



Our Health
Our Future

RWANDA SOCIAL SECURITY BOARD

Annual Performance **REPORT**

July 2012 - June 2013



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ABBREVIATIONS

| | |
|-----------------|--|
| AGL | : Akagera Game Lodge |
| BHR | : Banque de l'Habitat du Rwanda |
| BK | : Bank of Kigali |
| BMI | : Building Material Investment |
| BRALIRWA | : Brasseries et Limonaderies du Rwanda |
| BRD | : Banque Rwandaise de Développement |
| CIMERWA | : Cimenterie du Rwanda |
| CSR | : Caisse Sociale du Rwanda |
| GPD Ltd | : Gaculiro Property Developers Limited |
| KCB | : Kenya Commercial Bank |
| RAMA | : La Rwandaise d'Assurance Maladie |
| REIC | : Rwanda Enterprise Investment Company |
| RFI | : Rwanda Foreigner Investment |
| RFTZ | : Rwanda Free Trade Zone |
| RIG | : Rwanda Investment Group |
| RRA | : Rwanda Revenue Authority |
| RSE | : Rwanda Stock Exchange |
| RSSB | : Rwanda Social Security Board |
| Rwf | : Rwandan Francs |
| SONARWA | : Société Nouvelle d'Assurance du Rwanda |
| SOYCO | : Soy Company |



STATEMENT BY THE BOARD CHAIRMAN



Dr. NTEZIRYAYO Faustin
Chairman Board of Directors

On behalf of the Board of Directors, I am delighted to present the RSSB Annual Report for the financial year ending 30th June 2013.

RSSB aims essentially at providing high quality pension and medical insurance services. It efficiently supervises contribution collection and prudently invests the surplus funds so as to guaranty provision of benefits to its members.

I would therefore like to commend the RSSB Management and Staff for their diligence and commitment in achieving this demanding mission. My deep appreciation also goes to my fellow Board Members for the invaluable guidance they have extended to RSSB.

During the year under review, the institution recorded considerable and commendable achievements in its operations. The annual contribution collection continued to exhibit an upward trend registering 23%

growth from the previous year. Regarding benefits payment for both medical and pension schemes, there was an increase of 17% compared to previous year. During this period the investment portfolio grew from Rwf 301.1bn to Rwf 371.4bn and the investmet income also increased by 22%. New membership increased by 40% and 102% in pension and medical schemes respectively.

I am convinced that this trend of improvement will continue thanks to the visionary leadership and commitment of the RSSB Director General.

Finally, my appreciation goes to the Government of Rwanda in particular the Ministry of Finance and Economic Planning and the National Bank of Rwanda for their endless support and guidance during this period.

Dr. NTEZIRYAYO Faustin
Chairman Board of Directors

OVERVIEW BY THE DIRECTOR GENERAL



KANTENGWA Angelique

Director General

On behalf of the management and staff of Rwanda Social Security Board (RSSB), I am pleased to present this report on the performance of the institution for the financial year ending 30th June 2013. I am delighted to report that during 2012/2013, RSSB recorded striking performance in its key operational areas. Regarding the institution's core business, there was a remarkable improvement in the area of contributions collection, registration of new members, benefits payment and judicious investment of surplus funds as well as service delivery.

During the period under review, the collected contributins amounted to Rwf 82.96bn, registering a growth rate of 23% from the previous year. The benefits paid out to members from both medical and Pension shemes increased from Rwf 17.8 bn in 2011/212 to Rwf 20.96bn in 2012/2013. In addition, the institution also managed to make strategic investments of its members' funds which brought substantial income

during the period 2012/2013. Investment income amounted to Rwf 25.02bn and the investment portfolio has considerably increased originating from Rwf 301.1bn in 2011/2012 to Rwf 371.4bn reflecting a growth of 23.3%. In terms of new members registered, 28,476 new affiliates were registered in the medical secheme and 1,546 new employers with 89,399 employees in the pension scheme. In extending medical coverage to pensioners , 549 new pensioners were registered.

These achivements reflect the hardwork of our Board of Directors, Management and staff in the continued implementation of the institution's business and strategic plans. The Board of Directors played a crucial role in strategically overseeing RSSB's business during the year and has been instrumental in giving guidance and strengthening relationships with clients and stakeholders. I would like to extend my sincere thanks to each BOD member for their support, as well

as for their individual contribution to the success of the institution.

I am very grateful to the hard-working, dedicated management and staff who continue to execute their duties diligently enabling the institution to reach its objective. Without doubt, the noteworthy achievement would not have been possible if it was not for the dedication and commitment of the RSSB management and staff.

I would also like to pay tribute to all our stakeholders especially employers and employees for their unwavering support and patience as we make every effort to provide quality service to all.

Despite the great achievements however, the institution encountered a number of challenges while striving to fully achieve the objectives

set for the year. The challenges comprise mainly employers non-compliance, high staff turnover, fraud and database errors. The strategies to eradicate the challenges will be given much attention in the coming year.

With support and commitment from the Board of Directors and other stakeholders, we are committed to ensure that the good performance is improved further in the coming year as we continue to work diligently in providing quality services while executing our mission and working towards our vision.

KANTENGWA Angelique
Director General



EXECUTIVE SUMMARY

The performance of RSSB in the key areas during the year 2012/2013 (July 2012 – June 2013) is presented in the table here below. The table indicates planned output compared to actual output (percentage of achievement is indicated in brackets).

| N° | Activities | Planned output | Actual output |
|----|---|---|---|
| 1. | Collection of Contributions | Rwf 77.619 billion | Rwf 82.96 billion (107%) |
| 2. | Payment of Benefits | Rwf 22.969 billion | Rwf 20.937 billion (91.2%) |
| 3. | Budget Execution (Expenditure) | Rwf 137.225 billion | Rwf 143.070 billion (104.26%) |
| 4. | Registration of New Employers and Employees | 9,500 new employers (Pension Scheme), 20,000 affiliates (Medical scheme) | Registered 10,703 new employers (112.6%) of which 1,546 are active and 9,358 non active (RDB), 89,399 new employees of whom 8 were in the voluntary insurance under Pension scheme. Under the Medical scheme, 28,476 new affiliates (142.38%) were registered in the year ending 30th June 2013. |
| 5. | Strengthen Employers' inspection | At least 640 audit cases finalized and reports produced | 90 audited cases were finalized (14.06%) totaling Rwf 4.680 billion to be remitted. |
| 6. | Processing Customer requests | 100% of requests received and responded to within 2 working days | 8,693 customer requests were received and 8,452 (97.2%) processed within the time limit during the year 2012/2013. The remaining 292 requests were sent to concerned departments for clarifications. |
| 7. | Net returns on Investments | Rwf 24.4 billion | Rwf 40.63 billion (166.5%) |
| 8. | Conducting sensitization seminars | At least 60 sensitization campaigns conducted. | Carried out 69 (115%) sensitization campaigns |





INTRODUCTION

This report covers the financial year ending 30th June 2013. RSSB's overall performance was positive as illustrated in the chapters that follow.

Based on the annual action plan for 2012/2013, RSSB activities were grouped into three main objectives of:

- Strengthening the financial sustainability of RSSB;
- Developing a capable, efficient and responsive organization and
- Providing quality services to customers.

This report highlights the progress of each activity placing greater emphasis on RSSB's core functions of:

- Collection and management of contributions;
- Payment of social security benefits;
- Guaranteeing health insurance services and
- Prudent investment of the surplus funds.

2

CORPORATE STATEMENTS

2.1 Vision, Mission statement, Corporate value and Slogan

Vision

RSSB envisions a comprehensive social security system that addresses the social security needs of all Rwandans.

Mission Statement

Provide high quality social security services; ensure efficient benefits distribution, collection of contribution and prudent investment of members' funds.

Corporate values

In trying to achieve our vision and mission, we consider to be guided by the following key strategic values:

- *Integrity;*
- *Collaboration;*
- *Accountability;*
- *Respect; and*
- *Excellence.*

RSSB's slogan

**“Our Health,
Our Future”**

2.2 Main responsibilities of RSSB

Rwanda Social security Board is mandated by government of Rwanda to provide social security services to its affiliates and legal dependents in Rwanda and its key activities are:

- Collecting and management of contributions as provided by law;
- Paying social security benefits to beneficiaries;
- Paying healthcare costs to RSSB medical beneficiaries;
- Managing the contributions fund;
- Prudently investing surplus funds;
- Giving advice on social security policy issues;
- Establishing relations and collaboration with other regional or international institutions with related mission.

Funding

Rwanda Social Security Board is financed by employees' and employers' contributions. For the pension and Occupational hazard scheme, the total contribution is 8% of the employees' gross salary, of which 5% is paid by the employer and 3% is paid by the employee.

Of the 5% paid by the employer, 2% goes to occupational hazards and the remaining 3% goes to pension. The total contribution rate under Medical scheme is 15% of employees' basic salary, of which 7.5% is paid by employer and the other 7.5% paid by employee.

Coverage

The scheme is mandated to cover all employees working in the private and public sectors. However, an individual may voluntarily register and save with RSSB under the Pension scheme. For private individuals to be registered under the medical scheme, a minimum of 7 is required.

Benefits

In the event that any of the contingencies occurs, RSSB members or their dependants are entitled to receive benefits as provided by

the law. For old age benefits, members aged at least 55 are entitled to pension benefits.

However, the police and military servants aged at least 40 and 50 respectively can apply for pension benefits. Under occupational hazards branch, employees are protected when they are at work, travelling to work or on a work related journey. This scheme also covers an occupational disease.

The medical scheme covers the following medical care provision: Medical consultations, drugs, including chemotherapy, surgical interventions, dental care including prosthesis, medical imaging, including CT Scan & MRI, Laboratory tests, Physiotherapy, Hospitalization, Eye treatment including provision of; lenses and frames, Lower/ Upper limb prosthesis & Orthosis, Dialysis and Full Medical check-up.

Investment

RSSB has a mandate to collect members' contributions, pay both medical and Pension benefits to qualifying members and judiciously invest the surplus to maintain the value of members' savings for the future.

1

PERFORMANCE ASSESSMENT

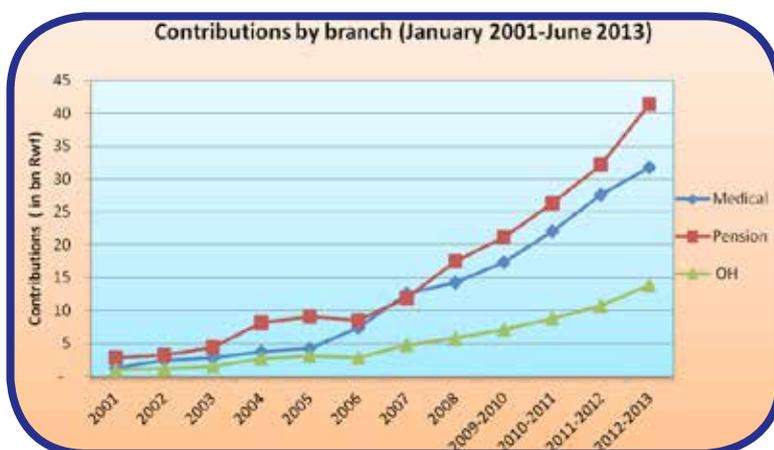
3.1 Contribution Collection

According to the 2012/2013 revenue projections, RSSB expected to collect Rwf 77.619 bn as contributions during the year in both the Medical and Pension schemes. The contributions collected during the twelve months period amounted to Rwf 82.96 bn (107%) divided as follows; the Pension branch Rwf 39.84 bn; Occupational Hazard Rwf 13.28 bn and the Medical Scheme Rwf 29.83 bn respectively. This performance can be attributed to efforts of enforcement being put in place along with employers' inspection and sensitization made during the period in review. The trend of contributions since 2001 is presented in the table below:

Table 1: Trend of contributions (Rwf) since 2001

| Years | Medical Branch | Pension Branch | O.H. Branch | Total |
|-----------|----------------|----------------|----------------|----------------|
| 2001 | 1,230,110,010 | 2,852,402,809 | 950,800,936 | 5,033,313,755 |
| 2002 | 2,396,021,945 | 3,222,975,256 | 1,074,325,085 | 6,693,322,286 |
| 2003 | 2,777,052,856 | 4,390,002,104 | 1,463,334,035 | 8,630,388,995 |
| 2004 | 3,729,579,580 | 8,099,387,021 | 2,699,795,674 | 14,528,762,275 |
| 2005 | 4,252,599,986 | 8,990,841,345 | 2,996,697,115 | 16,240,138,446 |
| 2006 | 7,396,085,882 | 8,558,190,797 | 2,852,730,266 | 18,807,006,945 |
| 2007 | 12,527,110,490 | 14,220,453,615 | 4,740,151,205 | 31,487,715,310 |
| 2008 | 14,256,911,368 | 17,436,126,434 | 5,812,042,145 | 37,505,079,947 |
| 2009-2010 | 17,355,349,251 | 21,175,903,778 | 7,058,634,593 | 45,589,887,622 |
| 2010-2011 | 22,024,169,997 | 26,254,030,952 | 8,751,343,651 | 57,029,544,600 |
| 2011-2012 | 27,607,121,723 | 32,167,809,578 | 10,722,603,193 | 70,497,534,494 |
| 2012-2013 | 29,839,281,506 | 39,842,478,804 | 13,280,826,260 | 82,962,586,570 |

Graph 1: RSSB contributions' trend by branch (January 2001 to June 2013)



From the graphical presentation above, it can be observed that contributions have been increasing for all branches. The year under review witnessed a far-reaching increment in contributions collection, which is mainly attributed to efforts made in enforcement, employers' inspection and sensitization within public as well as private institutions.

3.2 Benefits Payment under both schemes

Benefits payment is among the most prominent activities and requires excellence in its execution. During the financial year under review, an amount equivalent to Rwf 20.9 billion was paid out of the 22.2 billion budgeted, that is a realization of 94.3%. Under Pension scheme, Rwf 10.01 billion was paid out of the Rwf 9.4 billion targeted and Rwf 10.9 billion was paid out as Medical benefits. These Pension benefits were paid on 30,133 files and Occupational Hazards Benefits were paid on 1,697 files totaling 31,758 files for 35,968 beneficiaries. A total of 1,470,015 medical vouchers were also paid out under the Medical scheme during the year.

