



**RWANDA SOCIAL SECURITY BOARD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**RWANDA SOCIAL SECURITY BOARD  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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## **1. INTRODUCTION**

### **1.1. Background of RSSB**

RSSB operated under 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 until 16 February 2021 when a new law was gazetted to repeal Law n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB).

The new RSSB law (Law no. 009/2021 of 16/02/2021 establishing Rwanda Social Security Board) became effective from 16<sup>th</sup> February 2021 and has a transition period of 12 months. Employees and movable and immovable property as well as liabilities and contracts formerly owned by the RSSB established by Law No n° 45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB) and determining its mission, organisation and functioning as amended to date are transferred to the RSSB established by the new RSSB law.

Under Law no. 009/2021 of 16/02/2021 establishing Rwanda Social Security Board, RSSB is categorised as a specialised organ and has a legal personality, administrative and financial autonomy. The mission of RSSB is to manage and promote social security in Rwanda. The supervising authority of RSSB is the Ministry in charge of finance.

### **Responsibilities of RSSB**

Responsibilities of RSSB are the following:

1. To manage and promote social security in Rwanda (old age pension, survivorship benefits, nonoccupational invalidity benefits, occupational hazards insurance, maternity leave benefits scheme, health insurance and the long-term saving scheme);
2. To register employers, employees, beneficiaries and voluntary contributors in social security schemes under its management;
3. To monitor, collect and manage social security contributions;
4. To conduct audit and inspection to ensure compliance with social security laws;
5. To pay social security benefits to beneficiaries;
6. To invest in Rwanda or abroad in accordance with relevant laws;
7. To contribute to the elaboration of social security policy;
8. To contribute in designing strategies for shelter, adequate nutrition, education, support due to loss of jobs, provision for family and poverty reduction with intention to achieve social welfare;
9. To advise the Government on matters relating to social security;
10. To establish relations and collaborate with other regional or international institutions with similar mission;
11. To perform such other duties as may be assigned by Law.

### **1.2. Supervising authority of RSSB**

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

### **1.3. Management organs of RSSB**

Management organs of RSSB are the following:

- 1) Board of Directors;
- 2) General management.



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**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 30<sup>th</sup> June 2021 was as follows:

<b>NAMES</b>	<b>Role on the board</b>
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 management**

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 30<sup>th</sup> June 2021 were as follows:

<b>NAMES</b>	<b>POSITION</b>	<b>Comments</b>
Mr. RUGEMANSHURO Regis	Director General, Rwanda Social Security Board	
Mr. GACANDAGA Jean Marie	Deputy Director General in charge of Fund Management	Left April 2021
Mr. Philippe WATRIN	Deputy Director General in charge of Fund Management	Joined April 2021
Dr. HITIMANA Regis	Deputy Director General in charge of Benefits	
Mr. MURINDABIGWI Innocent	Head of Finance and Contributions Department	
Mr. GASANA KWIZERA Eric	Head of Investment Department	
Mr. RULISA Alexis	Head of CBHI Department	
Ms. MUJAWABEGA Yvonne	Head of Pension and Occupational Hazards department	
Dr. UMUTESI Lysette	Head of Medical Department	
Mr. GATERA Augustin	Head of Long Term Saving Scheme (Ejo Heza)	

Law no. 009/2021 of 16/02/2021 establishing Rwanda Social Security Board replaces the title of Director General with the **Chief Executive Officer of RSSB** and creates a position of a **Deputy Chief Executive Officer of RSSB**. Staff members of RSSB are governed by special statutes instituted by an order of the Prime Minister.

**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



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**1.5. Auditors**

The Auditor General  
Office of the Auditor General for State Finances  
Kimiurura 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 financial statements for the year ended 30 June 2021 which discloses the state of affairs of Rwanda Social Security Board (RSSB).

### 1.8. Establishment

RSSB was established and is governed by Law no. 009/2021 of 16/02/2021 which replaced 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.

### 1.9. Principal activities

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

- Under the pension and Occupational hazard 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 1<sup>st</sup> 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.

Law no. 009/2021 of 16/02/2021 establishing Rwanda Social Security Board requires RSSB to manage and promote social security in Rwanda and provide health insurance, as defined under **two broad categories** below:

- 1) **Social security:** Government strategies aimed at providing to people living in Rwanda health insurance and social protection from effects based on lack or reduction of income due to the following reasons:
  - a. Old age.
  - b. Death.
  - c. Disability.
  - d. Occupational hazards.



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- e. Sick leave.
- f. Maternity leave.

The strategies may also provide for shelter, adequate nutrition, education, support due to loss of job, provision for family and poverty reduction with intention to achieve social welfare.

**2) Health insurance:** This will cover:

- a. Community-based health insurance scheme.
- b. Medical insurance scheme for public servants governed by general statutes governing public servants, by special statutes or by law regulating labour in Rwanda; Employees in private institutions affiliated to the compulsory health insurance scheme; and Pensioners who contributed to the health insurance scheme.

RSSB has responsibility to manage and promote:

**1) Social security in Rwanda**

- Old age pension, survivorship benefits, nonoccupational invalidity benefits (Pension scheme)
- Occupational hazards insurance (Occupational Hazards scheme)
- Maternity leave benefits scheme
- Long-term saving scheme

**2) Health insurance**

- Community-based health insurance scheme
- Medical insurance scheme

**1.10. Membership**

**1) Membership of the defined benefit fund**

<b>a) Total members at 30 June</b>	<b>2021</b>	<b>2020</b>
Contributing members	683,653	587,576
Pensioners	43,623	41,483
Deferred members	<u>1,186,850</u>	<u>926,861</u>
	<b>1,914,126</b>	<b>1,555,920</b>
<b>b) Contributing members</b>		
At start of year	587,576	553,876
Joiners	<u>216,675</u>	<u>145,775</u>
	<b>804,251</b>	<b>699,651</b>
<b>Less:</b>		
Retired (with pension or lumpsum)	4,904	3,578
Secessions (withdraw/deferred)	115,694	108,497
<b>At end of year</b>	<b>683,653</b>	<b>587,576</b>
<b>c) Pensioners</b>		
At start of the year	41,483	41,474
Contributing members who retired with pension	3,294	2,353
Widows or widowers' pension and orphans becoming payable	1,783	1,187
Members who got lump sum	1,610	1,225

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	<b>48,170</b>	<b>46,275</b>
<b>Less: Deaths and other secessionists</b>	<b>4,547</b>	<b>4,756</b>
<b>At end of year</b>	<b>43,623</b>	<b>41,483</b>

**2) Membership of the Workers' Medical Insurance**

<b>Active members</b>	<b>2021</b>	<b>2020</b>
Affiliates	163,973	141,378
Dependents	335,875	320,691
<b>Total</b>	<b>499,848</b>	<b>462,069</b>

**3) Membership of the Community Based Health Insurance**

<b>Population coverage</b>	<b>2021</b>	<b>2020</b>
Target population	12,091,107	11,841,787
Active contributors	10,385,926	9,443,124
<b>Coverage rate</b>	<b>85.9%</b>	<b>79.7%</b>

**4) Membership of the Maternity Leave Benefits Scheme**

	<b>2021</b>	<b>2020</b>
Contributors	681,231	575,829
Number of beneficiaries	3,184	2,924

**5) Membership of Ejo Heza Scheme**

	<b>2021</b>	<b>2020</b>
Contributors	1,135,148	347,470
Number of beneficiaries	104	-



## **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 2021, 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 10 to 165, in accordance with International Financial Reporting Standards (except as shown in note 4 (2) – basis of accounting) and in the manner required by the provisions of Law no. 009/2021 of 16/02/2021 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. The Directors are also responsible for safeguarding 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 2021 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).

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**3. FINANCIAL STATEMENTS**

**3.1. Statement of comprehensive income**

	Notes	2021 Frw'millions	2020 Frw'millions
<b>Dealings with members</b>			
Contributions	9	247,444	212,959
Benefits paid	10	(128,100)	(112,059)
<b>Net additions from dealings with members</b>		<b><u>119,344</u></b>	<b><u>100,900</u></b>
<b>Returns on investments</b>			
Investment income	11	74,974	58,714
Change in fair value of financial assets at fair value through profit or loss	12	(49,299)	2,118
Change in fair value of investment properties	13	-	78,595
Write back of prior year		-	-
Realized (loss)/gain on disposal of assets	14	395	378
Impairment losses on financial assets held at amortised cost	15	(4,794)	-
<b>Less: investment management expenses</b>	16	<b>(1,819)</b>	<b>(2,015)</b>
<b>Net returns on investments</b>		<b><u>19,457</u></b>	<b><u>137,789</u></b>
Grants	17	1,424	27,795
Other income	18	<u>7,326</u>	<u>1,165</u>
<b>Expenditures</b>			
Staff costs	19	(11,294)	(12,211)
Administrative expenses	20	(6,597)	(6,543)
Depreciation and amortization charge	21	(1,436)	(1,450)
Other expenses	22	<u>(6,411)</u>	<u>(4,931)</u>
<b>Total expenses</b>		<b><u>(25,738)</u></b>	<b><u>(25,135)</u></b>
<b>Net income for the year</b>		<b><u>121,813</u></b>	<b><u>242,514</u></b>
<b>Other comprehensive income</b>			
Revaluation gain on property and equipment (administrative assets)	23	-	2,587
<b>Increase in net assets for the year</b>		<b><u>121,813</u></b>	<b><u>245,101</u></b>

The notes on pages 15 to 165 form an integral part of these financial statements.



### 3.2. Statement of financial position

		2021	2020
	Notes	Frw'millions	Frw'millions
<b>Assets</b>			
Property and equipment	24	13,676	13,153
Intangible assets	25	2,865	1,973
Investment properties	26	221,582	218,562
Investment properties in the process of construction	27	7,684	7,684
Assets held for sale	28	-	-
Equity investments	29	457,370	478,443
Government bonds		-	-
Corporate bonds	30	23,441	24,754
Treasury bonds	31	203,440	153,936
Treasury bills	32	96,272	54,323
Commercial papers	33	29,296	14,715
Loan and advances to third parties	34	35,948	41,322
Mortgage loans	35	16	63
Inventory	36	290	361
Advances to contractors	37	6,944	8,808
Dividend and other income receivable	38	5,058	1,258
Other assets	39	9,956	6,207
Due to/(Due from) other schemes	40	-	-
Deposits with financial institutions	41	287,626	291,273
Cash and bank balances	42	134,461	89,327
<b>Total assets</b>		<b>1,535,925</b>	<b>1,406,162</b>
<b>Less: Liabilities</b>			
Amounts retained on construction contracts		958	946
Benefits payable		28,221	26,177
Other payables	43	16,716	12,937
Deferred income	42 (b)	682	691
<b>Total liabilities</b>		<b>46,577</b>	<b>40,752</b>
<b>Net assets available for benefits</b>		<b>1,489,347</b>	<b>1,365,410</b>
<b>Represented by:</b>			
Capital		1,232	1,232
Retained earnings and Accumulated member funds	45	710,676	652,763
Revaluation reserve	46	7,093	7,093
Fair value reserve	47	48,845	97,613
Unallocated pension contributions reserve	49	1,910	-
Statutory reserves	48	704,753	602,768
Ejo Heza member funds	50	14,837	3,941
<b>Total reserves and member funds</b>		<b>1,489,347</b>	<b>1,365,410</b>

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

  
**Mr. Regis RUGEMANSHURU**  
 Director General



**Dr. Christopher John WALES**  
 Chairperson – Board of Directors

The notes on pages 15 to 165 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	Unallocated Pension contributions reserve	Total
	Frw' millions	Frw' millions	Frw' millions	Frw' millions	Frw' millions	Frw' millions	Frw' millions	Frw' millions	Frw' millions
<b>At 1 July 2019</b>	<b>1,232</b>	<b>55,899</b>	<b>460,687</b>	<b>580,963</b>	-	<b>16,900</b>	<b>4,506</b>	-	<b>1,120,188</b>
Prior year adjustment				(103)	105				
Net income for the year	-	14,771	71,411	75,619		80,712	2,587	-	245,101
Net increase in Ejo Heza member funds	-	-	-	(3,715)	3,715	-	-	-	-
Net increase in Ejo Heza unallocated member funds	-	-	-	-	121	-	-	-	121
<b>At 30 June 2020</b>	<b>1,232</b>	<b>70,670</b>	<b>532,098</b>	<b>652,764</b>	<b>3,941</b>	<b>97,613</b>	<b>7,093</b>	-	<b>1,365,410</b>
Prior year adjustment	-	-	-	(561)	-	531	-	-	(30)
Net income for the year	-	18,110	83,875	69,127		(49,299)	-	-	121,813
Net increase in Ejo Heza member funds	-	-	-	(10,653)	10,653	-	-	-	-
Net increase in Ejo Heza unallocated member funds	-	-	-	-	243	-	-	-	243
Revaluation of property	-	-	-	-	-	-	-	-	-
Reclassification of unallocated pension contributions from other payables to reserves	-	-	-	-	-	-	-	1,811	1,811
Additional unallocated pension contributions	-	-	-	-	-	-	-	105	105
Allocation of previously unallocated contributions during the year								(6)	(6)
<b>As at 30 June 2021</b>	<b>1,232</b>	<b>88,780</b>	<b>615,973</b>	<b>710,677</b>	<b>14,837</b>	<b>48,845</b>	<b>7,093</b>	<b>1,910</b>	<b>1,489,347</b>

The notes on pages 15 to 165 form an integral part of these financial statements.



### 3.4. Statement of cash flows

	2021 Frw' millions	2020 Frw' millions
<b>Cash flows from operating activities:</b>		
<b>Increase in net assets for the year</b>	<b>121,813</b>	<b>242,514</b>
<b>Adjusted for:</b>		
Depreciation and amortization	1,436	1,450
Investment income	(74,974)	(58,714)
Realized loss on disposal of assets (equity investments, PPE, Assets held for sale and Investment properties)	(395)	(378)
Change in fair value of equity investments	49,299	(2,118)
Change in fair value of investment properties	0	(78,595)
Write back of prior fair value loss	0	0
Unrealised foreign exchange loss	(22)	158
Government grants	(241)	(27,064)
Impairment provision (IFRS 9 ECLs)	4,794	0
Adjustment of opening balances	491	(63)
In-kind expenditure	0	648
In-kind income	0	(731)
<b>Operating income for changes in working capital</b>	<b>102,199</b>	<b>77,107</b>
(Increase)/Decrease in advance to contractors	1,674	397
(Increase)/Decrease in other assets	(3,919)	512
(Increase)/Decrease in amounts due from/(due to) other schemes	0	(0)
(Increase)/Decrease in inventory	71	(65)
Increase/(Decrease) in medical/maternity claims payables	2,044	1,965
Increase/(Decrease) in other payables	3,778	(3,819)
Increase/(Decrease) in contract retentions	12	315
Increase/(Decrease) in deferred income	(9)	0
Increase in unallocated pension contributions reserve	1,910	0
<b>Net cash flows from operating activities</b>	<b>107,761</b>	<b>76,412</b>
<b>Cash flows used in investing activities:</b>		
Dividend income received	4,058	5,967
Rent received	2,286	4,446
Other interest income received (current accounts, call deposit and mortgage loans)	3,546	3,070
Purchases for investment property under construction	0	(3,217)
Purchase of property and equipment	(1,767)	(408)
Purchase of intangible asset	(1,177)	(1,396)
Purchase of investment properties	(4,700)	(17,121)
Purchase of equity investments	(28,225)	(59,926)
Proceeds from disposal of Equity investments	0	0
Purchase of Corporate bonds	0	(24,000)
Receipts from settlement of Corporate bonds (Interest and principal)	4,176	0
Receipts from Treasury bond - coupon interest income received	28,913	20,466
Receipts from Treasury bill maturities (Interest and principal)	76,129	137,201

	2021 Frw' millions	2020 Frw' millions
Receipts from Commercial papers maturities (principal and interest)	3,778	17,486
Investment in Treasury bonds	(60,486)	(71,469)
Investment in Treasury bills	(110,375)	(64,747)
Investment in Commercial papers	(16,915)	(14,520)
Receipts from settlement of loans and advances to third parties	5,348	9,937
Additional loans and advances to third parties during the year	0	(10,000)
Increase/(Decrease) in mortgages	45	90
Placement of term deposits during the year	(206,713)	(293,898)
Settlement of term deposits during the year	234,572	258,748
(Increase)/Decrease in call deposit	0	0
Refund of prior year purchase of Investment properties - Rusororo plots	0	2,135
Proceeds from disposal	4,638	1,873
<b>Net cash used in investing activities</b>	<b>(62,868)</b>	<b>(99,280)</b>
<b>Cash flows from financing activities:</b>		
Government grants	241	27,340
Government grants refunded	0	(332)
Increase in unidentified member contributions	0	121
<b>Net cash from financing activities</b>	<b>241</b>	<b>27,129</b>
<b>Net increase in cash and cash equivalents</b>	<b>45,134</b>	<b>4,260</b>
Cash and cash equivalents at 1 July	89,327	85,066
<b>Cash and cash equivalents at 30 June</b>	<b><u>134,461</u></b>	<b><u>89,327</u></b>

The notes on pages 15 to 165 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 which was replaced by Law no. 009/2021 of 16/02/2021.

The Board runs the following schemes under one management with each scheme governed by a specific law:

- Pension and Occupational hazards 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.

RSSB is required to manage and promote social security in Rwanda and provide health insurance, as defined under **two broad categories** below:

##### **1) Social security in Rwanda**

- Old age pension, survivorship benefits, nonoccupational invalidity benefits (Pension scheme)
- Occupational hazards insurance (Occupational Hazards scheme)
- Maternity leave benefits scheme
- Long-term saving scheme

##### **2) Health insurance**

- Community-based health insurance scheme
- Medical insurance 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 value through profit or loss (FVTPL). 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;

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Basis of accounting (Continued)**

#### **Statement of compliance (Continued)**

- 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, investment income 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.

#### **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.



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Basis of accounting (Continued)**

#### **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 are 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 an accrual 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 available actuarial valuation covers the period up to 30 June 2020 for the pension, occupational hazards and medical benefit insurance schemes. See details in note 52.

##### **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 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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Significant accounting policies (Continued)**

#### **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**

##### **Financial Assets**

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

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair Value through Other Comprehensive Income (FVOCI) which is financial assets classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets or Fair Value Through Profit/Loss (FVTPL) which means that at each balance sheet date the asset or liability is re-measured to fair value and any movement in that fair value is taken directly to the income statement.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the RSSB may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the RSSB may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

##### **Business model assessment**

The RSSB makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the RSSB's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the RSSB's stated objective for managing the financial assets is achieved and how cash flows are realised.

The RSSB's business comprises primarily investment in commercial entities for earning dividends, corporate bonds and government paper (treasury bills and bonds) loans to customers that are held for collecting contractual cash flows.

Certain debt securities are held by the RSSB in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The RSSB considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Certain other debt securities are held by the RSSB in separate portfolios to meet everyday liquidity needs. The RSSB seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The RSSB considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

##### **Assessment of whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

In assessing whether the contractual cash flows are SPPI, the RSSB considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the RSSB considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the RSSB's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected

#### **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the RSSB changes its business model for managing financial assets.

#### **ii) Derecognition**

The RSSB derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the RSSB neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the RSSB is recognised as a separate asset or liability.

The RSSB enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the RSSB retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the RSSB neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the RSSB continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

In certain transactions, the RSSB retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

#### **Financial Liabilities**

The RSSB derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **iii) Modifications of financial assets and financial liabilities**

##### **Financial assets**

If the terms of a financial asset are modified, then the RSSB evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the RSSB plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the RSSB first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method or management may elect to present it as a separate item on the Statement of profit or loss and other comprehensive income.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

##### **Financial liabilities**

The RSSB derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss. Consideration paid includes non-

financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument

##### **Interest rate benchmark reform (policy applied from 1 January 2020)**

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the RSSB updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the RSSB first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the RSSB applies the policies on accounting for modifications set out above to the additional changes.

##### **iv) Offsetting**

*Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the RSSB currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.*

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the RSSB's trading activity.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

##### **v) Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the RSSB has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the RSSB measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the RSSB uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the RSSB determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of/ the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the RSSB measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the RSSB on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The RSSB recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Financial Instruments (Continued)**

##### **vi) Impairment**

The RSSB recognises loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- mortgage loan commitments issued.

RSSB has recognized impairment loss on equity investments

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The RSSB considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognized are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Financial instruments for which lifetime ECL are recognized and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

##### **Measurement of ECL**

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the RSSB expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the RSSB if the commitment is drawn down and the cash flows that the RSSB expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the RSSB expects to recover.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Significant Accounting Policies (Continued)**

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the RSSB cannot identify the ECL on the loan commitment component separately from those on the drawn component: the RSSB presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

**Write off**

Mortgage loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the RSSB determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognized when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the RSSB's procedures for recovery of amounts due.

**vii) Designation at fair value through profit or loss**

**Financial assets**

On initial recognition, the RSSB has designated certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, that would otherwise arise.

**Equity instruments at FVOCI**

Upon initial recognition, the RSSB occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the RSSB benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

**Financial liabilities**

The RSSB has not designated any financial liabilities as at FVTPL.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **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 has been done in accordance with IAS 39. 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 on annual basis 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



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **Property and equipment (Continued)**

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:

<b>Class</b>	<b>Depreciation rate</b>
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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Significant Accounting Policies (Continued)**

#### **Intangible (Continued)**

##### *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.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Significant Accounting Policies (Continued)**

**j) Impairment of non-financial assets**

The carrying amounts of the Board's non-financial assets other than investment properties and inventories and 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.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Significant Accounting Policies (Continued)**

**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 July 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 July 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.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Significant Accounting Policies (Continued)**

#### **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 2021 were low value in nature.

#### **Policy applicable before 1 July 2019**

For contracts entered before 1 July 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 06/2003 of 22 March 2003 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 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 July 2020:

<b>New amendments or interpretation</b>	<b>Effective date</b>
— Amendments to References to Conceptual Framework in IFRS Standards	1 July 2020
— Definition of a Business (Amendments to IFRS 3)	1 July 2020
— Definition of Material (Amendments to IAS 1 and IAS 8)	1 July 2020
— Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 July 2020
— Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 July 2020



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### ***New standards or amendments and forthcoming requirements (Continued)***

#### ***Amendments to References to Conceptual Framework in IFRS Standards***

The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions;
- updated recognition criteria for assets and liabilities; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing a separate accompanying document, *Amendments to References to the Conceptual Framework in IFRS Standards*, which outlines the consequential amendments made to affected IFRS standards. This was done to support transition to the revised Conceptual Framework for companies that develop and apply accounting policies using the Conceptual Framework when no IFRS standard or interpretation applies to a particular transaction.

The revised Conceptual Framework will form the basis of new IFRS standards set by the IASB as well as future amendments to existing IFRS standards. The adoption of these amendments did not have a significant impact on the financial statements of the Board.

#### ***Definition of a Business (Amendments to IFRS 3)***

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### ***New standards or amendments and forthcoming requirements (Continued)***

#### ***Definition of Material (Amendments to IAS 1 and IAS 8)***

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments "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."

The Board 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. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

#### ***Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)***

Differing effective dates of IFRS 9 Financial Instruments and the new insurance contracts standard could have had a significant impact on insurers. In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the International Accounting Standards Board (the Board) issued amendments to IFRS 4 Insurance Contracts in 2017 with an effective date of 1 January 2020.

**The amendments introduced two options that could reduce the impacts but include various complexities as summarised as follows;**

##### **Temporary exemption from IFRS 9**

- Rather than having to implement IFRS 9 in 2018, some companies are permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement.
- To qualify, a reporting company's activities need to be predominantly connected with insurance

#### ***Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (Continued)***

##### **Overlay approach**

- This optional solution provides an overlay approach to presentation to alleviate temporary accounting mismatches and volatility.
- For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **New standards or amendments and forthcoming requirements (Continued)**

#### **ii) New and amended standards and interpretations in issue but not yet adopted**

At the date of authorisation of the financial statements of Rwanda Social Security Board for the year ended 30 June 2021, the following Standards and Interpretations were in issue but not yet effective.

<b>New amendments or interpretation</b>	<b>Effective for annual periods beginning on or after</b>
— Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 July 2022
— Annual Improvements to IFRS Standards 2018–2020	1 July 2022
— Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 July 2022
— Reference to the Conceptual Framework (Amendments to IFRS 3)	1 July 2022
— Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 July 2023
— IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 July 2023
— Interest Rate Benchmark Reform-phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 July 2021
— Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely

RSSB has not early adopted these standards. All standards and Interpretations will be adopted at their effective date (except for those standards and Interpretations that are not applicable to the entity). The adoption of these amendments are not expected to have a material impact on the financial statements of the Board.

#### **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.



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Determination of fair value (Continued)**

#### **Valuation Framework (Continued)**

**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.

#### **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



## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Determination of fair value (Continued)**

#### **Valuation Framework (Continued)**

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.

