	416,013
Total financial assets (A)	90,553	22,449	15,407	635,586	235,004	5,127	13,733	507	1,018,367

30-Jun-19	Pension USD (millions)	Medical USD (millions)	Pension Kshs (millions)	Pension Frw (millions)	Medical Frw (millions)	CBHI Frw (millions)	Maternity Leave Frw (millions)	Ejo Heza Frw (millions)	Total Frw (millions)
Financial liabilities									
Retentions on construction contracts	-	-	-	572	59	-	-	-	631
Medical and maternity leave benefits payable	-	-	-	-	5,672	18,129	411	-	24,212
Other payables	-	-	-	7,929	577	8,184	494	-	17,184
Total financial liabilities (B)	-	-	-	8,502	6,308	26,313	905	-	42,028
Net financial assets (A-B)	90,553	22,449	15,407	627,085	228,696	(21,186)	12,828	507	976,340
Foreign currency exposure at 30 June 2019	90,553	22,449	15,407	-	-	-	-	-	128,410

The table below indicates the currencies to which the Board had significant exposure at 30 June on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Rwanda Francs, with all other variables held constant, on the statement of comprehensive income (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statement of comprehensive income and equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against the Rwanda Francs would have resulted in an equivalent but opposite impact.

Currency	Pension		Medical	
	Change in currency rate in %	Effect on net income for the year	Change in currency rate in %	Effect on net income for the year
	2020	2020	2020	2020
USD	+/-8%	Frw (millions) 9,839	+/-8%	Frw (millions) 2,369
KES	+/-8%	1,185	+/-8%	-
USD	2019	2019	2019	2019
KES	+/-8%	Frw (millions) 7,244	+/-8%	Frw (millions) 1,796
	+/-8%	1,233	+/-8%	-

The following exchange rates applied during the year:

Currency	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
	Frw	Frw	Frw	Frw
USD	920	879	923	898
KES	8.8	8.7	9.1	9.1

Interest rate risk

In broad terms, interest rate risk is the risk that concerns the sensitivity of the Board's financial performance to changes in interest rates. The Board's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Board's business strategies.

The Board does not account for any fixed rate or variable rate financial assets at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date will not affect the Board's surplus or deficit but would change the future performance of the Board. In addition, there are no financial assets held at variable interest rates.

The tables below summarize the exposure to interest rate risk per scheme. Included in the table are the Board's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing dates and the maturity dates.

Pension scheme

As at 30 June 2020

	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	49,008	-	-	5	49,013
Deposits with commercial banks	10%	-	26,900	65,217	47,000	-	139,118
Treasury bonds	12%	-	3,125	17,002	106,469	-	126,597
Treasury bills	8%	-	3,091	34,720	-	-	37,811
Commercial papers	11%	-	-	14,715	-	-	14,715
Mortgage loans	12%	-	-	63	-	-	63
Corporate bonds	12%	-	-	-	24,754	-	24,754
Equity investments	0%	-	-	-	-	428,417	428,417
Loans and advances to third parties	0%	-	-	-	-	5,510	5,510
Dividend receivable	0%	-	-	-	-	731	731
Advances to contractors	0%	-	-	-	-	8,790	8,790
Other financial assets	0%	-	-	-	-	2,932	2,932
Due from/(Due to) other schemes	0%	-	-	-	-	2,146	2,146
Total financial assets (A)		-	82,124	131,718	178,223	448,531	840,596
Retentions on construction contracts	0%	-	-	-	-	886	886
Benefits payable	0%	-	-	-	-	-	-
Other payables	0%	-	-	-	-	4,003	4,003
Total financial liabilities (B)		-	-	-	-	4,888	4,888
Net financial assets (A-B)		-	82,124	131,718	178,223	443,643	835,708
Interest rate exposure as at 30 June 2020		-	82,124	131,718	178,223	-	392,065