Table 2: Benefits paid and beneficiaries in Pension and Medical Scheme

| Nature of benefits | 2011 - 2012 | | | | 2012 - 2013 | | | |
|-----------------------------|---------------------------|-------------------------|----------------------|------------------|---------------------------|-------------------------|-----------------------|------------------|
| | Dossiers/ Vouchers served | Number of beneficiaries | Amount paid | % of Grand Total | Dossiers/ Vouchers served | Number of beneficiaries | Amount paid | % of Grand Total |
| Pension | | | | | | | | |
| Old age pension | 12,528 | 12,528 | 5,314,158,112 | 32.1% | 13,454 | 13,454 | 6,648,376,506 | 31.8% |
| Invalidity pension | 294 | 294 | 171,420,794 | 1.0% | 304 | 304 | 218,232,108 | 1.0% |
| Survivors pension | 14,290 | 17,018 | 1,253,597,798 | 7.6% | 13,622 | 16,777 | 1,382,411,141 | 6.6% |
| Old age lumpsum | 2,048 | 2,048 | 1,097,784,346 | 6.6% | 2,016 | 2,019 | 1,107,821,778 | 5.3% |
| Survivors lumpsum | 488 | 1,426 | 292,528,672 | 1.8% | 737 | 1,348 | 334,491,561 | 1.6% |
| Sub Total | 29,648 | 33,314 | 8,129,489,722 | 49.1% | 30,133 | 33,902 | 9,691,333,094 | 46.3% |
| Occupational Hazards | | | | | | | | |
| Incapacity benefits | 680 | 797 | 117,652,959 | 0.7% | 672 | 672 | 126,775,782 | 0.6% |
| Incapacity lumpsum | 13 | 13 | 2,419,133 | 0.0% | 7 | 7 | 758,859 | 0.003% |
| Survivors benefits | 1,039 | 1,386 | 173,432,355 | 1.0% | 1,018 | 1,438 | 196,411,599 | 0.9% |
| Sub Total | 1,732 | 2,196 | 293,504,447 | 1.8% | 1,697 | 2,117 | 323,946,240 | 1.5% |
| Total for Pension | 31,380 | 35,510 | 8,422,992,219 | 50.9% | 31,830 | 36,019 | 10,015,279,334 | 47.8% |
| Medical Benefits | | | | | | | | |
| Medical Benefits | 1,230,953 | 366,426 | 9,435,099,253 | 56.2% | 1,470,015 | | 10,922,130,627 | 52.2% |
| General Total | | | 17,858,091,472 | 100% | | | 20,937,409,961 | 100% |

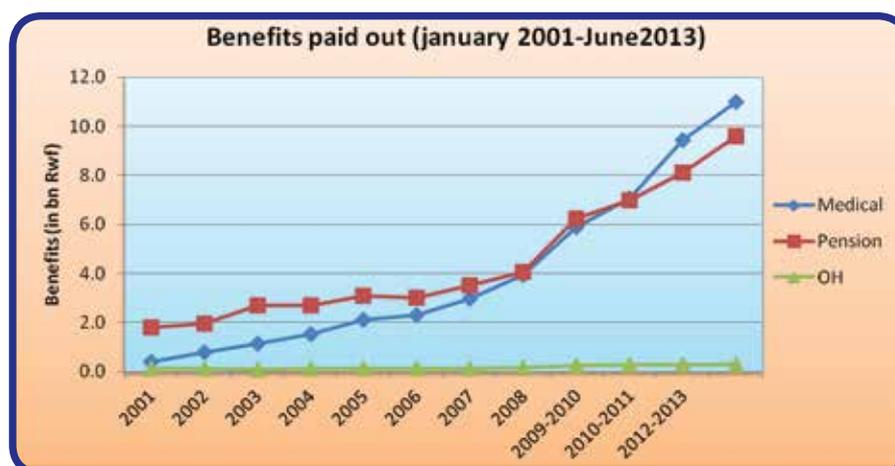
Table 2 above illustrates benefits paid under both schemes for the two consecutive years, showing that for the year 2012–2013; almost all indicators increased except the files served under the Occupational Hazards branch.

Table3 below shows the trend of benefits payment for the previous 12 years.

Table 3: Benefits payment trend since 2001

| Year | Medical Branch | Pension Branch | OH. Branch | Total |
|-----------|----------------|----------------|-------------|----------------|
| 2001 | 385,421,541 | 1,788,516,297 | 132,346,542 | 2,306,284,380 |
| 2002 | 787,140,460 | 1,958,708,037 | 142,857,895 | 2,888,706,392 |
| 2003 | 1,133,157,374 | 2,684,022,908 | 81,659,398 | 3,898,839,680 |
| 2004 | 1,537,288,611 | 2,686,143,383 | 123,695,043 | 4,347,127,037 |
| 2005 | 2,113,178,962 | 3,107,085,169 | 138,833,375 | 5,359,097,506 |
| 2006 | 2,304,071,667 | 3,027,842,046 | 139,053,809 | 5,470,967,522 |
| 2007 | 2,956,462,349 | 3,535,300,084 | 143,635,838 | 6,635,398,271 |
| 2008 | 3,931,575,764 | 4,042,839,583 | 179,040,314 | 8,153,455,661 |
| 2009/2010 | 5,879,542,686 | 6,226,516,951 | 243,912,647 | 12,349,972,284 |
| 2010/2011 | 7,076,237,998 | 6,981,807,654 | 268,970,586 | 14,327,016,238 |
| 2011/2012 | 9,435,099,253 | 8,129,487,772 | 293,504,447 | 17,858,091,472 |
| 2012/2013 | 10,922,130,627 | 9,691,333,094 | 323,946,240 | 20,937,409,961 |

Graph 2: RSSB benefits payment trends



The graph above shows that Pension as well as Medical benefits have generally been increasing with the last four years witnessing a sharp increase. On the contrary, Occupational Hazard benefits have remained relatively constant.

3.3 Human Resource Management

Human Resources Management is one of the key factors in organizational success as effective personnel play a prominent role in helping an organization achieve its objectives. It is upon this background that human resource management was given a lot attention at RSSB by investing in the development of its personnel and developing retention strategies, recruiting suitable candidates, ensuring employees' welfare and creating a healthy working environment.

Concerning capacity building and career development, more than 269 employees were trained in various fields both within and outside the country. For the year 2012-2013, RSSB trained 21 staff in Association of chartered Certified Accounts (ACCA), 4 in CIA, 1 in CPA, 3 in Msc in Social protection financing, 73 pursuing MBA and other related masters programs and 167 in short professional courses and training. As a new initiative, RSSB sponsored 5 employees to seat for professional actuarial exams.

Regarding the process of reinforcing its personnel, the institution recruited 40 permanent and skilled staff and 11 casual workers. On the other hand the institution had a staff turnover problem whereby 40 employees resigned from their duties.

In terms of enhancing employees' welfare, RSSB management has set up varied staff advantages such as medical fees and hospitalization abroad (including the ticket

and stay), sponsorship for sports with various service providers, medical checkup and many other advantages.

In the coming year, RSSB is developing a capacity building policy which will enable the institution to have long term comprehensive human resources development strategies and plans.

3.4 Corporate Social Responsibility

Corporate Social Responsibility as a process aiming at embracing responsibility for encouraging positive change through institution's actions has assumed great importance in social security sector. RSSB has actively been involved in promoting corporate social responsibility by providing funding and resources to programs that improve people's welfare and services that are in the best interests of community.

In 2012-2013, RSSB initiated a project to support childred of former CSR staff who lost their lives in the 1994 Genocide against Tutsi by sponsoring their education. The institution also extended support to Ntarama and Nyamata memorial sites, CNLG, AVEGA, IBUKA, women and children living in Nyamagabe refuge camp, genocide survivors, sports association, gender promotion, education and medical association.

Morover, RSSB supported African Tea convention and exhibition and participated in community work meant to protect the environment.

In general, RSSB offered support equivalent to Rwf 60,490,000 to different group of people and associations.

3.5 Service Delivery

RSSB is always committed to providing quality services to its esteemed customers. For the 2012-2013 financial year, the institution implemented the following activities to improve service delivery to meet customer needs:

- **Automation of payment system:** Under this, beneficiaries are notified on the progress of their files via SMS, and benefits computation has been automated. This has improved the accuracy and speed in benefits processing.
- **Introduction of mVISA services:** in a bid to relieve our beneficiaries from paying Bank account management charges and address the challenge of access to banks; RSSB introduced this new payment system.
- **Introduction of benefits payment on monthly basis:** This addressed the problem of waiting for long to get benefits.
- Received and processed customers' request in accordance with service delivery standards.

3.6 Sensitization

RSSB has taken a stand to revitalize its image and build strong relations with its members, media and general public through media, sensitization and awareness campaigns. It is generally understood that once our members are aware of their rights and obligations on the different

social security programs managed by RSSB, they will be strongly supportive of ongoing efforts of extending social security coverage to all rightful persons. During 2012-2013 financial year, 86 sensitization seminars were carried out in various institutions and districts across the country.

In addition, RSSB has had significant presence in the media whereby 49 radio talk shows were aired, 18 TV short magazines were produced and aired on Rwanda Television, 48 serial mini drama, 2 documentary films and 24 feature stories in Umwezi newspaper.

3.7 Investment of Funds

The investment aspects dealt with in this section of the report include:

- Investment portfolio and generated returns
- RSSB's shareholding status and
- Implementation of the progress of real estate projects

3.7.1 Investment Portfolio

RSSB's investment portfolio is mainly composed of real estate projects, bank term deposits, bonds, loans and foreign as well as local equity. As detailed in table 4 below, the total portfolio at the end of June 2013 stood at Rwf 371.4bn. The major contributor is bank term deposits that stood at Rwf 103bn (27.7% of total portfolio).

Table 4: Investment Portfolio in Rwf as at 30/06/2013

| Nature of Investment | Assets Amount as 30 June 2012 | Investment variation 2012-2013 | Assets Amount as at 30 June 2013 |
|--|-------------------------------|--------------------------------|----------------------------------|
| Real Estate | | | |
| Kacyiru recreation center | 565,048,093 | | 565,048,093 |
| K E A | 5,240,482,114 | 40,163,017 | 5,280,645,131 |
| Former head quarter CSR | 6,900,000,000 | | 6,900,000,000 |
| Land For Dvt (Gac&Kiny) | 21,561,239,916 | 482,769,566 | 22,044,009,482 |
| Land (Rugenge) | 7,240,584,967 | 394,580,261 | 7,635,165,228 |
| Land nyarutarama | 448,480,093 | | |
| Dignity Center | 999,146,799 | (999,146,799) | |
| House No 232 (Former American Club) | 284,000,000 | (284,000,000) | |
| Doctor's Plaza 1 | 66,481,380 | 112,542,847 | 179,024,227 |
| Doctor's Plaza 2 | 5,226,497,597 | 1,942,102,540 | 7,168,600,137 |
| Grand Pension Plaza | 15,412,316,837 | 68,681,863 | 15,480,998,700 |
| Nyarugenge Pension Plaza | 8,987,355,443 | 2,774,467,738 | 11,761,823,181 |
| Muhanga Pension Plaza | | 5,912,990 | 5,912,990 |
| Nyanza Pension Plaza | 3,189,813,697 | 639,198,747 | 3,829,012,444 |
| Karongi Pension Plaza | 3,123,894,248 | 744,303,430 | 3,868,197,678 |
| Musanze Pension Plaza | 3,343,923,817 | 907,758,681 | 4,251,682,498 |
| Rwamagana Pension Plaza | 2,471,493,189 | 1,064,447,115 | 3,535,940,304 |
| Kicukiro Pension Plaza | 3,926,769,851 | 860,841,383 | 4,787,611,234 |
| Batsinda Project 1. | 1,650,533,238 | (6,687,000) | 1,643,846,238 |
| Batsinda Project phase 2. | 33,209,400 | | 33,209,400 |
| Nyagatare Housing Project | 124,147,461 | 58,559,396 | 182,706,857 |
| Shoping Mall | 250,171,800 | | 250,171,800 |
| Umucyo Estates | 1,625,190,039 | | 1,625,190,039 |
| Vision City (Master plan) | 696,190,000 | | 696,190,000 |
| Sub Total | 93,366,969,979 | 8,806,495,774 | 101,724,985,661 |
| Equity Pension scheme (Local) | 42,806,786,308 | 4,027,676,796 | 46,834,463,104 |
| Equity Pension scheme (Foreign) | 10,903,419,565 | 4,000,462,133 | 14,903,881,698 |
| Equity Medical scheme (Local) | 5,266,595,600 | (417,348,500) | 4,849,247,100 |
| Equity Medical scheme (Foreign) | 2,889,605,580 | | 2,889,605,580 |
| Sub Total | 61,866,407,053 | 7,610,790,429 | 69,477,197,482 |

| | | | |
|-------------------------------------|------------------------|-----------------------|------------------------|
| Fixed income | | | |
| Mortgage Loans | 2,217,267,974 | (272,660,027) | 1,944,607,947 |
| C loan: BRD (Pension scheme) | 2,669,724,719 | (1,601,193,711) | 1,068,531,008 |
| C loan NFC(Pension scheme) | 439,297,728 | | 439,297,728 |
| Corporate loan (CSS ZIGAMA) | 3,391,350,203 | (1,234,372,025) | 2,156,978,178 |
| Corporate loan (BRD:Dignity center) | | 770,000,000 | 770,000,000 |
| UCT Building | 121,193,767 | | 121,193,767 |
| Loans to BRD (Medical scheme | 2,245,327,231 | (1,372,059,794) | 873,267,437 |
| Loans to RDB (Medical scheme | 2,500,000,000 | | 2,500,000,000 |
| Sharholder's loan AGL | | 177,189,317 | 177,189,317 |
| Fixed Deposits (Pension scheme) | 39,000,000,000 | 18,000,000,000 | 57,000,000,000 |
| Fixed deposits (Medical scheme) | 46,500,000,000 | (500,000,000) | 46,000,000,000 |
| Corporate Bond (Pension scheme) | 350,000,000 | (17,500,000) | 332,500,000 |
| Treasury bond pension scheme | 45,000,000,000 | | 45,000,000,000 |
| Treasury bond (Medical scheme) | 1,446,500,000 | (369,600,000) | 1,076,900,000 |
| Treasury bills(Pension scheme | | 23,687,425,500 | 23,687,425,500 |
| Treasury bills (Medical scheme) | | 17,015,108,428 | 17,015,108,428 |
| Sub total | 145,880,661,622 | 54,282,337,688 | 200,162,999,311 |
| Grand Total | 301,114,038,655 | 70,699,623,892 | 371,365,182,453 |

3.7.2 Investment income

In order to strengthen financial sustainability and safeguard members' contributions, RSSB has designed investment policies for both medical and pension scheme to minimize risk and improve investment income. In the year under review, investment income generated amounted to Rwf 25.02bn. The table below shows trend of investment income since 2003. It is clear that there has been an increasing trend over the years.

Table 5: Trend of investment income since 2003

| Year | Pension Scheme | Medical scheme | Total |
|-----------|----------------|----------------|----------------|
| 2003 | 2,738,904,821 | 370,097,878 | 3,109,002,699 |
| 2004 | 3,420,712,539 | 800,195,014 | 4,220,907,553 |
| 2005 | 4,027,783,991 | 795,273,257 | 4,823,057,248 |
| 2006 | 2,754,700,123 | 904,549,522 | 3,659,249,645 |
| 2007 | 8,888,650,199 | 1,375,652,446 | 10,264,302,645 |
| 2008 | 7,076,400,000 | 1,720,323,055 | 8,796,723,055 |
| 2009/2010 | 7,276,883,671 | 4,898,481,113 | 12,175,364,784 |
| 2010/2011 | 10,483,663,327 | 4,190,302,036 | 14,673,965,363 |
| 2011/2012 | 10,591,944,530 | 5,181,403,301 | 15,773,347,831 |
| 2012-2013 | 16,951,824,195 | 8,076,669,056 | 25,028,493,251 |

3.7.3 Shareholding

RSSB holds shares in 18 local companies and 2 foreign companies (Rwanda Foreign investment and SAFARICOM) under the Pension Scheme and in 4 local and 1 foreign companies under the Medical Scheme.