#### **(i) 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.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Determination of fair value (Continued)**

**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 2021**

	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	-	12,023	1,653	13,676
Investment properties	-	221,582	-	221,582
Asset held for sale	-	-	-	-
Equity investments	156,225	259,584	41,561	457,370
<b>Total</b>	<b>133,501</b>	<b>510,265</b>	<b>93,044</b>	<b>736,810</b>

**As at 30 June 2020**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Determination of fair value (Continued)**

**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 2021**

Schemes	Pension Frw'millions	Medical Frw'millions	CBHI Frw'millions	Maternity leave Frw'millions	Ejo Heza Frw'millions	Total Frw'millions
<b>Financial assets</b>						
Equity investments	41,561	-	-	-	-	41,561
Treasury bonds	145,170	35,856	-	6,831	15,583	203,440
Treasury bills	49,986	-	-	3,935	-	53,920
Commercial papers	29,296	-	-	-	-	29,296
Loan and advances to third parties	5,319	30,629	-	-	-	35,948
Mortgage loans	16	-	-	-	-	16
Advances to contractors	6,943	-	107	-	-	7,051
Dividend receivable	4,677	381	-	-	-	5,058
Other assets	(2,411)	8,284	4,077	7	-	9,956
Due from/(Due to) other schemes	(1,000)	-	1,000	(0)	-	(-)
Deposits with financial institutions	142,602	131,479	-	13,545	-	287,626
Cash and bank balances	89,588	36,571	2,993	4,379	929	134,461
<b>Total</b>	<b>511,747</b>	<b>243,200</b>	<b>8,177</b>	<b>28,697</b>	<b>16,512</b>	<b>808,333</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	903	55	1	-	-	958
Benefits payable	-	8,383	19,479	359	-	28,221
Other payables	5,005	445	11,078	63	124	16,716
<b>Total</b>	<b>5,908</b>	<b>8,884</b>	<b>30,558</b>	<b>422</b>	<b>124</b>	<b>45,895</b>



# **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**30 June 2020**

Schemes	Pension	Medical	CBHI	Maternity leave	Ejo Heza	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Financial assets</b>						
Equity investments	107,687	8,469	-	-	-	116,156
Treasury bonds	126,597	23,799	-	-	3,541	153,937
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	-	-	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
<b>Total</b>	<b>495,113</b>	<b>253,603</b>	<b>3,446</b>	<b>20,737</b>	<b>4,467</b>	<b>777,366</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	886	60	1	-	-	946
Benefits payable	-	5,450	20,495	324	-	26,269
Other payables	4,208	30	8,425	46	-	12,708
<b>Total</b>	<b>5,094</b>	<b>5,540</b>	<b>28,920</b>	<b>369</b>	<b>-</b>	<b>39,923</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Dealing with members</b>													
Contributions	9	106,821	102,178	57,277	51,334	64,754	48,315	7,939	7,416	10,653	3,715	247,444	212,959
Benefits paid	10	(35,248)	(30,468)	(32,103)	(27,597)	(59,066)	(52,710)	(1,677)	(1,284)	(5)	0	(128,100)	(112,059)
<b>Net additions from dealings with members</b>		<b>71,573</b>	<b>71,710</b>	<b>25,174</b>	<b>23,738</b>	<b>5,688</b>	<b>(4,394)</b>	<b>6,262</b>	<b>6,132</b>	<b>10,647</b>	<b>3,715</b>	<b>119,344</b>	<b>100,900</b>
<b>Returns on investments</b>													
Investment income	11	49,688	38,220	21,521	18,655	428	285	2,191	1,406	1,146	147	74,974	58,714
Change in fair value of financial assets at fair value through profit or loss	12	(47,431)	(1,715)	(1,868)	3,832	0	0	0	0	0	0	(49,299)	2,118
Change in fair value of investment properties	13	0	79,126	0	(531)	0	0	0	0	0	0	0	78,595
Write back/(off) of prior year FV loss and other adjustments		0	0	0	0	0	0	0	0	0	0	0	0
Realized (loss)/gain on disposal of assets	14	394	416	0	(31)	1	(7)	0	(0)	0	0	395	378
Impairment loss on financial assets held at amortised cost	15	(3,270)	0	(1,252)	0	(38)	0	(155)	0	(79)	0	(4,794)	0
Less: investment management expenses	16	(1,464)	(1,701)	(354)	(314)	(0)	0	0	0	0	0	(1,819)	(2,015)
<b>Net returns on investments</b>		<b>(2,084)</b>	<b>114,346</b>	<b>18,047</b>	<b>21,612</b>	<b>391</b>	<b>278</b>	<b>2,036</b>	<b>1,406</b>	<b>1,067</b>	<b>147</b>	<b>19,457</b>	<b>137,789</b>
<b>Grants</b>	17	241	16,889	0	0	0	10,000	0	0	1,183	907	1,424	27,795
<b>Other income</b>	18	762	746	544	362	5,988	17	1	1	31	38	7,326	1,165
<b>Expenditures</b>													
Staff costs	19	(1,916)	(2,082)	(2,203)	(2,417)	(5,878)	(7,163)	(226)	(253)	(1,072)	(297)	(11,294)	(12,211)
Administrative expenses	20	(1,958)	(1,688)	(1,455)	(1,415)	(2,877)	(2,737)	(167)	(171)	(139)	(532)	(6,597)	(6,543)
Depreciation and amortization charge	21	(423)	(308)	(808)	(866)	(145)	(179)	(12)	(14)	(48)	(83)	(1,436)	(1,450)
Other expenses	22	(1,900)	(624)	(3,978)	(4,231)	(532)	(97)	(0)	21	0	0	(6,411)	(4,931)
<b>Total expenses</b>		<b>(6,197)</b>	<b>(4,701)</b>	<b>(8,444)</b>	<b>(8,928)</b>	<b>(9,432)</b>	<b>(10,177)</b>	<b>(406)</b>	<b>(416)</b>	<b>(1,258)</b>	<b>(913)</b>	<b>(25,738)</b>	<b>(25,135)</b>
<b>Net income/(loss) for the year</b>		<b>64,295</b>	<b>198,990</b>	<b>35,321</b>	<b>36,783</b>	<b>2,635</b>	<b>(4,277)</b>	<b>7,893</b>	<b>7,123</b>	<b>11,669</b>	<b>3,894</b>	<b>121,813</b>	<b>242,514</b>
<b>Other comprehensive income</b>													
Revaluation gain/(loss) on property and equipment	23	0	328	0	2,260	0	0	0	0	0	0	0	2,587
<b>Increase in net assets for the year</b>		<b>64,295</b>	<b>199,318</b>	<b>35,321</b>	<b>39,043</b>	<b>2,635</b>	<b>(4,277)</b>	<b>7,893</b>	<b>7,123</b>	<b>11,669</b>	<b>3,894</b>	<b>121,813</b>	<b>245,101</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8.3.2. Statement of financial position per scheme

	Notes	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity Leave Scheme		Ejo Heza		Total	
		2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions
<b>Assets</b>													
Property and equipment	24	2,540	1,311	11,049	11,623	76	188	6	15	5	16	13,676	13,153
Intangible assets	25	2,573	1,516	(0)	119	0	9	0	1	292	328	2,865	1,973
Investment properties	26	208,896	205,875	12,686	12,686	0	0	0	0	0	0	221,582	218,562
Investment properties in the process of construction	27	7,684	7,684	0	0	0	0	0	0	0	0	7,684	7,684
Assets held for sale	28	0	0	0	0	0	0	0	0	0	0	0	0
Equity investments	29	408,683	428,417	48,686	50,027	0	0	0	0	0	0	457,370	478,443
Corporate bonds	30	23,441	24,754	0	0	0	0	0	0	0	0	23,441	24,754
Treasury bonds	31	145,170	126,597	35,856	23,799	0	0	6,831	0	15,583	3,541	203,440	153,936
Treasury bills	32	49,986	37,811	42,352	16,513	0	0	3,935	0	0	0	96,272	54,323
Commercial papers	33	29,296	14,715	0	0	0	0	0	0	0	0	29,296	14,715
Loan and advances to third parties	34	5,319	5,510	30,629	35,812	0	0	0	0	0	0	35,948	41,322
Mortgage loans	35	16	63	0	0	0	0	0	0	0	0	16	63
Inventory	36	90	112	84	105	107	133	9	11	0	0	290	361
Advances to contractors	37	6,943	8,790	0	13	1	4	0	0	0	0	6,944	8,808
Dividend receivable	38	4,677	731	381	527	0	0	0	0	0	0	5,058	1,258
Other assets	39	(2,411)	2,936	8,284	1,599	4,077	1,639	7	34	0	0	9,956	6,207
Due from/(Due to) other schemes	40	(1,000)	2,145	0	1,572	1,000	(3,544)	(0)	(173)	0	0	(0)	0
Deposits with financial institutions	41	142,602	139,118	131,479	139,513	0	0	13,545	12,643	0	0	287,626	291,273
Cash and bank balances	42	89,588	49,014	36,571	25,792	2,993	5,360	4,379	8,235	929	926	134,461	89,327
<b>Total assets</b>		<b>1,124,092</b>	<b>1,057,097</b>	<b>358,058</b>	<b>319,699</b>	<b>8,254</b>	<b>3,790</b>	<b>28,712</b>	<b>20,766</b>	<b>16,808</b>	<b>4,810</b>	<b>1,535,925</b>	<b>1,406,162</b>
<b>Less: Liabilities</b>													
<b>Current liabilities</b>													
Amounts retained on construction contracts		903	886	55	60	1	1	0	0	0	0	958	946
Benefits payable		0	0	8,383	5,359	19,479	20,495	359	324	0	0	28,221	26,177
Other payables	43	5,005	4,231	445	428	11,078	8,233	63	46	124	0	16,716	12,937
Deferred income	44	0	0	0	0	0	0	0	0	682	691	682	691
<b>Total liabilities</b>		<b>5,908</b>	<b>5,117</b>	<b>8,884</b>	<b>5,846</b>	<b>30,558</b>	<b>28,728</b>	<b>422</b>	<b>369</b>	<b>806</b>	<b>691</b>	<b>46,577</b>	<b>40,752</b>
<b>Net assets available for benefits</b>		<b>1,118,185</b>	<b>1,051,980</b>	<b>349,174</b>	<b>313,853</b>	<b>(22,303)</b>	<b>(24,938)</b>	<b>28,290</b>	<b>20,396</b>	<b>16,002</b>	<b>4,119</b>	<b>1,489,347</b>	<b>1,365,410</b>
<b>Represented by</b>													
Capital		53	53	1,179	1,179	0	0	0	0	0	0	1,232	1,232
Accumulated member	45	376,382	366,641	327,143	290,485	(22,303)	(24,938)	28,289	20,396	1,165	179	710,676	652,763

	Notes	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity Leave Scheme		Ejo Heza		Total	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
funds and retained earnings													
Revaluation reserve	46	581	581	6,512	6,512	0	0	0	0	0	0	7,093	7,093
Fair value reserve	47	34,505	81,936	14,340	15,677	0	0	0	0	0	0	48,845	97,613
Unallocated pension contributions reserve	49	1,910	0	0	0	0	0	0	0	0	0	1,910	0
Statutory reserves	48	704,753	602,768	0	0	0	0	0	0	0	0	704,753	602,768
Ejo Heza member funds	50	0	0	0	0	0	0	0	0	14,837	3,941	14,837	3,941
<b>Total reserves</b>		<b>1,118,185</b>	<b>1,051,980</b>	<b>349,174</b>	<b>313,853</b>	<b>(22,303)</b>	<b>(24,938)</b>	<b>28,289</b>	<b>20,396</b>	<b>16,002</b>	<b>4,119</b>	<b>1,489,347</b>	<b>1,365,410</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8.3.3. Statements of changes in members' funds and reserves

As at 30 June 2021

	Statement reference	Capital	Occupational hazard reserves	Pension reserves	Accumulated member funds and retained earnings	Ejo Heza member funds	Fair value reserve	Revaluation reserve	Unallocated pension contributions reserve
		Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Pension scheme	8.3.1	53	88,780	615,973	376,382	0	34,505	581	1,910
Medical scheme	8.3.2	1,179	0	0	327,143	0	14,340	6,512	0
CBHI scheme	8.3.3	0	0	0	(22,303)	0	0	0	0
Maternity leave scheme	8.3.4	0	0	0	28,289	0	0	0	0
Ejo Heza	8.3.5	0	0	0	1,165	14,837	0	0	0
<b>Total</b>		<b>1,232</b>	<b>88,780</b>	<b>615,973</b>	<b>710,676</b>	<b>14,837</b>	<b>48,845</b>	<b>7,093</b>	<b>1,910</b>

As at 30 June 2020

	Statement reference	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
Pension scheme	8.3.1	53	70,670	532,098	366,641	0	81,936	581	1,051,980
Medical scheme	8.3.2	1,179	0	0	290,485	0	15,677	6,512	313,853
CBHI scheme	8.3.3	0	0	0	(24,938)	0	0	0	(24,938)
Maternity leave scheme	8.3.4	0	0	0	20,396	0	0	0	20,396
Ejo Heza	8.3.5	0	0	0	179	3,941	0	0	4,119
<b>Total</b>		<b>1,232</b>	<b>70,670</b>	<b>532,098</b>	<b>652,763</b>	<b>3,941</b>	<b>97,613</b>	<b>7,093</b>	<b>1,365,410</b>

**Note:** Since the establishment of Pension and Occupational hazards in 1962, the two schemes have been managed as one. Pension and Occupational hazards contributions rates being 6% and 2% respectively. Their reserves are apportioned as per the Presidential Order of 22 August 1974.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	Capital	Occupational Hazards Reserves				Pensions reserves			Total statutory Reserves	Accumulated members' fund and retained earnings	Fair value reserve	Revaluation reserve	Unallocated pension contributions reserve	Totals
		Occupational hazard Technical reserve	Occupational hazard Security reserve	Occupational hazard Working capital reserve	Total Occupational Hazard reserves	Pension Technical reserve	Pension Working capital reserve	Total Pension reserves						
	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	Frw'millions
	A	B	C	D	E=B+C+D	F	G	H=F+G	I=E+H					
At 1 July 2019	53	47,281	6,377	2,242	55,899	436,623	24,064	460,687	516,586	331,244	4,525	254	0	852,662
Adjustment for prior year										0				0
Increase in net assets for the year		13,887	630	255	14,771	64,768	6,644	71,411	86,182	35,397	77,411			198,990
Revaluation gain/(loss) for the year												328		328
At 30 June 2020	53	61,168	7,006	2,497	70,670	501,390	30,708	532,098	602,768	366,641	81,936	581	0	1,051,980
At 1 July 2020	53	61,168	7,006	2,497	70,670	501,390	30,708	532,098	602,768	366,641	81,936	581	0	1,051,980
Adjustment for prior year										0				0
Increase in net assets for the year		17,057	763	289	18,110	76,548	7,328	83,875	101,985	9,741	(47,431)			64,295
Revaluation gain/(loss) for the year												0		0
Reclassification of unallocated contributions from other payables to reserves													1,811	1,811
Additional unallocated contributions during the year													105	105
Allocation of previously unallocated contributions during the year													(6)	(6)
At 30 June 2021	53	78,225	7,769	2,786	88,780	577,938	38,035	615,973	704,753	376,382	34,505	581	1,910	1,118,185



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	Capital Frw'millions	Retained earnings Frw'millions	Fair Value Reserve Frw'millions	Revaluation Reserve Frw'millions	Total Frw'millions
At 1 July 2019	1,179	257,003	12,376	4,252	274,810
Adjustment for prior year	0	0	0	0	(0)
Profit for the year	0	33,482	3,301	0	36,783
Revaluation loss for the year	0	0	0	2,260	2,260
At 30 June 2020	1,179	290,485	15,677	6,512	313,853
At 1 July 2020	1,179	290,485	15,677	6,512	313,853
Adjustment for prior year	0	(531)	531	0	(0)
Profit for the year	0	37,189	-1,868	0	35,321
Revaluation loss for the year	0	0	0	0	0
At 30 June 2021	1,179	327,143	14,340	6,512	349,174

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

	Retained earnings Frw'millions
At 1 July 2019	(20,662)
Profit/(Loss)for the year	(4,277)
At 30 June 2020	(24,938)
At 1 July 2020	(24,938)
Adjustment to opening balances	0
Profit/(Loss)for the year	2,635
At 30 June 2021	(22,303)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Retained earnings Frw'millions
At 1 July 2019	13,274
Adjustment for prior year	0
Profit for the year	7,123
At 30 June 2020	<u>20,396</u>
At 1 July 2020	20,396
Adjustment for prior year	0
Profit for the year	7,893
At 30 June 2021	<u>28,289</u>

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

	Member funds Frw'millions	Unallocated member contributions Frw'millions	Retained earnings Frw'millions	Total Frw'millions
At 1 July 2019	90	15	104	209
Adjustment for prior year	0	0	(105)	(105)
Member contributions	3,692	0	(3,692)	0
Government contributions	23	0	(23)	0
Unallocated member contributions	0	121		121
Net income/(loss) for the year	0	0	3,894	3,894
At 30 June 2020	<u>3,805</u>	<u>135</u>	<u>179</u>	<u>4,119</u>
At 1 July 2020	3,805	135	179	4,119
Adjustment for prior year			(30)	(30)
Member contributions	9,212		(9,212)	0
Government contributions	1,440		(1,440)	0
Unallocated member funds		243		243
Net income/(loss) for the year			11,669	11,669
Interest allocated to members				0
At 30 June 2021	<u>14,458</u>	<u>379</u>	<u>1,165</u>	<u>16,002</u>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8.3.4. Statement of cash flows per scheme

	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity leave Scheme		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Increase in net assets for the year</b>	64,295	198,990	35,321	36,783	2,635	(4,277)	7,893	7,123	11,669	3,894	121,813	242,514
<b>Adjusted for:</b>												
Depreciation and amortization	423	308	808	866	145	179	12	14	48	83	1,436	1,450
Investment income	(49,688)	(38,220)	(21,524)	(18,655)	(428)	(285)	(2,191)	(1,406)	(1,146)	(147)	(74,978)	(58,714)
Realized gain on disposal of assets (equity investments, PPE, Assets held for sale and Investment properties)	(394)	(416)	0	31	(1)	7	(0)	(0)	0	0	(394)	(378)
Fair value loss/(gain) on equity investments	47,431	1,715	1,868	(3,832)	0	0	0	0	0	0	49,299	(2,118)
Fair value loss/(gain) on investment properties	0	(79,126)	0	531	0	0	0	0	0	0	0	(78,595)
Write back	0	0	0	0	0	0	0	0	0	0	0	0
Unrealised foreign exchange loss	(22)	158	0	0	0	0	0	0	0	0	(22)	158
Government grants	(241)	(16,889)	0	0	0	(10,000)	0	0		(175)	(241)	(27,064)
Impairment provision (IFRS 9 ECL)	3,270	0	1,252	0	38	0	155	0	79		4,794	0
Other adjustments of opening balances	(365)	(339)	(77)	176	(6)	106	(35)	(6)	973		491	(63)
In-kind expenditure	0	0	0	0	0	0	0	0	0	648	0	648
In-kind income	0	0	0	0	0	0	0	0	0	(731)	0	(731)
<b>Operating income for changes in working capital</b>	<b>64,708</b>	<b>66,181</b>	<b>17,648</b>	<b>15,900</b>	<b>2,383</b>	<b>(14,270)</b>	<b>5,834</b>	<b>5,724</b>	<b>11,623</b>	<b>3,572</b>	<b>102,196</b>	<b>77,107</b>
(Increase)/Decrease in advance to contractors	0	0										
(Increase)/Decrease in other assets	1,657	349	12	46	4	2	0	(0)	0	0	1,674	397
(Increase)/Decrease in amounts due from/(due to) other schemes	5,338	475	(6,820)	(1,222)	(2,463)	1,287	27	(27)	0	0	(3,919)	512
(Increase)/Decrease in inventory	3,145	(650)	1,572	1,359	(4,544)	(767)	(173)	58	0	0	0	(0)
Increase/(Decrease) in medical/maternity claims payables	22	(3)	21	(87)	26	30	2	(5)	0	0	71	(65)
Increase/(Decrease) in other payables	0	0	3,025	(313)	(1,016)	2,366	35	(88)	0	0	2,044	1,965
Increase/(Decrease) in contract retentions	774	(3,698)	17	(149)	2,845	49	18	(20)	124	(0)	3,778	(3,819)
Increase/(decrease) in deferred income	17	314	(4)	0	0	1	(0)	0	0	0	12	315
Increase in unallocated pension contributions reserve	0	0	0	0	0	0	0	0	(9)	0	(9)	0
<b>Net cash flows from operating activities</b>	<b>1,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,910</b>	<b>0</b>
<b>Cash flows used in investing activities:</b>	<b>77,572</b>	<b>62,967</b>	<b>15,470</b>	<b>15,533</b>	<b>(2,765)</b>	<b>(11,303)</b>	<b>5,743</b>	<b>5,642</b>	<b>11,738</b>	<b>3,572</b>	<b>107,758</b>	<b>76,412</b>

	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity leave Scheme		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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 received	2,875	5,850	1,184	117	0	0	0	0	0	0	4,058	5,967
Rent received	2,286	2,099	0	2,347	0	0	0	0	0	0	2,286	4,446
Other interest income received (current accounts, call deposit and mortgage loans)	2,711	2,332	0	0	428	285	354	439	53	13		
Purchases for investment property under construction											3,546	3,070
Purchase of property and equipment	0	(3,217)	0	0	0	0	0	0	0	0	0	(3,217)
Purchase of intangible asset	(1,611)	(126)	(121)	(118)	(32)	(151)	(3)	(12)	0	0	(1,767)	(408)
Purchase of investment properties	(1,177)	(1,396)	0	0	0	0	0	0	0	0	(1,177)	(1,396)
Purchase of equity investments	0	0	0	0	0	0	0	0	0	0	(4,700)	(17,121)
Proceeds from disposal of Equity investments	(27,698)	(56,154)	(528)	(3,772)	0	0	0	0	0	0	(28,225)	(59,926)
Purchase of Corporate bonds	0	0	0	0	0	0	0	0	0	0	0	0
Receipts from settlement of Corporate bonds (Interest and principal)	4,176	(24,000)	0	0	0	0	0	0	0	0	0	(24,000)
Receipts from Treasury bond - coupon interest income received	23,774	19,313	4,761	1,020	0	0	378	0	0	133	4,176	0
Receipts from Treasury bill maturities (Interest and principal)	40,240	91,397	39,538	41,802	0	0	(3,648)	4,003	0	0	28,913	20,466
Receipts from Commercial papers maturities (principal and interest)	3,778	17,486	0	0	0	0	0	0	0	0	76,129	137,201
Investment in Treasury bonds											3,778	17,486
Investment in Treasury bills	(27,576)	(51,259)	(14,242)	(16,767)	0	0	(6,882)	0	(11,787)	(3,443)	(60,486)	(71,469)
Investment in Commercial papers	(47,718)	(48,477)	(62,657)	(16,270)	0	0	0	0	0	0	(110,375)	(64,747)
Receipts from settlement of loans and advances to third parties	(16,915)	(14,520)	5,183	9,511	0	0	0	0	0	0	(16,915)	(14,520)
Additional loans and advances to third parties during the year	165	426	0	(10,000)	0	0	0	0	0	0	5,348	9,937
Settlement of mortgage loans	0	0	0	0	0	0	0	0	0	0	0	(10,000)
Placement of term deposits during the year	45	90	(99,000)	(130,000)	0	0	(13,000)	(15,000)	0	0	45	90
Settlement of term deposits during the year	(94,713)	(148,898)	118,698	104,272	0	0	13,201	3,150	0	0	(206,713)	(293,898)
(Increase)/Decrease in call deposit	102,673	151,326									234,572	258,748
Refund of prior year purchase of Investment properties - Rusororo plots	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from disposal of PPE and Investment properties	0	2,135	0	0	0	0	0	0	0	0	0	2,135
Net cash used in investing activities	2,146	1,849	2,495	0	1	23	0	0	0	0	4,642	1,873
	(37,238)	(70,864)	(4,691)	(17,859)	398	158	(9,599)	(7,420)	(11,734)	(3,296)	(62,865)	(99,280)
<b>Cashflow from financing activities</b>												
Government subsidies	241	16,889	0	0	0	10,000	0	0		452	241	27,340
Government grants refunded										(332)	0	(332)
Increase in unidentified member contributions										121		
											0	121



	Pension Scheme		Medical Scheme		CBHI Scheme		Maternity leave Scheme		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Net cash from financing activities	241	16,889	0	0	0	10,000	0	0	0	241	241	27,129
Net increase in cash and cash equivalents	40,575	8,991	10,779	(2,325)	(2,367)	(1,145)	(3,856)	(1,778)	4	517	45,135	4,260
Cash and cash equivalents at 1 July	49,014	40,022	25,792	28,117	5,360	6,505	8,235	10,013	926	409	89,327	85,066
Cash and cash equivalents at 30 June	89,588	49,014	36,571	25,792	2,993	5,360	4,379	8,235	929	926	134,461	89,327

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Contributions

	Sub-Note	2021 Frw'millions	2020 Frw'millions
Pension scheme	10.1	106,821	102,178
Medical scheme	10.2	57,277	51,334
Community Based Health Insurance (CBHI) scheme	10.3	64,754	48,315
Maternity leave scheme	10.4	7,939	7,416
Ejo Heza	10.5	10,653	3,715
		<b>247,444</b>	<b>212,959</b>

#### 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.

	2021 Frw'millions	2020 Frw'millions
Pension And Occupational Hazard Contributions	106,821	98,377
Pension And Occupational Hazard Contribution Penalties	0	948
Pension and Occupational Hazard Contribution arrears	0	2,853
	<b>106,821</b>	<b>102,178</b>

#### 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.

	2021 Frw'millions	2020 Frw'millions
Public medical contributions	45,697	40,179
Private medical contributions	10,741	10,621
Pensioners medical contributions	839	535
	<b>57,277</b>	<b>51,334</b>

#### 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:



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	2021 Frw'millions	2020 Frw'millions
Government contributions	11,779	9,828
Members contributions	25,537	23,842
Insurance contribution	7,939	5,380
Employees contributions	4,830	1,093
Telecommunication contribution	5,244	3,915
Petrol and gas oil contributions	6,194	642
CBHI Contribution Partners	0	2,914
Other CBHI Subsidies	3,075	701
Contributions - RDB	36	0
Contributions - RNEC	120	0
	<b>64,754</b>	<b>48,315</b>

\*Amount for partner contribution from Imbuto Foundation has been reclassified to other income as grants.