As at 30 June 2019	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	40,018	-	-	4	40,022
Deposits with commercial banks	10%	-	17,303	76,927	35,540	-	129,770
Treasury bonds	12%	-	6,539	-	75,203	-	81,742
Treasury bills	7%	-	12,333	63,775	-	-	76,108
Commercial papers	11%	-	-	16,145	-	-	16,145
Mortgage loans	12%	-	-	-	153	-	153
Equity investments	0%	-	-	-	-	373,971	373,971
Loans and advances to third parties	0%	-	-	-	-	5,936	5,936
Dividend receivable	0%	-	-	-	-	9,139	9,139
Advances to contractors	0%	-	-	-	-	4,488	4,488
Due from/(Due to) other schemes	0%	-	-	-	-	1,494	1,494
Other financial assets	0%	-	-	-	-	2,932	2,932
Total financial assets (A)		-	76,193	156,848	110,896	397,964	741,901
Retentions on construction contracts	0%	-	-	-	-	572	572
Benefits payable	0%	-	-	-	-	-	-
Other payables	0%	-	-	-	-	7,929	7,929
Total financial liabilities (B)		-	-	-	-	8,502	8,502
Net financial assets (A-B)		-	76,193	156,848	110,896	389,462	733,399
Interest rate exposure as at 30 June 2019		-	76,193	156,848	110,896	-	343,937

Medical Scheme

As at 30 June 2020

	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	25,786	-	-	5	25,791
Deposits with commercial banks	10%	-	27,860	74,172	37,481	-	139,513
Treasury bonds	12%	-	2,083	-	21,716	-	23,799
Treasury bills	8%	-	233	16,280	-	-	16,513
Equity investments	1%	-	-	-	8,469	41,558	50,027
Loans and advances to third parties	0%	-	-	-	-	35,812	35,812
Dividend receivable	0%	-	-	-	-	527	527
Advances to contractors	0%	-	-	-	-	13	13
Other financial assets	0%	-	-	-	-	1,596	1,596
Due from other schemes	0%	-	-	-	-	1,571	1,571
Total Assets		-	55,963	90,451	67,666	81,081	295,161
Retentions on construction contracts	0%	-	-	-	-	60	60
Benefits payable	0%	-	-	-	-	5,722	5,722
Other payables	0%	-	-	-	-	(202)	(202)
Total financial liabilities (B)		-	-	-	-	5,579	5,579
Net financial assets/(liabilities) (A-B)		-	55,963	90,451	67,666	75,502	289,582
Exposure to interest rate risk as at 30 June 2020		-	55,963	90,451	67,666	-	214,079

As at 30 June 2019	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	28,113	-	-	5	28,117
Deposits with commercial banks	10%	-	14,203	60,555	26,773	-	101,531
Treasury bonds	12%	-	-	-	6,700	-	6,700
Treasury bills	8%	-	6,823	33,463	-	-	40,286
Loans and advances to third parties	0%	-	-	-	-	35,323	35,323
Dividend receivable	0%	-	-	-	-	95	95
Advances to contractors	0%	-	-	-	-	59	59
Due from other schemes	0%	-	-	-	-	2,931	2,931
Other financial assets	0%	-	-	-	-	376	376
Total Assets		-	49,139	94,019	33,473	38,788	215,418
Retentions on construction contracts	0%	-	-	-	-	59	59
Benefits payable	0%	-	-	-	-	5,672	5,672
Other payables	0%	-	-	-	-	577	577
Total financial liabilities (B)		-	-	-	-	6,308	6,308
Net financial assets/(liabilities) (A-B)		-	49,139	94,019	33,473	32,480	209,110
Exposure to interest rate risk as at 30 June 2019		-	49,139	94,019	33,473	-	176,630

CBHI scheme

As at 30 June 2020

	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	4,287	-	-	1,060	5,347
Advances to contractors	0%	-	-	-	-	4	4
Other financial assets	0%	-	-	-	-	1,638	1,638
Total financial assets		-	4,273	-	-	(842)	3,432
Financial liabilities							
Benefits payable	0%	-	-	-	-	20,495	20,495
Due to other schemes	0%	-	-	-	-	3,544	3,544
Other payables	0%	-	-	-	-	8,240	8,240
Total financial liabilities		-	-	-	-	32,279	32,279
Net financial assets/(liabilities)		-	4,273	-	-	(29,585)	(25,312)
Exposure to interest rate risk as at 30 June 2020		-	4,273	-	-	-	4,273

As at 30 June 2019

	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	6,498	-	-	7	6,505
Advances to contractors	0%	-	-	-	-	7	7
Other financial assets	0%	-	-	-	-	2,925	2,925
Total financial assets		-	6,498	-	-	2,939	9,437
Financial liabilities							
Benefits payable	0%	-	-	-	-	18,129	18,129
Due to other schemes	0%	-	-	-	-	4,310	4,310
Other payables	0%	-	-	-	-	8,184	8,184
Total financial liabilities		-	-	-	-	30,623	30,623
Net financial assets/(liabilities)		-	6,498	-	-	(27,684)	(21,186)
Exposure to interest rate risk as at 30 June 2019		-	6,498	-	-	-	6,498