The biggest percentage in RSSB's shareholding status is attributed to RSSB's full ownership of Akagera Game Lodge and Gaculiro Property Developers (GPD) which was initially supposed to be owned with other partners. The value of RSSB shareholding in BK is also subject to change after the Bank announces its total share capital. The total value of shareholding in all these companies for both the Pension and Medical scheme is Rwf 71.1bn while the amount of shares paid for is Rwf 69.4bn. Table 6 illustrates the details.

Table 6: RSSB Shareholding status as at 30/06/2013

| COMPANY | Share Capital (RWF) | No.of Shares | RSSB SHARES | Par Value of RSSB Shares (RWF) | % | Amount paid |
|-----------------------|---------------------|--------------|-------------|--------------------------------|---------|---------------|
| Pension scheme | | | | | | |
| SONARWA | 2,200,000,000 | 220,000 | 35,750 | 357,500,000 | 16.25% | 357,500,000 |
| BK | 6,673,370,000 | 667,337,000 | 200,844,600 | 7,578,061,800 | 30.10% | 7,578,061,800 |
| B.R.D | 7,000,021,000 | 7,000,021 | 2,230,137 | 3,265,407,685 | 31.86% | 3,265,407,685 |
| RWANDATEL | 2,420,000,000 | 242,000 | 48,400 | 484,000,000 | 20.00% | 484,000,000 |
| A.G.L | 1,250,000,000 | 1,250,000 | 1,250,000 | 1,820,000,000 | 100.00% | 1,820,000,000 |
| REIC | 1,100,000,000 | 10,000 | 2,652 | 291,720,000 | 26.52% | 291,720,000 |
| RIG sa | 13,805,000,000 | 13,805 | 3,120 | 3,120,000,000 | 22.60% | 3,120,000,000 |
| CIMERWA Ltd | 35,160,976,000 | 35,160,976 | 3,557,652 | 3,557,652,000 | 10.12% | 3,557,652,000 |
| ULTIMATE Concept | 12,758,517,675 | 5,316 | 2,316 | 5,558,517,675 | 43.57% | 5,558,517,675 |
| HOSTELS 2020 | 7,091,380,000 | 78,793 | 63,793 | 5,741,378,096 | 80.96% | 4,100,000,000 |

| | | | | | | |
|---|-----------------|----------------|------------|----------------|---------|----------------|
| RFTZ | 11,000,000,000 | 1,100,000 | 164,748 | 1,647,480,000 | 14.98% | 1,647,480,000 |
| B.M.I | 11,729,086,992 | 11,729 | 5,865 | 5,864,543,496 | 50.00% | 5,864,543,496 |
| SOYCO | 3,000,000,000 | 10,000 | 2,000 | 665,783,507 | 20.00% | 665,783,507 |
| GACULIRO PROPERTY DEVELOPERS Ltd | 4,500,000,000 | 4,500,000 | 4,500,000 | 7,200,000,000 | 100.00% | 7,200,000,000 |
| RWANDA FOREIGN INVESTMENT | 10,120,856,000 | 10,120,856 | 9,564,606 | 9,564,605,580 | 94.50% | 9,564,605,580 |
| SAFARICOM | 454,673,070,000 | 40,000,000,000 | 96,622,300 | 4,328,195,310 | 0.24% | 4,328,195,310 |
| BRALIRWA | 87,500,000,000 | 514,285,000 | 8,709,400 | 1,251,639,820 | 1.69% | 1,251,639,820 |
| NEW FOREST COMPANY | 621,571,200 | 1,000,000 | 100,000 | 62,157,120 | 10.00% | 62,157,120 |
| NEW FOREST COMPANY HOLDINGS LONDON | | 9,361,076 | 110,370 | 1,011,080,808 | 1.18% | 1,011,080,808 |
| RWANDA STOCK EX- CHANGE | 100,000,000 | 100 | 10 | 10,000,000 | 10.00% | 10,000,000 |
| SUB TOTAL | | | | 63,379,722,898 | | 61,738,344,802 |
| Medical scheme | | | | | | |
| BK | 6,673,370,000 | 667,337,000 | 11,000 | 100,100 | 0.002% | 110,000 |
| RIG sa | 13,805,000,000 | 13,805 | 720 | 720,000,000 | 5.22% | 720,000,000 |
| CIMERWA Ltd | 35,160,976,000 | 35,160,976 | 3,557,652 | 3,557,652,000 | 10.12% | 3,557,652,000 |
| RWANDA FOREIGN INVESTMENT | 10,120,856,000 | 10,120,856 | 2,889,606 | 2,889,605,580 | 28.55% | 2,889,605,580 |
| BRALIRWA | 87,500,000,000 | 514,285,000 | 4,202,100 | 571,485,600 | 0.82% | 571,485,600 |
| SUB TOTAL | | | | 7,738,843,280 | | 7,738,853,180 |
| GRAND TOTAL | | | | 71,118,566,178 | | 69,477,197,982 |

3.7.4 Real estate and Mortgage Investments

In the area of Mortgage and Real Estate investments, compliance under mortgage and low occupancy rate under real estate continue to be major challenges. The Institution continues to implement serious measures aimed at ensuring that tenants under the mortgage scheme do not default on payments. It has also placed great emphasis on advertisement of its commercial buildings through various media channels in a bid to create awareness and effectively raise the occupancy rate. Table 7 below highlights the income received and expenditures regarding real estate property and mortgage investment during the period under review.

Table 7: Real estate property and mortgage investments income

| Commercial Buildings | Expected revenues | Revenues | Expenses | Net income |
|-------------------------|----------------------|----------------------|--------------------|----------------------|
| Nyanza Pension Plaza | 72,000,000 | 75,036,060 | 22,970,880 | 52,065,180 |
| Musanze Pension Plaza | 26,344,200 | 27,451,430 | 22,970,880 | 4,480,550 |
| Karongi Pension Plaza | 117,940,320 | 57,042,533 | 22,970,880 | 34,071,653 |
| Rwamagana Pension Plaza | 51,446,400 | 38,071,986 | 22,970,880 | 15,101,106 |
| Kicukiro Pension Plaza | 313,344,000 | 489,278,210 | 73,987,122 | 415,291,088 |
| Grand Pension Plaza | 1,300,252,560 | 1,609,117,456 | 203,432,053 | 1,405,685,403 |
| Doctor's Plaza 1 | 20,000,000 | 47,064,170 | 3,840,906 | 43,223,264 |
| Dignity Center | 111,143,340 | 6,966,591 | - | 6,966,591 |
| Former American Club | 18,000,000 | 17,669,000 | 16,499,314 | 1,169,686 |
| KEA | 753,000,000 | 806,912,714 | 141,691,326 | 665,221,388 |
| Gaculiro 2020 Estate | 300,000,000 | 191,632,423 | 13,840,108 | 177,792,315 |
| Kacyiru Estate | 1,409,460,000 | 39,435,852 | 2,555,152 | 36,880,700 |
| Total | 4,492,930,820 | 3,405,678,425 | 547,729,501 | 2,857,948,924 |

Ongoing Projects

At the end of 2012/2013, RSSB had 12 real estate projects in progress, some being finalized while others were at preliminary stage (Annex 2 provides further details).

3.8 Membership Status

3.8.1 Registration of new employers and employees/affiliates

The number of new employers registered in the Pension Scheme is 1,546 with 89,399 new employees in mandatory insurance and 9 in voluntary insurance. In the Medical Scheme, 28,476 new affiliates were registered. Table 8 below shows new membership status by Province for both Medical and Pension Schemes.

Table 8: New membership status by Province

| Province | New employers | | New affiliates/employees | | | |
|--------------|----------------|--------------|--------------------------|---------------|----------------|---------------|
| | Pension Scheme | | Medical Scheme | | Pension Scheme | |
| | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 |
| Kigali City | 1,048 | 787 | 5,861 | 6,516 | 14,290 | 20,142 |
| Eastern | 301 | 208 | 2,528 | 5,115 | 11,197 | 12,343 |
| Western | 352 | 233 | 1,819 | 6,873 | 15,390 | 22,871 |
| Northern | 148 | 148 | 1,389 | 4,429 | 7,829 | 16,795 |
| Southern | 315 | 171 | 2,502 | 5,543 | 14,954 | 17,248 |
| Total | 2,164 | 1,546 | 14,099 | 28,476 | 63,660 | 89,399 |

In terms of employers' registration by sector, the private sector registered a much higher number. Out of the 1,546 new employers registered under the Pension Scheme, 1,440 (93%) were from the private sector. Table 9 below shows that new employers' registration witnessed a decrease of 28% from previous year.

Table 9: New employers by Sector of activity

| Sector | Pension Scheme | |
|--------------|----------------|--------------|
| | 2011-2012 | 2012-2013 |
| Public | 435 | 106 |
| Private | 1,729 | 1,440 |
| Total | 2,164 | 1,546 |

Table 10 below shows the number of new employees and affiliates registered by sector of activity under both Medical and Pension schemes.

Table 10: New affiliates / employees registered by Sector of activity during the year (July 2012 - June 2013)

| Sector | Medical Scheme | | Pension Scheme | |
|--------------|----------------|---------------|----------------|---------------|
| | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 |
| Public | 2,115 | 22,275 | 15,587 | 15,198 |
| Private | 11,984 | 6,201 | 48,073 | 74,201 |
| Total | 14,099 | 28,476 | 63,660 | 89,399 |

Table 11: Trend of contributing employees and affiliates since 2003

| Year | Pension Scheme | | Medical Scheme | |
|-----------|------------------------|-------------|----------------|-------------|
| | Contributing employees | Growth rate | Affiliates | Growth rate |
| 2003 | 184,755 | - | 49,283 | - |
| 2004 | 207,010 | 12% | 54,970 | 12% |
| 2005 | 194,230 | -6% | 58,079 | 6% |
| 2006 | 203,130 | 5% | 62,287 | 7% |
| 2007 | 216,304 | 6% | 69,483 | 12% |
| 2008 | 280,892 | 30% | 79,777 | 15% |
| 2009/2010 | 280,973 | 0,03% | 100,080 | 25% |
| 2010/2011 | 298,376 | 6% | 107,409 | 7% |
| 2011/2012 | 332,888 | 12% | 165,591 | 54% |
| 2012/2013 | 352,085 | 5.7% | 194,228 | 17.3% |

The table 11 above clearly reveals remarkable performance from January 2003 to June 2013

from both schemes, except for a drop in 2005 in Pension scheme caused by retrenchment of employees in public service.

3.8.2 Contributor's Compliance

There is a major challenge regarding employer compliance in declaration and payment of the area of contributions. By 30th June 2012 the total number of registered and active employers who had complied was only 11,194 out of 16,891 (66%). The declaration level of contribution at 66% means that the contribution level would have been higher if declarations had been made as expected. The table 11 below shows the declaration status under the Pension Scheme according to Districts across the country. The compliance level stands at 66% on average this year. More emphasis needs to be put in sensitization, audit of employers and debt recovery.

Table 12: Declaration Status under Pension Scheme

| NO | District | Active Employers | Complied Employers | Compliance in % |
|----|------------|------------------|--------------------|-----------------|
| 1 | NYANZA | 243 | 212 | 87% |
| 2 | BURERA | 232 | 199 | 86% |
| 3 | KIREHE | 204 | 169 | 83% |
| 4 | GISAGARA | 205 | 169 | 82% |
| 5 | BUGESERA | 207 | 170 | 82% |
| 6 | KAMONYI | 228 | 180 | 79% |
| 7 | RUBAVU | 532 | 420 | 79% |
| 8 | NYAGATARE | 320 | 252 | 79% |
| 9 | RUTSIRO | 213 | 166 | 78% |
| 10 | KAYONZA | 287 | 218 | 76% |
| 11 | MUSANZE | 426 | 323 | 76% |
| 12 | RWAMAGANA | 244 | 184 | 75% |
| 13 | KARONGI | 393 | 293 | 75% |
| 14 | HUYE | 531 | 393 | 74% |
| 15 | GICUMBI | 312 | 227 | 73% |
| 16 | NYAMAGABE | 376 | 270 | 72% |
| 17 | RUHANGO | 248 | 178 | 72% |
| 18 | GATSIBO | 263 | 188 | 71% |
| 19 | RULINDO | 268 | 188 | 70% |
| 20 | NYARUGURU | 221 | 145 | 66% |
| 21 | NGOMA | 301 | 196 | 65% |
| 22 | MUHANGA | 429 | 275 | 64% |
| 23 | NGORORERO | 286 | 183 | 64% |
| 24 | GASABO | 2,827 | 1,788 | 63% |
| 25 | NYARUGENGE | 4,328 | 2,612 | 60% |
| 26 | KICUKIRO | 1,500 | 893 | 60% |
| 27 | NYABIHU | 197 | 116 | 59% |

| | | | | |
|--------------|------------|---------------|---------------|------------|
| 28 | RUSIZI | 479 | 270 | 56% |
| 29 | NYAMASHEKE | 313 | 173 | 55% |
| 30 | GAKENKE | 277 | 144 | 52% |
| TOTAL | | 16,890 | 11,194 | 66% |

3.8.3 Employers' inspection, audits and enforcement

During the year under review, significant efforts were made whereby, 90 audits were finalized totaling to Rwf 4,680,438,323 (contributions, penalties and interests to be remitted), 42 audits were reviewed and discussed, 40 cases were in draft phase while 57 audits were in progress.

Concerning the enforcement of arrears, the institution recovered Rwf 3,226,163,510 for the two schemes i.e. Rwf 2,630,896,417 for the Pension Scheme and Rwf 581,806,163 for the Medical Scheme. Rwf 13,460,931 was recovered from 2020 estate; 558 employers under the Pension Scheme and 292 under the Medical Scheme were visited by the Enforcement and Debt Recovery team. In addition, 77 warning letters were issued and an amount of Rwf 1,376,740,944 is expected to be recovered.

3.9 Policy developments and legislative changes

The main achievement made in the process of ensuring a conducive legal framework was the review and drafting of all pending laws and related orders on Pension, maternity, occupation hazard and health. It also started reviewing procedure law concerning collection, audit and enforcement of its contributions by RRA. It should be noted that the process of reviewing the above mentioned laws, orders and procedure law is expected to be finalized in the financial year 2013-2104.

3.11 Other activities performed during the year

During the year 2012/2013, other important activities were performed and some of these include; Preparation of the Action Plan 2013/2014, Preparation of the Budget for the year 2013/2014, granting internships to 30 students from different universities, Training users on the working of the RSSB medical contributions and registration module, Coordinating external audit for RSSB financial account year 2011/2012, Organizing and hosting ECASSA conference, Updating the RSSB statistical database and preparation of various data requested by different partners (BNR, NISR, MINECOFIN, and many others).



CONCLUDING REMARKS

In conclusion, the performance of the Institution during the year 2012/2013 is inspiring however our efforts need to shift to a higher gear if RSSB is to improve on the areas that did not fare as well as expected. In looking forward to the financial year 2013 / 2014 it is imperative that the following major issues are addressed with great vigor:

1. Raising the compliance level countrywide;
2. Enforcement of arrears especially in real estate and contributions;
3. Improving the statistical database of the Medical Scheme;
4. Ironing out inaccuracies in the database;
5. Raising the occupancy rate for real estate and mortgage investments.