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.

**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 contribute zero-point three percent (0.3%) of the salary to which the contribution is subscribed.

	2021 Frw'millions	2020 Frw'millions
Maternity Contributions	7,939	7,416
	<b>7,939</b>	<b>7,416</b>

**9.5. Contributions/Savings – Ejo Heza**

	2021 Frw'millions	2020 Frw'millions
Members' contributions/savings	9,212	3,692
Government contributions to member savings	1,440	23
	<b>10,653</b>	<b>3,715</b>

**10. Benefits paid**

		2021 Frw'millions	2020 Frw'millions
Pension and Occupational hazards scheme	10.1	35,248	30,468
Medical scheme	10.2	32,103	27,597
Community Based Health Insurance (CBHI) scheme	10.3	59,066	52,710
Maternity leave scheme	10.4	1,677	1,284
Ejo Heza scheme		5	0
		<b>128,100</b>	<b>112,059</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10.1. Benefits paid – Pension and Occupational hazards scheme**

	2021 Frw'millions	2020 Frw'millions
Benefits paid to pensioners	27,575	23,788
Benefits paid to deceased members' beneficiaries	6,252	5,522
<b>Sub-total benefits paid</b>	<b>33,827</b>	<b>29,311</b>
Incapacity benefits	371	343
Other occupational hazards	1,050	814
<b>Subtotal - Occupational hazard paid</b>	<b>1,421</b>	<b>1,157</b>
<b>Total benefits paid</b>	<b>35,248</b>	<b>30,468</b>

**10.2. Benefits paid – Medical scheme**

	2021 Frw'millions	2020 Frw'millions
Medical Procedures from partner hospitals, health centers and clinics	22,477	18,952
Partners pharmacy costs	9,626	8,645
	<b>32,103</b>	<b>27,597</b>

**10.3. Benefits paid – CBHI scheme**

	2021 Frw'millions	2020 Frw'millions
CBHI medicine	21,966	25,954
CBHI medical procedures	37,100	26,756
	<b>59,066</b>	<b>52,710</b>

**10.4. Benefits expense - Maternity leave Scheme**

	2021 Frw 'millions	2020 Frw 'millions
Maternity leave benefits	1,677	1,284
	<b>1,677</b>	<b>1,284</b>

**10.5. Benefits expense – Ejo Heza Scheme**

	2021 Frw 'millions	2020 Frw 'millions
Benefits	5	0
	<b>5</b>	<b>0</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. Investment income**

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.

	Sub note	<u>Pension and Occupational hazard Scheme</u>		<u>Medical Scheme</u>		<u>CBHI</u>		<u>Maternity Leave</u>		<u>Ejo Heza</u>		<u>Total</u>	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		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	6,842	2,092	1,038	943	0	0	0	0	0	0	7,880	3,036
Rental income	11.2	2,286	2,099	394	608	0	0	0	0	0	0	2,680	2,707
<b>Interest income:</b>													0
Treasury bills		4,938	4,622	2,924	1,758	0	0	305	174	0	0	8,167	6,554
Term deposits with financial institutions	11.3	12,216	11,875	12,320	12,256	0	0	1,171	793	0	0	25,707	24,924
Commercial papers		2,246	1,537	0	0	0	0	0	0	0	0	2,246	1,537
Government bonds		0	0	0	0	0	0	0	0	0	0	0	0
Corporate bonds		2,976	754	0	0	0	0	0	0	0	0	2,976	754
Treasury bonds		15,473	12,909	2,748	1,351	0	0	360	0	1,094	133	19,675	14,394
Mortgage loans		17	32	0	0	0	0	0	0	0	0	17	32
Current accounts		2,695	2,300	2,097	1,739	428	285	354	439	53	13	5,627	4,777
		<b>49,688</b>	<b>38,220</b>	<b>21,521</b>	<b>18,655</b>	<b>428</b>	<b>285</b>	<b>2,191</b>	<b>1,406</b>	<b>1,146</b>	<b>147</b>	<b>74,974</b>	<b>58,714</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11.1. Dividend income**

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Local investments</b>						
Bank of Kigali Limited	4,363	0	111	0	4,474	0
Bralirwa Limited	199	0	82	0	281	0
Crystal Telecom Ltd	302	316	0	0	302	316
Ruliba Clays Limited	0	383	0	0	0	383
I&M Bank	0	0	0	0	0	0
Cogebanque	0	0	0	0	0	0
Inyangye Industries Limited	362	0	0	0	362	0
Rwanda Investment Group Limited	157	67	47	20	204	87
Rwanda stock exchange	11	0	0	0	11	0
<b>Sub-total (1)</b>	<b>5,393</b>	<b>766</b>	<b>240</b>	<b>20</b>	<b>5,633</b>	<b>786</b>
<b>Foreign investments</b>						
Safaricom Limited	276	277	0	0	276	277
Eastern and Southern Africa Trade Development Bank	975	998	798	923	1,772	1,921
Afrexim Bank	61	52	0	0	61	52
KCB Bank Group Limited	138	0	0	0	138	0
<b>Sub-total (2)</b>	<b>1,449</b>	<b>1,326</b>	<b>798</b>	<b>923</b>	<b>2,247</b>	<b>2,249</b>
<b>Grand total (1+2)</b>	<b>6,842</b>	<b>2,092</b>	<b>1,038</b>	<b>943</b>	<b>7,880</b>	<b>3,036</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11.2. Rental income**

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>CBHI</u>		<u>Maternity Leave</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Kacyiru Executive Apartments	207	366	-	-	-	-	-	-	207	494
Grand Pension Plaza	830	1,087	-	-	-	-	-	-	830	1,256
Other Rental income	33	31	-	-	-	-	-	-	33	37
Nyanza Pension Plaza	77	93	-	-	-	-	-	-	77	107
Karongi Pension Plaza	119	30	-	-	-	-	-	-	119	44
Musanze Pension Plaza	212	82	-	-	-	-	-	-	212	98
Rwamagana Pension Plaza	8	15	-	-	-	-	-	-	8	17
Crystal Plaza	2	37	-	-	-	-	-	-	2	45
Nyarutarama Plaza	793	-	-	-	-	-	-	-	793	0
<b>Doctors' plaza</b>										
Tower I	-	-	36	36	-	-	-	-	36	41
Tower II	6	-	358	467	-	-	-	-	364	567
	<b>2,286</b>	<b>1,742</b>	<b>394</b>	<b>502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,680</b>	<b>2,707</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11.3. Interest income on term deposits with financial institutions**

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Maternity Leave</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Interest income on long term deposit</b>								
Development Bank of Rwanda (BRD)	2,540	2,256	2,668	2,610	-	-	5,208	4,867
AB Bank	120	120	-	-	-	-	120	120
Bank of Kigali	741	351	-	-	-	-	741	351
Bank Populaire du Rwanda (Atlas Mara)	124	85	1,175	808	-	-	1,299	893
Commercial Bank of Africa (Rwanda)	-	36	-	-	-	-	-	36
Zigama CSS	429	421	-	-	-	-	429	421
<b>sub-total (1)</b>	<b>3,954</b>	<b>3,270</b>	<b>3,843</b>	<b>3,418</b>	<b>-</b>	<b>-</b>	<b>7,797</b>	<b>6,688</b>
<b>Interest income on short term deposits</b>								
Access Bank Limited	-	-	-	1	-	-	-	1
Banque Populaire S.A	691	942	1,116	1,058	-	-	1,808	2,000
Cogebanque	1,264	1,519	1,320	1,385	480	191	3,064	3,095
Bank of Kigali Limited	2,989	2,997	2,479	2,175	394	387	5,862	5,560
Ecobank Rwanda Limited	484	386	2	77	-	-	486	463
KCB Rwanda Limited	1,390	1,204	795	1,025	-	-	2,185	2,229
I&M Bank Rwanda Limited	-	-	1,250	1,187	-	-	1,250	1,187
Zigama CSS	425	449	346	359	-	-	771	809
Equity bank limited	-	161	975	1,376	282	214	1,257	1,751
Unguka Bank	75	30	-	-	-	-	75	30
AB Bank	74	73	-	-	-	-	74	73
LETSHEGO	-	-	-	-	-	-	-	-
Commercial Bank of Africa (Rwanda)	58	42	-	-	15	-	74	42
Bank of Africa	495	419	195	193	-	-	690	613
<b>Sub-total (2)</b>	<b>7,945</b>	<b>8,222</b>	<b>8,477</b>	<b>8,837</b>	<b>1,171</b>	<b>793</b>	<b>17,594</b>	<b>17,853</b>
<b>Interest income on call deposit</b>								
KCB Rwanda Limited	73	190	-	-	-	-	73	190
<b>Sub-total (3)</b>	<b>73</b>	<b>190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>190</b>
<b>Interest income on BK Nest Fund</b>								
Bank of Kigali Nest Fund	243	194	-	-	-	-	243	194
<b>Sub-total (4)</b>	<b>243</b>	<b>194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>194</b>
<b>Grand total (1+2+3)</b>	<b>12,216</b>	<b>11,875</b>	<b>12,320</b>	<b>12,256</b>	<b>1,171</b>	<b>793</b>	<b>25,707</b>	<b>24,924</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	<u>Pension and Occupational Hazards Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions
<b>Subsidiaries</b>						
Ultimate Developers Limited (UDL)	884	(1,164)	0	0	884	(1,164)
Akagera Game Lodge SA (AGL)	(742)	(399)	0	0	(742)	(399)
SONARWA Life Assurance Limited	0	0	0	0	0	0
Rwanda Foreign Holding Investment Company (RFIHC)	1,012	1,739	438	753	1,450	2,492
Edge Hostels Limited	8	105	0	0	8	105
SONARWA General Insurance Limited	860	(90)	0	0	860	(90)
<b>Joint venture</b>						
Building Materials Investment subsidiaries (RULIBA and EAGI)	(1,309)	281	0	0	(1,309)	281
<b>Associates</b>						
Rwanda Development Bank (BRD)	3,580	905	0	0	3,580	905
Ultimate Concepts Limited	0	0	0	0	0	0
Inyange Industries	(486)	(241)	0	0	(486)	(241)
Bank of Kigali (BK)	(6,059)	(4,242)	(154)	(108)	(6,214)	(4,350)
Cogebanque	0	0	1,357	961	1,357	961
Crystal Telecom	12,968	1,216	0	0	12,968	1,216
Horizon SOPYRWA Limited	90	291	0	0	90	291
Rwanda Enterprise Investment Company (REIC)	(2)	62	0	0	(2)	62
RNIT Iterambere Limited	304	269	0	0	304	269
CIMERWA Limited	2,914	(4)	2,914	(4)	5,827	(9)
Eastern Province Investment Corporation (EPIC)	(848)	(2,028)		0	(848)	(2,028)
<b>Other equity investments</b>					0	
Rwanda Investment Group (RIG)	(96)	32	(29)	9	(124)	41
Prime Economic Zone Limited (formerly Rwanda Free Trade Zone)	(16)	314	0	0	(16)	314
New Forest Rwanda Limited (NFCR)	0	0	0	0	0	0
Rwanda Stock Exchange (RSE)	25	4	0	0	25	4
Eastern and Southern Trade Development Bank (formerly PTA Bank)	2,208	2,154	2,227	2,213	4,435	4,367
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	(368)	(184)	(151)	(76)	(519)	(259)
1&M Bank	211	0	0	0	211	0
New Forest Company Holdings Uk (Ltd)	0	0	0	0	0	0

	<u>Pension and Occupational Hazards Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions
African Export-Import Bank (AFREXIM Bank)	492	289	0	0	492	289
Safaricom	2,340	75	0	0	2,340	75
Equity Group	4,704	(1,098)	0	0	4,704	(1,098)
Olleh Networks Rwanda Limited (KT Rwanda)	0	0	(8,469)	84	(8,469)	84
Rwanda Ultimate Golf Course	0	0	0	0	0	0
World Vu Satellites Limited	(35,895)	0	0	0	(35,895)	0
KCB Group	1,418	0	0	0	1,418	0
LEAF Pharmaceuticals Limited	(35,627)	0	0	0	(35,627)	0
	<b>(47,431)</b>	<b>(1,715)</b>	<b>(1,868)</b>	<b>3,832</b>	<b>(49,299)</b>	<b>2,118</b>

Fair value gain/loss is determined as the difference between the carrying amount of the asset and the fair value established. There were significant gains realised on Eastern and Southern Africa Trade Development Bank, Rwanda Development Bank, CIMERWA, COGEBANQUE, SAFARICOM, Equity Group, Crystal Telecom/MTN Rwanda and Rwanda Foreign Investments Holding Company. However, these were offset by significant losses on World Vu Satellites Limited, Bank of Kigali, Leaf Pharmaceuticals, BMI, Eastern Province Investment Corporation and KT Rwanda Network. For further details refer to note 27.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

Description of property	Pension		Medical		Total
	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2020 Frw'millions
Kacyiru Executive Apartments	-	1,199	-	-	1,199
GRAND PENSION PLAZZA	-	2,369	-	-	2,369
MUSANZE PENSION PLAZZA	-	33	-	-	33
RWAMAGANA PENSION PLAZZA	-	(920)	-	-	(920)
NYANZA PENSION PLAZZA	-	(1,137)	-	-	(1,137)
KARONGI PENSION PLAZZA	-	(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 PLAZZAS	-	1,103	-	-	1,103
FORMER CECFR PLOT	-	361	-	-	361
GACULIRO VISION CITY LAND	-	31,635	-	-	31,635
CBD I-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)
<b>Total</b>	-	<b>79,126</b>	-	<b>(531)</b>	<b>78,595</b>

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. There was no valuation of investment properties done in 2021.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14. Realised gain/loss on disposal of assets**

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>CBHI Scheme</u>		<u>Maternity leave Scheme</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Realised gain/(Loss) on disposal of Administrative assets	(0)	(16)	0	(31)	1	(7)	0	(0)	1	(54)
Realised gain/(Loss) on disposal of Investment properties	393	419	0	0	0	0	0	0	393	419
Realised gain/(Loss) on disposal of Batsinda houses	0	13	0	0	0	0	0	0	0	13
	<b>394</b>	<b>416</b>	<b>0</b>	<b>(31)</b>	<b>1</b>	<b>(7)</b>	<b>0</b>	<b>(0)</b>	<b>395</b>	<b>378</b>

**15. Impairment loss on financial assets held at amortised cost**

Financial assets at amortised cost	<u>Pension</u>		<u>Medical</u>		<u>CBHI</u>		<u>Maternity leave</u>		<u>Ejo Heza</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Corporate bonds	(113)	-	-	-	-	-	-	-	-	-	(113)	-
Treasury bonds	(700)	-	(173)	-	-	-	(33)	-	(74)	-	(981)	-
Treasury bills	(241)	-	(204)	-	-	-	(19)	-	-	-	(464)	-
Commercial papers	(804)	-	-	-	-	-	-	-	-	-	(804)	-
Loan and advances to third parties	(26)	-	-	-	-	-	-	-	-	-	(26)	-
Mortgage loans	(2)	-	-	-	-	-	-	-	-	-	(2)	-
Advances to contractors	(190)	-	-	-	-	-	-	-	-	-	(190)	-
Dividend and other income receivable	(21)	-	(1)	-	-	-	-	-	-	-	(22)	-
Other assets	(22)	-	(41)	-	(26)	-	-	-	-	-	(89)	-
Deposits with financial institutions	(708)	-	(653)	-	-	-	(67)	-	-	-	(1,428)	-
Cash and bank balances (only bank balances)	(443)	-	(180)	-	(13)	-	(36)	-	(5)	-	(677)	-
	<b>(3,270)</b>	<b>-</b>	<b>(1,252)</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>(155)</b>	<b>-</b>	<b>(80)</b>	<b>-</b>	<b>(4,794)</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16. Investment management expenses**

	Pension Scheme		Medical Scheme		Total	
	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions
Kacyiru executive apartments	161	338	-	-	161	339
Kacyiru Estate	-	-	-	-	-	-
Grand Pension Plaza	413	452	-	-	413	504
Nyanza Pension Plaza	69	97	-	-	69	97
Karongi Pension Plaza	62	105	-	-	62	111
Musanze Pension Plaza	71	120	-	-	71	120
Rwamagana Pension Plaza	63	101	-	-	63	105
EX-CVL buildings	19	58	-	-	19	58
Nyarutarama Plaza	75	19	-	-	75	19
Vision City and Kinyinya	-	3	-	-	-	3
Management fees Tower II and Doctor's plaza	-	-	322	238	322	254
Other investment management and administrative expenses	532	209	32	60	564	403
	<b>1,464</b>	<b>1,503</b>	<b>354</b>	<b>298</b>	<b>1,819</b>	<b>2,015</b>

**17. Grants**

	Sub note	2021 Frw'millions	2020 Frw'millions
Grants to CBHI scheme- arrears	17.1	0	10,000
Grants to CBHI scheme- current			
Grants to Pension scheme		241	16,889
Grants to Ejo Heza	17.2	1,183	907
		<b>1,424</b>	<b>27,795</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17.1. Government grants for CBHI Arrears**

	2021 Frw'millions	2020 Frw'millions
Accumulated surplus/(deficit) as at 1 July	(25,015)	(20,662)
Prior year adjustment	(-)	(-)
CBHI net income/(loss) for the year (without Government grants)	2,635	(14,353)
<b>Accumulated surplus/(deficit) without Government grant</b>	<b>(22,380)</b>	<b>(35,015)</b>
Government grant received during the year	-	10,000
<b>Accumulated surplus/(deficit) as at 30 June</b>	<b>(22,380)</b>	<b>(25,015)</b>

There was no Government grant provided during the year. Despite improvement in CBHI collections that financed the year operations, CBHI scheme still had arrears of **Frw 22,380,257,531** as at 30 June 2021. The scheme still requires continued Government support to finance the CBHI funding deficit, especially the balance carried forward from prior years.

**17.2. Government grants to Pension scheme**

In 2020, RSSB (Pension fund) received Government grant of **Frw 16,888,519,600** in form of land donation for Kigali Golf Club investment. This was a one-off donation for last year and therefore no additional grants during the year.

**17.3. Grants to Ejo Heza**

	AFR cash grants Frw'millions	AFR capital grants Frw'millions	Govt cash grants Frw'millions	Total Frw'millions
<b>Year ended 30 June 2021</b>				
New grants utilised during the year	0	0	1,135	1,135
Capital grant amortised during the year	0	48	0	48
	<b>0</b>	<b>48</b>	<b>1,135</b>	<b>1,183</b>
<b>Year ended 30 June 2020</b>				
New grants utilised during the year	648	-	175	823
Capital grant amortised during the year	-	83	-	83
	<b>648</b>	<b>83</b>	<b>175</b>	<b>907</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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). For the year ended 30 June 2021, cash grants represent funds from Government of Rwanda that were utilised for operating expenses of Ejo Heza scheme. No cash was received from AFR in 2021.

### 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.

### 18. Other income

	Pension Scheme		Medical Scheme		CHBI Scheme		Maternity Leave Scheme		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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	199	483	105	18	31	17	1	1	0	0	336	519
Issue of card duplicates	0	0	18	7	0	0	0	0	0	0	18	7
Exchange rate gain	563	263	421	337	0	0	0	0	0	0	984	601
Penalties received	0	0	0	0	0	0	0	0	0	0	0	0
CBHI Sales of Medical and Members Cards	0	0	0	0	0	0	0	0	0	0	0	0
Grant to CBHI - Imbuto Foundation	0	0	0	0	5,957	0	0	0	0	0	5,957	0
Interest income on Ejo Heza operational account	0	0	0	0	0	0	0	0	31	38	31	38
<b>Total</b>	<b>762</b>	<b>746</b>	<b>544</b>	<b>362</b>	<b>5,988</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>31</b>	<b>38</b>	<b>7,326</b>	<b>1,165</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. Staff costs

Description	Pension Scheme		Medical Scheme		CBHI		Maternity Leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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	1,306	1,363	1,501	1,616	4,034	4,896	155	168	985	247	7,980	8,290
Overtime	0	0	0	0	0	0	0	0	0	0	0	0
Pay in lieu of leave	0	0	0	1	0	1	0	0	0	0	0	3
Technical allowances	12	13	11	12	14	16	1	1	0	0	38	42
Responsibility allowances	31	4	28	3	99	67	4	1	0	0	160	74
Social security contributions	79	81	90	95	238	286	9	10	0	0	416	471
Medical insurance contributions	99	99	113	117	304	357	12	12	0	0	528	584
Maternity Leave contributions	5	5	5	6	14	17	1	1	0	0	25	28
Transport allowances	143	147	177	185	531	637	15	16	0	0	867	985
House allowances	190	194	217	227	580	687	22	24	0	0	1,009	1,133
Notice and dismissal costs	0	0	0	0	0	0	0	0	0	0	0	0
Retirement benefits	7	14	11	5	11	4	0	0	0	0	29	23
Funeral charges	0	2	0	1	4	3	0	0	0	0	4	6
Training and internship expenses	17	115	16	108	20	138	2	11	0	0	55	372
Employee benefits in kind	0	0	0	0	0	0	0	0	0	0	0	0
Other Allowances & Indemnities	25	31	21	28	24	32	5	6	0	0	75	97
Personnel sport activities	0	7	0	7	0	9	0	1	0	0	0	23
Other benefits	3	7	1	5	2	6	0	0	87	51	93	69
Death indemnities	0	0	0	0	0	6	0	0	0	0	0	6
Membership fees	2	1	11	1	2	1	0	0	0	0	15	4
<b>Total</b>	<b>1,916</b>	<b>2,082</b>	<b>2,203</b>	<b>2,417</b>	<b>5,878</b>	<b>7,163</b>	<b>226</b>	<b>253</b>	<b>1,072</b>	<b>297</b>	<b>11,294</b>	<b>12,211</b>



# **NOTES TO THE FINANCIAL STATEMENTS (continued)**

## **20. Administrative expenses**

Description	Pension Scheme		Medical Scheme		CBHI		Maternity Leave		Ejo Heza		Total	
	2021 Fw'millions	2020 Fw'millions	2021 Fw'millions	2020 Fw'millions	2021 Fw'millions	2020 Fw'millions	2021 Fw'millions	2020 Fw'millions	2021 Fw'millions	2020 Fw'millions	2021 Fw'millions	2020 Fw'millions
Water and electricity	56	69	53	48	67	49	5	4	0		181	170
Fuel	11	16	10	15	13	19	1	2	0		36	51
Office equipment	80	77	121	93	102	91	8	7	0		310	268
Other equipment	33	92	32	86	42	109	3	9	0		111	296
Office supplies	0	0	0	0	0	0	0	0	0		0	0
IT Equipment	52	76	48	71	62	90	5	7	0		167	245
Transport of staff in the country	169	196	125	139	187	197	22	23	19	24	522	579
Transport expenses for staff abroad	1	12	0	11	1	15	0	1	0		2	39
Transport expenses for Non staff	45	30	46	28	136	156	4	3	0		232	216
Transport of equipment	1	0	1	0	1	0	0	0	0		2	0
Building maintenance	11	20	110	12	14	16	1	1	0		136	49
Vehicle maintenance	6	3	5	3	7	4	1	0	0		18	10
Maintenance of equipment and Furnitures	8	9	7	9	9	11	1	1	0		24	30
Cleaning of buildings	36	37	34	35	43	44	4	4	0		117	119
Mission												
Allowance in the country	55	85	51	80	65	102	5	8	0		176	275
Mission allowances abroad	1	35	1	33	2	42	0	3	0		5	113
Representation fees	0	1	0	1	0	1	0	0	0		0	3
Staff replacement fees	0	0	0	3	19	18	0	0	0		19	21
Documentation & abonnement	0	2	0	2	0	2	0	0	0		0	6
Publication	47	20	44	19	57	26	5	2	0		153	67
Sensitization	0	1	0	1	0	1	0	0	36	84	36	86
Branch rental expenses	40	54	38	51	48	66	4	5	0		130	176
Other rental/hire service	0	0	0	0	0	0	0	0	0		0	0
Security services	74	156	38	56	48	69	4	6	0		165	286
Maintenance of buildings	73	81	63	60	81	77	7	6	0		224	225
Vehicle maintenance	0	0	0	0	0	0	0	0	0		0	0
Mission allowance – within the Country	0	0	0	0	0	0	0	0	0		0	0