Maternity leave scheme

As at 30 June 2020	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	8,233	-	-	1	8,234
Deposits with financial institutions	10%	-	4,387	8,255	-	-	12,643
Advances to contractors	0%	-	-	-	-	0	0
Other financial assets	0%	-	-	-	-	33	33
Total financial assets		-	12,621	8,255	-	34	20,910
Financial liabilities							
Retention on construction contracts	0%	-	-	-	-	-	-
Benefits payable	0%	-	-	-	-	324	324
Due from/(Due to) other schemes	0%	-	-	-	-	173	173
Other payables	0%	-	-	-	-	45	45
Total financial liabilities		-	-	-	-	542	542
Net financial assets/(liabilities)		-	12,621	8,255	-	(507)	20,368
Exposure to interest rate risk as at 30 June 2020		-	12,621	8,255	-	-	20,876

As at 30 June 2019	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	10,012	-	-	-	10,013
Treasury bills	9%	-	-	3,829	-	-	3,829
Advances to contractors	0%	-	-	-	-	-	-
Other financial assets	0%	-	-	-	-	6	6
Total financial assets		-	10,012	3,829	-	6	13,848
Financial liabilities							
Benefits payable	0%	-	-	-	-	411	411
Due to other schemes	0%	-	-	-	-	115	115
Other payables	0%	-	-	-	-	66	66
Total financial liabilities		-	-	-	-	592	592
Net financial assets/(liabilities)		-	10,012	3,829	-	(585)	13,256
Exposure to interest rate risk as at 30 June 2019		-	10,012	3,829	-	-	13,841

Ejo Heza

As at 30 June 2020	Average rate	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	> 1 year Frw (millions)	Non-Interest bearing Frw (millions)	Total Frw (millions)
Financial assets							
Cash and bank balances	5%	-	724	-	-	202	926
Treasury bonds	10.5%	-	-	-	3,541	-	3,541
Total financial assets		-	724	-	3,541	202	4,466

Financial liabilities**Net financial
assets/(liabilities)****Exposure to interest rate
risk as at 30 June 2020**

-	-	-	-	-	-
-	-	-	-	-	-
-	724	-	3,541	202	4,466
-	-	-	-	-	-
-	724	-	3,541	-	4,265

b) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations on its financial liabilities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Management of liquidity risk

The Board has access to a diverse funding base. Funds are raised mainly from members' contributions and reserves. The Board continually assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Board strategy. In addition, the Board has a Management Investment Committee that meets on a regular basis to monitor liquidity risk, review and approve liquidity policies and procedures.

Exposure to liquidity risk

The table below analyses financial assets and financial liabilities into relevant maturity groupings based on the remaining period at 30 June 2019 to the contractual maturity date. All balances are in Frw.

Pension scheme

At 30 June 2020

Financial assets

	Matured Frw (millions)	<3months Frw (millions)	3-12months Frw (millions)	1-5years Frw (millions)	>5years Frw (millions)	Total Frw (millions)
Cash and bank balances	49,013	-	-	-	-	49,013
Deposits with commercial banks	-	26,900	65,217	16,853	30,148	139,118
Treasury bonds	-	3,125	17,002	46,651	59,818	126,597
Treasury bills	-	3,091	34,720	-	-	37,811
Commercial papers	-	-	14,715	-	-	14,715
Mortgage loans	-	-	-	-	-	-
Loan and advances to third parties	-	-	5,510	-	-	5,510
Advances to contractors	-	8,790	-	-	-	8,790
Dividend receivable	-	731	-	-	-	731
Equity investments	-	-	-	-	428,417	428,417
Other assets	-	-	2,932	-	-	2,932
Due from/(Due to) other schemes	-	-	2,146	-	-	2,146
Total financial assets	49,013	42,637	140,097	63,504	518,383	813,634

Financial liabilities

Amounts retained on construction contracts	-	-	(886)	-	-	(886)
Other payables	(4,003)	-	-	-	-	(4,003)
Financial liabilities	(4,003)	0	(886)	0	0	(4,888)