ANNEX

ANNEX 1: SUMMARY ON BUDGET EXECUTION

| Budget Line | Projections (in Rwf) | Realization – Cumulative June 2013 (Rwf) | Annual realization rate |
|-------------------------------|-------------------------|---|----------------------------|
| Members' contributions | 77,619,503,070 | 87,058,355,673 | 112.2 % |
| Investment Income (Returns) | 24,833,278,272 | 21,565,150,930 | 86.8% |
| Investment Income (Principal) | 10,652,566,805 | 4,803,935,654 | 45.1% |
| Other income | 82,000,000 | 559,462,358 | 682.3% |
| Total | 113,187,348,147 | 113,986,904,615 | 100.7% |
| Operations | 11,270,485,743 | 8,587,484,185 | 76.2% |
| Investments | 101,944,231,455 | 113,109,291,479 | 111.0% |
| Equipment & Rehabilitation | 1,779,329,826 | 408,595,008 | 23.0% |
| Benefits | 22,231,726,050 | 20,964,734,556 | 94.3% |
| Total | 137,225,773,074 | 143,070,105,228 | 104.3% |

ANNEX 2: PROGRESS OF RSSB PROJECTS AS AT 30th June 2013

| Ref. | NAME | PROGRESS | PROJECT COST | OBSERVATION |
|------|--|--|-----------------------|---|
| 1. | PENSION PLAZAS (Rwamagana, Kicukiro, Musanze, Nyanza and Karongi) | <ul style="list-style-type: none"> Correction of defects and snags (Karongi & Rwamagana). Valuation of defect and snags, procuring the company to attend them and installing the cleaning cradle at Musanze Pension Plaza. | Rwf 20,272,444,158 | Installation of signs was completed |
| 2. | GRAND PENSION PLAZA | <ul style="list-style-type: none"> Preparation of the final account by hiring a QS expert. The recruitment is ongoing through RDB which is now receiving expressions of interest. Construction of canopy to cover the ramps. Procuring the company to attend defects and snags. | Rwf 15,455,611,498 | Installation of signs was completed. |
| 3. | RSSB TOWER 1 | <ul style="list-style-type: none"> Attending to many snags. Verification of the final accounts for both CCECC and VFL. Follow up the commencement of DNA works. | Rwf 10,134,544,496 | |
| 4. | RSSB TOWER 2 | Supervise the construction: finishes and external works. | Rwf 6,225,916,680 | The provisional handover is due end of August 2013. |

| | | | | |
|----|---|--|---|--|
| 5. | CBD1 BASIC INFRASTRUCTURES | <ul style="list-style-type: none"> • Adjustment and correction along the road B, AB and D. • Construction of storm water drainage near Rugenge Cell. • Approval of 4 embranchments by the CoK. • Approval by CoK of road connecting road F to others. • Start construction of embranchments and road connecting road F to road AB. | The actual value is Rwf 4,276,436,265, whereas the initial contract was Rwf 5,357,100,457 | |
| 6. | NYAGATARE HOUSING PROJECT | <ul style="list-style-type: none"> • Requesting MININFRA to provide basic infrastructures such as roads, water, electricity and waste water drainage system to the site. | | |
| 7. | UMUCYO ESTATE , KEA, and GACULIRO 2020 ESTATE | <ul style="list-style-type: none"> • Testing the effluent from the WWTP of Umucyo Estate before the handover to the tenants as agreed between RSSB and Residents and Gasabo District authority. • Rehabilitation of bathrooms and kitchens, construction of water tank and follow up the construction of water tank and WWTP at KEA. • Maintenance of the existing WWTP and terminating agreements between RSSB and house owners who do not pay their monthly installments. | | |

| | | | | |
|-----|--|--|--|--|
| 8. | VISION CITY | <ul style="list-style-type: none"> Designing the master plan for three sites. These plans have been approved by the One Stop Center (OSC). Preparing and submission of the detailed designs to OSC and hiring the contractor. Roads formation, grading and leveling in Phase 1 and commercial center. Evaluation of bids, hiring the contractor. This is under analysis, three foreign offers were received. Construction works of 1st Phase will start in September 2013 and finish at the end of December 2014. | | |
| 9. | CONSTRUCTION OF KINYINYA AND BATSINDA ESTATES. | <ul style="list-style-type: none"> Hiring the Project Manager. Design and approval of the Master Plan. Submission of detailed designs for infrastructure, villa and apartments to OSC for approval Floatation of tender for hiring the contractor: August 2013. Road formation, grading and leveling | | |
| 10. | MUHANGA SHOPPING MALL | <ul style="list-style-type: none"> Detailed designs, preparation of BOQ and costing will follow. | | |
| 11. | AKAGERA GAME LODGE | <ul style="list-style-type: none"> Follow up study for rehabilitation of the entire hotel. Preparation of required BOQ. Preparation of tender documents. Tender is to be floated at the end of August 2013. | | |
| 12. | 5 MIXED USE BUILDINGS IN CBD1 | <ul style="list-style-type: none"> Preliminary concept designs were presented. Full designs will be made after agreeing on concept. Construction works to start in December 2013. | | |
| • | | | | |

FINANCIAL REPORT

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*Rwanda Social Security Board
Directors' report for the year ended 30 June 2013*

Members of the Board of Directors

| | | |
|---------------------------|---|---|
| Dr. Nteziryayo Faustin | - | Chairman |
| Kayitesi Viviane | - | V/Chairman – Resigned 9 April 2014 |
| Bayingana Elias | - | Director – Resigned 24 March 2014 |
| Kabera Godfrey | - | Director – Appointed 24 March 2014 |
| Mugabo Anna | - | Director |
| Manzi Eric | - | Director |
| Ndengeyingoma Louise | - | Director |
| Dr. Hategekimana Theobald | - | Director |
| Dr. Daniel Ufitikirezi | - | Director General and Secretary to the Board |

Registered office

RSSB Building
P O Box 250
Kigali, Rwanda

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

The directors submit their report together with the audited financial statements for the year ended 30 June 2013 which discloses the state of affairs of Rwanda Social Security Board (RSSB).

Establishment

RSSB was established and is governed by Law No. 45/2010 of December 14, 2010. RSSB was established after a review of Law No. 60/2008 of 10/09/2008 determining the responsibilities, organization and functioning of Rwanda Social Security Fund and Law No 27/2007 of 27/06/2007 determining the responsibilities, organization and functioning of a health insurance scheme for employees.

Principal activities

In accordance with Law No 45/2010 of 14 December 2010, RSSB is organized into two schemes. Under the pension scheme, RSSB collects contributions from employers and employees in Rwanda and provides benefits to pensioners, invalids and other beneficiaries. Under the medical scheme, RSSB provides medical insurance services to public sector employees.

Membership of the defined benefit fund

| | 2013 | 2012 |
|------------------------------------|----------------|----------------|
| a) Total members at 30 June | | |
| Contributing members | 352,085 | 332,888 |
| Pensioners | 36,019 | 35,500 |
| Deferred members | 500,274 | 450,574 |
| | 888,378 | 819,962 |
| b) Contributing members | | |
| At start of year | 332,888 | 298,376 |
| Joiners | 25,589 | 36,628 |
| | 358,477 | 335,004 |
| Less: | | |
| Retired with pension | (1,679) | (1,947) |
| Died in service | (175) | (134) |
| Other secessionists | (1,538) | (35) |
| | (3,392) | (2,116) |
| At end of year | 355,085 | 332,888 |

*Rwanda Social Security Board
Directors' report for the year ended 30 June 2013*

Membership of the defined benefit fund (continued)

| c) Pensioners | 2013 | 2012 |
|---|---------------|---------------|
| At start of year | 32,023 | 31,130 |
| Contributing members who retired | 1,679 | 1,947 |
| Widows or widowers pension becoming payable | 905 | 923 |
| Members who got lump sum | 2,760 | 2,549 |
| | 37,367 | 36,549 |
| Less: | | |
| Deaths and other secessionists | (1,348) | (1,049) |
| At end of year | 36,019 | 35,500 |
| d) Deferred members | | |
| At start of the year | 450,574 | 388,160 |
| Deferred contributing employees | 49,700 | 62,414 |
| At end of year | 500,274 | 450,574 |

Results from operations

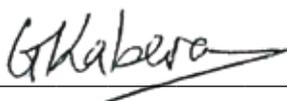
The statements of changes in net assets and comprehensive income for the year ended 30 June 2013 are set out on pages 41 to 42.

Directors

The Directors who held office during the year ended 30 June 2013 are set out on page 35

Auditor

In accordance with the applicable auditor rotation rules, the term of RSSB's current auditor, Price water house Coopers Rwanda Limited, has ended.



Director

..... 09/10/..... 2014

Law No. 60/2008 of 10/09/2008 requires the management to prepare annual financial statements in accordance with public accounting regulations that show the financial position of RSSB and the use of its resources. It also requires the management to ensure that RSSB keeps proper accounting records of its income, expenditure, liabilities and assets in accordance with the rules of the entity. The management is also responsible for safeguarding the assets of RSSB.

The management accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The management is of the opinion that the financial statements give a true and fair view of the net assets available for benefits and changes in net assets available for benefits in accordance with International Financial Reporting Standards. The management further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Approval of the financial statements

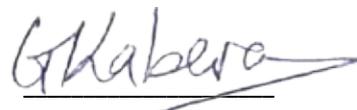
The financial statements of RSSB, as indicated above, were approved by the meeting of directors on 09/10/14 and were signed on its behalf by:

For the directors



Chairman

..... 09/10/ 2014



Director

..... 09/10/ 2014



REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF THE RWANDA SOCIAL SECURITY BOARD

Report on the financial statements

We have audited the accompanying financial statements of the Rwanda Social Security Board (“RSSB”) set out on pages 6 to 74. These financial statements comprise the statement of financial position at 30 June 2013, the statements of comprehensive income, changes in reserves and accumulated members’ fund / equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and, for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for qualified opinion

RSSB has not determined the fair value of its pension scheme's investment properties amounting to Rwf 91,566,529,181, out of the total portfolio of investment properties of Rwf 117,864,167,709 as at 30 June 2013. The investment properties were last fair valued as at 30 June 2012. This practice is not in accordance with IAS 40, Investment Properties, which requires an entity to measure all of its investment property at fair value at each balance sheet date, where that entity has elected to use fair value model of the standard. The Directors have not provided to us the information that would allow the determination of the fair value of these investment properties as at 30 June 2013. Consequently, we were unable to quantify the fair value adjustments that would be required to comply with the requirements of IAS 40 in respect of the investment properties.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of RSSB as at 30 June 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

For Price water house Coopers Rwanda Limited, Kigali



Bernice Kimacia

Director

14 October 2014

Rwanda Social Security Board
 Financial statements for the year ended 30 June 2013
Statement of comprehensive income for the year ended 30 June 2013¹

| | Note | Pension Scheme | Medical scheme | Total |
|---|------|------------------------|------------------------|-------------------------|
| | | 2013 Rwf | 2013 Rwf | 2013 Rwf |
| Dealings with members | | | | |
| Contributions | 1 | 53,123,305,064 | 29,839,281,506 | 82,962,586,570 |
| Pharmacy sales | 2 | - | 549,682,977 | 549,682,977 |
| Benefits payable | 3 | (10,015,279,334) | (10,922,130,627) | (20,937,409,961) |
| Pharmaceutical inventory expensed | 3 | - | (503,463,835) | (503,463,835) |
| Net operating income | | 43,108,025,730 | 18,963,370,021 | 62,071,395,751 |
| Returns on investments | | | | |
| Investment income | 4 | 16,951,824,195 | 8,076,669,056 | 25,028,493,251 |
| Change in fair value of investment properties | 15 | (368,314,612) | - | (368,314,612) |
| Change in fair value of financial assets at fair value through profit or loss | 16 | 13,840,155,681 | 2,199,924,552 | 16,040,080,233 |
| Realised gain on disposal of equity investments | | 111,624,625 | - | 111,624,625 |
| Realised gain on disposal of investment properties | | 960,352,133 | - | 960,352,133 |
| | | 31,495,642,022 | 10,276,593,608 | 41,772,235,630 |
| Less: investment management expenses | 6 | (1,132,847,786) | - | (1,132,847,786) |
| Net returns on investments | | 30,362,794,236 | 10,276,593,608 | 40,639,387,844 |
| Other income | 7 | 322,782,690 | 15,783,746 | 338,566,436 |
| Expenditure | | | | |
| Staff costs | 8 | (2,520,728,974) | (2,523,724,623) | (5,044,453,597) |
| Administrative expenses | 9 | (1,193,652,641) | (1,215,984,981) | (2,409,637,622) |
| Depreciation expense | 13 | (149,792,583) | (2,559,681,760) | (2,709,474,343) |
| Amortisation charge | 14 | (28,203,428) | (28,203,428) | (56,406,856) |
| Other expenses | 10 | (1,793,049,970) | (2,015,479,197) | (3,808,529,167) |
| Total expenses | | (5,685,427,596) | (8,343,073,989) | (14,028,501,585) |
| Net income before tax | | 68,108,175,060 | 20,912,673,386 | 89,020,848,446 |
| Income tax expense | 11 | - | - | - |
| Net income for the period | | 68,108,175,060 | 20,912,673,386 | 89,020,848,446 |
| Other comprehensive income | | | | |
| Fair value gain on property and equipment | 13 | - | 853,431,218 | 853,431,218 |
| Loss in fair value of available for sale equity investments | 16 | - | (2,187,934,154) | (2,187,934,154) |
| Total comprehensive income for the year | | 68,108,175,060 | 19,578,170,450 | 87,686,345,510 |

The notes on pages 50 to 109 are an integral part of these financial statements.