Description	Pension Scheme		Medical Scheme		CBHI		Maternity Leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Refreshment fees	30	35	29	33	43	42	3	3	0		105	113
Communication expenses	66	74	66	78	126	135	7	9	5	10	271	306
Internet fees	117	108	110	122	323	218	11	10	0	4	561	463
Loyers de service	0	0	0	0	0	0	0	0	0		0	0
Fees for the upgrade of the IT system – IT modernisation costs	347	15	116	14	148	17	12	1	0		623	47
Honorarium	456	236	179	191	312	244	19	20	0		965	691
Casual wages	1	8	1	1	1	1	0	0	0		3	10
Casual wages	0	1	0	0	0	0	0	0	0		0	2
Bank charges	19	25	5	14	289	710	3	2	0		316	751
RRA commission fees	49	41	46	38	59	49	5	4	0		158	132
BNR supervision fees	74	72	74	72	0	0	28	27	0		176	170
CBHI bank charges	0	0	0	0	570	116	0	0	0		570	116
SACCOs Commission Fees	0	0	0	0	0	0	0	0	0		0	0
Court costs - CBHI	0	0	0	0	3	0	0	0	0		3	0
Other services	0	0	0	0	0	0	0	0	80	411	80	411
<b>Total</b>	<b>1,958</b>	<b>1,688</b>	<b>1,455</b>	<b>1,415</b>	<b>2,877</b>	<b>2,737</b>	<b>167</b>	<b>171</b>	<b>139</b>	<b>532</b>	<b>6,597</b>	<b>6,543</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**21. Depreciation and amortisation expense**

	Pension Scheme		Medical Scheme		CBHI		Maternity Leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Property and Equipment</b>												
Buildings	22	22	579	578	0	0	0	0	0	0	601	600
Motor vehicles	0	6	0	6	1	9	0	0	0	0	1	21
Office equipment	3	3	3	3	3	3	0	0	4	4	13	13
Furniture and fittings	93	51	63	58	74	58	6	5	0	0	236	171
Computers	185	68	45	64	57	84	5	7	7	43	299	266
Kitchen equipment	0	0	0	0	0	0	0	0	0	0	0	0
<b>Depreciation expense on property and equipment</b>	<b>303</b>	<b>150</b>	<b>689</b>	<b>709</b>	<b>136</b>	<b>154</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>47</b>	<b>1,150</b>	<b>1,071</b>
 Computer software	 120	 158	 119	 157	 9	 25	 1	 2	 36	 36	 286	 379
<b>Amortisation expense on Intangible assets</b>	<b>120</b>	<b>158</b>	<b>119</b>	<b>157</b>	<b>9</b>	<b>25</b>	<b>1</b>	<b>2</b>	<b>36</b>	<b>36</b>	<b>286</b>	<b>379</b>
 <b>Total depreciation and amortisation expense</b>	 <b>423</b>	 <b>308</b>	 <b>808</b>	 <b>866</b>	 <b>145</b>	 <b>179</b>	 <b>12</b>	 <b>14</b>	 <b>48</b>	 <b>83</b>	 <b>1,436</b>	 <b>1,450</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**22. Other expenses**

Description	Pension scheme		Medical scheme		CBHI scheme		Maternity leave scheme		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Fire Insurance	18	45	10	32	8	42	1	2	37	121
Moto vehicle insurance	2	4	2	4	3	5	0	0	7	14
Comprehensive all risks	24	0	14	0	12	0	1	0	52	0
Directors sitting allowance	0	0	9	6	0	0	0	0	9	6
Commission	6	2	6	2	8	2	1	0	21	5
Corporate Social Responsibility	34	547	32	116	41	148	3	12	110	823
Contribution to ISSA and ECASSA	3	7	3	23	4	9	0	1	10	40
Currency Exchange loss	0	158	0	0	0	0	0	0	0	158
CBHI subsidy	0	0	5,728	3,553	0	0	0	0	5,728	3,553
Foreign exchange difference	362	19	0	0	0	0	0	0	362	19
Legal fees	50	29	3	11	18	35	0	1	70	76
Seminar expenses	0	0	0	0	0	0	0		0	0
Fiscal penalties	0	0	0	0	0	0	0	0	0	0
Conference and workshops	3	20	2	20	3	32	0	4	8	77
Commemoration events	4	4	4	4	5	5	0	0	14	14
Other expenses	1,395	(212)	(1,834)	461	431	(182)	(6)	(42)	(15)	25
Net inter-scheme expense/(income)	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,900</b>	<b>624</b>	<b>3,978</b>	<b>4,231</b>	<b>532</b>	<b>97</b>	<b>0</b>	<b>(21)</b>	<b>6,411</b>	<b>4,931</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**23. Revaluation gain/(loss) on administrative property**

Class of property and equipment	Pension		Medical		Total	
	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	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	-	82	-	-	-	82
AUTRES IMMEUBLES	-	(2)	-	-	-	(2)
	-	328	-	2,260	-	2,587

A revaluation gain on land and buildings was realised prior year as the result of a revaluation exercise undertaken by RSSB. RSSB did not undertake revaluation of land and buildings during the year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24. Property and equipment**

Scheme	Sub-Note	As at 30 June 2021			As at 30 June 2020		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
		Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
		A	B	C=A-B	A	B	C=A-B
Pension Scheme	24.1	5,575	3,035	2,540	4,094	2,783	1,311
Medical Scheme	24.2	15,299	4,250	11,049	15,218	3,596	11,623
CBHI Scheme	24.3	705	629	76	685	497	188
Maternity Scheme	24.4	49	43	6	47	32	15
Ejo Heza	24.5	153	148	5	153	137	16
<b>Total</b>		<b>21,781</b>	<b>8,105</b>	<b>13,676</b>	<b>20,197</b>	<b>7,045</b>	<b>13,153</b>

**24.1. Property and equipment- Pension scheme**

	Land and Buildings	Motor vehicle	Office equipment	Furniture, fixtures and fittings	Computers	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
<b>At 1 July 2019</b>	<b>1,206</b>	<b>108</b>	<b>434</b>	<b>1,572</b>	<b>849</b>	<b>4,168</b>
Adjustment to opening balances	0	0	10	(161)	68	(83)
Transfer from PPE to investment properties	(77)	0	0	0	0	(77)
Revaluation adjustment - reversal of cost	(203)	0	0	0	0	(203)
Revaluation	246	0	0	0	0	246
Additions	0	0	2	42	83	126
Disposals	0	0	(11)	(32)	(41)	(83)
<b>At 30 June 2020</b>	<b>1,172</b>	<b>108</b>	<b>435</b>	<b>1,420</b>	<b>959</b>	<b>4,094</b>
Adjustment to opening balances	0	0	1	(3)	(25)	(26)
Transfer from PPE to investment properties	0	0	0	0	0	0
Revaluation adjustment - reversal of cost	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Additions	0	0	0	180	1,432	1,611
Disposals	(74)	0	0	(29)	(2)	(105)



	Land and Buildings	Motor vehicle	Office equipment	Furniture, fixtures and fittings	Computers	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>At 30 June 2021</b>	<b>1,098</b>	<b>108</b>	<b>437</b>	<b>1,569</b>	<b>2,364</b>	<b>5,575</b>
<b>Accumulated depreciation</b>						
<b>At 1 July 2019</b>	<b>339</b>	<b>102</b>	<b>434</b>	<b>1,568</b>	<b>803</b>	<b>3,246</b>
Adjustment to opening balances	(136)	(1)	4	(265)	66	(332)
Revaluation adjustment - reversal of accumulated depreciation	(203)	0	0	0	0	(203)
Charge for the year	22	6	3	51	68	150
Disposal	0	0	(11)	(32)	(36)	(79)
<b>At 30 June 2020</b>	<b>22</b>	<b>108</b>	<b>430</b>	<b>1,322</b>	<b>901</b>	<b>2,783</b>
Adjustment to opening balances	0	0	(0)	5	(25)	(20)
Revaluation adjustment - reversal of accumulated depreciation	0	0	0	0	0	0
Charge for the year	22	0	3	93	185	303
Disposal	0	0	0	(29)	(2)	(31)
<b>At 30 June 2021</b>	<b>44</b>	<b>108</b>	<b>433</b>	<b>1,391</b>	<b>1,059</b>	<b>3,035</b>
<b>Net book value (Cost less Accumulated depreciation)</b>						
<b>At 30 June 2021</b>	<b>1,054</b>	<b>0</b>	<b>4</b>	<b>177</b>	<b>1,304</b>	<b>2,540</b>
<b>At 30 June 2020</b>	<b>1,150</b>	<b>0</b>	<b>5</b>	<b>98</b>	<b>58</b>	<b>1,311</b>

\*A revaluation gain arose on land and buildings because of a revaluation exercise undertaken by RSSB.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24.2. 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
<b>Cost</b>								
<b>At 1 July 2019</b>	<b>14,935</b>	<b>190</b>	<b>1,725</b>	<b>474</b>	<b>379</b>	<b>524</b>	<b>107</b>	<b>18,333</b>
Adjustment for reapportionment of common assets among schemes	0	0	266	26	(5)	0	0	287
Reversal of cost upon revaluation	(5,141)	0	0	0	0	0	0	(5,141)
Revaluation loss	2,260	0	0	0	0	0	0	2,260
Additions	0	0	39	78	2	0	0	118
Disposals	0	0	(128)	(39)	(2)	(470)	0	(639)
<b>At 30 June 2020</b>	<b>12,054</b>	<b>190</b>	<b>1,902</b>	<b>539</b>	<b>373</b>	<b>54</b>	<b>107</b>	<b>15,218</b>
Adjustment to opening balances	0	0	(3)	(25)	1	0	0	(26)
Reversal of cost upon revaluation	0	0	0	0	0	0	0	0
Revaluation loss	0	0	0	0	0	0	0	0
Additions	72	0	49	0	0	0	0	121
Disposals	0	(0)	(9)	(2)	0	0	(3)	(14)
<b>At 30 June 2021</b>	<b>12,126</b>	<b>190</b>	<b>1,939</b>	<b>513</b>	<b>374</b>	<b>54</b>	<b>103</b>	<b>15,299</b>
<b>Accumulated depreciation</b>								
<b>At 1 July 2019</b>	<b>5,141</b>	<b>183</b>	<b>1,541</b>	<b>454</b>	<b>234</b>	<b>524</b>	<b>107</b>	<b>8,184</b>
Adjustment for reapportionment of common assets among schemes	0	1	315	2	134	0	0	451
Reversal of accumulated depreciation on previously revalued assets	(5,141)	0	0	0	0	0	0	(5,141)
Charge for the year	578	6	58	64	3	0	0	709
Disposals	0	0	(101)	(35)	(2)	(470)	0	(608)
<b>At 30 June 2020</b>	<b>578</b>	<b>190</b>	<b>1,813</b>	<b>485</b>	<b>368</b>	<b>54</b>	<b>107</b>	<b>3,596</b>
Adjustment to opening balances	0	0	5	(25)	(0)	0	0	(20)
Reversal of accumulated depreciation on previously revalued assets	0	0	0	0	0	0	0	0
Charge for the year	579	0	63	45	3	0	0	689
Disposals	0	(0)	(9)	(2)	0	0	(3)	(14)
<b>At 30 June 2021</b>	<b>1,158</b>	<b>190</b>	<b>1,872</b>	<b>503</b>	<b>371</b>	<b>54</b>	<b>103</b>	<b>4,250</b>



	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
<b>Net book value (Cost less Accumulated depreciation)</b>								
<b>At 30 June 2021</b>	<b>10,969</b>	<b>0</b>	<b>68</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>11,049</b>
<b>At 30 June 2020</b>	<b>11,475</b>	<b>0</b>	<b>88</b>	<b>54</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>11,623</b>

\*A revaluation gain arose on land and buildings because of a revaluation exercise undertaken by RSSB.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24.3. Property and equipment- CBHI scheme**

	Land and Buildings	Motor vehicle	Furniture, fixtures & Fittings	Computers	Office equipment	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
<b>At 1 July 2019</b>	0	107	338	344	23	812
Adjustment for reapportionment of common assets among schemes	0	0	(111)	(100)	(5)	(216)
Additions	0	0	50	99	3	151
Disposals	0	(51)	0	(12)	(0)	(63)
<b>At 30 June 2020</b>	<b>0</b>	<b>56</b>	<b>277</b>	<b>331</b>	<b>20</b>	<b>685</b>
Adjustments to opening balances	0	0	0	(7)	3	(4)
Additions	0	0	32	0	0	32
Disposals	0	(5)	(1)	(2)	0	(7)
<b>At 30 June 2021</b>	<b>0</b>	<b>52</b>	<b>308</b>	<b>322</b>	<b>23</b>	<b>705</b>
<b>Accumulated depreciation</b>						
<b>At 1 July 2019</b>	0	71	161	258	12	502
Adjustment for reapportionment of common assets among schemes	0	(0)	(53)	(72)	(2)	(127)
Charge for the year	0	9	58	84	3	154
Disposals	0	(25)	0	(7)	(0)	(32)
<b>At 30 June 2020</b>	<b>0</b>	<b>55</b>	<b>166</b>	<b>262</b>	<b>14</b>	<b>497</b>
Adjustment for reapportionment of common assets among schemes	0	0	9	(7)	1	3
Charge for the year	0	1	74	57	3	136
Disposals	0	(4)	(0)	(2)	0	(6)
<b>At 30 June 2021</b>	<b>0</b>	<b>52</b>	<b>249</b>	<b>311</b>	<b>18</b>	<b>629</b>
<b>Net book value (Cost less Accumulated depreciation)</b>						
<b>At 30 June 2021</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>12</b>	<b>5</b>	<b>76</b>
<b>At 30 June 2020</b>	<b>0</b>	<b>2</b>	<b>111</b>	<b>69</b>	<b>7</b>	<b>188</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24.4. Property and equipment- Maternity leave scheme**

	Land and Buildings	Motor vehicle	Furniture, fixtures & Fittings	Computers	Office equipment	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
<b>At 1 July 2019</b>	0	0	12	11	1	24
Adjustment for reapportionment of common assets among schemes	0	0	6	6	0	12
Additions	0	0	4	8	0	12
Disposals	0	0	0	(1)	(0)	(1)
<b>At 30 June 2020</b>	0	0	22	24	1	47
Adjustment to opening balances	0	0	0	(0)	0	(0)
Additions	0	0	3	0	0	3
Disposals	0	0	(0)	(0)	0	(0)
<b>At 30 June 2021</b>	0	0	25	23	1	49
<b>Accumulated depreciation</b>						
<b>At 1 July 2019</b>	0	0	6	8	0	14
Adjustment for reapportionment of common assets among schemes	0	0	3	4	0	7
Charge for the year	0	0	5	7	0	12
Disposals	0	0	0	(1)	(0)	(1)
<b>At 30 June 2020</b>	0	0	13	18	1	32
Adjustment for reapportionment of common assets among schemes	0	0	1	(1)	0	0
Charge for the year	0	0	6	5	0	11
Disposals	0	0	(0)	(0)	0	(0)
<b>At 30 June 2021</b>	0	0	20	22	1	43
<b>Net book value</b>						
<b>At 30 June 2021</b>	0	0	5	1	0	6
<b>At 30 June 2020</b>	0	0	9	6	0	15

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24.5. Property and equipment- Ejo Heza**

	Land and Buildings	Motor vehicle	Furniture, fixtures & Fittings	Computers	Office equipment	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
At 1 July 2019	0	0	0	133	19	153
Adjustment for reapportionment of common assets among schemes	0	0	0	0	0	0
Additions	0	0	0	0	0	0
<b>At 30 June 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>19</b>	<b>153</b>
Adjustment for reapportionment of common assets among schemes	0	0	0	0	0	0
Additions	0	0	0	0	0	0
<b>At 30 June 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>19</b>	<b>153</b>
<b>Accumulated depreciation</b>						
At 1 July 2019	0	0	0	83	7	90
Adjustment for reapportionment of common assets among schemes			0			0
Charge for the year			0	43	4	47
<b>At 30 June 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>11</b>	<b>137</b>
Adjustment for reapportionment of common assets among schemes	0	0	0	0	0	0
Charge for the year				7	4	11
<b>At 30 June 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>15</b>	<b>148</b>
<b>Net book value</b>						
At 30 June 2021	0	0	0	0	5	5
At 30 June 2020	0	0	0	7	8	16



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**25. Intangible assets**

As at 30 June 2021	<u>Pension Scheme</u>	<u>Medical Scheme</u>	<u>CBHI</u>	<u>Maternity Leave</u>	<u>Ejo Heza</u>	<u>Total</u>
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
At start of year	2,022	831	218	10	365	3,447
Adjustment to opening balances	-	-	-	-	-	-
Additions - IT modernisation (Ishema project) [work in progress]	1,177	-	-	-	-	1,177
	<b>3,200</b>	<b>831</b>	<b>218</b>	<b>10</b>	<b>365</b>	<b>4,624</b>
<b>Amortization</b>						
At start of year	(507)	(711)	(209)	(10)	(36)	(1,473)
Adjustment to opening balances	-	-	-	-	-	-
Charge for the year	(120)	(119)	(9)	(1)	(36)	(286)
	<b>(627)</b>	<b>(831)</b>	<b>(218)</b>	<b>(10)</b>	<b>(73)</b>	<b>(1,759)</b>
<b>Closing net book value</b>	<b>2,573</b>	<b>(-)</b>	<b>-</b>	<b>(-)</b>	<b>292</b>	<b>2,865</b>

As at 30 June 2020	<u>Pension Scheme</u>	<u>Medical Scheme</u>	<u>CBHI</u>	<u>Maternity Leave</u>	<u>Ejo Heza</u>	<u>Total</u>
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Cost</b>						
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
	<b>2,022</b>	<b>831</b>	<b>218</b>	<b>10</b>	<b>365</b>	<b>3,447</b>
<b>Amortization</b>						
At start of year	(313)	(547)	(229)	(5)	-	(1,094)
Adjustment of opening Balance	(36)	(8)	46	(3)	-	-
Charge for the year	(158)	(157)	(25)	(2)	(36)	(379)
	<b>(507)</b>	<b>(711)</b>	<b>(209)</b>	<b>(10)</b>	<b>(36)</b>	<b>(1,473)</b>
<b>Closing net book value</b>	<b>1,516</b>	<b>119</b>	<b>9</b>	<b>1</b>	<b>328</b>	<b>1,973</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**26. Investment properties**

Scheme	Sub-Note	Carrying values	
		2021	2020
		Frw'millions	Frw'millions
Pension Scheme	26.1	208,896	205,875
Medical Scheme	26.2	12,686	12,686
<b>Total</b>		<b>221,582</b>	<b>218,562</b>

During year ending 30 June 2020, 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. Valuation methods used were the Direct comparison, Replacement cost methods and the income capitalization method.

**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. The last valuation was based on 2018 land reference prices published by the Institute of Real Property valuers in Rwanda. These reference prices had not been revised by 30 June 2021 and new reference prices are expected in December 2021. Directors believe 2018 reference prices provide reasonable estimate of land value.

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 were 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.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	<b>Valuation as at 24 June 2019</b>
	<b>(Frw)</b>
Open market	223,383,618,000
Insurance value	89,300,042,000

RSSB management adopted the open market values for the properties in 2020. RSSB has not done another valuation of properties for the year under review. Management and Directors have assessed the potential changes to the values and considered that the values held in the books of account best represent the value of the properties as at 30 June 2021. Any changes would neither be significant nor material to the financial statements given the prevailing economic conditions.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

At 30 June 2021

Property description	As at 1 July 2020	Adjustment to opening balance	Adjustment to opening balance	Transfer from property and equipment to investment property	Fair valuation gain/(loss)	Additions	Disposals	As at 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
KACYIRU EXECUTIVE APARTMENTS	7,773	-	-	-	-	-	-	7,773
GRAND PENSION PLAZZA	24,049	-	-	-	-	-	-	24,049
MUSANZE PENSION PLAZZA	4,519	-	-	-	-	-	-	4,519
RWAMAGANA PENSION PLAZZA	3,403	-	-	-	-	-	-	3,403
NYANZA PENSION PLAZZA	3,421	-	-	-	-	-	-	3,421
KARONGI PENSION PLAZZA	3,439	-	-	-	-	-	-	3,439
RESIDENTIAL HOUSE KIVOVU	224	-	-	-	-	-	-	224
KIVOVU RESIDENTIAL HOUSE LAND	256	-	-	-	-	-	-	256
NYAGATARE HOUSES	55	-	-	-	-	-	-	55
LAND FOR INVESTMENT PROPERTIES	1,526	-	-	-	-	-	-	1,526
LAND FOR INSURANCE PLAZZAS	1,901	-	-	-	-	-	-	1,901
FORMER CECFR PLOT	1,143	-	-	-	-	-	-	1,143
GACULIRO VISION CITY LAND	54,633	-	-	-	-	-	(1,022)	53,611
CBD1-RUGENGE LAND	1,044	-	-	-	-	-	-	1,044
KINYINYA LAND	41,384	-	-	-	-	-	-	41,384
BATSINDA PARCEL	7,233	-	-	-	-	-	-	7,233
NYAGATARE LAND	670	-	-	-	-	-	-	670
RWAMAGANA PARCEL I&II	3,136	-	-	-	-	-	-	3,136
NYANZA PLOT	556	-	-	-	-	-	-	556
RUBAVU PLOT	51	-	-	-	-	-	-	51
LAND FROM GPD	1,537	-	-	-	-	462	(447)	1,552
BATSINDA PIPELINE INVESTMENT	41	-	-	-	-	-	-	41
GISOZI PLOT	1,590	-	-	-	-	-	-	1,590
KIGALI GOLF CLUB LAND	6,684	-	-	-	-	773	-	7,457
RUSORORO PLOTS	11,920	-	-	-	-	-	-	11,920
NYARUGENGE PLOTS	1,264	-	-	-	-	-	-	1,264
MATERIEL DES MAISONS D'HABITATION	1	-	-	-	-	-	-	1
MATERIELS DE KEA	255	-	-	-	-	-	-	255
GROUPE ELECTROGENES DE KEA	170	-	-	-	-	-	-	170
ASCENSEURS DE KEA	198	-	-	-	-	-	-	198
CRYSTAL PLAZA BUILDING	2,505	-	-	-	-	-	-	2,505
NYARUTARAMA PENSION PLAZA	16,318	-	-	-	-	206	(206)	16,318
MOBILIER DES MAISONS D' HABITATION	4	-	-	-	-	-	-	4
MOBILIER DE KEA	576	-	-	-	-	-	(4)	572
Agén. Amén./Placement	232	-	-	-	-	-	-	232
ELECTRICAL EQUIPMENT FOR ALL PLAZZAS	2,165	-	-	-	-	-	-	2,165
GASOGI LAND	-	-	-	-	-	3,258	-	3,258
	<b>205,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,700</b>	<b>(1,679)</b>	<b>208,896</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**At 30 June 2020**

Property description	As at 1 July 2019	Adjustment to opening balance (refund Rusororo plots)	Adjustment to opening balance (related to expropriation claim Gaculiro vision city land - plot)	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	Frw'millions
KACYIRU EXECUTIVE APARTMENTS	6,574	-	-	-	1,199	-	-	7,773
GRAND PENSION PLAZZA	21,680	-	-	-	2,369	-	-	24,049
MUSANZE PENSION PLAZZA	4,487	-	-	-	33	-	-	4,519
RWAMAGANA PENSION PLAZZA	4,323	-	-	-	(920)	-	-	3,403
NYANZA PENSION PLAZZA	4,558	-	-	-	(1,137)	-	-	3,421
KARONGI PENSION PLAZZA	4,463	-	-	-	(1,025)	-	-	3,439
RESIDENTIAL HOUSE KIVOVU	200	-	-	-	23	-	-	224
KIVOVU RESIDENTIAL HOUSE LAND	-	-	-	77	179	-	-	256
NYAGATARE HOUSES	60	-	-	-	(5)	-	-	55
LAND FOR INVESTMENT PROPERTIES	350	-	-	-	435	741	-	1,526
LAND FOR INSURANCE PLAZZAS	798	-	-	-	1,103	-	-	1,901
FORMER CECFR PLOT	781	-	-	-	361	-	-	1,143
GACULIRO VISION CITY LAND	22,966	-	-	-	31,635	31	(1,022)	53,611
CBD1-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
MATERIEL DES MAISONS D'HABITATION	1	-	-	-	-	-	-	1
MATERIELS DE KEA	224	-	-	-	-	31	-	255
GROUPE ELECTROGENES DE KEA	170	-	-	-	-	-	-	170
ASCENSEURS DE KEA	198	-	-	-	-	-	-	198
CRYSTAL PLAZA BUILDING	1,160	-	-	-	1,345	-	-	2,505
NYARUTARAMA PENSION PLAZZA	0	-	-	-	-	16,318	-	16,318
MOBILIER DES MAISONS D' HABITATION	4	-	-	-	-	-	-	4
MOBILIER DE KEA	576	-	-	-	-	-	-	576
Agén. Amén./Placement	290	-	-	-	-	-	(59)	232
ELECTRICAL EQUIPMENT FOR ALL PLAZZAS	2,165	-	-	-	-	-	-	2,165
	112,579	(2,135)	-	77	79,126	17,121	(1,914)	204,853