Liquidity surplus as at 30 June 2020

45,011	42,637	139,211	63,504	518,383	808,746
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At 30 June 2019	Matured Frw	<3 months Frw	3-12 months Frw	1-5 years Frw	> 5 years Frw	Total Frw
Financial assets						
Cash and bank balances	40,022	-	-	-	-	40,022
Deposits with commercial banks	-	17,303	76,927	4,265	31,275	129,770
Treasury bonds	-	6,539	-	37,010	38,194	81,742
Treasury bills	-	12,333	63,775	-	-	76,108
Commercial papers	-	-	16,145	-	-	16,145
Mortgage loans	-	-	-	153	-	153
Loan and advances to third parties	-	-	-	5,936	-	5,936
Advances to contractors	-	-	9,139	-	-	9,139
Dividend receivable	-	4,488	-	-	-	4,488
Due from other schemes	-	-	2,146	-	-	2,146
Other assets	-	-	2,932	-	-	2,932
Total financial assets	40,022	40,663	171,065	47,363	69,469	368,581
Financial liabilities						
Amounts retained on construction contracts	-	-	(572)	-	-	(572)
Other payables	(4,003)	-	-	-	-	(4,003)
Financial liabilities	(4,003)	-	(572)	-	-	(4,575)
Liquidity surplus as at 30 June 2019	36,020	40,663	170,492	47,363	69,469	364,007

Medical scheme

At 30 June 2020

Financial assets

	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	1-5 years Frw (millions)	> 5 years Frw (millions)	Total Frw (millions)
Cash and bank balances	25,791	-	-	-	-	25,791
Deposits with commercial banks	-	27,860	74,172	24,143	13,338	139,513
Treasury bonds	-	2,083	-	21,716	-	23,799
Treasury bills	-	233	16,280	-	-	16,513
Loan and advances to third parties	-	-	35,812	-	-	35,812
Advances to contractors	-	13	-	-	-	13
Dividend receivable	-	527	-	-	-	527
Equity investments	-	-	-	-	50,027	50,027
Other assets	-	-	1,596	-	-	1,596
Due from/(Due to) other schemes	-	-	1,571	-	-	1,571
Total financial assets	25,791	30,717	127,859	45,858	63,365	293,590

Financial liabilities

Amounts retained on construction contracts	-	-	(60)	-	-	(60)
Benefits payable	(5,722)	-	-	-	-	(5,722)
Other payables	202	-	-	-	-	202
Total financial liabilities	(5,520)	-	(60)	-	-	(5,579)

Liquidity surplus as at 30 June 2020

	20,272	30,717	127,800	45,858	63,365	288,011
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At 30 June 2019	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	1-5 years Frw (millions)	> 5 years Frw (millions)	Total Frw (millions)
Financial assets						
Cash and bank balances	28,117	-	-	-	-	28,117
Deposits with commercial banks	-	14,203	60,555	26,773	-	101,531
Treasury bonds	-	-	-	6,700	-	6,700
Treasury bills	-	6,823	33,463	-	-	40,286
Loan and advances to third parties	-	-	-	35,323	-	35,323
Advances to contractors	-	-	59	-	-	59
Dividend receivable	-	95	-	-	-	95
Due from other schemes	-	-	1,571	-	-	1,571
Other assets	-	-	1,596	-	-	1,596
Total financial assets	28,117	21,121	97,244	68,796	0	215,278
Financial liabilities						
Amounts retained on construction contracts	-	-	(59)	-	-	(59)
Benefits payable	(5,672)	-	-	-	-	(5,672)
Other payables	(577)	-	-	-	-	(577)
Total financial liabilities	(6,249)	0	(59)	0	0	(6,308)
Liquidity surplus as at 30 June 2019	21,868	21,121	97,185	68,796	0	208,970

CBHI Scheme

At 30 June 2020

Financial assets

Cash and bank balances

Advances to contractors

Other assets

Total financial assets

Financial liabilities

Benefits payable

Due to other schemes

Other payables

Financial liabilities

Liquidity surplus/(gap) as at 30 June 2020

At 30 June 2019

Financial assets

Cash and bank balances

Advances to contractors

Other assets

Total financial assets

Financial liabilities

Medical benefits payable

Due to other schemes

	Matured Frw (millions)	<3 months Frw (millions)	3-12 months Frw (millions)	1-5 years Frw (millions)	> 5 years Frw (millions)	Total Frw (millions)
Cash and bank balances	5,347	-	-	-	-	5,347
Advances to contractors	-	4	-	-	-	4
Other assets	-	-	1,638	-	-	1,638
Total financial assets	5,347	4	1,638	-	-	6,990