¹ The statement of comprehensive income also represents the statement of changes in net assets available for benefits for the pension scheme.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of comprehensive income for the year ended 30 June 2012

| | Note | Pension Scheme | Medical Scheme | Total |
|---|------|------------------------------|------------------------------|-------------------------------|
| | | 2012 | 2012 | 2012 |
| | | Rwf | Rwf | Rwf |
| | | (Restated) | (Restated) | (Restated) |
| Dealings with members | | | | |
| Contributions | 1 | 42,890,412,771 | 27,607,121,723 | 70,497,534,494 |
| Pharmacy sales | 2 | - | 659,507,382 | 659,507,382 |
| Benefits payable | 3 | (8,422,992,219) | (9,435,099,253) | (17,858,091,472) |
| Pharmaceutical inventory expensed | 3 | - | (699,754,225) | (699,754,225) |
| | | <u>34,467,420,552</u> | <u>18,131,775,627</u> | <u>52,599,196,179</u> |
| Returns on investments | | | | |
| Investment income | 4 | 10,591,944,530 | 5,181,403,301 | 15,773,347,831 |
| Change in fair value of investment properties | 15 | 30,822,929,571 | - | 30,822,929,571 |
| Change in fair value of financial assets at fair value through profit or loss | 16 | 10,231,562,098 | 533,665,920 | 10,765,228,018 |
| | | <u>51,646,436,199</u> | <u>5,715,069,221</u> | <u>57,361,505,420</u> |
| Less: investment management expenses | 6 | (468,897,030) | - | (468,897,030) |
| Net returns on investments | | <u>51,177,539,169</u> | <u>5,715,069,221</u> | <u>56,892,608,390</u> |
| Other income | 7 | 101,559,502 | 1,983,827 | 103,543,329 |
| Expenditure | | | | |
| Staff costs | 8 | (2,140,947,270) | (2,127,385,054) | (4,268,332,324) |
| Administrative expenses | 9 | (970,439,747) | (737,446,287) | (1,707,886,034) |
| Depreciation expense | 13 | (1,331,627,659) | (500,290,910) | (1,831,918,569) |
| Amortisation charge | 14 | (6,009,239) | (6,009,239) | (12,018,478) |
| Other expenses | 10 | (798,259,120) | (961,052,794) | (1,759,311,914) |
| Total expenses | | <u>(5,247,283,035)</u> | <u>(4,332,184,284)</u> | <u>(9,579,467,319)</u> |
| Net income before tax | | <u>80,499,236,188</u> | <u>19,516,644,391</u> | <u>100,015,880,579</u> |
| Income tax expense | 11 | - | - | - |
| Net income for the period | | <u>80,499,236,188</u> | <u>19,516,644,391</u> | <u>100,015,880,579</u> |
| Other comprehensive income | | | | |
| Fair value gains on property and equipment | 13 | 692,653,000 | 6,066,776,659 | 6,759,429,659 |
| Gain in fair value of available for sale equity investments | 16 | - | 7,769,181,884 | 7,769,181,884 |
| Total comprehensive income for the year | | <u>81,191,889,188</u> | <u>33,352,602,934</u> | <u>114,544,492,122</u> |

The notes on pages on 50 to 109 are an integral part of these financial statements

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Statement of financial position as at 30 June 2013²

| | Notes | Pension Scheme | Medical Scheme | Total |
|--|-------|------------------------|------------------------|------------------------|
| | | 2013 | 2013 | 2013 |
| | | Rwf | Rwf | Rwf |
| <u>Assets</u> | | | | |
| Investment properties in the process of construction | 12 | 13,131,517,068 | - | 13,131,517,068 |
| Property and equipment | 13 | 909,555,951 | 26,967,306,910 | 27,876,862,861 |
| Intangible assets | 14 | 95,645,716 | 76,576,589 | 172,222,305 |
| Investment properties | 15 | 104,732,650,641 | - | 104,732,650,641 |
| Equity investments | 16 | 106,741,768,306 | 15,753,473,393 | 122,495,241,699 |
| Government of Rwanda Development Bond | 17 | 46,288,480,619 | - | 46,288,480,619 |
| Treasury bonds | 18 | - | 1,094,591,875 | 1,094,591,875 |
| Treasury bills | 19 | 25,006,372,443 | 17,430,632,995 | 42,437,005,438 |
| Amounts due from the Government of Rwanda | 20 | 32,239,285 | - | 32,239,285 |
| Loan and Advances to third parties | 21 | 2,764,806,297 | 3,928,781,347 | 6,693,587,644 |
| Mortgage loans | 22 | 3,533,771,146 | - | 3,533,771,146 |
| Corporate bond | 23 | 344,759,394 | - | 344,759,394 |
| Other assets | 24 | 4,725,017,866 | 2,105,604,034 | 6,830,621,900 |
| Inventory | 25 | 204,652,648 | 347,420,285 | 552,072,933 |
| Deposits with financial institutions | 26 | 57,922,979,685 | 48,682,189,410 | 106,605,169,095 |
| Cash and bank balances | 27 | 8,097,395,420 | 8,199,390,862 | 16,296,786,282 |
| | | 374,531,612,485 | 124,585,967,700 | 499,117,580,185 |
| Total assets | | | | |
| Less: Liabilities | | | | |
| Other payables | 28 | 7,638,990,902 | 1,195,706,730 | 8,834,697,632 |
| Medical benefits payable | 29 | - | 1,619,250,735 | 1,619,250,735 |
| Amounts retained on construction contracts | 30 | 3,994,898,680 | 1,202,467,505 | 5,197,366,185 |
| | | 11,633,889,582 | 4,017,424,970 | 15,651,314,552 |
| Net assets available for benefits | | 362,897,722,903 | 120,568,542,730 | 483,466,265,633 |
| Represented by | | | | |
| Share capital | 31 | - | 1,179,070,491 | 1,179,070,491 |
| Retained earnings | | - | 106,888,016,632 | 106,888,016,632 |
| Revaluation reserve | 32 | 692,653,000 | 6,920,207,877 | 7,612,860,877 |
| Fair value reserve | 33 | - | 5,581,247,730 | 5,581,247,730 |
| Accumulated members' funds | | 138,854,151,318 | - | 138,854,151,318 |
| Statutory reserves | 34 | 223,350,918,585 | - | 223,350,918,585 |
| Total reserves | | 362,897,722,903 | 120,568,542,730 | 483,466,265,633 |

The notes on pages on 50 to 109 are an integral part of these financial statements.

² The statement of financial position also represents the statement of net asset available for benefits for the pension scheme.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of financial position as at 30 June 2012

| | Notes | Pension Scheme | | Total |
|--|-------|------------------------|------------------------|------------------------|
| | | 2012 | 2012 | 2012 |
| | | Rwf (Restated) | Rwf | Rwf (Restated) |
| Assets | | | | |
| Investment properties in the process of construction | 12 | 14,835,426,550 | - | 14,835,426,550 |
| Property and equipment | 13 | 1,121,484,785 | 25,049,803,985 | 26,171,288,770 |
| Intangible assets | 14 | 94,178,470 | 82,499,393 | 176,677,863 |
| Investment properties | 15 | 97,908,925,205 | - | 97,908,925,205 |
| Equity investments | 16 | 87,930,461,841 | 16,790,758,084 | 104,721,219,925 |
| Government of Rwanda Development Bond | 17 | 46,369,516,855 | - | 46,369,516,855 |
| Treasury bonds | 18 | - | 1,504,640,781 | 1,504,640,781 |
| Amounts due from the Government of Rwanda | 20 | 32,239,285 | - | 32,239,285 |
| Loan and Advances to third parties | 21 | 3,183,351,990 | 5,030,406,526 | 8,213,758,516 |
| Mortgage loans | 22 | 4,872,111,204 | - | 4,872,111,204 |
| Contributions receivable | | - | 1,927,089,631 | 1,927,089,631 |
| Corporate bonds | 23 | 363,285,330 | - | 363,285,330 |
| Other assets | 24 | 4,731,904,698 | 2,383,178,331 | 7,115,083,029 |
| Inventory | 25 | 179,304,805 | 441,627,613 | 620,932,418 |
| Deposits with financial institutions | 26 | 40,471,948,767 | 48,571,645,479 | 89,043,594,246 |
| Cash and bank balances | 27 | 7,496,918,882 | 4,607,681,758 | 12,104,600,640 |
| Total assets | | 309,591,058,667 | 106,389,331,581 | 415,980,390,248 |
| Less: Liabilities | | | | |
| Other payables | 28 | 10,154,499,203 | 1,986,101,102 | 12,140,600,305 |
| Medical benefits payable | 29 | - | 1,904,218,312 | 1,904,218,312 |
| Amounts retained on construction contracts | 30 | 4,647,011,621 | 1,508,639,887 | 6,155,651,508 |
| | | 14,801,510,824 | 5,398,959,301 | 20,200,470,125 |
| Net assets available for benefits | | 294,789,547,843 | 100,990,372,280 | 395,779,920,123 |
| Represented by | | | | |
| Share capital | 31 | - | 1,179,070,491 | 1,179,070,491 |
| Retained earnings | | - | 85,975,343,246 | 85,975,343,246 |
| Revaluation reserve | 32 | 692,653,000 | 6,066,776,659 | 6,759,429,659 |
| Fair value reserve | 33 | - | 7,769,181,884 | 7,769,181,884 |
| Accumulated members' funds | | 115,752,637,940 | - | 115,752,637,940 |
| Statutory reserves | 34 | 178,344,256,903 | - | 178,344,256,903 |
| Total reserves | | 294,789,547,843 | 100,990,372,280 | 395,779,920,123 |

The notes on pages on 50 to 109 are an integral part of these financial statements.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Statement of changes in reserves and accumulated members' fund - Pension scheme

| | Occupational Hazards Reserves | | | | Pensions reserves | | | | Totals | |
|---|-------------------------------|----------------------|----------------------|-------------------------|------------------------|-------------------------|------------------------|---------------------------|--------------------|------------------------|
| | Other Reserves | Technical reserve | Security reserve | Working capital reserve | Technical reserve | Working capital reserve | Total Reserves | Accumulated members' fund | | Revaluation reserve |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Year ended 30 June 2012 | 53,393,658 | 3,597,552,936 | 4,493,191,301 | 1,507,443,560 | 117,908,346,133 | 2,057,071,918 | 129,616,999,506 | 83,980,659,149 | 83,980,659,149 | |
| At start of the year | - | - | - | - | 43,225,396,992 | - | 43,225,396,992 | 27,480,266,610 | - | 70,705,663,602 |
| Increase in net assets (as previously stated) | - | - | - | - | - | - | - | - | 692,653,000 | 692,653,000 |
| Change in fair value of property and equipment (as previously stated) | - | - | - | - | 5,501,860,405 | - | 5,501,860,405 | 4,291,712,181 | - | 9,793,572,586 |
| Prior period adjustment (Note35) | - | - | - | - | - | - | - | - | - | - |
| At end of the year (as restated) | 53,393,658 | 3,597,552,936 | 4,493,191,301 | 1,507,443,560 | 166,635,603,530 | 2,057,071,918 | 178,344,256,903 | 115,752,637,940 | 692,653,000 | 294,789,547,843 |

The notes on pages on 50 to 109 are an integral part of these financial statements

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Statement of changes in reserves and accumulated members' fund - Pension scheme (continued)

| | Occupational Hazards Reserves | | | Pensions reserves | | | Total Reserves | Accumulated members' fund | Revaluation reserve | Totals |
|-------------------------------------|-------------------------------|-------------------|------------------|-------------------------|-------------------|-------------------------|-----------------|---------------------------|---------------------|-----------------|
| | Other Reserves | Technical reserve | Security reserve | Working capital reserve | Technical reserve | Working capital reserve | | | | |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Year ended 30 June 2013 | | | | | | | | | | |
| At start of the year | 53,393,658 | 3,597,552,936 | 4,493,191,301 | 1,507,443,560 | 166,635,603,530 | 2,057,071,918 | 178,344,256,903 | 115,752,637,940 | 692,653,000 | 294,789,547,843 |
| Increase in net assets for the year | - | - | - | - | 45,006,661,682 | - | 45,006,661,682 | 23,101,513,378 | - | 68,108,175,060 |
| At end of the year | 53,393,658 | 3,597,552,936 | 4,493,191,301 | 1,507,443,560 | 211,642,265,212 | 2,057,071,918 | 223,350,918,585 | 138,854,151,318 | 692,653,000 | 362,897,722,903 |

The notes on pages 50 to 109 are an integral part of these financial statements.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Statement of changes in equity - Medical scheme

| | Share capital Rwf | Retained earnings Rwf | Revaluation Reserve Rwf | Fair Value Reserve Rwf | Total Rwf |
|--------------------------------------|----------------------|-----------------------------|-------------------------------|------------------------------|------------------------|
| Year ended 30 June 2012 | | | | | |
| At start of year: | 1,179,070,491 | 66,458,698,849 | - | - | 67,637,769,340 |
| Revaluation gain on building | - | - | 6,066,776,659 | - | 6,066,776,659 |
| Fair value gain on equity investment | - | - | - | 7,769,181,884 | 7,769,181,884 |
| Profit for the year | - | 19,516,644,391 | - | - | 19,516,644,391 |
| At end of year | 1,179,070,491 | 85,975,343,240 | 6,066,776,659 | 7,769,181,884 | 100,990,372,280 |
| Year ended 30 June 2013 | | | | | |
| At start of year: | 1,179,070,491 | 85,975,343,246 | 6,066,776,659 | 7,769,181,884 | 100,990,372,280 |
| Revaluation gain on building | - | - | 853,431,218 | - | 853,431,218 |
| Fair value gain on equity investment | - | - | - | (2,187,934,154) | (2,187,934,154) |
| Profit for the year | - | 20,912,673,386 | - | - | 20,912,673,386 |
| At end of year | 1,179,070,491 | 106,888,016,632 | 6,920,207,877 | 5,581,247,730 | 120,568,542,730 |

The notes on pages 50 to 109 are an integral part of these financial statements.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of cash flows for the year ended 30 June 2013

| | Note | Pension Scheme | Medical Scheme | Total |
|--|-------|------------------|------------------|------------------|
| | | 2013 | 2013 | 2013 |
| | | Rwf | Rwf | Rwf |
| Cash flows from operating activities | | | | |
| Increase in net assets for the year | | 68,108,175,060 | 20,912,673,386 | 89,020,848,446 |
| Adjusted for: | | | | |
| Investment income | 4 | (16,951,824,195) | (8,076,669,056) | (25,028,493,251) |
| Depreciation | 13 | 149,792,583 | 2,559,681,760 | 2,709,474,343 |
| Amortization | 14 | 28,203,428 | 28,203,428 | 56,406,856 |
| Change in fair value of equity investments | 16 | (14,543,817,827) | (2,199,924,552) | (16,743,742,379) |
| Increase in interdivisional balances | 24/28 | 1,933,385,275 | (1,933,385,112) | 163 |
| Increase in contributions receivable | | 1,088,553,781 | | |
| Increase/(Decrease) in other assets | 24 | 6,886,832 | 1,557,554,025 | 1,564,440,857 |
| Increase/(Decrease) in inventory | 25 | (25,347,843) | 94,207,328 | 68,859,485 |
| (Decrease) in medical claims payable | 29 | - | (284,967,577) | (284,967,577) |
| Increase/(Decrease) in sundry creditors | 28 | (2,515,508,301) | (790,394,372) | (3,305,902,673) |
| Increase/(Decrease) in Contract retentions | 30 | (652,112,941) | (306,172,382) | (958,285,323) |
| Net cash flows from operating activities | | 36,626,385,852 | 13,911,984,173 | 50,538,370,025 |
| Cash flows used in investing activities: | | | | |
| Dividend income received | 4 | 584,306,517 | 67,464,716 | 651,771,233 |
| Rent received | 4 | 2,393,911,193 | 41,223,636 | 2,435,134,829 |
| Interest income received | 4 | 12,317,866,883 | 7,967,980,704 | 20,285,847,587 |
| Purchase of property and equipment | 13 | (120,838,261) | (3,322,950,633) | (3,443,788,894) |
| Purchase of intangible asset | 14 | (29,670,674) | (22,280,624) | (51,951,298) |
| Purchase of investment properties | 12/14 | (12,943,862,172) | - | (12,943,862,172) |
| Purchase of equity investments | 16 | (7,657,811,911) | - | (7,657,811,911) |
| Receipts from Development bond to Government of Rwanda | 17 | 3,558,750,000 | - | 3,558,750,000 |
| Investment in treasury bills/bonds | 18/19 | (22,961,035,105) | (15,748,371,121) | (38,709,406,226) |
| Net loans advanced to Development Bank of Rwanda | 21 | 710,831,912 | 1,776,363,303 | 2,487,195,215 |
| Net loans advanced to third parties | 21 | (68,390,518) | - | (68,390,518) |
| (Decrease) in mortgages | 22 | 2,108,277,537 | - | 2,108,277,537 |
| Investment in corporate bonds | 23 | 54,862,499 | - | 54,862,499 |
| Net investment in deposits with Banks | 26 | (17,078,462,764) | (2,082,795,767) | (19,161,258,531) |
| Proceeds from disposal | | 3,105,355,550 | 1,003,090,717 | 4,108,446,267 |
| Net cash used in investing activities | | (36,025,909,314) | (10,320,275,069) | (46,346,184,383) |
| Net increase in cash and cash equivalents | | 600,476,538 | 3,591,709,104 | 4,192,185,642 |
| Cash and cash equivalents at 1 July | 27 | 7,496,918,882 | 4,607,681,758 | 12,104,600,640 |
| Cash and cash equivalents at 30 June | 27 | 8,097,395,420 | 8,199,390,862 | 16,296,786,282 |