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

**As at 30 June 2021**

Property description	At 1 July 2020 Frw'millions	Fair valuation gai/loss Frw'millions	At 30 June 2021 Frw'millions
Land for investment property	925	-	925
Twin Tower 2	11,622	-	11,622
Twin Tower Equipment's	140	-	140
<b>Total</b>	<b>12,686</b>	<b>-</b>	<b>12,686</b>

**As at 30 June 2020**

Property description	At 1 July 2019 Frw'millions	Additions Frw'millions	At 30 June 2020 Frw'millions
Land for investment property	512	413	925
Twin Tower 2	12,566	(944)	11,622
Twin Tower Equipment's	140	-	140
<b>Total</b>	<b>13,218</b>	<b>(531)</b>	<b>12,686</b>

**26.3. 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
					<b>64,975,600</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**27. Investment properties in the process of construction**

Scheme	Sub-Note	Carrying values	
		2021	2020
		Frw'millions	Frw'millions
Pension Scheme	27.1	7,684	7,684
Medical Scheme	27.2	-	-
<b>Total</b>		<b>7,684</b>	<b>7,684</b>

**27.1. Investment properties under construction – pension scheme**

**30 June 2021**

Property description	At 1 July 2020	Prior year adjustment	Additions	Reclassification on to other assets	At 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
LAND FOR DEVELOPMENT	-	-	-	-	-
LOGEMENTS BATISINDA 2eme PHASE	7,684	-	-	-	7,684
Investment in CATCHUP INVESTMENTS LIMITED	-	-	-	-	-
	<b>7,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,684</b>

**30 June 2020**

Property description	At 1 July 2019	Prior year adjustment	Additions	Reclassification on to other assets	At 30 June 2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
LAND FOR DEVELOPMENT	(19)	19	-	-	-
LOGEMENTS BATISINDA 2eme PHASE	4,467	-	3,217	-	7,684
Investment in CATCHUP INVESTMENTS LIMITED	840	-	-	(840)	-
	<b>5,288</b>	<b>19</b>	<b>3,217</b>	<b>(840)</b>	<b>7,684</b>

**27.2. Investment properties under construction – medical scheme**

**At 30 June 2021**

Property description	At 1 July 2020	Prior year adjustment	At 30 June 2021
	Frw'millions	Frw'millions	Frw'millions
LAND FOR DEVELOPMENT	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

Property description	At 1 July 2019	Additions	At 30 June 2020
	Frw'millions	Frw'millions	Frw'millions
LAND FOR DEVELOPMENT	19	(19)	-
	<b>19</b>	<b>(19)</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**28. Assets held for sale**

	2021 Frw'millions	2020 Frw'millions
Cost		
Opening at 1 July	-	454
Revaluation gain	-	82
Disposals	-	(536)
Closing at 30 June	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 29. Equity investments

Scheme	Sub-Note	Carrying values	
		2021	2020
		Frw'millions	Frw'millions
Pension Scheme	29.1	408,683	428,417
Medical Scheme	29.2	48,686	50,027
<b>Total</b>		<b>457,370</b>	<b>478,443</b>

### 29.1. Equity investments – Pension

Equity Investee	Type of equity instrument	%age holding	%age holding	Number of shares held	Number of shares held	Basis of measurement	Carrying Value as at	Carrying Value as at
		2021	2020	2021	2020		2021	2020
							Frw'millions	Frw'millions
<b>Subsidiaries</b>								
<i>(Control evidenced by ownership of 50% or more of ordinary shares with voting rights and board representation)</i>								
ULTIMATE DEVELOPERS LIMITED (UDL)	Ordinary shares	100.00%	100.00%	9,915	9,915	Fair value	95,373	94,489
AKAGERA GAME LODGE (AGL)	Ordinary shares	100.00%	100.00%	4,042,100	4,042,100	Fair value	11,826	8,273
SONARWA LIFE ASSURANCE	Ordinary shares	100.00%	100.00%	494,005	494,005	Fair value	0	0
RWANDA ULTIMATE GOLF COURSE	Ordinary shares	100%	100%	292,024,677	292,024,677	Cost	34,599	29,202
EDGE HOSTELS	Ordinary shares	87.01%	87.01%	9,041,380	9,041,380	Fair value	10,166	10,158
SONARWA GENERAL INSURANCE	Ordinary shares	79.20%	79.20%	382,586,233	382,586,233	Fair value	6,309	5,449
RWANDA FOREIGN HOLDINGS INVESTMENT COMPANY LIMITED (RFHIC)	Ordinary shares	65.95%	65.95%	6,675,000	6,675,000	Fair value	3,863	2,852
<b>Joint Venture</b>								
<i>(Joint control evidenced with 50% of ordinary shares (considering both pension and medical schemes) with voting rights and board representation)</i>								
BMI (RULIBA and EAGI)	Ordinary shares	50.00%	50.00%	9,526	9,526	Fair value	4,439	5,748
<b>Associates</b>								
<i>(Significant influence evidence with ownership (considering both pension and medical schemes) of 20% or more of ordinary shares with voting rights and board representation)</i>								
ULTIMATE CONCEPT LTD	Ordinary shares	43.57%	43.57%	2,316	2,316	Fair value	0	0
INYANGE INDUSTRIES LTD	Ordinary shares	40.00%	40.00%	3,280,000	3,280,000	Fair value	11,178	11,664
RWANDA DEVELOPMENT BANK (BRD)	Ordinary shares	34.74%	34.74%	17,892,275	17,892,275	Fair value	29,974	26,393
BANK OF KIGALI (BK)	Ordinary shares	33.49%	33.49%	302,966,100	302,966,100	Fair value	72,712	78,771
EASTERN PROVINCE INVESTMENT CORPORATION (EPIC)	Ordinary shares	30.03%	30.03%	55,259	55,259	Fair value	2,484	3,332
CRYSTAL TELECOM	Ordinary shares	30.00%	30.00%	81,053,000	81,053,000	Fair value	18,642	5,674
HORIZON SOPYRWA LTD	Ordinary shares	30.00%	30.00%	1,262	1,262	Fair value	9,885	9,795
RWANDA ENTERPRISE INVESTMENT COMPANY LIMITED (REIC)	Ordinary shares	26.52%	26.52%	2,652	2,652	Fair value	71	73



Equity Investee	Type of equity instrument	%age holding	%age holding	Number of shares held	Number of shares held	Basis of measurement	Carrying Value as at 2021 Frw'millions	Carrying Value as at 2020 Frw'millions
RNIT ITERAMBERE Fund	Fund units	23.91%	23.91%	18,995,095	18,995,095	Fair value	3,055	2,751
<b>Other equity investments</b> (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	3,184	3,279
PRIME ECONOMIC ZONES COMPANY LIMITED	Ordinary shares	14.40%	14.40%	164,748	164,748	Fair value	3,576	3,592
CIMERWA Ltd	Ordinary shares	10.12%	10.12%	3,557,652	3,557,652	Fair value	8,538	5,625
NEW FOREST RWANDA Ltd (NFR)	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	70	45
EASTERN AND SOUTHERN AFRICA TRADE DEVELOPMENT BANK (FORMERLY PTA BANK)	Ordinary shares	1.53%	1.53%	1,736	1,736	Fair value	23,832	20,979
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	Ordinary shares	1.99%	1.99%	20,418,800	20,418,800	Fair value	2,450	2,818
I&M RWANDA	Ordinary shares	1.94%	1.94%	9,813,600	9,813,600	Fair value	2,699	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	124	Fair value	3,144	2,652
SAFARICOM	Ordinary shares	0.04%	0.04%	17,153,550	17,153,550	Fair value	12,456	4,469
EQUITY GROUP	Ordinary shares	0.60%	0.60%	25,000,000	25,000,000	Fair value	17,828	8,041
LEAF PHARMACEUTICALS LIMITED	Ordinary shares	30%	30%	697	697	Cost	0	35,627
WORLD VU SATELITES LIMITED	Ordinary shares	0.132%	1.06%	8	8	Cost	1,013	36,908
AKAGERA MEDICINES INC	Preference shares	33.3%	33.3%	6,000,000	6,000,000	Cost	5,530	5,530
NEW FOREST RWANDA Ltd	Preference shares	N/A	N/A	100,000	100,000	Cost	420	420
KCB Group	Ordinary shares	0.48%	-	15,289,541	-	Fair value	6,443	0
							<b>408,683</b>	<b>428,417</b>

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

#### a) Summary reconciliation

	2021 Frw'millions	2020 Frw'millions
As at 1 July	428,417	373,971
Additional Investments during the year	27,698	56,154
Disposals during the year	0	0
Write back/(offs)	0	7
Fair valuation gain/(loss) during the year	(47,431)	(1,715)
<b>As at 30 June</b>	<b>408,683</b>	<b>428,417</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### b) Detailed reconciliation per equity investee

Equity Investee	Carrying value as at 1 July 2020	Additional capital injection during the year	Disposals during the year	Write offs	Fair valuation gain/(loss)	Carrying value as at 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Subsidiaries</b>						
ULTIMATE DEVELOPMERS LIMITED (UDL)	94,489	0	0	0	884	95,373
AKAGERA GAME LODGER (AGL)	8,273	4,295	0	0	(742)	11,826
SONARWA LIFE ASSURANCE	0	0	0	0	0	0
RWANDA ULTIMATE GOLF COURSE	29,202	5,396	0	0	0	34,599
RWANDA FOREIGN INVESTMENT HOLDING COMPANY LIMITED (RFIHC)	2,852	0	0	0	1,012	3,863
EDGE HOSTELS	10,158	0	0	0	8	10,166
SONARWA GENERAL INSURANCE	5,449	0	0	0	860	6,309
<b>Joint venture</b>		0	0	0		0
BMI (RULIBA and EAGI)	5,748	0	0	0	(1,309)	4,439
<b>Associates</b>		0	0	0		0
RWANDA DEVELOPMENT BANK (BRD)	26,393	0	0	0	3,580	29,974
ULTIMATE CONCEPT LTD	0	0	0	0	0	0
INYANGE INDUSTRIES LTD	11,664	0	0	0	(486)	11,178
BANK OF KIGALI (BK)	78,771	0	0	0	(6,059)	72,712
CRYSTAL TELECOM	5,674	0	0	0	12,968	18,642
HORIZON SOPYRWA LTD	9,795	0	0	0	90	9,885
RWANDA ENTERPRISE INVESTMENT COMPANY LIMITED (REIC)	73	0	0	0	(2)	71
RNIT Iterambere Fund	2,751	0	0	0	304	3,055
CIMERWA Ltd	5,625	0	0	0	2,914	8,538
EASTERN PROVINCE INVESTMENT CORPORATION (EPIC)	3,332	0	0	0	(848)	2,484
<b>Other equity investments</b>		0	0	0		0
RWANDA INVESTMENT GROUP LIMITED (RIG)	3,279	0	0	0	(96)	3,184
PRIME ECONOMIC ZONES COMPANY LIMITED	3,592	0	0	0	(16)	3,576
NEW FOREST COMPANY RWANDA (NFCR)	2,528	0	0	0	0	2,528
RWANDA STOCK EXCHANGE (RSE)	45	0	0	0	25	70
EASTERN AND SOUTHERN AFRICA TRADE DEVELOPMENT BANK (FORMERLY PT'A BANK0	20,979	645	0	0	2,208	23,832
BRALIRWA	2,818	0	0	0	(368)	2,450
I&M RWANDA	883	1,606	0	0	211	2,699
NEW FORESTS COMPANY HOLDINGS LIMITED (UK)	395	0	0	0	0	395
AFREXIMBANK	2,652	0	0	0	492	3,144
SAFARICOM	4,469	3,648	0	0	2,340	12,456
EQUITY GROUP	8,041	5,083	0	0	4,704	17,828
LEAF PHARMACEUTICALS LIMITED	35,627	0	0	0	(35,627)	0
WORLD VU SATELITES LIMITED	36,908	0	0	0	(35,895)	1,013
AKAGERA MEDICINES INC	5,530	0	0	0	0	5,530
NEW FOREST COMPANY RWANDA (NFCR)	420	0	0	0	0	420
KCB GROUP	0	5,025	0	0	1,418	6,443
<b>Total</b>	<b>428,417</b>	<b>27,698</b>	<b>0</b>	<b>0</b>	<b>(47,431)</b>	<b>408,683</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**c) Significant fair valuation gain during the year ended 30 June 2021**

▪ **Crystal Telecom/MTN Rwanda – Frw 12.9 billion gain**

The fair value gain is due to the delisting of former CTL shares and listing of MTN R shares. The shares were listed on the stock exchange on 4th May 2021 at a price of RWF 269 (previously at Frw 70 in CTL) which led to the increase in value of RSSB shares.

▪ **CIMERWA Limited- Frw 2.9 billion gain**

RSSB's shareholding in CIMERWA as of 31st December 2020 was valued at FRW 17.076 billion from FRW 11.249 billion the previous year. In August 2020, CIMERWA Plc (RSE: CMR) was listed on the Rwanda Stock Exchange. The Company has 703,219,520 issued shares with a par value of Frw 50. The Company's authorized share capital was altered through a share split. Each share was divided into Twenty (20:1) units from a par value of Frw 1,000 to a par value Frw 50 per share. RSSB's shares rose to 142,306,060 following the listing of the company and market value has risen to FRW 17 billion.

▪ **Rwanda Development Bank- Frw 3.5 billion gain**

The fair value gain is consistent with the performance of the BRD for the period ended 30 June 2021. BRD improved financial performance from a profit of Frw 79 million for the 6 month period ended 30 June 2020 to a profit of Frw 507 million for the 6 month period ended 30 June 2021 due to increase in net interest income from Frw 6 billion in 2020 to Frw 7 billion in 2021.

▪ **Eastern and Southern Africa Trade Development Bank –Frw 2.2 billion gain**

During the year, a fair value gain is consistent with the continued good performance of the bank. During the year ended 30 December 2020, the bank made a profit of USD 157 million, an improvement in financial performance when compared to the previous year - 2019 (profit of USD 151 million).

▪ **Safaricom- Frw 2.3 billion gain**

The fair valuation gain is a result of combined fluctuations in both the currency and share prices from 9.12 to 9.4833 and from 28.55 to 40.85 respectively. There was also additional investment during the year of Frw 5.6 billion.

▪ **Equity Group- Frw 4.7 billion gain**

The fair value gain is consistent with the change in the price per share (Share price increased from Frw 35.25 as at 30 June 2020 to 46.30 as at 30 June 2021) and additional investment of Frw 5.1 billion during the year 2021.

▪ **Rwanda Foreign Holding Investment Company (RFIHC) - Frw 1 billion gain**

The fair valuation gain of FRW 1 billion is consistent with company performance. The company increased its net profit from Frw 635 million in 2019 to Frw 1.5 billion in 2020 mainly from fair value gain on assets.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **d) Significant fair valuation losses during the year ended 30 June 2021**

#### **▪ Bank of Kigali (BK)- Frw 6 billion loss**

The fair value loss is consistent with the movement in share price for BK shares. The price fell from Frw 260 per share (June 2020) to Frw 240 per share (June 2021).

#### **▪ Building Materials Investment subsidiaries (RULIBA and EAGI)- Frw 1 billion loss**

The fair value loss is consistent with the company's performance for the year then ended 31 December 2020. The company made a loss for the year of FRW 941 million (2019: FRW 1.4 billion).

#### **▪ WORLD VU SATELITES LIMITED- 35 billion loss**

In 2017, on behalf of Government, RSSB and Agaciro Invested US\$ 25 million and US\$ 15 million respectively, which was invested as shares of the company.

The company filed for bankruptcy/administration on 27 March 2020 in the United States of America. As a result of this, the initial capital injection by both RSSB and Agaciro Fund of US\$ 25 million and US\$15 million respectively were all lost.

The companies had made additional capital injection through secured notes of US\$ 17 million and US\$ 10 million for RSSB and Agaciro respectively. These secured notes were converted into new shares as part of the reorganisation of the company. Later on the company went bankruptcy and additional capital was injected by new shareholders. Subsequent to this, a new share certificate was issued in the names of RSSB for 1,629 shares each at US\$ 1,000. Based on the collective investment arrangement that had been agreed between MINECOFIN, RSSB and Agaciro, the respective share values for RSSB and Agaciro were US\$ 1,026,000 and US\$ 603,000 respectively as at 20 November 2020.

Consequently, management and the Board have recorded an impairment loss of Frw 35 billion in the books of account as at 30 June 2021.

#### **▪ Leaf Pharmaceuticals Limited- 35 billion loss**

LEAF Pharmaceuticals is a pharmaceutical company, based in the USA, developing drug treatments to fight lung cancer. The most promising drug developed by LEAF called LEAF-1401 is aiming at outperforming and replacing an existing medicine called Pemetrexed developed by Eli Lilly. The current revenues generated by the Pemetrexed are estimated to be around USD 2bn annually.

In 2017, RSSB committed a USD 40m investment in LEAF Pharmaceuticals to support pre-clinical tests of LEAF-01, LEAF14-02 and LEAF-03. Significant disagreements appeared shortly after the investment commitment between RSSB management and LEAF management on ownership of patents: value for money, reliable financial information and corporate governance. During the years 2017-2021, several meetings took place, involving LEAF Management/Significant Shareholder, RSSB, RDB, Ministry of Finance and other stakeholders, in order to correct these concerns. The Significant Shareholder promised many times to implement these adjustments but never did one of these.

In the second semester of 2021, as the company was running out of cash and LEAF Pharmaceuticals was to raise USD 45m to fund notably LEAF 1401 phase I of clinical tests, RSSB refused to participate in the next rounds unless a thorough financial audit is done and earlier reported governance issues are addressed. The final report of the audit confirmed that the company had ran out of money to continue operations without a new capital injection, mismanagement of the funds, and that Intellectual Properties (IPs) were owned by the Leaf Holding rather than Leaf Pharmaceuticals. Without changes in the governance structure and transfer of the IPs from Leaf Holding to Leaf Pharma, RSSB refused to participate in the next funding round.

RSSB has been in discussion with the majority shareholder, Leaf Holding, on an exit strategy that could create value for RSSB to recover the investment or minimize the loss. This includes converting the ownership of RSSB into another Pharmaceutical company with advanced research phase and higher commercial potential. The conversation are ongoing including due diligences with a target to close them by end of June 2022.

Based on these issues, RSSB Board resolved to fully impair the investments as RSSB pursue other means of recovery.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 29.2. Equity investments – Medical

Equity Investee	Type of equity instrument	%age holding	%age holding	Number of shares held	Number of shares held	Basis of measurement	Carrying Value as at 30 June 2021	Carrying Value as at 30 June 2020
		2021	2020	2021	2020		Frw'millions	Frw'millions
<b>Subsidiary</b>								
RWANDA FOREIGN HOLDINGS INVESTMENT COMPANY LIMITED (RFHIC)	Ordinary shares	28.55%	28.55%	2,889,606	2,889,606	Fair value	1,672	1,234
<b>Associate</b>								
BANK OF KIGALI (BK)	Ordinary shares	0.85%	0.85%	7,723,900	7,723,900	Fair value	1,854	2,008
COGEBANQUE sa	Ordinary shares	30.60%	30.60%	21,375	21,375	Fair value	10,587	9,230
CIMERWA Ltd	Ordinary shares	10.12%	10.12%	3,557,651	3,557,651	Fair value	8,538	5,625
<b>Other equity investments</b>								
RWANDA INVESTMENT GROUP LIMITED (RIG)	Ordinary shares	5.22%	5.22%	720	720	Fair value	955	984
EASTERN AND SOUTHERN AFRICA TRADE DEVELOPMENT BANK (FORMERLY PTA BANKO)	Ordinary shares	1.53%	1.53%	1,376	1,376	Fair value	24,071	21,317
BRALIRWA	Ordinary shares	0.82%	0.82%	8,404,200	8,404,200	Fair value	1,009	1,160
KT RWANDA LIMITED	Preference shares	N/A	N/A	10,775,087	10,775,087	Amortised cost	0	8,469
							<b>48,686</b>	<b>50,027</b>

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

##### a) Summary reconciliation

	2021	2020
	Frw'millions	Frw'millions
As at 1 July	50,027	42,036
Prior year adjustment	0	(7)
Additional Investments during the year	528	4,165
Interest on preference dividends	85	84
Fair valuation gain/(loss) during the year	(1,953)	3,748
As at 30 June	<b>48,686</b>	<b>50,027</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**b) Detailed reconciliation per equity investee**

Equity Investee	Carrying value as at 1 July 2020	Additional capital injection during the year	Interest on preference dividends	Disposals during the year	Prior year adjustment - interscheme correction	Fair valuation gain/(loss)	Carrying value as at 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Subsidiary</b>							
RWANDA FOREIGN HOLDINGS INVESTMENT COMPANY LIMITED (RFHIC)	1,234	0	0	0	0	438	1,672
<b>Associate</b>							
BANK OF KIGALI (BK)	2,008	0	0	0	0	(154)	1,854
COGEBANQUE SA	9,230	0	0	0	0	1,357	10,587
CIMERWA LIMITED	5,625	0	0	0	0	2,914	8,538
<b>Other equity investments</b>							
RWANDA INVESTMENT GROUP LIMITED (RIG)	984	0	0	0	0	(29)	955
EASTERN AND SOUTHERN AFRICA TRADE DEVELOPMENT BANK (FORMERLY PTA BANK)	21,317	528	0	0	0	2,227	24,071
BRALIRWA	1,160	0	0	0	0	(151)	1,009
KT RWANDA LIMITED	8,469	0	85	0	0	(8,554)	0
	<b>50,027</b>	<b>528</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>(1,953)</b>	<b>48,686</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**c) Significant fair valuation gains/losses during the year ended 30 June 2021**

▪ **CIMERWA Limited- Frw 2.9 billion gain**

RSSB's shareholding in CIMERWA as of 31st December 2020 was valued at FRW 17.076 billion from FRW 11.249 billion the previous year. In August 2020, CIMERWA Plc (RSE: CMR) was listed on the Rwanda Stock Exchange. The Company has 703,219,520 issued shares with a par value of Frw 50. The Company's authorized share capital was altered through a share split. Each share was divided into Twenty (20:1) units from a par value of Frw 1,000 to a par value Frw 50 per share. RSSB's shares rose to 142,306,060 following the listing of the company and market value has risen to FRW 17 billion.

▪ **Eastern and Southern Africa Trade Development Bank –Frw 2.2 billion gain**

During the year, a fair value gain is consistent with the continued good performance of the bank. During the year ended 30 December 2020, the bank made a profit of USD 157 million, an improvement in financial performance when compared to the previous year - 2019 (profit of USD 151 million).

▪ **Cogebanque- Frw 1.3 billion gain**

The fair value gain is consistent with the company's performance compared to previous period. The bank continued to be profitable and registered a net profit of Frw 2.5 billion in June 2021 (June 2020: 2.1 Billion)

▪ **KT Rwanda Network- Frw 8.5 billion Loss**

In December 2015, with the intervention of MINECOFIN, RDB gave RSSB the option to convert the loan into preference shares in ORN with a coupon rate of 1% thus transferring 12,406,793 non-voting shares (preference shares) of the value of FRW 8,089,229,036 of FRW 652 each in KT Rwanda Networks from RDB to RSSB as a non-monetary compensation for the loan owed to RSSB on 31st December 2015.

After the loan conversion, RSSB has never received any interests on the preference shares as the company has consistently performed poorly and not registered distributable earnings since its formation and shows no potential turnaround in the near future due to the nature of its business. The cumulative interest on the preference shares calculated on the agreed 1% coupon rate per annum amounted to FRW 464,742,452 as of 30 June 2021. Therefore, RSSB's investment (principal + interest) in KT Rwanda Networks Ltd is valued at Frw 8,553,971,488 as at 30 June 2021.