Benefits payable	(20,495)	-	-	-	-	(20,495)
Due to other schemes	-	-	(3,544)	-	-	(3,544)
Other payables	(8,240)	-	-	-	-	(8,240)
Financial liabilities	(28,735)	-	(3,544)	-	-	(32,279)

Liquidity surplus/(gap) as at 30 June 2020	(23,388)	4	(1,905)	-	-	(25,289)
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	Matured Frw	<3 months Frw	3-12 months Frw	1-5 years Frw	> 5 years Frw	Total Frw
Cash and bank balances	6,505	-	-	-	-	6,505
Advances to contractors	-	-	7	-	-	7
Other assets	-	-	2,925	-	-	2,925
Total financial assets	6,505	0	2,932	-	-	9,437

Medical benefits payable	(18,129)	-	-	-	-	(18,129)
Due to other schemes	-	-	(4,310)	-	-	(4,310)

At 30 June 2019						
	Matured Frw	<3 months Frw	3-12 months Frw	1-5 years Frw	> 5 years Frw	Total Frw
Other payables	(8,184)	-	-	-	-	(8,184)
Financial liabilities	(26,313)	-	(4,310)	-	-	(30,623)
Liquidity surplus/(gap) as at 30 June 2019	(19,808)	-	(1,378)	-	-	(21,186)
Maternity scheme						
At 30 June 2020						
	Matured Frw	<3 months Frw	3-12 months Frw	1-5 years Frw	> 5 years Frw	Total Frw
Financial assets						
Cash and bank balances	8,234	-	-	-	-	8,234
Treasury bills	-	4,387	8,255	-	-	12,643
Advances to contractors	-	0	-	-	-	0
Other assets	-	-	33	-	-	33
Total financial assets	8,234	4,388	8,289	-	-	20,910
Financial liabilities						
Retention on construction	-	-	(0)	-	-	(0)
Benefits payable	(324)	-	-	-	-	(324)
Due to other schemes	-	-	(173)	-	-	(173)
Other payables	(45)	-	-	-	-	(45)
Financial liabilities	(369)	-	(173)	-	-	(542)
Liquidity surplus as at 30 June 2020	7,865	4,388	8,116	-	-	20,368

At 30 June 2019	Matured Frw	<3 months Frw	3-12 months Frw	1-5 years Frw	> 5 years Frw	Total Frw
Financial assets						
Cash and bank balances	10,013	-	-	-	-	10,013
Treasury bills	-	-	3,829	-	-	3,829
Advances to contractors	-	-	-	-	-	-
Other assets	-	-	6	-	-	6
Total financial assets	10,013	-	3,835	-	-	13,848
Financial liabilities						
Benefits payable	(411)	-	-	-	-	(411)
Due to other schemes	-	-	(115)	-	-	(115)
Other payables	(66)	-	-	-	-	(66)
Financial liabilities	(477)	-	(115)	-	-	(592)
Liquidity surplus as at 30 June 2019	9,536	-	3,720	-	-	13,256

Ejo Heza

As at 30 June 2020	Average rate	<3 months Frw (millions)	3-12 months Frw (millions)	1-5 years Frw (millions)	>5 years Frw (millions)	Total Frw (millions)
Financial assets						
Cash and bank balances		926	-	-	-	926
Treasury bonds		-	-	3,541	-	3,541
Total financial assets		926	-	3,541	-	4,466
Financial liabilities						
Net financial assets/(liabilities)		926	-	3,541	-	4,466
Liquidity surplus as at 30 June 2020		926	-	3,541	-	4,466

c) Credit risk

Credit risk is the risk of financial loss to the Board if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Board's loans and advances, trade and other receivables, deposits with commercial banks and investments in government and corporate bonds. For risk management reporting purposes, the Board considers all elements of credit risk exposure such as individual obligator default risk, country and sector risk.

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Management Investment Committee. The Investments Department is responsible for oversight of the Board's credit risk, including:

- Formulating credit policies, covering collateral requirements and credit assessments, risk grading and reporting. Documentary, legal procedures and compliance with regulatory and statutory requirements is done in consultation with the Board's Legal and Compliance Department.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Management Investment Committee. Larger facilities require approval by the Board of Directors as appropriate.
- Reviewing compliance of investment mix with agreed exposure limits, including those for selected industries, country risk and product types. The Board's Investment Committee is responsible for monitoring the credit quality of investments and ensuring that appropriate corrective action is taken and providing advice, guidance and specialist skills to business units to promote best practice throughout the Board in the management of credit risk.