The notes set out on pages 50 to 109 form an integral part of these financial statements.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Statement of cash flows for the year ended 30 June 2012

| | Note | Pension Scheme | Medical Scheme | Total |
|---|-------|-------------------------|-------------------------|-------------------------|
| | | 2012 | 2012 | 2012 |
| | | Rwf | Rwf | Rwf |
| Cash flows from operating activities | | | | |
| Increase in net assets for the year | | 8 1,191,889,188 | 27,285,826,275 | 108,477,715,463 |
| Adjusted for: | | | | |
| Investment income | 4 | (10,591,944,530) | (5,181,403,301) | (15,773,347,832) |
| Depreciation | 13 | 1,331,627,659 | 500,290,910 | 1,831,918,569 |
| Amortization | 14 | 6,009,239 | 6,009,239 | 12,018,478 |
| Change in fair value of equity investments | 16 | (41,747,144,669) | (8,302,847,804) | (50,049,992,473) |
| Impairment of assets | | 250,218,196 | 48,279,046 | 298,497,242 |
| Increase in interdivisional balances | 24/28 | (661,405,384) | 661,405,384 | - |
| Increase/(Decrease) in contributions receivable | | - | (997,836,788) | (997,836,788) |
| Increase/(Decrease) in Debtors and prepayments (other assets) | 24 | 1,076,086,285 | (498,290,612) | 577,795,673 |
| Increase/(Decrease) in inventory | 25 | (73,302,961) | (45,801,833) | (119,104,794) |
| Increase/(Decrease) in sundry creditors | 28 | (1,414,321,937) | 1,074,699,060 | (339,622,877) |
| Increase in medical claims payable | 29 | - | 604,354,440 | 604,354,440 |
| Net cash flows from operating activities | | 29,367,711,086 | 15,154,684,016 | 44,522,395,102 |
| Cash flows used in investing activities: | | | | |
| Dividend income received | 4 | 1,487,655,320 | 86,042,872 | 1,573,698,192 |
| Rent received | 4 | 1,595,457,062 | 16,836,319 | 1,612,293,381 |
| Interest income received | 4 | 7,660,818,790 | 5,517,314,391 | 13,178,133,182 |
| Purchase of investment properties | 12/15 | (9,811,383,524) | - | (9,811,383,524) |
| Purchase of property and equipment | 13 | (86,292,385) | (3,539,672,384) | (3,625,964,769) |
| Purchase of intangible asset | 14 | (83,589,780) | (83,589,780) | (167,179,560) |
| Purchase of equity investments | 16 | (5,130,442,398) | (3,975,000,000) | (9,105,442,398) |
| Development bond to government | 17 | 4,943,987,196 | | 4,943,987,196 |
| Investment in Treasury bonds | 18 | - | (634,406,673) | (634,406,673) |
| Net Loans advanced to BRD | 21 | (505,441,945) | 632,909,243 | 127,467,304 |
| Net loans advanced to New Forest Company | 21 | (438,273,749) | | (438,273,749) |
| Increase/Decrease in mortgages | 22 | 4,280,295,726 | | 4,280,295,726 |
| Investment in corporate bonds | 23 | (728,247,743) | | (728,247,743) |
| Net investment in deposits with Banks | 26 | (30,188,080,205) | (17,295,333,892) | (47,483,414,097) |
| Proceeds from disposal | | 1,262,000,000 | | 1,262,000,000 |
| Net cash used in investing activities | | (25,741,537,635) | (19,274,899,904) | (45,016,437,539) |
| Net increase in cash and cash equivalents | | 3,626,173,451 | (4,120,215,888) | (494,042,437) |
| Cash and cash equivalents at 1 July | 27 | 3,870,745,431 | 8,727,897,646 | 12,598,643,077 |
| Cash and cash equivalents at 30 June | 27 | 7,496,918,882 | 4,607,681,758 | 12,104,600,640 |

The notes set out on pages 50 to 109 form an integral part of these financial statements.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

NOTES

1 Contributions

Pension contributions

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, 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.

Medical contributions

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.

2. Pharmacy sales

During the year, the medical scheme operated pharmacy outlets from which members and nonmembers purchase medical prescriptions. Sales to members are part of their medical benefits, on which they contribute 15% of the sales price. Sales to non-members are made on a cash basis. Between September 2012 and January 2013, the medical scheme sold pharmaceutical inventory held in 13 out of 14 pharmacies. Sales proceeds are included in total sales in statement of comprehensive income.

| | 2013 | 2012 |
|--------------------------------|--------------------|--------------------|
| | Rwf | Rwf |
| Members | 303,721,870 | 409,667,507 |
| Non -members | 93,132,974 | 249,839,875 |
| Medicines sold through auction | 152,828,133 | - |
| | 549,682,977 | 659,507,382 |

3. Benefit payments

(a) Pension benefits paid

| | | |
|--|-----------------------|----------------------|
| Benefits paid to pensioners | 8,031,802,342 | 6,589,981,893 |
| Benefits paid to deceased members' beneficiaries | 1,690,419,406 | 1,539,505,879 |
| Incapacity benefits | 97,914,900 | 109,216,287 |
| Other occupational hazards | 195,142,686 | 184,288,160 |
| | 10,015,279,334 | 8,422,992,219 |

(b) Medical benefits paid

| | | |
|---|-----------------------|-----------------------|
| Medical invoices from partner hospitals, health centers and clinics | 10,922,130,627 | 9,435,099,253 |
| Pharmacy costs | 503,463,835 | 699,754,225 |
| | 11,425,594,462 | 10,134,853,478 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (Continued)

4.2 Rental income

| Note | Pension Scheme | | Medical Scheme | | Total | |
|------------------------------|-------------------------|----------------------|-------------------|-------------------|-------------------------|----------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Kacyiru Executive Apartments | 709,124,819 | 862,080,489 | - | - | 709,124,819 | 862,080,489 |
| Grand Pension Plaza | 1,238,589,986 | 329,276,334 | - | - | 1,238,589,986 | 329,276,334 |
| Kacyiru estate | 15,973,005 | 30,134,380 | - | - | 15,973,005 | 30,134,380 |
| Kicukiro Pension Plaza | 282,471,589 | 337,438,188 | - | - | 282,471,589 | 337,438,188 |
| Nyanza Pension Plaza | 79,516,308 | 14,572,554 | - | - | 79,516,308 | 14,572,554 |
| Karongi Pension Plaza | 28,750,126 | 11,597,466 | - | - | 28,750,126 | 11,597,466 |
| Musanze Pension Plaza | 4,426,368 | 6,476,285 | - | - | 4,426,368 | 6,476,285 |
| Ex - USA Embassy | 5,319,284 | 3,881,366 | - | - | 5,319,284 | 3,881,366 |
| Rwamagana Pension Plaza | 29,739,708 | - | - | - | 29,739,708 | - |
| Doctors' plaza | - | - | 41,223,636 | 16,836,318 | 41,223,636 | 16,836,318 |
| | 2,3 93 ,911 ,193 | 1,595,457,062 | 41,223,636 | 16,836,318 | 2, 435 ,134 ,829 | 1,612,293,380 |

4.3 Interest on treasury bills

| | | | | | | |
|-------------------------|----|---|---------------|---|---------------|---|
| National Bank of Rwanda | 18 | - | 1,682,261,874 | - | 3,727,599,212 | - |
|-------------------------|----|---|---------------|---|---------------|---|

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (Continued)

4.4 Interest on term deposits

| | Pension Scheme | | Medical Scheme | | Total | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Access Bank (Rwanda) Limited | - | - | 50,704,110 | 280,743,321 | 50,704,110 | 280,743,321 |
| Banque Populaire du Rwanda Limited | 945,373,973 | 187,400,107 | 658,051,233 | 140,579,759 | 1,603,425,206 | 327,979,866 |
| Cogebanque Limited | 435,095,761 | 109,374,902 | 891,102,848 | 309,396,197 | 1,326,198,609 | 418,771,099 |
| Development Bank of Rwanda Limited | 378,027,397 | 63,794,628 | 260,198,087 | - | 638,225,484 | 63,794,628 |
| Bank of Kigali Limited | 1,597,047,945 | 870,968,675 | 948,968,491 | 899,828,252 | 2,546,016,436 | 1,770,796,927 |
| Continental Discount House | - | 8,383,562 | - | - | - | 8,383,562 |
| Ecobank Rwanda Limited | 359,928,767 | 393,939,833 | 601,891,781 | 1,004,170,718 | 961,820,548 | 1,398,110,551 |
| Guaranty Trust Bank (Rwanda) Limited | 741,968,767 | 166,263,121 | 757,361,973 | 952,865,238 | 1,499,330,740 | 1,115,128,359 |
| KCB Rwanda Limited | 279,342,466 | 161,643,943 | 273,000,000 | 228,166,608 | 552,342,466 | 389,810,551 |
| I & M Bank (Rwanda) Limited | 270,023,288 | 103,561,751 | 467,879,452 | 359,440,590 | 737,902,740 | 463,002,341 |
| Zigama CSS | 258,145,205 | 363,691,888 | 218,487,671 | 107,180,307 | 476,632,876 | 470,872,195 |
| Equity Bank Rwanda Limited | 32,219,178 | - | - | - | 32,219,178 | - |
| | 5,297,172,747 | 2,429,022,410 | 5,127,645,646 | 4,282,370,990 | 10,424,818,393 | 6,711,393,400 |

Notes (continued)

5(a) Gains on disposal of investment properties

In 2012, gains on disposal of investment properties related to realized gains on sale of the Ex-UCT building.

In 2013, gains on disposal of investment properties related to realized gains on sale of both Ex-American Embassy and Ex-American club buildings.

5(b) Change in fair value of financial assets at fair value through profit or loss

Changes in fair value of financial assets at fair value through profit or loss relates to realized and unrealized fair value gains on equity investments as analyzed on Note 12, 15 and 16.

6. Investment management expenses

| Management fees incurred on: | 2013 Rwf | 2012 Rwf |
|------------------------------------|----------------------|--------------------|
| Vision 2020 Estate | 27,967,850 | 12,993,952 |
| Kacyiru executive apartments | 440,253,729 | 176,562,662 |
| Kacyiru Estate | 4,006,428 | 4,637,820 |
| Ex-USA embassy (Dignity House) | 30,842,519 | 3,327,367 |
| Ex-American Club | 5,420,090 | - |
| Grand insurance Pension Plaza | 277,488,843 | 83,358,497 |
| Kicukiro insurance Pension Plaza | 43,598,327 | 66,636,224 |
| Nyanza insurance Pension Plaza | 41,485,681 | 4,022,828 |
| Karongi insurance Pension Plaza | 45,800,463 | 4,036,188 |
| Musanze insurance Pension Plaza | 30,423,439 | 201,400 |
| Rwamagana insurance Pension Plaza | 50,846,747 | 2,603,615 |
| Nyarugenge insurance Pension Plaza | 10,122,107 | - |
| Consultancy charges on investments | 124,591,563 | 110,516,477 |
| | 1,132,847,786 | 468,897,030 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

7. Other income

| | Pension Scheme | | Medical Scheme | | Total | |
|--------------------------------|--------------------|--------------------|-------------------|------------------|--------------------|--------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Issue of clearing certificates | 162,744,528 | 97,801,212 | - | - | 162,744,528 | 97,801,212 |
| Issue of card duplicates | - | - | 8,101,712 | - | 8,101,712 | - |
| Foreign exchange gains | 142,744,441 | - | - | - | 142,744,441 | - |
| Penalties received | 17,293,721 | 3,702,290 | 7,682,034 | - | 24,975,755 | 3,702,290 |
| Other income | - | 56,000 | - | 1,983,827 | - | 2,039,827 |
| | 322,782,690 | 101,559,502 | 15,783,746 | 1,983,827 | 338,566,436 | 103,543,329 |

8. Staff costs

| | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Basic salaries | 1,733,742,066 | 1,447,712,042 | 1,724,870,963 | 1,471,265,444 | 3,458,613,029 | 2,918,977,486 |
| Technical allowances | 27,320,941 | 33,729,594 | 26,875,786 | 30,721,430 | 54,196,727 | 64,451,024 |
| Responsibility allowances | 2,063,620 | 8,476,548 | 2,063,440 | 8,476,548 | 4,127,060 | 16,953,096 |
| Social security contributions | 97,642,132 | 85,384,921 | 97,072,841 | 85,564,881 | 194,714,973 | 170,949,802 |
| Medical insurance contributions | 116,368,609 | 103,565,786 | 116,368,609 | 103,565,786 | 232,737,218 | 207,131,572 |
| Transport allowances | 174,780,727 | 176,859,860 | 173,297,469 | 177,784,552 | 348,078,196 | 354,644,412 |
| House allowances | 212,745,858 | 197,019,706 | 211,628,133 | 197,944,398 | 424,373,991 | 394,964,104 |
| Retirement benefits paid to third parties | 2,689,620 | - | - | - | 2,689,620 | - |
| Medical expenses | 11,753,777 | 2,390,332 | 10,786,077 | 1,079,132 | 22,539,854 | 3,469,464 |
| Training expenses | 92,564,485 | 31,709,409 | 93,373,485 | 21,350,587 | 185,937,970 | 53,059,996 |
| Personnel social activities | 9,682,944 | 6,057,500 | 9,682,944 | 3,963,043 | 19,365,888 | 10,020,543 |
| Other allowances | 39,374,195 | 48,041,572 | 57,704,876 | 25,669,253 | 97,079,071 | 73,710,825 |
| | 2,520,728,974 | 2,140,947,270 | 2,523,724,623 | 2,127,385,054 | 5,044,453,597 | 4,268,332,324 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