Given the continued poor performance of KT Rwanda Networks Ltd and its failure to pay interest at the agreed coupon rate of 1% that far lower than the original interest rate on the loan, the Board has resolved to fully impair the asset as at 30 June 2021.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**30. Corporate bonds**

		2021	2020
	Sub note	Frw'millions	Frw'millions
Agaciro Development Fund	30.1	11,274	12,529
Crystal Ventures Limited	30.2	12,166	12,225
		<b>23,441</b>	<b>24,754</b>

**Classification of Corporate bonds (Non-current Vs Current)**

	2021	2020
	Frw'millions	Frw'millions
<b>Non-current</b>		
Crystal Ventures Limited	11,638	8,569
Agaciro Development Fund	9,849	9,609
	<b>21,487</b>	<b>18,178</b>
<b>Current</b>		
Crystal Ventures Limited	529	3,960
Agaciro Development Fund	1,425	2,616
	<b>1,954</b>	<b>6,576</b>

**30.1. Corporate bond issued by Agaciro Development Fund**

	2021	2020
	Frw'millions	Frw'millions
At 1 July	12,529	-
Placement	-	12,000
Accrued interest	1,416	529
Maturity	(2,616)	-
<b>Gross at 30 June</b>	<b>11,329</b>	<b>12,529</b>
Impairment provision (IFRS 9)	(54)	-
<b>Net at 30 June</b>	<b>11,274</b>	<b>12,529</b>

**30.2. Corporate bond issued by Crystal Ventures Limited**

	2021	2020
	Frw'millions	Frw'millions
At 1 July	12,225	-
Placement	-	12,000
Accrued interest	1,560	225
Maturity	(1,560)	-
<b>At 30 June</b>	<b>12,225</b>	<b>12,225</b>
Impairment provision (IFRS 9)	(59)	-
<b>Net at 30 June</b>	<b>12,166</b>	<b>12,225</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 31. 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-21 Frw'millions	Balance as at 30-Jun-20 Frw'millions
Treasury bonds - Pension scheme	31.1	145,170	126,597
Treasury bonds - Medical scheme	31.2	35,856	23,799
Treasury bonds - Maternity scheme	31.3	6,831	-
Treasury bonds - Ejo Heza scheme	31.4	15,657	3,541
<b>Total</b>		<b>203,514</b>	<b>153,936</b>

#### Classification of Government Bonds (Non-current Vs Current)

##### Non-current

Treasury bonds - Pension scheme	126,114	106,469
Treasury bonds - Medical scheme	31,245	21,716
Treasury bonds - Maternity leave scheme	6,638	-
Treasury bonds - Ejo Heza	15,476	3,541
<b>Sub-total (1)</b>	<b>179,473</b>	<b>131,726</b>

##### Current

Treasury bonds - Pension scheme	19,057	20,127
Treasury bonds - Medical scheme	4,611	2,083
Treasury bonds - Maternity leave scheme	193	-
Treasury bonds - Ejo Heza	181	-
<b>Sub-total (2)</b>	<b>24,042</b>	<b>22,211</b>
<b>Grand total (1+2)</b>	<b>203,514</b>	<b>153,936</b>

#### 31.1. Treasury bonds – Pension scheme

Particular	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	126,597	81,742
Prior year adjustments	2,244	-
Investment during the year	22,356	51,259
Interest income earned during the year	18,449	12,909
Receipts during the year	(23,774)	(19,313)
<b>Closing 30 June</b>	<b>145,870</b>	<b>126,597</b>
Impairment provision	(700)	-
<b>Closing 30 June</b>	<b>145,170</b>	<b>126,597</b>

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



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**31.2. Treasury bonds – Medical scheme**

Particular	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	23,799	6,700
Investment during the year	14,242	16,767
Interest income earned during the year	2,748	1,351
Receipts during the year	(4,761)	(1,020)
<b>Closing 30 June</b>	<b>36,029</b>	<b>23,799</b>
Impairment provision	(173)	-
<b>Closing 30 June</b>	<b>35,856</b>	<b>23,799</b>

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

**31.3. Treasury bonds - maternity leave scheme**

Particular	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	-	-
Investment during the year	6,882	-
Interest income earned during the year	360	-
Receipts during the year	(378)	-
<b>Closing 30 June</b>	<b>6,864</b>	<b>-</b>
Impairment provision	(33)	-
<b>Closing 30 June</b>	<b>6,831</b>	<b>-</b>

**31.4. Treasury bonds - Ejo Heza**

Particular	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	3,541	98
Investment during the year	11,787	3,443
Interest income earned during the year	1,094	130
Receipts during the year	(764)	(130)
<b>Closing 30 June</b>	<b>15,657</b>	<b>3,541</b>
Impairment provision	(74)	-
<b>Closing 30 June</b>	<b>15,583</b>	<b>3,541</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**32. Treasury bills**

Description	Sub-Note	Balance as	Balance as
		at	at
		30-Jun-21	30-Jun-20
		Frw'millions	Frw'millions
Treasury bills - Pension scheme	32.1	49,986	37,811
Treasury bills - Medical scheme	32.2	42,352	16,513
Treasury bills - Maternity leave scheme	32.3	3,935	-
<b>Total</b>		<b>96,272</b>	<b>54,323</b>

**32.1. Treasury bills – Pension scheme**

Particular	2021	2020
	Frw'millions	Frw'millions
Opening balance 1 July	37,811	76,108
Purchases	47,718	48,477
Interest accrued	4,938	4,622
Maturities	(40,240)	(91,397)
<b>Closing 30 June</b>	<b>50,227</b>	<b>37,811</b>
Impairment provision	(241)	-
<b>Closing 30 June</b>	<b>49,986</b>	<b>37,811</b>

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

**32.2. Treasury bills– Medical scheme**

Particular	2021	2020
	Frw'millions	Frw'millions
Opening balance 1 July	16,513	40,286
Purchases	62,657	16,270
Interest accrued	2,924	1,758
Maturities	(39,538)	(41,802)
<b>Closing 30 June</b>	<b>42,556</b>	<b>16,513</b>
Impairment provision	(204)	-
<b>Closing 30 June</b>	<b>42,352</b>	<b>16,513</b>

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 32.3. Treasury bills – Maternity leave scheme

Particular	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	-	3,829
Purchases	3,648	-
Interest accrued	305	174
Maturities	-	(4,003)
<b>Closing 30 June</b>	<b>3,954</b>	<b>-</b>
Impairment provision	(19)	-
<b>Closing 30 June</b>	<b>3,935</b>	<b>-</b>

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

### 33. Commercial papers

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

Company issuing commercial paper	Sub-Note	2021 Frw'millions	2020 Frw'millions
HORIZON GROUP	33.1	-	-
NPD Limited	33.2	12,506	14,715
NGALI Holding Limited	33.3	16,789	-
<b>Total</b>		<b>29,296</b>	<b>14,715</b>

Details of the commercial papers are as follows:

#### 33.1. Commercial paper issued by Horizon Group

	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	-	2,756
Purchases during the year	-	-
Interest accrued during the year	-	211
Maturities	-	(2,966)
<b>Closing 30 June</b>	<b>-</b>	<b>-</b>

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 in 2020



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33.2. Commercial papers issued by NPD Limited

	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	14,715	13,389
Purchases during the year	-	14,520
Interest accrued during the year	1,446	1,326
Maturities	(3,312)	(14,520)
<b>Closing 30 June</b>	<b>12,849</b>	<b>14,715</b>
Impairment provision	(343)	-
<b>Closing 30 June</b>	<b>12,506</b>	<b>14,715</b>

On 15 May 2021, Commercial paper with NPD Limited was extended for 2 months attracting an annual interest of 10%

### 33.3. Commercial papers issued by Ngali Holding Limited

	2021 Frw'millions	2020 Frw'millions
Opening balance 1 July	-	-
Purchases during the year	16,915	-
Interest accrued during the year	800	-
Maturities	(465)	-
<b>Closing 30 June</b>	<b>17,250</b>	<b>-</b>
Impairment provision	(461)	-
<b>Closing 30 June</b>	<b>16,789</b>	<b>-</b>

During the year, NH issued a commercial paper of Frw 16.9 billion attracting an annual interest rate of 11% with a term of 364 days

### 34. Advances to third parties- Government

		Pension		Medical		Total	
	Sub note	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions	2021 Frw'millions	2020 Frw'millions
Loan to City of Kigali	34.1	1,330	1,501	-	-	1,330	1,501
Loans to MININFRA	34.2	3,989	4,009	-	-	3,989	4,009
Loan to MINECOFIN (CBHI financing loan)	34.3	-	-	30,629	35,812	30,629	35,812
<b>Total</b>		<b>5,319</b>	<b>5,510</b>	<b>30,629</b>	<b>35,812</b>	<b>35,948</b>	<b>41,322</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	Pension		Medical		Total	
	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Non-current</b>						
Loan to City of Kigali	1,330	1,501	-	-	1,330	1,501
Loans to MININFRA	-	-	-	-	-	-
Loan to MINECOFIN	-	-	30,629	35,812	30,629	35,812
<b>Sub-total (1)</b>	<b>1,330</b>	<b>1,501</b>	<b>30,629</b>	<b>35,812</b>	<b>31,959</b>	<b>37,313</b>
<b>Current</b>						
Loan to City of Kigali	-	-	-	-	-	-
Loans to MININFRA	3,989	4,009	-	-	3,989	4,009
Loan to MINECOFIN	-	-	-	-	-	-
<b>Sub-total (2)</b>	<b>3,989</b>	<b>4,009</b>	<b>-</b>	<b>-</b>	<b>3,989</b>	<b>4,009</b>
<b>Grand total (1+2)</b>	<b>5,319</b>	<b>5,510</b>	<b>30,629</b>	<b>35,812</b>	<b>35,948</b>	<b>41,322</b>

**34.1. Loan to City of Kigali**

	2021	2020
	Frw'millions	Frw'millions
At 1 July	1,501	1,576
Repayments	(165)	(75)
<b>At 30 June</b>	<b>1,336</b>	<b>1,501</b>
Impairment provision	(6)	-
<b>At 30 June</b>	<b>1,330</b>	<b>1,501</b>

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	850,000,000
<b>Total</b>	<b>1,726,247,281</b>

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 385,000,000 had been settled by the City of Kigali.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**34.2. Loan to MININFRA**

	2021			2020		
	Loan for CBD1 Infrastructure	Loan for Partitioning of Kicukiro pension plaza	Total	Loan for CBD1 Infrastructure	Loan for Partitioning of Kicukiro pension plaza	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
At 1 July	3,859	149	4,009	4,210	149	4,359
Additions	-	-	-	-	-	-
Repayments	-	-	-	(351)	-	(351)
<b>At 30 June</b>	<b>3,859</b>	<b>149</b>	<b>4,009</b>	<b>3,859</b>	<b>149</b>	<b>4,009</b>
Impairment provision	(19)	(1)	(19)	-	-	-
<b>At 30 June</b>	<b>3,841</b>	<b>149</b>	<b>3,989</b>	<b>3,859</b>	<b>149</b>	<b>4,009</b>

**34.3. Loan to MINECOFIN**

The Loan to MINECOFIN relates to amounts advanced to Community Based Health Insurance (CBHI) Scheme during the year ended 30 June 2021 as per the movement shown below:

	2021	2020
	Frw'millions	Frw'millions
At 1 July	35,812	35,323
Additions	-	10,000
Repayments	(5,183)	(9,511)
<b>At 30 June</b>	<b>30,629</b>	<b>35,812</b>
Impairment provision	-	-
<b>At 30 June</b>	<b>30,629</b>	<b>35,812</b>

The ministry settled Frw 5,182,803,191 during the year, therefore the outstanding balance due from MINECOFIN is Frw 30,629,079,251.

**35. Mortgages loans**

	Pension		Medical		Total	
	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>At 1 July:</b>	<b>63</b>	<b>153</b>	<b>-</b>	<b>(6)</b>	<b>63</b>	<b>147</b>
Adjustment to opening balance	-	(8)	-	6	-	(1)
Unallocated receipts on Mortgage loans - prior year	78	93	-	-	78	93
Receipts during the year	(58)	(97)	-	-	(58)	(97)
Unallocated receipts of Mortgage loans	(66)	(78)	-	-	(66)	(78)
<b>Balance at the 30 June</b>	<b>18</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>63</b>
Impairment provision	(2)	-	-	-	(2)	-
<b>Net balance at 30 June</b>	<b>16</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>63</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Classification of Mortgage loans (Non-current Vs Current)**

	Pension scheme		Medical scheme		Total	
	At 30 June 2021	At 30 June 2020	At 30 June 2021	At 30 June 2020	2021	2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Non-current	7	26			7	26
Current	9	36		-	9	36
<b>Total</b>	<b>16</b>	<b>63</b>		<b>-</b>	<b>16</b>	<b>63</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**36. Inventory**

	Pension Scheme		Medical Scheme		CBHI		Maternity leave		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Office suppliers	89	146	83	119	106	80	9	14	287	358
Fuel inventory	1	1	1	1	1	1	-	-	2	3
	<b>90</b>	<b>147</b>	<b>84</b>	<b>119</b>	<b>107</b>	<b>80</b>	<b>9</b>	<b>14</b>	<b>290</b>	<b>361</b>

**37. Advances to contractors**

	Pension		Medical		CBHI		Maternity leave		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
ENGINEERING BRIGADE	358	2,012	-	-	-	-	-	-	358	2,012
AFRIPRECAST LTD	6,775	6,775	-	-	-	-	-	-	6,775	6,775
Other advances	-	4	-	13	1	4	-	-	1	21
<b>Total</b>	<b>7,133</b>	<b>8,790</b>	<b>-</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>7,134</b>	<b>8,808</b>
Impairment provision	(190)	-	-	-	-	-	-	-	(190)	-
<b>Total (net of impairment)</b>	<b>6,943</b>	<b>8,790</b>	<b>-</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>6,944</b>	<b>8,808</b>

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 12<sup>th</sup> 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**38. Dividends and other income receivable**

	Pension		Medical		CBHI		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Dividends receivable	4,698	731	381	527	-	-	5,079	1,258
Other income receivable	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,698</b>	<b>731</b>	<b>381</b>	<b>527</b>	<b>-</b>	<b>-</b>	<b>5,079</b>	<b>1,258</b>
Impairment provision	(21)	-	(1)	-	-	-	(22)	-
<b>Total</b>	<b>4,677</b>	<b>731</b>	<b>381</b>	<b>527</b>	<b>-</b>	<b>-</b>	<b>5,058</b>	<b>1,258</b>

**37 (a) Summary reconciliation of movement in dividend receivable**

	Year ended 30 June 2021			Year ended 30 June 2020		
	Pension	Medical	Total	Pension	Medical	Total
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Opening balance	731	527	1,258	4,489	94	4,583
Dividends declared	6,842	1,038	7,880	2,092	943	3,036
Dividends received	(2,230)	(656)	(2,886)	(5,325)	(117)	(5,442)
Dividends converted into share capital	(645)	(528)	(1,173)	(525)	(394)	(919)
<b>Gross dividend receivable</b>	<b>4,698</b>	<b>381</b>	<b>5,079</b>	<b>731</b>	<b>527</b>	<b>1,258</b>
Impairment provision	(21)	(1)	(22)	-	-	-
<b>Net dividend receivable</b>	<b>4,677</b>	<b>381</b>	<b>5,058</b>	<b>731</b>	<b>527</b>	<b>1,258</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	At 1 July 2020	Dividend declared	Dividend received	Dividend converted into share capital	At 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Local investments</b>					
Bank of Kigali Limited	-	4,363	-	-	4,363
Crystal Telecom Ltd	-	302	(302)	-	-
Ruliba Clays Limited	-	-	-	-	-
Inyangye Industries	212	362	(574)	-	-
Rwanda Investment Group	-	157	(157)	-	(-)
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	-	199	(199)	-	-
Rwanda stock exchange	-	11	(5)	-	6
<b>Sub-total (1)</b>	<b>212</b>	<b>5,393</b>	<b>(1,236)</b>	<b>-</b>	<b>4,368</b>
<b>Foreign investments</b>					
Safaricom Limited	-	276	(276)	-	-
Eastern and Southern Africa Trade development bank	519	975	(519)	(645)	330
Afrexim Bank	-	61	(61)	-	-
KCB Group	-	138	(138)	-	-
<b>Sub-total (2)</b>	<b>519</b>	<b>1,449</b>	<b>(993)</b>	<b>(645)</b>	<b>330</b>
<b>Grand total (1+3)</b>	<b>731</b>	<b>6,842</b>	<b>(2,230)</b>	<b>(645)</b>	<b>4,698</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	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
<b>Local investments</b>					
Bank of Kigali Limited	3,698	4,363	(3,698)	-	4,363
Crystal Telecom Ltd	366	302	(682)	-	(14)
Ruliba Clays Limited	-	-	(383)	-	(383)
Inyangye Industries	424	362	(212)	-	574
Rwanda Investment Group	0	157	(67)	-	89
<b>Sub-total (1)</b>	<b>4,489</b>	<b>5,183</b>	<b>(5,043)</b>	<b>-</b>	<b>4,629</b>
<b>Foreign investments</b>					
Safaricom Limited	-	276	(277)	-	(1)
PTA Bank	-	975	(3)	(476)	496
Afrexim Bank	-	61	(3)	(49)	9
<b>Sub-total (2)</b>	<b>-</b>	<b>1,311</b>	<b>(282)</b>	<b>(525)</b>	<b>504</b>
<b>Grand total (1+3)</b>	<b>4,489</b>	<b>6,494</b>	<b>(5,325)</b>	<b>(525)</b>	<b>5,133</b>

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

	At 1 July 2020	Dividend declared	Dividend received	Dividend converted into share capital	At 30 June 2021
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Local investments</b>					
Bank of Kigali Limited	-	111	-	-	111
Rwanda Investment Group	-	47	(47)	-	-
Brasserie Et Limonaderie Du Rwanda (BRALIRWA)	-	82	(82)	-	-
<b>Sub-total (1)</b>	<b>-</b>	<b>240</b>	<b>(129)</b>	<b>-</b>	<b>111</b>

**Foreign investments**

PTA Bank

Sub-total (2)

Grand total (1+3)

527	798	(527)	(528)	270
527	798	(527)	(528)	270
527	1,038	(656)	(528)	381

**Local investments**

Bank of Kigali Limited

Rwanda Investment Group

Sub-total (1)

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
94	111	(94)	-	111
-	47	(20)	-	27
94	158	(114)	-	138

**Foreign investments**

PTA Bank

Sub-total (2)

Grand total (1+3)

-	798	(2)	(394)	402
-	798	(2)	(394)	402
94	956	(117)	(394)	540

**39. Other assets**

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Staff advances	0	9	0	9	0	0	0	0	0	0	0	18
Former staff advances	33	53	43	40	10	(6)	1	(1)	0	0	87	86
Other advances and deposits	0	2	0	0	0	0	0	0	0	0	0	2
Other rental receivable	18	41	(3)	(33)	(1)	(1)	(0)	(0)	0	0	14	6
Kicukiro pension plaza tenants	20	23	0	0	0	0	0	0	0	0	20	23
Grand pension plaza tenants	231	322	0	0	0	0	0	0	0	0	231	322
Nyanza pension plaza tenants	16	60	0	0	0	0	0	0	0	0	16	60



	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Musanze pension plaza tenants	223	57	0	0	0	0	0	0	0	0	223	57
Karongi pension plaza tenants	321	8	0	0	0	0	0	0	0	0	321	8
Rwamagana pension plaza tenants	6	(4)	0	0	0	0	0	0	0	0	6	(4)
Doctors' plaza tenants	0	0	3	(1)	0	0	0	0	0	0	3	(1)
Crystal plaza	341	342	0	0	0	0	0	0	0	0	341	342
Mutara enterprise building	18	18	0	0	0	0	0	0	0	0	18	18
Tower 2 tenants	6	0	3	8	0	0	0	0	0	0	9	8
Nyarutarama plaza	268	0	0	0	0	0	0	0	0	0	268	0
Staff advances	(0)	132	1	103	0	(167)	0	(6)	0	0	1	61
Other deductions	0	0	0	(13)	0	(0)	0	(0)	0	0	0	(13)
SONARWA Group Insurance	0	(0)	0	(0)	0	0	0	0	0	0	0	(0)
Staff pledges	0	2	0	1	0	2	0	(0)	0	0	1	5
Ishema ryacu	4	4	4	4	5	5	0	0	0	0	13	13
Petty cash shortage	0	0	0	0	1	0			0	0	1	0
Salary reversals	0	(0)	0	(0)	20	(0)	0	(0)	0	0	20	(0)
Advance to be justified	(9)	(10)	8	7	60	59	1	1	0	0	60	58
Other debtors	1,204	1,356	31	14	5,193	2,904	1	1	0	0	6,429	4,274
KCC debt	437	437	0	0	0	0	0	0	0	0	437	437
Batsinda houses debt	(17)	(17)	0	0	0	0	0	0	0	0	(17)	(17)
Withholding tax retained	31	32	24	26	0	0	(0)	(0)	0	0	56	58
Loan to ejo heza	0	0	0	0	0	0	0	0	0	0	0	0
Other receivables	629	335	19	3	0	0	0	0	0	0	648	338
Interscheme transfer	(6,943)	(289)	8,162	1,418	(1,219)	(1,167)	0	38	0	0	0	0
Prepayment	771	23	30	14	33	11	4	1	0	0	838	48
interest receivable	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>(2,389)</b>	<b>2,936</b>	<b>8,325</b>	<b>1,599</b>	<b>4,102</b>	<b>1,639</b>	<b>7</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>10,045</b>	<b>6,207</b>
Impairment provision	(22)	0	(41)	0	(26)	0	0	0	0	0	(89)	0
<b>Total (net of impairment)</b>	<b>(2,411)</b>	<b>2,936</b>	<b>8,284</b>	<b>1,599</b>	<b>4,077</b>	<b>1,639</b>	<b>7</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>9,956</b>	<b>6,207</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**40. Due from (Due to) other schemes**

	Pension		Medical		CBHI		Maternity leave		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
INTERSCHEME LOAN RECEIVABLE	(1,000)	7,647	-	9,023	-	372	(-)	121	(1,000)	17,162
INTERSCHEME LOAN PAYABLES	-	(5,502)	-	(7,451)	1,000	(3,916)	-	(294)	1,000	(17,162)
Net due from/(due to) other schemes	(1,000)	2,145	-	1,572	1,000	(3,544)	-	(173)	-	-

**41. Deposits with financial institutions**

	Pension		Medical		Maternity leave		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
<b>Long term deposits</b>								
Rwanda Development Bank	23,282	25,398	24,454	26,673	-	-	47,736	52,071
AB Bank	1,075	1,076	-	-	-	-	1,075	1,076
Bank of Kigali	9,204	8,146	-	-	-	-	9,204	8,146
Bank Populaire du Rwanda (Atlas Mara)	2,094	1,052	10,808	10,808	-	-	12,902	11,860
Commercial Bank of Africa (Rwanda)	-	-	-	-	-	-	-	-
Zigama CSS	7,144	6,134	-	-	-	-	7,144	6,134
<b>Sub-total (1)</b>	<b>41.1</b>	<b>42,798</b>	<b>41,807</b>	<b>35,262</b>	<b>37,481</b>	<b>-</b>	<b>78,060</b>	<b>79,288</b>
<b>Short term deposits</b>								
AB BANK Rwanda Limited	770	779	-	-	-	-	770	779
Bank of Africa	5,318	5,323	2,052	2,057	-	-	7,370	7,380
Bank of Kigali Limited	42,192	32,373	16,495	32,118	4,381	4,387	63,068	68,879
Bank Populaire du Rwanda (Atlas Mara)	7,153	10,463	16,543	11,527	-	-	23,697	21,990
CogeBanque	13,213	13,248	12,230	17,611	5,170	5,191	30,612	36,050
ECOBANK Rwanda Limited	5,249	5,270	-	-	-	-	5,249	5,270
Equity Bank Rwanda Limited	5	18	19,354	9,278	3,046	3,064	22,404	12,360
I&M Bank Rwanda Limited	-	-	17,232	16,585	-	-	17,232	16,585
Kenya Commercial Bank	15,403	15,009	8,773	8,628	-	-	24,176	23,637
LETSHEGO Bank	-	-	-	-	-	-	-	-

		Pension		Medical		Maternity leave		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Unguka Bank		-	1,030	-	2	-	-	-	1,032
Zigama CSS		5,214	5,264	4,191	4,225	-	-	9,405	9,489
Commercial Bank of Africa (Rwanda)		0	1,042	-	-	1,015	-	1,015	1,042
<b>Sub-total (2)</b>	<b>41.2</b>	<b>94,517</b>	<b>89,818</b>	<b>96,870</b>	<b>102,031</b>	<b>13,612</b>	<b>12,643</b>	<b>204,999</b>	<b>204,492</b>
Call deposit - KCB		804	2,300	-	-	-	-	804	2,300
<b>Sub-total (3)</b>	<b>41.3</b>	<b>804</b>	<b>2,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>804</b>	<b>2,300</b>
Bank of Kigali - Nest fund (long term deposit)	<b>41.4</b>	5,192	5,194	-	-	-	-	5,192	5,194
<b>Sub-total (4)</b>		<b>5,192</b>	<b>5,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,192</b>	<b>5,194</b>
<b>Grand total (1+2+3+4)</b>		<b>143,310</b>	<b>139,118</b>	<b>132,131</b>	<b>139,513</b>	<b>13,612</b>	<b>12,643</b>	<b>289,054</b>	<b>291,273</b>
Impairment provision		(708)	-	(653)	-	(67)	-	(1,428)	-
<b>Total (net of impairment)</b>		<b>142,602</b>	<b>139,118</b>	<b>131,479</b>	<b>139,513</b>	<b>13,545</b>	<b>12,643</b>	<b>287,626</b>	<b>291,273</b>