The Investment department is required to implement the Board's credit policies and procedures, with credit approval authorities delegated from the Board's Board of Directors. The Investment department is responsible for the quality and performance of the Board's investment portfolio and for monitoring and controlling all credit risks in the Board's portfolio, including those subject to Board approval. Regular audits of the Investment department and the Board's credit processes are undertaken by the Internal Audit department.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at the statement of financial position date was:

Notes	Pension Scheme				Medical Scheme				CBHI Scheme				Maternity Scheme				Ejo Heza				Total			
	2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	
	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)	Frw	(millions)
Bank balances	41	49,013	40,022	25,791	28,117	5,347	6,505	8,234	0	0	0	0	0	0	0	0	926	3,541	409	89,311	85,066	153,936	88,540	
Treasury bonds	30	126,597	81,742	23,799	6,700	0	0	0	0	0	0	0	0	0	0	0	0	0	98	54,323	120,224	41,322	41,259	
Treasury bills	31	37,811	76,108	16,513	40,286	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances to third parties	33	5,510	5,936	35,812	35,323	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits due from banks	40	139,118	129,770	139,513	101,531	-	-	12,643	-	-	-	-	-	-	-	-	-	-	-	-	-	291,273	231,302	
Dividends and other income receivable	37	731	4,488	527	95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,258	4,583	
Commercial papers	32	14,715	16,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,715	16,145	
Corporate bonds	29	24,754	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,754	0	
Mortgage loans	34	63	153	-	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63	147	
Other assets	38	2,932	2,571	1,596	376	1,638	2,925	33	6	6	6	6	6	6	6	6	6	6	6	6	6	6,200	5,878	
Due from/(Due to) other assets	39	2,146	1,494	1,571	2,931	(3,544)	(4,310)	(173)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	(113)	0	0	
Total financial assets		403,389	358,430	245,121	215,353	3,442	5,120	20,737	13,733	4,466	507	677,156	593,143											

d) Capital risk management

The primary source of capital used by the Board is member contributions and income from investments. For regulatory purposes, the Medical division's capital includes both Capital and retained earnings. By the nature of its establishment, the medical division does not pay dividends. Its equity is managed to safeguard its ability to pay members medical benefits. Other objectives when managing its capital are:

- to comply with the capital requirements as set out in the Insurance Regulations;
- to comply with regulatory solvency requirements as set out in the Insurance Regulations; and
- to safeguard the medical scheme's ability to continue in operational continuity, so that it can continue to pay benefits to its members.

In 2008, Law No. 52/2008 governing the organisation of insurance business in Rwanda ("the Insurance Law") was promulgated. The Insurance Law requires entities providing short term insurance to hold a minimum level of paid up capital of Frw 1 billion. It also sets regulatory solvency thresholds for insurance companies, based on prescribed admissibility criteria for assets and liabilities. The regulatory solvency requirements were effective in 2011.

The pension fund considers its reserves comprising of statutory reserves and accumulated members funds as its 'equity'. The primary objective in managing those reserves is to ensure that adequate solvency is maintained for purposes of future benefit payments to members. The level of statutory reserves is legislated as set out under Note 45. Other than for those reserves, the fund is not required to meet any other external capital requirements. The fund carries out periodical actuarial assessments to assess its actuarial solvency.

52. Other complementary information

RSSB financially performed better in 2020 compared to the previous year of 2019. The Key Performance Indicators for the year ended 30 June 2020 and 30 June 2019 for each scheme are illustrated in the table;

Key performance indicators	2020	2019
Pension Scheme		
Return on investment	11%	4%
Return on investment (excluding fair value gain on investment properties)	4%	4%
Growth in net assets	23%	13%
Growth in net assets (excluding fair value gain on investment properties)	14%	13%
Operating ratio	4%	4%
Benefits to contributions	30%	29%
Medical Scheme		
Return on investment	7%	6%
Growth in net assets	14%	13%
Operating ratio	17%	16%
Benefits to contributions	54%	56%
Maternity Scheme		
Return on investment	7%	4%
Growth in net assets	54%	64%
Operating ratio	6%	5%
Benefits to contributions	17%	27%
CBHI Scheme		
Operating ratio	21%	28%
Benefits to contributions	109%	146%
Funding Gap (excluding direct Government Grant)	14.3 billion	24.2 billion

Ejo Heza Scheme

Return on investment

4%

N/A

Growth in net assets

415%

167%

Operating ratio

25%

1923%