9. Administrative expenses

| Note | Pension Scheme | | Medical Scheme | | Total | |
|---|----------------------|--------------------|----------------------|--------------------|----------------------|----------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Water and electricity | 50,692,272 | 42,701,835 | 51,071,906 | 56,019,722 | 101,764,178 | 98,721,557 |
| Fuel | 24,918,350 | 16,460,575 | 24,908,350 | 18,159,080 | 49,826,700 | 34,619,655 |
| Office supplies | 52,579,667 | 51,823,998 | 100,180,667 | 93,659,037 | 152,760,334 | 145,483,035 |
| Other supplies | 55,470,277 | 22,039,451 | 55,499,877 | 29,529,749 | 110,970,154 | 51,569,200 |
| Transport expenses | 196,376,832 | 136,761,766 | 200,046,972 | 123,951,696 | 396,423,804 | 260,713,462 |
| Maintenance expenses | 38,414,629 | 33,949,798 | 36,029,597 | 27,639,282 | 74,444,226 | 61,589,080 |
| Travel expenses in country (mission fees) | 43,535,456 | 49,551,112 | 44,605,456 | 14,264,962 | 88,140,912 | 63,816,074 |
| Travel expenses abroad (mission fees) | 15,224,842 | 19,830,781 | 15,224,842 | 6,434,268 | 30,449,684 | 26,265,049 |
| Entertainment | 1,993,760 | 5,446,155 | 1,993,760 | 1,035,505 | 3,987,520 | 6,481,660 |
| Reception activities | 5,343,750 | 8,452,695 | 5,343,750 | 7,951,195 | 10,687,500 | 16,403,890 |
| Rent | 58,390,750 | 22,208,356 | 60,377,941 | 36,437,996 | 118,768,691 | 58,646,352 |
| Publicity costs | 122,595,202 | 76,149,341 | 122,595,202 | 48,131,978 | 245,190,404 | 124,281,319 |
| Service hire | 30,154,451 | 53,246,556 | 40,633,603 | 46,028,896 | 70,788,054 | 99,275,452 |
| Postage | 7,332,050 | 5,436,100 | 7,332,050 | 6,967,100 | 14,664,100 | 12,403,200 |
| Telephone expenses | 94,271,698 | 80,041,420 | 94,271,698 | 42,540,184 | 188,543,396 | 122,581,604 |
| Fax expenses | 9,330 | 292,167 | 9,330 | 76,074 | 18,660 | 368,241 |
| Internet costs | 86,474,976 | 107,984,409 | 86,474,976 | 42,468,921 | 172,949,952 | 150,453,330 |
| Consultancy fees | 46,486,116 | 31,605,242 | 46,486,116 | 35,032,967 | 92,972,232 | 66,638,209 |
| Casual work wages | 836,650 | 4,754,997 | 866,650 | 835,300 | 1,703,300 | 5,590,297 |
| Commissions and bank charges | 76,578,648 | 103,344,379 | 30,424,503 | 640,820 | 107,003,151 | 103,985,199 |
| Documentation and subscription | 4,033,422 | 4,408,022 | 4,033,422 | 4,408,022 | 8,066,844 | 8,816,044 |
| Other administration costs | 20,990,837 | 12,342,312 | 20,918,037 | 13,275,292 | 41,908,874 | 25,617,604 |
| Security services | 90,487,665 | 28,633,294 | 96,218,265 | 28,565,949 | 186,705,930 | 57,199,243 |
| Cleaning services | 38,890,662 | 25,074,986 | 38,867,662 | 24,996,050 | 77,758,324 | 50,071,036 |
| Audit fees | 31,570,349 | 27,900,000 | 31,570,349 | 28,396,242 | 63,140,698 | 56,296,242 |
| | 1,193,652,641 | 970,439,747 | 1,215,984,981 | 737,446,287 | 2,409,637,622 | 1,707,886,034 |

Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013

Notes (continued)

9.1 Maintenance expenses

| | Pension Scheme | | Medical Scheme | | Total | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Maintenance of buildings | 24,745,762 | 22,562,840 | 22,361,480 | 13,714,526 | 47,107,242 | 36,277,366 |
| Maintenance of vehicles | 9,328,881 | 3,683,808 | 9,328,881 | 2,089,308 | 18,657,762 | 5,773,116 |
| Maintenance of equipment | 4,339,986 | 7,703,150 | 4,339,236 | 11,835,448 | 8,679,222 | 19,538,598 |
| | 38,414,629 | 33,949,798 | 36,029,597 | 27,639,282 | 74,444,226 | 61,589,080 |

10. Other expenses

| | Pension Scheme | | Medical Scheme | | Total | |
|-----------------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Write off of unsupported assets | - | 59,301,738 | - | - | - | 59,301,738 |
| Insurance | 53,884,477 | 20,972,787 | 53,884,477 | 8,133,000 | 107,768,954 | 29,105,787 |
| Directors' fees | 1,740,000 | - | 3,440,000 | 450,003 | 5,180,000 | 450,003 |
| Corporate social responsibility | 110,389,714 | 22,195,000 | 427,909,044 | 263,753,005 | 538,298,758 | 285,948,005 |
| Legal fees | 1,894,649 | 30,341,109 | 1,849,198 | 2,564,201 | 3,743,847 | 32,905,310 |
| Seminars and conferences | 28,095,120 | 3,328,281 | 27,995,120 | 2,434,381 | 56,090,240 | 5,762,662 |
| Other charges and losses | 275,462,585 | 68,783,135 | 60,321,049 | 109,935,590 | 335,783,634 | 178,718,725 |
| Taxes incurred on interest income | 1,125,986,017 | 449,854,527 | 1,034,140,101 | 542,647,154 | 2,160,126,118 | 992,501,681 |
| Foreign exchange losses | 89,035 | 1,589,925 | - | - | 89,035 | 1,589,925 |
| Other miscellaneous expenses | 195,508,373 | 141,892,618 | 405,940,208 | 31,135,460 | 601,448,581 | 173,028,078 |
| | 1,793,049,970 | 798,259,120 | 2,015,479,197 | 961,052,794 | 3,808,529,167 | 1,759,311,914 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

11. Income tax

In accordance with Law No. 16/2005 of 18/08/2005, RSSB is exempted from Income tax regulations.

12. Investment properties in the process of construction

| | At 1 July 2012 | Additions during the year at cost | Fair value gains/(loss) | Transfer to PPE | Transfers to investment properties | Balance at 30 June 2013 |
|--|-----------------------|-----------------------------------|-------------------------|----------------------|------------------------------------|-------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Batsinda project | 966,144,000 | - | - | - | (966,144,000) | - |
| Office blocks within and out of Kigali | 12,241,710,750 | 1,287,359,848 | 367,338,388 | (558,490,750) | (826,060,000) | 12,511,858,236 |
| 2020 E state 2nd Phase | 309,400,000 | - | - | - | - | 309,400,000 |
| 2020 vision trade center | 250,171,800 | - | - | - | - | 250,171,800 |
| Nyagatare projects | - | 60,087,032 | - | - | - | 60,087,032 |
| Kacyiru Office Park | 1,068,000,000 | - | - | (1,068,000,000) | - | - |
| | 14,835,426,550 | 1,347,446,880 | 367,338,388 | (558,490,750) | (2,860,204,000) | 13,131,517,068 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

12. Investment properties in the process of construction (continued)

| | At 1 July 2011 | Additions during the year at cost | Fair value gains/(loss) | Transfers to investment properties | Balance at 30 June 2012 |
|--|-----------------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf |
| Grand Pension Plaza | 15,731,178,840 | 5,173,644,590 | (22,613,797,000) | 1,708,973,570 | - |
| Batsinda Project | 297,055,059 | 40,690,238 | - | 628,398,703 | 966,144,000 |
| Office blocks within and out of Kigali | 21,286,981,216 | 2,593,603,241 | (16,458,453,000) | 4,819,579,293 | 12,241,710,750 |
| 2020 Estate 2nd Phase | 309,400,000 | - | - | - | 309,400,000 |
| 2020 Vision Trade Center | 250,171,800 | - | - | - | 250,171,800 |
| Kacyiru Office Park | 443,347 | - | - | 1,067,556,653 | 1,068,000,000 |
| | 37,875,230,262 | 7,807,938,069 | (39,072,250,000) | 8,224,508,219 | 14,835,426,550 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment - Pension Scheme

| | Land and Buildings | Office equipment | Furniture, fixtures & Fittings | Computers | Total |
|--|----------------------|--------------------|--------------------------------|-------------------|----------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf |
| At 1 July 2011 | | | | | |
| Cost | 2,843,398,606 | 774,146,944 | 1,115,084,225 | 856,372,437 | 5,589,002,212 |
| Accumulated depreciation | (548,697,375) | (636,533,233) | (681,244,122) | (772,683,036) | (2,639,157,766) |
| Net book value | 2,294,701,231 | 137,613,711 | 433,840,103 | 83,689,401 | 2,949,844,446 |
| At 30 June 2012 | | | | | |
| Opening net book value | 2,294,701,231 | 137,613,711 | 433,840,103 | 83,689,401 | 2,949,844,446 |
| Additions | 11,580,930 | 7,870,715 | - | 66,840,740 | 86,292,385 |
| Transfer from/(to) investment properties | (1,741,030,421) | 713,305,357 | (247,952,323) | - | (1,275,677,387) |
| Revaluation gains | 692,653,000 | - | - | - | 692,653,000 |
| Depreciation charge | (565,251,740) | (665,648,921) | (33,152,715) | (67,574,283) | (1,331,627,659) |
| Chosing net book value | 692,653,000 | 193,140,862 | 152,735,065 | 82,955,858 | 1,121,484,785 |
| At 30 June 2012 | | | | | |
| Cost | 1,806,602,115 | 1,495,323,016 | 867,131,902 | 923,213,177 | 5,092,270,210 |
| Accumulated depreciation | (1,113,949,115) | (1,302,182,154) | (714,396,837) | (840,257,319) | (3,970,785,425) |
| Net book value | 692,653,000 | 193,140,862 | 152,735,065 | 82,955,858 | 1,121,484,785 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment (Medical Scheme)

| | Land and Buildings | | Office equipment | | Furniture, fixtures & Fittings | | Computers | | Total | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|-----|-----------|-----|-------|-----|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| At 1 July 2011 | | | | | | | | | | |
| Cost | 1,806,602,115 | 1,495,323,016 | 867,131,902 | 923,213,177 | 5,092,270,210 | | | | | |
| Accumulated depreciation | (1,113,949,115) | (1,302,182,154) | (714,396,837) | (840,257,319) | (3,970,785,425) | | | | | |
| Net book value | 692,653,000 | 193,140,862 | 152,735,065 | 82,955,858 | 1,121,484,785 | | | | | |
| At 30 June 2013 | | | | | | | | | | |
| Opening net book value | 692,653,000 | 193,140,862 | 152,735,065 | 82,955,858 | 1,121,484,785 | | | | | |
| Additions | - | 25,794,329 | 17,328,724 | 77,715,208 | 120,838,261 | | | | | |
| Transfer to Investment properties | (182,704,989) | (269,523) | - | - | (182,974,512) | | | | | |
| Depreciation charge | (26,365,450) | (29,420,969) | (42,812,053) | (51,194,111) | (149,792,583) | | | | | |
| Disposal - cost | - | (32,160,295) | (740,332) | - | (32,900,627) | | | | | |
| Disposal - Accumulated depreciation | - | 32,160,295 | 740,332 | - | 32,900,627 | | | | | |
| Closing net book value | 483,582,561 | 189,244,699 | 127,251,736 | 109,476,955 | 909,555,951 | | | | | |
| At 30 June 2012 | | | | | | | | | | |
| Cost | 1,623,897,126 | 1,488,687,527 | 883,720,294 | 1,000,928,385 | 4,997,233,332 | | | | | |
| Accumulated depreciation | (1,140,314,565) | (1,299,442,828) | (756,468,558) | (891,451,430) | (4,087,677,381) | | | | | |
| Closing net book value | 483,582,561 | 189,244,699 | 127,251,736 | 109,476,955 | 909,555,951 | | | | | |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment (Medical Scheme)

| Year ended 30 June 2012 | Land and Buildings | | Motor vehicle | | Furniture, fixtures & fittings | | Computers | | Office equipment | | Capital work in progress | | Total | |
|--|-----------------------|-------------------|----------------------|--------------------|--------------------------------|-----------------------|-----------------------|-----|------------------|-----|--------------------------|-----|-------|-----|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| At 1 July 2011 | | | | | | | | | | | | | | |
| Cost | 181,652,324 | 94,501,925 | 180,562,317 | 463,926,515 | 70,373,801 | 15,625,094,316 | 16,616,111,198 | | | | | | | |
| Accumulated depreciation | - | (74,374,205) | (146,940,094) | (243,094,217) | (11,032,663) | - | (475,441,179) | | | | | | | |
| Net book value | 181,652,324 | 20,127,720 | 33,622,223 | 220,832,298 | 59,341,138 | 15,625,094,316 | 16,140,670,019 | | | | | | | |
| At 30 June 2012 | | | | | | | | | | | | | | |
| Opening net book value | 181,652,324 | 20,127,720 | 33,622,223 | 220,832,298 | 59,341,138 | 15,625,094,316 | 16,140,670,019 | | | | | | | |
| Additions | - | 82,026,000 | 75,660 | 18,780,240 | 20,023,255 | 3,516,274,864 | 3,637,180,019 | | | | | | | |
| Transfer from/ (to) capital work in progress | 8,495,184,060 | - | 3,351,948,238 | - | - | (12,141,664,100) | (294,531,802) | | | | | | | |
| Depreciation charge | (176,825,973) | (25,376,373) | (223,241,999) | (67,620,090) | (7,226,475) | - | (500,290,910) | | | | | | | |
| R evaluation gains | 6,066,776,659 | - | - | - | - | - | 6,066,776,659 | | | | | | | |
| Closing net book value | 14,566,787,070 | 76,777,347 | 3,162,404,122 | 171,992,448 | 72,137,918 | 6,999,705,080 | 25,049,803,985 | | | | | | | |
| At 30 June 2012 | | | | | | | | | | | | | | |
| Cost/valuation | 14,743,613,043 | 176,527,925 | 3,532,586,215 | 482,706,755 | 90,397,056 | 6,999,705,080 | 26,025,536,074 | | | | | | | |
| Accumulated depreciation | (176,825,973) | (99,750,578) | (370,182,093) | (310,714,307) | (18,259,138) | - | (975,732,089) | | | | | | | |
| Closing net book value | 14,566,787,070 | 76,777,347 | 3,162,404,122 | 171,992,448 | 72,137,918 | 6,999,705,080 | 25,049,803,985 | | | | | | | |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment - Medical Scheme (continued)

| Year ended 30 June 2013 | Land and Buildings | Motor vehicle | Furniture, fixtures & fittings | Computers | Office equipment | Laboratory equipment | Capital work in progress | Total |
|--------------------------------------|-----------------------|-------------------|--------------------------------|--------------------|-------------------|----------------------|--------------------------|-----------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| At 1 July 2012 | | | | | | | | |
| Cost | 14,743,613,043 | 176,527,925 | 3,532,586,215 | 482,706,755 | 90,397,056 | - | 6,999,705,080 | 26,025,536,074 |
| Accumulated depreciation | (176,825,973) | (99,750,578) | (370,182,093) | (310,714,307) | (18,259,138) | - | - | (975,732,089) |
| Net book value | 14,566,787,070 | 76,777,347 | 3,162,404,122 | 171,992,448 | 72,137,918 | - | 6,999,705,080 | 25,049,803,985 |
| At 30 June 2013 | | | | | | | | |
| Opening net book value | 14,566,787,070 | 76,777,347 | 3,162,404,122 | 171,992,448 | 72,137,918 | - | 6,999,705,080 | 25,049,803,985 |
| Additions | - | - | 120,712,227 | 77,625,208 | 1,990,000 | 641,798,532 | 2,480,824,666 | 3,322,950,633 |
| Transfer from/(to) pension scheme | 310,261,838 | - | 53,851,610 | (4,203,150) | (59,107,464) | - | - | 300,802,834 |
| Depreciation charge | (1,062,825,829) | (25,713,468) | (1,248,740,677) | (62,263,059) | - | (160,138,727) | - | (2,559,681,760) |
| Disposals - Cost | - | - | (12,336,428) | (8,916,218) | (972,000) | - | - | (22,224,646) |
| Disposals - Accumulated depreciation | - | - | 12,336,428 | 8,916,218 | 972,000 | - | - | 22,224,646 |
| Revaluation | 853,431,218 | - | - | - | - | - | - | 853,431,218 |
| Closing net book value | 14,667,654,297 | 51,063,879 | 2,088,227,282 | 183,151,447 | 15,020,454 | 481,659,805 | 9,480,529,746 | 26,967,306,910 |
| At 30 June 2013 | | | | | | | | |
| Cost | 15,907,306,099 | 176,527,925 | 3,694,813,624 | 547,212,595 | 32,307,592 | 641,798,532 | 9,480,529,746 | 30,480,496,113 |
| Accumulated depreciation | (1,239,651,802) | (125,464,046) | (1,606,586,342) | (364,061,148) | (17,287,138) | (160,138,727) | - | (3,513,189,203) |
| Closing net book value | 14,667,654,297 | 51,063,879 | 2,088,227,282 | 183,151,447 | 15,020,454 | 481,659,805 | 9,480,529,746 | 26,967,306,910 |

Capital works in progress relate to construction of the second phase of the doctor's plaza in Kigali City. As at 30 June 2013 the property was completed and ready for use.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment (continued)

Fair values of land and buildings

An independent valuation of RSSB's land and buildings was performed by external valuers to determine the fair value of land and buildings as at 30 June 2012. The revaluation surplus was credited to the other comprehensive income and is shown in other reserves in statement of changes in reserves and accumulated members' fund (Statement of changes in equity – Medical scheme).