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

	Pension		Medical		Maternity leave		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
Non-current	47,282	41,807	31,245	37,481	-	-	81,824	84,481
Current	95,320	92,118	100,234	102,031	13,545	12,643	205,802	206,792
	<b>142,602</b>	<b>133,924</b>	<b>131,479</b>	<b>139,513</b>	<b>13,545</b>	<b>12,643</b>	<b>287,626</b>	<b>291,273</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 41.1. Reconciliation of movement in long term deposit during the year

	Pension 2021 Frw'millions	Medical 2021 Frw'millions	Total 2021 Frw'millions	Pension 2020 Frw'millions	Medical 2020 Frw'millions	Total 2020 Frw'millions
Opening 1 July	41,807	37,481	79,288	35,540	26,773	62,313
Prior year adjustment	-	4	4	-	(4)	(4)
Placements	3,000	-	3,000	5,000	10,000	15,000
Interest accrued during the year	3,954	3,843	7,797	3,270	3,418	6,688
Receipts during the year	(5,962)	(6,066)	(12,028)	(2,003)	(2,706)	(4,709)
Closing 30 June	42,798	35,262	78,060	41,807	37,481	79,288

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

	Pension 2021 Frw'millions	Medical 2021 Frw'millions	Maternity leave 2021 Frw'millions	Total 2021 Frw'millions	Pension 2020 Frw'millions	Medical 2020 Frw'millions	Maternity leave 2020 Frw'millions	Total 2020 Frw'millions
Opening 1 July	89,818	102,031	12,643	204,492	83,217	74,758	-	157,975
Adjustment to opening balances	7,357	(7)	-	7,350	58	2	-	60
Placement during the year	90,750	99,000	13,000	202,750	90,763	120,000	15,000	225,763
Interest accrued during the year	7,945	8,477	1,171	17,594	8,222	8,837	793	17,852
Maturities	(101,354)	(112,632)	(13,201)	(227,187)	(92,442)	(101,566)	(3,150)	(197,159)
Closing 30 June	94,517	96,870	13,612	204,999	89,818	102,031	12,643	204,492

### 41.3. Reconciliation of movement in call deposit during the year

	2021 Frw'millions	2021 Frw'millions	2020 Frw'millions	2020 Frw'millions
Opening balance - 1 July 2018	252	2,300	1,208	11,014
Placements during the year	105	963	5,317	48,135
Interest accrued during the year	9	73	21	190
Receipt of principal and interest	(280)	(2,554)	(6,294)	(56,880)
Unrealised exchange gain	-	22	-	(158)
Closing balance - 30 June 2019	86	804	252	2,300

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 41.4. Reconciliation of movement in Bank of Kigali – Nest Fund

	2021 Frw'millions	2020 Frw'millions
Opening 1 July	5,194	-
Placement during the year	-	5,000
Interest accrued during the year	243	194
Maturities	(245)	-
<b>Closing 30 June</b>	<b>5,192</b>	<b>5,194</b>

### 42. Cash and bank balances

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
BNR and Commercial banks	89,684	47,020	36,453	27,388	2,004	3,552	4,390	8,227	931	921	133,462	87,109
Impairment provision	(443)	0	(180)	0	(13)	0	(36)	0	(5)	0	(676)	0
<b>BNR and Commercial banks (balances net of impairment)</b>	<b>89,241</b>	<b>47,020</b>	<b>36,273</b>	<b>27,388</b>	<b>1,992</b>	<b>3,552</b>	<b>4,354</b>	<b>8,227</b>	<b>926</b>	<b>921</b>	<b>132,786</b>	<b>87,109</b>
Savings and Credit Societies (SACCOs)	0	0	0	0	0	0	0	0	0	0	0	0
Mobcash	0	0	0	0	409	1,053	0	0	3	0	412	1,054
Petty cash	5	5	5	5	6	6	0	1	0	0	17	17
Transit accounts	342	1,988	294	(1,601)	587	749	25	7	0	4	1,247	1,147
	<b>89,588</b>	<b>49,014</b>	<b>36,571</b>	<b>25,792</b>	<b>2,993</b>	<b>5,360</b>	<b>4,379</b>	<b>8,235</b>	<b>929</b>	<b>926</b>	<b>134,461</b>	<b>89,327</b>

### 43. Other payables

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Suppliers	1,756	1,221	1,035	470	491	396	52	41	0	0	3,334	2,128
Advance to suppliers	(0)	(0)	(0)	(0)	0	0	0	0	0	0	(0)	(0)
Contributions	(51,665)	(48,592)	0	0	0	0	0	0	0	0	(51,665)	(48,592)
Voluntary contributions	230	231	0	0	0	0	0	0	0	0	230	231

	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Unidentified contributions	0	1,412	0	0	0	0	0	0	0	0	0	1,412
Contributions declared not yet paid/Pension	(33,069)	(30,639)	0	0	0	0	0	0	0	0	(33,069)	(30,639)
Contributions Penalties declared not yet paid/Pension	28,959	27,368	0	0	0	0	0	0	0	0	28,959	27,368
Estimation for non-declared contributions	55,544	51,633	0	0	0	0	0	0	0	0	55,544	51,633
Medical contributions receivable	0	0	12,082	8,625	0	0	0	0	0	0	12,082	8,625
Contributions declared not yet paid/Medical	0	0	(15,447)	(12,003)	0	0	0	0	0	0	(15,447)	(12,003)
Estimation for non-declared contributions and penalties/Medical	0	0	3,365	3,377	0	0	0	0	0	0	3,365	3,377
CBHI Contributions receivable	0	0	0	0	658	0	0	0	0	0	658	0
CBHI Voluntary contributions	0	0	0	0	(0)	0	0	0	0	0	(0)	0
CBHI Contributions declared not yet paid	0	0	0	0	(729)	0	0	0	0	0	(729)	0
CBHI Contributions Penalties declared not yet paid	0	0	0	0	71	0	0	0	0	0	71	0
ML. Contributors	0	0	0	0	0	0	1,684	1,241	0	0	1,684	1,241
ML. Unidentified	0	0	0	0	0	0	0	0	0	0	0	0
ML. Contributions declared not yet paid	0	0	0	0	0	0	(1,688)	(1,244)	0	0	(1,688)	(1,244)
ML. Contributions Penalties declared not yet paid	0	0	0	0	0	0	(0)	(0)	0	0	(0)	(0)
ML. Estimation for non-declared contributions	0	0	0	0	0	0	4	4	0	0	4	4
Staff salaries payable	3	2	3	10	4	(1)	0	(1)	124	0	135	10
Solidarity fund	2	(9)	2	16	3	0	0	1	0	0	7	8
CESTRAR contributions	0	(0)	0	(0)	0	0	0	0	0	0	0	(0)
Deductions for Caisse D'Entraide Mutuelle	(0)	(0)	0	0	0	0	0	0	0	0	(0)	0
Staff contribution to TONTINE	0	(0)	0	(0)	0	0	0	0	0	0	0	(0)
SONARWA individual insurance	0	(1)	0	(1)	0	(1)	0	(0)	0	0	0	(3)
SFAR deductions	0	(5)	0	(0)	(0)	0	0	0	0	0	0	(4)
CORAR Insurance	(0)	(0)	0	(0)	0	0	0	0	0	0	0	0
SORAS Individual insurance	0	0	0	(0)	0	0	0	(0)	0	0	0	(0)
Agaciro Development Fund	0	(0)	0	(0)	(0)	1	0	(0)	0	0	0	(0)
PRIME LIFE INSURANCE	0	(0)	0	(0)	0	0	0	(0)	0	0	0	(0)
EJO HEZA	1	0	1	0	2	0	(0)	0	0	0	3	0
Other salary reversals	0	(7)	0	(6)	0	(7)	0	(1)	0	0	0	(21)
RRA- WHT	(73)	(32)	347	320	(242)	(258)	(3)	(4)	0	0	30	26
PAYE	52	(26)	55	158	165	56	6	2	0	0	278	190



	Pension		Medical		CBHI		Maternity leave		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
VAT (Value Added Tax)	782	706	(775)	(805)	(436)	(420)	(12)	(13)	0	0	(440)	(531)
Pension benefit payable	58	41	0	0	0	0	0	0	0	0	58	41
OH benefit payable	22	5	0	0	0	0	0	0	0	0	22	5
Pension benefits returned unpaid	11	11	0	0	0	0	0	0	0	0	11	11
Occupational hazard benefits returned unpaid	(1)	(1)	0	0	0	0	0	0	0	0	(1)	(1)
CPGEL payable	33	32	0	0	0	0	0	0	0	0	33	32
Contribution due to employees from Burundi	112	112	0	0	0	0	0	0	0	0	112	112
Electricity advances to tenants	0	1	0	0	0	0	0	0	0	0	0	1
RSSB/Pension & OH	11	(273)	12	297	32	31	1	1	0	0	57	56
RSSB/RAMA	17	356	19	(344)	51	58	2	2	0	0	90	72
RSSB/MATERNITY	1	2	1	1	2	2	0	(0)	0	0	4	4
RSSB/ CBHI 0.5	0	0	1	0	1	(0)	0	0	0	0	2	(0)
Unidentified receipts	0	399	(5)	(5)	0	22	0	(0)	0	0	(5)	416
Other creditors	2,115	238	(252)	317	9,872	7,325	16	16	0	0	11,751	7,895
Arrears CBHI	0	0	0	0	1,131	1,028	0	0	0	0	1,131	1,028
Other payables	54	0	1	0	1	0	(0)	0	0	0	57	0
Advance received	48	48	0	0	0	0	0	0	0	0	48	48
	5,005	4,231	445	428	11,078	8,233	63	46	124	0	16,716	12,937

#### 44. Deferred income- Ejo Heza

	Pension		Medical		Ejo Heza		Total	
	2021	2020	2021	2020	2021	2021	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
MINECOFIN deferred income- unutilised funds					386	347	386	347
AFR deferred income (PPE)					5	16	5	16
AFR deferred income (Intangible asset)					292	328	292	328
	-	-	-	-	682	691	682	691

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

**Share capital**

	<b>Pension</b>	<b>Medical</b>	<b>Total</b>
	<b>Frw</b>	<b>Frw</b>	<b>Frw</b>
<b>At 1 July 2019</b>	53	1,179	1,232
<b>At 30 June 2020</b>	53	1,179	1,232
<b>At 1 July 2020</b>	53	1,179	1,232
<b>At 30 June 2021</b>	53	1,179	1,232

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**45. 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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 (A)	366,641	331,244	290,485	257,003	(24,938)	(20,662)	20,396	13,274	179	104	652,763	580,963
Adjustments to opening balances (B)	0	(0)	(531)	(0)	0	(0)	0	0	(30)	(105)	(561)	(105)
											0	0
											0	0
<b>Allotment of net income for the year to reserves</b>												
Net income for the year (1)	64,295	198,990	35,321	36,783	2,635	(4,277)	7,893	7,123	11,669	3,894	121,813	242,514
Allotment of net income for the year to statutory reserves and fair value reserve (2)	(54,554)	(163,593)	1,868	(3,301)	0	0	0	0	0	0	(52,686)	(166,895)
Net increase in Ejo Heza member funds									(10,653)	(3,715)	(10,653)	(3,715)
Net increase in Ejo Heza unallocated member funds											0	0
<b>Net income for year after allotment (C=1+2)</b>	<b>9,741</b>	<b>35,397</b>	<b>37,189</b>	<b>33,482</b>	<b>2,635</b>	<b>(4,277)</b>	<b>7,893</b>	<b>7,123</b>	<b>1,017</b>	<b>179</b>	<b>58,474</b>	<b>71,904</b>
<b>At 30 June (D=A+B+C+D)</b>	<b>376,382</b>	<b>366,641</b>	<b>327,143</b>	<b>290,485</b>	<b>(22,303)</b>	<b>(24,938)</b>	<b>28,289</b>	<b>20,396</b>	<b>1,165</b>	<b>179</b>	<b>710,676</b>	<b>652,763</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 46. 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	Medical	Total
	Frw'millions	Frw'millions	Frw'millions
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
At 1 July 2020	581	6,512	7,093
At 30 June 2021	581	6,512	7,093

### 47. Fair value reserve

The fair value reserve represents the surplus on the revaluation of equity investments at fair value through profit and loss, 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	
	2021	2020	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions	Frw'millions
At 1 July (A)	81,936	4,525	15,677	12,376	97,613	16,900
Adjustment to opening balance	0	0	531	0	531	0
Allotment of increase in net assets during the year - gain/(loss) arising from changes in fair values of equity investments (B)	(47,431)	(1,715)	(1,868)	3,832	(49,299)	2,118
Allotment of increase in net assets during the year - gain/(loss) arising from change in fair value of investment properties	0	79,126	0	(531)	0	78,595
At 30 June (D=A+B)	34,505	81,936	14,340	15,677	48,845	97,613

### 48. 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

# **NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

		2021	2020
		Frw'millions	Frw'millions
Occupational hazard reserve -technical	48.1	78,225	61,168
Occupational hazard reserve -Security	48.2	7,769	7,006
Occupational hazard reserve- Working capital	48.3	2,786	2,497
<b>Sub-total (1)</b>		<b>88,780</b>	<b>70,670</b>
Pension reserve- technical	48.4	577,938	501,390
Pension reserve- working capital	48.5	38,035	30,708
<b>Sub-total (2)</b>		<b>615,973</b>	<b>532,098</b>
<b>Total</b>		<b>704,753</b>	<b>602,768</b>

## **48.1. Occupational hazard reserve -technical**

		Pension	
		2021	2020
		Frw'millions	Frw'millions
At 1 July (A)		61,168	47,281
Allotment of increase in net assets during the year (B)	48.1 (a)	17,057	13,887
<b>At 30 June (C=A+B)</b>		<b>78,225</b>	<b>61,168</b>

### **48.1 (a) Reconciliation of allotment of net income for the year to reserve**

	Amount (Frw'millions)
Occupational hazard benefit paid during the year ended 30 June 2021 (B) [See note 10.1]	1,421
<b>Allocation of increase in net assets to Occupational hazard technical reserve (Bx12)</b>	<b>17,057</b>
Occupational hazard benefit paid during the year ended 30 June 2020 [See note 10.1]	1,157
<b>Allocation of increase in net assets to Occupational hazard technical reserve (Bx12)</b>	<b>13,887</b>

## **48.2. Occupational hazard reserve -Security**

		Pension	
		2021	2020
		Frw'millions	Frw'millions
At 1 July (A)		7,006	6,377
Allotment of increase in net assets during the year (B)	48.2 (a)	763	630
<b>At 30 June (C=A+B)</b>		<b>7,769</b>	<b>7,006</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	Amount (Frw'millions)
Total occupational hazard benefits expense 2018	875
Total occupational hazard benefits expense 2019	1,019
Total occupational hazard benefits expense 2020 (see note 10.1)	1,157
<b>Total occupational hazards benefit expenses paid in the last three years (A)</b>	<b>3,051</b>

**Allocation of increase in net assets of pension scheme to reserve (C=Ax25%)** 763

	Amount (Frw'millions)
Total occupational hazard benefits expense 2017	624
Total occupational hazard benefits expense 2018	875
Total occupational hazard benefits expense 2019	1,019
<b>Total occupational hazards benefit expenses paid in the last three years (A)</b>	<b>2,518</b>

**Allocation of increase in net assets of pension scheme to reserve (C=Ax25%)** 630

**48.3. Occupational hazard reserve- Working capital**

		Pension	
		2021	2020
		Frw'millions	Frw'millions
At 1 July (A)		2,497	2,242
Allotment of increase in net assets during the year (B)	48.3(a)	289	255
<b>At 30 June (C=A+B)</b>		<b>2,786</b>	<b>2,497</b>

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

	Amount (Frw'millions)
Total occupational hazard benefits expense 2020	1,157
<b>Allocation of increase in net assets of pension scheme to reserve (Frw) (B=Ax25%)</b>	<b>289</b>
Total occupational hazard benefits expense 2019	1,019
<b>Allocation of increase in net assets of pension scheme to reserve (Frw) (B=Ax25%)</b>	<b>255</b>

**48.4. Pension reserve- technical**

		Pension	
		2021	2020
		Frw'millions	Frw'millions
At 1 July (A)		501,390	436,623
Allotment of increase in net assets during the year (B)	48.4 (a)	76,548	64,768
<b>At 30 June (C=A+B)</b>		<b>577,938</b>	<b>501,390</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**48.4 (a) Reconciliation of allotment of net income for the year**

	Amount (Frw'millions)
Total pension benefits expense 2018	20,662
Total pension benefits expense 2019	26,575
Total pension benefits expense 2020 [see note 10.1]	29,311
<b>Total benefits expense for the last three years (A)</b>	<b>76,548</b>

**Allocation of net assets to pension technical reserve (B=A)** 76,548

	Amount (Frw'millions)
Total pension benefits expense 2017	17,531
Total pension benefits expense 2018	20,662
Total pension benefits expense 2019	26,575
<b>Total benefits expense for the last three years (A)</b>	<b>64,768</b>

**Allocation of net assets to pension technical reserve (B=A)** 64,768

**48.5. Pension reserve- working capital**

		Pension	
		2021	2020
		Frw'millions	Frw'millions
At 1 July (A)		30,708	24,064
Allotment of increase in net assets during the year (B)	48.5 (a)	7,328	6,644
<b>At 30 June (C=A+B)</b>		<b>38,035</b>	<b>30,708</b>

**48.5. (a) Reconciliation of allocation of net income for the year to reserve**

	Amount (Frw'millions)
Benefits paid to pensioners in 2020 (A) [see note 10.1]	29,311
<b>Allocation of increase in net assets to Pension working capital reserve for the year (B=A*25%)</b>	<b>7,328</b>

	Amount (Frw'millions)
Benefits paid to pensioners in 2019 (A)	26,575
<b>Allocation of increase in net assets to Pension working capital reserve for the year (B=A*25%)</b>	<b>6,644</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 49. Unallocated pension contribution reserve

	Pension		Total	
	2021	2020	2021	2020
	Frw'millions	Frw'millions	Frw'millions	Frw'millions
At 1 July (A)	0		0	
Creation of unallocated pension reserve (reclassifying from other payables to reserves)	1,811		1,811	
Unallocated contributions received during the year (B)	105		105	
Allocation of previously unallocated contributions to member accounts (C)	(6)		(6)	
At 31 July D=(A+B-C)	1,910	0	1,910	0

### 50. Ejo Heza Member funds

	Ejo Heza	
	2021	2020
	Frw'millions	Frw'millions
Accumulated member funds (allocated member contributions)	14,458	3,805
Reserve for unallocated member contributions	379	135
	14,837	3,941

### 51. 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 2021.

### 52. 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.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

- 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 32.2% of ordinary shares in BRD as at 30 June 2021.
  - Bank of Kigali (BK) – RSSB held 34.3% of ordinary shares in BK as at 30 June 2021.
  - Cogebanque SA – RSSB held 30.6% of ordinary shares in Cogebanque as at 30 June 2021.
  - 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.

### **53. 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 an 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

Management and directors have not undertaken an actuarial assessment for the period ended 30 June 2021 and believe the report for the period ended 30 June 2020 provides reasonable actuarial valuation to support a review of the long-term financial sustainability of a scheme.

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:



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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
<b>Net assets of the scheme (A)</b>	<b>1,052.3</b>
<b>Past service liabilities (present value of benefits promised on service)</b>	
Active members	(4,640.9)
Deferred members	(716.4)
Pensioners	(351.9)
<b>Total past service liabilities (B)</b>	<b>(5,709.2)</b>
<b>Short fall (C-B)</b>	<b>(4,656.90)</b>

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
<b>Assets of the scheme (A)</b>	<b>789.2</b>
<b>Past service liabilities owed (present value of benefits promised on service)</b>	
Active members	(4,614.8)
Deferred members	(716.4)
Pensioners	(342.7)
<b>Total past service liabilities (B)</b>	<b>(5,673.9)</b>
<b>Short fall (A-B)</b>	<b>(4,884.7)</b>

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:

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

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:

- 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.
- 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
	<b>27.5</b>

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.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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)



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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 finance 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
<b>Scheme</b>	<b>7.4</b>	<b>13.8</b>	<b>7.6</b>	<b>(0.2)</b>	<b>(7.5)</b>	<b>(18.9)</b>

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.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### ***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.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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.

Key assumptions	Valuation as at 30 June 2020	Valuation as at 30 June 2016
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 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.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **▪ 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.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **▪ 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 an actuarial report dated 03 February 2021.

Management and directors have not undertaken an actuarial assessment for the period ended 30 June 2021 and believe the report for the period ended 30 June 2020 provides reasonable actuarial valuation to support a review of the long-term financial sustainability of a scheme.

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



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 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

#### 54. Events after the reporting period

There are no reportable subsequent events.

#### 55. 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.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

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 2021;

Type of Investment	Change in share price %	Effect on surplus	Effect on surplus
		<b>Pension</b>	<b>Medical</b>
		<b>2021</b>	<b>2021</b>
		<b>Frw'million</b>	<b>Frw'million</b>
Equity investments at fair value through profit or loss	+/-9%	11,777	258
		<b>2020</b>	<b>2020</b>
		<b>Frw</b>	<b>Frw</b>
Equity investments at fair value through profit or loss	+/-9%	8,273	253

#### **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. During the year under review, RSSB has not undertaken a valuation of its investment properties.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

	Change in property price %	Effect on surplus	Effect on surplus
		<b>Pension</b>	<b>Medical</b>
		<b>2021</b>	<b>2021</b>
		<b>Frw'million</b>	<b>Frw'million</b>
Investment property	+/-9%	18,801	1,142
		<b>2020</b>	<b>2020</b>
		<b>Frw</b>	<b>Frw</b>
Investment property	+/-9%	18,529	1,142

**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. 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.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Currency risk**

The Board had the following currency positions:

	Pension USD Frw'millions	Medical USD Frw'millions	Pension Kshs Frw'millions	Pension Frw Frw'millions	Medical Frw Frw'millions	CBHI Frw Frw'millions	Maternity Leave Frw Frw'millions	Ejo Heza Frw Frw'millions	Total Frw Frw'millions
<b>30-Jun-21</b>									
<b>Financial assets</b>									
Cash and bank balances	63,968	8,316	248	25,372	28,256	2,993	4,379	929	134,461
Deposits with financial institutions	-	-	804	141,799	131,479	-	13,545	-	287,626
Treasury bonds	-	-	-	145,170	35,856	-	6,831	15,583	203,440
Treasury bills	-	-	-	49,986	42,352	-	3,935	-	96,272
Corporate bonds	-	-	-	23,441	-	-	-	-	23,441
Commercial papers	-	-	-	29,296	-	-	-	-	29,296
Mortgage loans	-	-	-	16	-	-	-	-	16
Loans and advances to third parties	-	-	-	5,319	30,629	-	-	-	35,948
Dividend receivable	496	402	-	4,182	(21)	-	-	-	5,058
Advances to contractors	-	-	-	6,943	-	1	-	-	6,943
Other assets	-	-	-	(2,411)	8,284	4,077	7	-	9,956
Due from/(Due to) other schemes	-	-	-	(1,000)	-	1,000	(0)	-	(0)
Equity investments	33,913	24,071	30,284	344,486	24,615	-	-	-	457,370
<b>Total financial assets (A)</b>	<b>98,377</b>	<b>32,789</b>	<b>31,336</b>	<b>772,596</b>	<b>301,449</b>	<b>8,071</b>	<b>28,697</b>	<b>16,512</b>	<b>1,289,827</b>
<b>Financial liabilities</b>									

Retentions on construction contracts	-	-	-	903	55	1	-	-	958
Medical and maternity leave benefits payable	-	-	-	-	8,383	19,479	359	-	28,221
Other payables	-	-	-	5,005	445	11,078	63	124	16,716
<b>Total financial liabilities (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,908</b>	<b>8,884</b>	<b>30,558</b>	<b>422</b>	<b>124</b>	<b>45,895</b>
<b>Net financial assets (A-B)</b>	<b>98,377</b>	<b>32,789</b>	<b>31,336</b>	<b>766,689</b>	<b>292,565</b>	<b>(22,487)</b>	<b>28,275</b>	<b>16,388</b>	<b>1,243,931</b>
<b>Foreign currency exposure at 30 June 2021</b>	<b>98,377</b>	<b>32,789</b>	<b>31,336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,502</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	Pension USD Frw'millions	Medical USD Frw'millions	Pension Kshs Frw'millions	Pension Frw Frw'millions	Medical Frw Frw'millions	CBHI Frw Frw'millions	Maternity Leave Frw Frw'millions	Ejo Heza Frw Frw'millions	Total Frw Frw'millions
<b>30-Jun-20</b>									
<b>Financial assets</b>									
Cash and bank balances	20,379	7,773	-	28,634	18,019	5,360	8,235	926	89,327
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	-	-	-	2,936	1,599	1,639	34	-	6,207
Due from/(Due to) other schemes	-	-	-	2,145	1,572	(3,544)	(173)	-	0
Equity investments	102,090	21,317	12,510	313,816	28,710	-	-	-	478,443
<b>Total financial assets (A)</b>	<b>122,988</b>	<b>29,617</b>	<b>14,810</b>	<b>702,801</b>	<b>265,548</b>	<b>3,460</b>	<b>20,738</b>	<b>4,466</b>	<b>1,164,430</b>
<b>Financial liabilities</b>									
Retentions on construction contracts				886	60	1			946

	-	-	-	-	-	-	-	-	-
Medical and maternity leave benefits payable	-	-	-	-	5,359	20,495	324	-	26,177
Other payables	-	-	-	4,208	30	8,425	46	-	12,708
<b>Total financial liabilities (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,094</b>	<b>5,448</b>	<b>28,920</b>	<b>369</b>	<b>0</b>	<b>39,923</b>
<b>Net financial assets (A-B)</b>	<b>122,988</b>	<b>29,617</b>	<b>14,810</b>	<b>697,707</b>	<b>260,100</b>	<b>(25,460)</b>	<b>20,369</b>	<b>4,466</b>	<b>1,124,506</b>
<b>Foreign currency exposure at 30 June 2020</b>	<b>122,988</b>	<b>29,617</b>	<b>14,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,416</b>

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
USD	+/-9%	7,870,164,928	+/-9%	2,623,080,915
KES	+/-9%	2,506,917,692	+/-9%	0
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
		<b>Frw</b>		<b>Frw</b>
USD	+/-8%	9,839,058,973	+/-8%	2,369,377,604
KES	+/-8%	1,184,813,340	+/-8%	0

The following exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2021	2020	2021	2020
	<b>Frw</b>	<b>Frw</b>	<b>Frw</b>	<b>Frw</b>
USD	987	920	977	923
KES	9.1	8.8	9	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.



### NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Financial assets	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
<b>2021</b>							
Cash and bank balances	5%	-	89,583	-	-	5	89,588
Deposits with commercial banks	10%	-	24,005	71,315	47,282	-	142,602
Treasury bonds	12%	-	5,214	13,843	126,114	-	145,170
Treasury bills	8%	-	3,091	46,895	-	-	49,986
Commercial papers	11%	-	-	29,296	-	-	29,296
Mortgage loans	12%	-	-	16	-	-	16
Corporate bonds	12%	-	-	1,841	21,600	-	23,441
Equity investments	0%	-	-	-	-	408,683	408,683
Loans and advances to third parties	0%	-	-	-	-	5,319	5,319
Dividend receivable	0%	-	-	-	-	4,677	4,677
Advances to contractors	0%	-	-	-	-	6,943	6,943
Other financial assets	0%	-	-	-	-	(2,411)	(2,411)

Due from/(Due to) other schemes	0%	-	-	-	-	(1,000)	(1,000)
<b>Total financial assets (A)</b>		<b>0</b>	<b>121,893</b>	<b>163,205</b>	<b>194,996</b>	<b>422,217</b>	<b>902,310</b>
Retentions on construction contracts	0%	-	-	-	-	903	903
Benefits payable	0%	-	-	-	-	-	-
Other payables	0%	-	-	-	-	5,005	5,005
<b>Total financial liabilities (B)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,908</b>	<b>5,908</b>
<b>Net financial assets (A-B)</b>		<b>0</b>	<b>121,893</b>	<b>163,205</b>	<b>194,996</b>	<b>416,309</b>	<b>896,402</b>
<b>Interest rate exposure as at 30 June 2021</b>		<b>-</b>	<b>121,893</b>	<b>163,205</b>	<b>194,996</b>	<b>0</b>	<b>480,093</b>

Financial assets	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
<b>2020</b>							
Cash and bank balances	5%	-	47,020	-	-	1,993	49,014
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	0	-	37,811
Commercial papers	11%	-	-	14,715	0	-	14,715
Mortgage loans	12%	-	-	63	0	-	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%	-	-	-	-	2,936	2,936
Due from/(Due to) other schemes	0%	-	-	-	-	2,145	2,145
<b>Total financial assets (A)</b>		<b>0</b>	<b>80,136</b>	<b>131,718</b>	<b>178,223</b>	<b>450,522</b>	<b>840,599</b>
Retentions on construction contracts	0%	-	-	-	-	886	886
Benefits payable	0%	-	-	-	-	-	0
Other payables	0%	-	-	-	-	4,231	4,231
<b>Total financial liabilities (B)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,117</b>	<b>5,117</b>
<b>Net financial assets (A-B)</b>		<b>-</b>	<b>80,136</b>	<b>131,718</b>	<b>178,223</b>	<b>445,405</b>	<b>835,482</b>
<b>Interest rate exposure as at 30 June 2020</b>		<b>-</b>	<b>80,136</b>	<b>131,718</b>	<b>178,223</b>	<b>-</b>	<b>390,077</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Medical Scheme**

Assets	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
<b>2021</b>							
Cash and bank balances	5%	-	36,566	-	-	5	36,571
Deposits with commercial banks	10%	-	27,207	72,041	32,231	-	131,479
Treasury bonds	12%	-	1,043	3,568	31,245	-	35,856
Treasury bills	8%	-	233	42,118	-	-	42,352
Equity investments	1%	-	-	-	0	48,686	48,686
Loans and advances to third parties	0%	-	-	-	-	30,629	30,629
Dividend receivable	0%	-	-	-	-	381	381
Advances to contractors	0%	-	-	-	-	0	0
Other financial assets	0%	-	-	-	-	8,284	8,284
Due from other schemes	0%	-	-	-	-	0	0
<b>Total Assets</b>		<b>0</b>	<b>65,049</b>	<b>117,727</b>	<b>63,476</b>	<b>87,985</b>	<b>334,238</b>
Retentions on construction contracts	0%	-	-	-	-	55	55
Benefits payable	0%	-	-	-	-	8,383	8,383
Other payables	0%	-	-	-	-	445	445
<b>Total financial liabilities (B)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,884</b>	<b>8,884</b>
<b>Net financial assets/(liabilities) (A-B)</b>		<b>0</b>	<b>65,049</b>	<b>117,727</b>	<b>63,476</b>	<b>79,102</b>	<b>325,354</b>
<b>Exposure to interest rate risk as at 30 June 2021</b>		<b>0</b>	<b>65,049</b>	<b>117,727</b>	<b>63,476</b>	<b>0</b>	<b>246,253</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Assets	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
<b>2020</b>							
Cash and bank balances	5%	-	27,388	-	-	(1,596)	25,792
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%	-	-	-	-	105	105
Other financial assets	0%	-	-	-	-	1,599	1,599
Due from other schemes	0%	-	-	-	-	1,572	1,572
<b>Total Assets</b>		<b>0</b>	<b>57,565</b>	<b>90,451</b>	<b>67,666</b>	<b>79,576</b>	<b>295,257</b>
Retentions on construction contracts	0%	-	-	-	-	60	60
Benefits payable	0%	-	-	-	-	5,359	5,359
Other payables	0%	-	-	-	-	428	428
<b>Total financial liabilities (B)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,846</b>	<b>5,846</b>
<b>Net financial assets/(liabilities) (A-B)</b>		<b>0</b>	<b>57,565</b>	<b>90,451</b>	<b>67,666</b>	<b>73,730</b>	<b>289,411</b>
<b>Exposure to interest rate risk as at 30 June 2020</b>		<b>0</b>	<b>57,565</b>	<b>90,451</b>	<b>67,666</b>	<b>0</b>	<b>215,682</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**CBHI scheme**

	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
<b>2021</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	2,578	-	-	415	2,993
Advances to contractors	0%	-	-	-	-	1	1
Other financial assets	0%	-	-	-	-	4,077	4,077
<b>Total financial assets</b>		<b>0</b>	<b>2,578</b>	<b>0</b>	<b>0</b>	<b>4,493</b>	<b>7,071</b>
<b>Financial liabilities</b>							
Amounts retained on construction contracts	0%	-	-	-	-	1	1
Benefits payable	0%	-	-	-	-	19,479	19,479
Due to other schemes	0%	-	-	-	-	(1,000)	(1,000)
Other payables	0%	-	-	-	-	11,078	11,078
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,558</b>	<b>29,558</b>
<b>Net financial assets/(liabilities)</b>		<b>0</b>	<b>2,578</b>	<b>0</b>	<b>0</b>	<b>(25,065)</b>	<b>(22,487)</b>
<b>Exposure to interest rate risk as at 30 June 2021</b>		<b>0</b>	<b>2,578</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,578</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	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
<b>2020</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	4,473	-	-	888	5,360
Advances to contractors	0%	-	-	-	-	13	13
Other financial assets	0%	-	-	-	-	1,599	1,599
<b>Total financial assets</b>		<b>0</b>	<b>4,473</b>	<b>0</b>	<b>0</b>	<b>2,499</b>	<b>6,972</b>
<b>Financial liabilities</b>							
Amounts retained on construction contracts	0%	-	-	-	-	1	1
Benefits payable	0%	-	-	-	-	20,495	20,495
Due to other schemes	0%	-	-	-	-	3,544	3,544
Other payables	0%	-	-	-	-	8,233	8,233
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,272</b>	<b>32,272</b>
<b>Net financial assets/(liabilities)</b>		<b>0</b>	<b>4,473</b>	<b>0</b>	<b>0</b>	<b>(29,773)</b>	<b>(25,300)</b>
<b>Exposure to interest rate risk as at 30 June 2020</b>		<b>0</b>	<b>4,473</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,473</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Maternity leave scheme**

	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
<b>2021</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	4,379	-	-	0	4,379
Deposits with financial institutions	10%	-	4,320	9,225	-	-	13,545
Treasury bills	8%	-	3,935	-	-	-	3,935
Advances to contractors	0%	-	-	-	-	0	0
Other financial assets	0%	-	-	-	-	7	7
<b>Total financial assets</b>		-	<b>12,633</b>	<b>9,225</b>	-	<b>7</b>	<b>21,866</b>
<b>Financial liabilities</b>							
Retention on construction contracts	0%	-	-	-	-	0	0
Benefits payable	0%	-	-	-	-	359	359
Due from/(Due to) other schemes	0%	-	-	-	-	0	0
Other payables	0%	-	-	-	-	63	63
<b>Total financial liabilities</b>		-	-	-	-	<b>422</b>	<b>422</b>
<b>Net financial assets/(liabilities)</b>		-	<b>12,633</b>	<b>9,225</b>	<b>0</b>	<b>(415)</b>	<b>21,444</b>
<b>Exposure to interest rate risk as at 30 June 2021</b>		<b>0</b>	<b>12,633</b>	<b>9,225</b>	<b>0</b>	<b>0</b>	<b>21,858</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	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
<b>2020</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	8,227	-	-	8	8,235
Deposits with financial institutions	10%	-	4,387	8,255	-	-	12,643
Advances to contractors	0%	-	-	-	-	0	0
Other financial assets	0%	-	-	-	-	34	34
<b>Total financial assets</b>		<b>0</b>	<b>12,615</b>	<b>8,255</b>	<b>0</b>	<b>42</b>	<b>20,912</b>
<b>Financial liabilities</b>							
Retention on construction contracts	0%	-	-	-	-	0	0
Benefits payable	0%	-	-	-	-	324	324
Due from/(Due to) other schemes	0%	-	-	-	-	173	173
Other payables	0%	-	-	-	-	46	46
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>542</b>	<b>542</b>
<b>Net financial assets/(liabilities)</b>		<b>0</b>	<b>12,615</b>	<b>8,255</b>	<b>0</b>	<b>(500)</b>	<b>20,369</b>
<b>Exposure to interest rate risk as at 30 June 2020</b>		<b>0</b>	<b>12,615</b>	<b>8,255</b>	<b>0</b>	<b>0</b>	<b>20,870</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Ejo Heza**

	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
<b>2021</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	926	-	-	3	929
Treasury bonds	12%	-	-	181	15,476	-	15,657
<b>Total financial assets</b>		-	926	181	15,476	3	16,586
<b>Financial liabilities</b>							
Other payables	0%	-	-	-	-	124	124
<b>Total financial liabilities</b>		-	0	-	0	124	124
<b>Net financial assets/(liabilities)</b>		-	926	181	15,476	(121)	16,462
<b>Exposure to interest rate risk as at 30 June 2021</b>		-	926	181	15,476	0	16,583
<hr/>							
	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
<b>2020</b>							
<b>Financial assets</b>							
Cash and bank balances	5%	-	925	-	-	-	925
Treasury bond	12%	-	-	-	3,541	-	3,541
<b>Total financial assets</b>		-	925	-	3,541	-	4,466
<b>Exposure to interest rate risk as at 30 June 2020</b>		-	925	-	3,541	-	4,466

## ***NOTES TO THE FINANCIAL STATEMENTS (continued)***

### **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 2021 to the contractual maturity date. All balances are in Frws.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Pension scheme**

**At 30 June 2021**

	<b>Matured</b>	<b>&lt;3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>Frw'millions</b>	<b>Frw'millions</b>	<b>Frw'millions</b>	<b>Frw'millions</b>	<b>Frw'millions</b>	<b>Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	89,588	-	-	-	-	89,588
Deposits with commercial banks	-	24,005	71,315	24,700	22,583	142,602
Treasury bonds	-	5,214	13,843	61,864	64,249	145,170
Treasury bills	-	3,091	46,895	-	-	49,986
Commercial papers	-	-	29,296	-	-	29,296
Mortgage loans	-	-	-	-	-	0
Loan and advances to third parties	-	-	5,319	-	-	5,319
Advances to contractors	-	6,943	-	-	-	6,943
Dividend receivable	-	4,677	-	-	-	4,677
Equity investments	-	-	-	-	408,683	408,683
Other assets	-	-	(2,411)	-	-	(2,411)
Due from/(Due to) other schemes	-	-	(1,000)	-	-	(1,000)
<b>Total financial assets</b>	<b>89,588</b>	<b>43,929</b>	<b>164,256</b>	<b>86,564</b>	<b>495,515</b>	<b>879,853</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	-	-	(903)	-	-	(903)
Other payables	(5,005)	-	-	-	-	(5,005)
<b>Financial liabilities</b>	<b>(5,005)</b>	<b>0</b>	<b>(903)</b>	<b>0</b>	<b>0</b>	<b>(5,908)</b>
<b>Liquidity surplus as at 30 June 2021</b>	<b>84,583</b>	<b>43,929</b>	<b>163,354</b>	<b>86,564</b>	<b>495,515</b>	<b>873,945</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>At 30 June 2020</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	49,014	-	-	-	-	49,014
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	-	-	-	63	-	63
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	-	-	2,936	-	-	2,936
Due from/(Due to) other schemes	-	-	2,145	-	-	2,145
<b>Total financial assets</b>	<b>49,047</b>	<b>42,637</b>	<b>140,113</b>	<b>63,504</b>	<b>518,383</b>	<b>813,684</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	-	-	(886)	-	-	(886)
Other payables	(4,231)	-	-	-	-	(4,231)
<b>Financial liabilities</b>	<b>(4,231)</b>	<b>0</b>	<b>(886)</b>	<b>0</b>	<b>0</b>	<b>(5,117)</b>
<b>Liquidity surplus as at 30 June 2020</b>	<b>44,816</b>	<b>42,637</b>	<b>139,227</b>	<b>63,504</b>	<b>518,383</b>	<b>808,567</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Medical scheme**

<b>At 30 June 2021</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	36,571	-	-	-	-	36,571
Deposits with commercial banks	-	27,207	72,041	18,892	13,338	131,479
Treasury bonds	-	1,043	3,568	31,245	-	35,856
Treasury bills	-	233	42,118	-	-	42,352
Loan and advances to third parties	-	-	30,629	-	-	30,629
Advances to contractors	-	-	-	-	-	0
Dividend receivable	-	381	-	-	-	381
Equity investments	-	-	-	-	48,686	48,686
Other assets	-	-	8,284	-	-	8,284
Due from/(Due to) other schemes	-	-	-	-	-	0
<b>Total financial assets</b>	<b>36,571</b>	<b>28,864</b>	<b>156,640</b>	<b>50,137</b>	<b>62,025</b>	<b>334,237</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	-	-	(55)	-	-	(55)
Benefits payable	(8,383)	-	-	-	-	(8,383)
Other payables	(445)	-	-	-	-	(445)
<b>Total financial liabilities</b>	<b>(8,828)</b>	<b>0</b>	<b>(55)</b>	<b>0</b>	<b>0</b>	<b>(8,884)</b>
<b>Liquidity surplus as at 30 June 2021</b>	<b>27,743</b>	<b>28,864</b>	<b>156,585</b>	<b>50,137</b>	<b>62,025</b>	<b>325,354</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>At 30 June 2020</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	25,792	-	-	-	-	25,792
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	-	-	1,599	-	-	1,599
Due from/(Due to) other schemes	-	-	1,572	-	-	1,572
<b>Total financial assets</b>	<b>25,792</b>	<b>30,717</b>	<b>129,434</b>	<b>45,858</b>	<b>63,365</b>	<b>295,166</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	-	-	(60)	-	-	(60)
Benefits payable	(5,359)	-	-	-	-	(5,359)
Other payables	(428)	-	-	-	-	(428)
<b>Total financial liabilities</b>	<b>(5,787)</b>	<b>0</b>	<b>(60)</b>	<b>0</b>	<b>0</b>	<b>(5,846)</b>
<b>Liquidity surplus as at 30 June 2020</b>	<b>20,005</b>	<b>30,717</b>	<b>129,374</b>	<b>45,858</b>	<b>63,365</b>	<b>289,319</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**CBHI Scheme**

**At 30 June 2021**

	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	2,993	-	-	-	-	2,993
Advances to contractors	-	1	-	-	-	1
Other assets	-	-	4,077	-	-	4,077
<b>Total financial assets</b>	<b>2,993</b>	<b>1</b>	<b>4,077</b>	<b>0</b>	<b>0</b>	<b>7,071</b>
<b>Financial liabilities</b>						
Benefits payable	(19,479)	-	-	-	-	(19,479)
Due to other schemes	-	-	1,000	-	-	1,000
Other payables	(11,078)	-	-	-	-	(11,078)
<b>Financial liabilities</b>	<b>(30,557)</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>(29,557)</b>
<b>Liquidity surplus/(gap) as at 30 June 2021</b>	<b>(27,564)</b>	<b>1</b>	<b>5,077</b>	<b>0</b>	<b>0</b>	<b>(22,486)</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>At 30 June 2020</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	5,360	-	-	-	-	5,360
Advances to contractors		4	-	-	-	4
Other assets	-	-	1,639	-	-	1,639
<b>Total financial assets</b>	<b>5,360</b>	<b>4</b>	<b>1,639</b>	<b>0</b>	<b>0</b>	<b>7,004</b>
<b>Financial liabilities</b>						
Amounts retained on construction contracts	-	-	-	(1)	-	(1)
Benefits payable	(20,495)	-	-	-	-	(20,495)
Due to other schemes	-	-	(3,544)	-	-	(3,544)
Other payables	(8,233)	-	-	-	-	(8,233)
<b>Financial liabilities</b>	<b>(28,728)</b>	<b>0</b>	<b>(3,544)</b>	<b>(1)</b>	<b>0</b>	<b>(32,272)</b>
<b>Liquidity gap as at 30 June 2020</b>	<b>(23,367)</b>	<b>4</b>	<b>(1,905)</b>	<b>(1)</b>	<b>0</b>	<b>(25,268)</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Maternity scheme**

<b>At 30 June 2021</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	4,379	-	-	-	-	4,379
Treasury bills	-	4,320	9,225	-	-	13,545
Advances to contractors	-	-	-	-	-	0
Other assets	-	-	7	-	-	7
<b>Total financial assets</b>	<b>4,379</b>	<b>4,320</b>	<b>9,232</b>	<b>0</b>	<b>0</b>	<b>17,931</b>
<b>Financial liabilities</b>						
Retention on construction	-	-	(0)	-	-	(0)
Benefits payable	(359)	-	-	-	-	(359)
Due to other schemes	-	-	(0)	-	-	(0)
Other payables	(63)	-	-	-	-	(63)
<b>Financial liabilities</b>	<b>(422)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(422)</b>
<b>Liquidity surplus as at 30 June 2021</b>	<b>3,957</b>	<b>4,320</b>	<b>9,232</b>	<b>0</b>	<b>0</b>	<b>17,509</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>At 30 June 2020</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	8,235	-	-	-	-	8,235
Treasury bills	-	4,387	8,255	-	-	12,643
Advances to contractors	-	-	-	-	-	0
Other assets	-	-	33	-	-	33
<b>Total financial assets</b>	<b>8,235</b>	<b>4,387</b>	<b>8,289</b>	<b>0</b>	<b>0</b>	<b>20,911</b>
<b>Financial liabilities</b>						
Retention on construction	-	-	(0)	-	-	(0)
Benefits payable	(324)	-	-	-	-	(324)
Due to other schemes	-	-	(173)	-	-	(173)
Other payables	(46)	-	-	-	-	(46)
<b>Financial liabilities</b>	<b>(369)</b>	<b>0</b>	<b>(173)</b>	<b>0</b>	<b>0</b>	<b>(542)</b>
<b>Liquidity surplus as at 30 June 2020</b>	<b>7,866</b>	<b>4,387</b>	<b>8,116</b>	<b>0</b>	<b>0</b>	<b>20,369</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Ejo Heza**

<b>At 30 June 2021</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	929	-	-	-	-	929
Treasury bonds	-	-	181	15,476	-	15,657
<b>Total financial assets</b>	<b>929</b>	<b>-</b>	<b>181</b>	<b>15,476</b>	<b>-</b>	<b>16,586</b>
<b>Financial liabilities</b>						
Other payables	(124)	-	-	-	-	(124)
<b>Financial liabilities</b>	<b>(124)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>(124)</b>
<b>Liquidity surplus as at 30 June 2021</b>	<b>805</b>	<b>-</b>	<b>181</b>	<b>15,476</b>	<b>-</b>	<b>16,462</b>
<b>At 30 June 2020</b>	<b>Matured Frw'millions</b>	<b>&lt;3 months Frw'millions</b>	<b>3-12 months Frw'millions</b>	<b>1-5 years Frw'millions</b>	<b>&gt; 5 years Frw'millions</b>	<b>Total Frw'millions</b>
<b>Financial assets</b>						
Cash and bank balances	926	-	-	-	-	926
Treasury bonds	-	-	-	3,541	-	3,541
<b>Total financial assets</b>	<b>926</b>	<b>0</b>	<b>0</b>	<b>3,541</b>	<b>0</b>	<b>4,466</b>
<b>Liquidity surplus as at 30 June 2020</b>	<b>926</b>	<b>0</b>	<b>0</b>	<b>3,541</b>	<b>0</b>	<b>4,466</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

***Exposure to credit risk***

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

		Pension Scheme		Medical Scheme		CBHI Scheme		Maternity Scheme		Ejo Heza		Total	
	Notes	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		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	42	89,588	49,014	36,571	25,792	2,993	5,360	4,379	8,235	929	926	134,461	89,327
Treasury bonds	31	145,170	126,597	35,856	23,799	0	0	6,831	0	15,583	3,541	203,440	153,936
Treasury bills	32	49,986	37,811	42,352	16,513	0	0	3,935	0	0	0	96,272	54,323
Loans and advances to third parties	34	5,319	5,510	30,629	35,812	0	0	0	0	0	0	35,948	41,322
Deposits due from banks	41	142,602	139,118	131,479	139,513	0	0	13,545	12,643	0	0	287,626	291,273
Dividends and other income receivable	38	4,677	731	381	527	0	0	0	0	0	0	5,058	1,258
Commercial papers	33	29,296	14,715	0	0	0	0	0	0	0	0	29,296	14,715
Mortgage loans	35	16	63	0	0	0	0	0	0	0	0	16	63
Other assets	39	(2,411)	2,936	8,284	1,599	4,077	1,639	7	34	0	0	9,956	6,207
Due from/(Due to) other assets	40	(1,000)	2,145	0	1,572	1,000	(3,544)	(0)	(173)	0	0	(0)	0
<b>Total financial assets</b>		<b>464,243</b>	<b>376,494</b>	<b>285,551</b>	<b>243,554</b>	<b>7,070</b>	<b>6,999</b>	<b>28,697</b>	<b>20,911</b>	<b>16,512</b>	<b>4,466</b>	<b>802,073</b>	<b>652,425</b>

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **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 48. 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.