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

- o Quoted prices (unadjusted) in active markets for identical assets (level 1)
- o Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- o Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

Pension scheme

| | Level 1 Rwf | Level 2 Rwf | Level 3 Rwf | Total Rwf |
|------------------|----------------|--------------------|----------------|--------------------|
| Land | - | 190,703,000 | - | 190,703,000 |
| Branch buildings | - | 429,506,000 | - | 429,506,000 |
| | - | 620,209,000 | - | 620,209,000 |

Medical scheme

| | Level 1 Rwf | Level 2 Rwf | Level 3 Rwf | Total Rwf |
|----------------------|----------------|-----------------------|----------------|-----------------------|
| Land | - | 298,043,000 | - | 298,043,000 |
| Buildings | - | 14,935,223,000 | - | 14,935,223,000 |
| Lifts and generators | - | 401,088,000 | - | 401,088,000 |
| | - | 15,634,354,000 | - | 15,634,354,000 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment (continued)

Fair values of land and buildings (continued)

Level 2 fair values of land adopted by the open market valuation method and the fair values of buildings have adopted the depreciated replacement cost. There were no level 1 and level 3 during the year.

14. Intangible assets

| | Pension Scheme | | Medical Scheme | | Total | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Cost | | | | | | |
| At start of year | 322,848,104 | 239,258,324 | 183,652,151 | 100,062,371 | 506,500,255 | 339,320,695 |
| Additions | 29,670,674 | 83,589,780 | 22,280,624 | 83,589,780 | 51,951,298 | 167,179,560 |
| | 352,518,778 | 322,848,104 | 205,932,775 | 183,652,151 | 558,451,553 | 506,500,255 |
| Amortization | | | | | | |
| At start of year | (228,669,634) | (222,660,395) | (101,152,758) | (95,143,519) | (329,822,392) | (317,803,914) |
| Charge for the year | (28,203,428) | (6,009,239) | (28,203,428) | (6,009,239) | (56,406,856) | (12,018,478) |
| | (256,873,062) | (228,669,634) | (129,356,186) | (101,152,758) | (386,229,248) | (329,822,392) |
| Closing net book value | 95,645,716 | 94,178,470 | 76,576,589 | 82,499,393 | 172,222,305 | 176,677,863 |

Intangible assets relates to computer software licenses.

Rwanda Social Security Board
 Financial statements for the year ended 30 June 2013

Notes (continued)

15. Investment properties

| | 2013 | 2012 |
|---|------------------------|-----------------------|
| | Rwf | Rwf |
| Cost | | |
| Net book value at 1 July | 97,908,925,205 | 36,490,860,641 |
| Addition | 5,135,924,103 | 2,326,002,435 |
| Transfers from Property and equipment | 182,974,512 | 1,275,677,387 |
| Transfers from investment works in progress | 2,860,204,000 | 29,089,005,657 |
| Depreciation charge | - | - |
| Disposals | (1,086,126,834) | (2,095,550,486) |
| Fair value gains/losses | (269,250,345) | 30,822,929,571 |
| Net book value at 30 June | 104,732,650,641 | 97,908,925,205 |
| Cost | 104,732,650,641 | 101,277,530,070 |
| Accumulated depreciation charge | - | (3,368,604,865) |
| Net book value at 30 June | 104,732,650,641 | 97,908,925,205 |

The fair value gains recorded in the current year relates to three properties that were sold subsequent to year end hence the selling prices were applied as the fair value of the properties at year end. The other properties were presented as per the valuation report as at 30 June 2012.

Fair values of investment properties

RSSB's investment properties were valued at 30 June 2012 by independent professional qualified valuers, based on the depreciated replacement costs of the properties. RSSB leases its investment properties under short term operating leases. The rental income earned from investment properties and the expenses incurred in relation to the investment properties are set out under notes 2.2 and 5 respectively.

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

- o Quoted prices (unadjusted) in active markets for identical assets (level 1)
- o Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- o Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------|---------|------------------------|---------|------------------------|
| Land | - | 42,511,585,000 | - | 42,511,585,000 |
| Buildings | - | 69,766,092,000 | - | 69,766,092,000 |
| Lifts and generators | - | 2,228,407,000 | - | 2,228,407,000 |
| | - | 114,506,084,000 | - | 114,506,084,000 |

There were no level 1 and level 3 during the year.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

15 Investment properties (continued)

Subsequent events:

Subsequent to 30 June 2013, RSSB entered into a sales agreement with the Government of Rwanda acting through the Ministry of Finance and Economic planning in which RSSB sold and transferred to the Government of Rwanda three buildings as described below:

1. Kacyiru building (former CSR headquarter) at Rwf 8,148,783,703
2. Kicukiro pension plaza at Rwf 5,893,972,030
3. Nyarugenge pension plaza at Rwf 12,254,882,795

The Government of Rwanda made a down payment of Rwf 5 billion and converted the remaining balance into a 5 year bond payable on a quarterly basis at an interest rate of 5%.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

16. Equity investments - Pension

| Company particulars | At 1 July 2012 | | Additions | | Fair value gains/(loss) | | Disposals/ Transfers | | Balance at 30 June 2013 | |
|---|-----------------------|----------------------|-----------------------|------------------------|-------------------------|-----------------|----------------------|-----|-------------------------|-----|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Akagera Game Lodge | - | 1,432,466,679 | - | 342,705,735 | - | - | - | - | 1,775,172,414 | |
| Development Bank of Rwanda Limited | 9,262,785,293 | - | - | 1,143,983,932 | - | - | - | - | 10,406,769,225 | |
| Bank of Kigali Limited | 22,703,590,601 | 5,027,342,932 | - | 12,520,201,971 | - | (1,602,132,803) | - | - | 38,649,002,701 | |
| Ultimate Concepts Limited | 5,558,517,674 | - | - | (510,191,154) | - | - | - | - | 5,048,326,520 | |
| Hostels 2020 Limited | 4,713,326,172 | - | - | - | - | - | - | - | 4,713,326,172 | |
| Building Materials Investments (BMI) | 5,879,543,496 | - | - | (2,909,354,463) | - | - | - | - | 2,970,189,033 | |
| Sonarwa Holdings Limited | 1,345,792,338 | - | - | 540,080,612 | - | - | - | - | 1,885,872,950 | |
| Rwanda Investment Group Limited | 3,353,484,795 | - | - | (195,270,641) | - | - | - | - | 3,158,214,154 | |
| Rwanda Enterprise Investment Company Limited | 195,180,700 | - | - | (57,870,483) | - | - | - | - | 137,310,217 | |
| Rwanda Foreign Holding Investment Company (Merrimack pharmaceuticals) | 10,058,038,973 | - | - | (279,256,594) | - | - | - | - | 9,778,782,379 | |
| Safaricom Limited | 2,466,767,319 | - | - | 2,345,312,170 | - | - | - | - | 4,812,079,489 | |
| Rwanda Stock Exchange | 10,000,000 | - | - | 13,605,893 | - | - | - | - | 23,605,893 | |
| Bralirwa Limited | 2,874,202,980 | 84,154,855 | - | 4,575,273,165 | - | - | - | - | 7,533,631,000 | |
| Prime Economic Zones Limited | 1,410,690,000 | - | - | (111,036,865) | - | - | - | - | 1,299,653,135 | |
| SOYCO Limited | 657,124,963 | - | - | (66,268,365) | - | - | - | - | 590,856,598 | |
| Ciments du Rwanda Limited (CIMERWA) | 9,993,749,998 | - | - | (2,010,829,250) | - | (1,049,277,125) | - | - | 6,933,643,623 | |
| Gaculiro Property Development Limited | 7,350,000,000 | - | - | (1,468,503,499) | - | - | - | - | 5,881,496,501 | |
| Continental Discount House | 35,251,199 | - | - | - | - | (35,251,199) | - | - | - | |
| Broll Rwanda Limited | - | 44,475,225 | - | - | - | - | - | - | 44,475,225 | |
| New Forest Company Holdings Limited | - | 1,069,372,220 | - | (34,791,143) | - | - | - | - | 1,034,581,077 | |
| New Forest Rwanda Company | 62,415,340 | - | - | 2,364,660 | - | - | - | - | 64,780,000 | |
| | 87,930,461,841 | 7,657,811,911 | 13,840,155,681 | (2,686,661,127) | 106,741,768,306 | | | | | |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

16. Equity investments - Pension Scheme (Continued)

| Company particulars | At 1 July 2012 | Additions during the year at cost | | Fair value gains/(loss) | | Disposals | | Balance at 30 June 2012 | |
|---|-----------------------|-----------------------------------|-----|-------------------------|----------------------|-----------|-----|-------------------------|-----|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Development Bank of Rwanda Limited | 9,113,819,916 | - | - | 148,965,377 | - | - | - | 9,262,785,293 | |
| Bank of Kigali Limited | 21,055,375,000 | 409,892,521 | - | 1,791,649,485 | (553,326,405) | - | - | 22,703,590,601 | |
| Continental discount house | - | 35,251,199 | - | - | - | - | - | 35,251,199 | |
| Ultimate Concepts Limited | 5,558,517,674 | - | - | - | - | - | - | 5,558,517,674 | |
| Hostels 2020 Limited | 5,850,770,291 | - | - | (1,137,444,119) | - | - | - | 4,713,326,172 | |
| Building Materials Investments (BMI) | 5,879,543,496 | - | - | - | - | - | - | 5,879,543,496 | |
| Sonarwa Holdings Limited | 1,280,187,025 | - | - | 65,605,313 | - | - | - | 1,345,792,338 | |
| Rwanda Investment Group Limited | 2,400,000,000 | - | - | 953,484,795 | - | - | - | 3,353,484,795 | |
| Rwanda Enterprise Investment Company Limited | - | - | - | - | - | - | - | 195,180,700 | |
| Rwanda Foreign Holding Investment Company Limited | 7,675,000,000 | - | - | 2,383,038,973 | - | - | - | 10,058,038,973 | |
| Safaricom Limited | 2,526,576,523 | - | - | (59,809,204) | - | - | - | 2,466,767,319 | |
| Rwanda Stock Exchange | 10,000,000 | - | - | - | - | - | - | 10,000,000 | |
| Bralirwa Limited | 1,806,881,500 | - | - | 1,067,321,480 | - | - | - | 2,874,202,980 | |
| Rwanda Free Zone Limited (RFZ) | 1,410,690,000 | - | - | - | - | - | - | 1,410,690,000 | |
| SOYCO Limited | 509,957,625 | 147,167,338 | - | - | - | - | - | 657,124,963 | |
| Ciments du Rwanda Limited (CIMERWA) | - | 4,975,000,000 | - | 5,018,749,998 | - | - | - | 9,993,749,998 | |
| Gacairo property development Limited | 6,850,000,000 | 500,000,000 | - | - | - | - | - | 7,350,000,000 | |
| New Forest Company | - | 62,415,340 | - | - | - | - | - | 62,415,340 | |
| | 72,122,499,750 | 6,129,726,398 | | 10,231,562,098 | (553,326,405) | | | 87,930,461,841 | |

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Financial statements for the year ended to 30 June 2013*

Notes (continued)

16. Equity Investments - Pension Scheme (Continued)

| Company particulars | At 1 July 2012 | Additions during the year at cost | | Fair value gains/(loss) | | Disposals | | Balance at 30 June 2012 |
|---|-----------------------|-----------------------------------|-----------------------|-------------------------|-----|-----------|-----------------------|-------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Development Bank of Rwanda Limited | 9,113,819,916 | - | 148,965,377 | - | - | - | 9,262,785,293 | |
| Bank of Kigali Limited | 21,055,375,000 | 409,892,521 | 1,791,649,485 | (553,326,405) | - | - | 22,703,590,601 | |
| Continental discount house | - | 35,251,199 | - | - | - | - | 35,251,199 | |
| Ultimate Concepts Limited | 5,558,517,674 | - | - | - | - | - | 5,558,517,674 | |
| Hotels 2020 Limited | 5,850,770,291 | - | (1,137,444,119) | - | - | - | 4,713,326,172 | |
| Building Materials Investments (BMI) | 5,879,543,496 | - | - | - | - | - | 5,879,543,496 | |
| Sonarwa Holdings Limited | 1,280,487,025 | - | 65,605,313 | - | - | - | 1,345,792,338 | |
| Rwanda Investment Group Limited | 2,400,000,000 | - | 953,484,795 | - | - | - | 3,353,484,795 | |
| Rwanda Enterprise Investment Company Limited | - | - | - | - | - | - | 195,180,700 | |
| Rwanda Foreign Holding Investment Company Limited | 7,675,000,000 | - | 2,383,038,973 | - | - | - | 10,058,038,973 | |
| Safaricom Limited | 2,526,576,523 | - | (59,809,204) | - | - | - | 2,466,767,319 | |
| Rwanda Stock Exchange | 10,000,000 | - | - | - | - | - | 10,000,000 | |
| Brallirwa Limited | 1,806,881,500 | - | 1,067,321,480 | - | - | - | 2,874,202,980 | |
| Rwanda Free Zone Limited (RFZ) | 1,410,690,000 | - | - | - | - | - | 1,410,690,000 | |
| SOYCO Limited | 509,957,625 | 147,167,338 | - | - | - | - | 657,124,963 | |
| Ciments du Rwanda Limited (CIMERWA) | - | 4,975,000,000 | 5,018,749,998 | - | - | - | 9,993,749,998 | |
| Gaculiro property development Limited | 6,850,000,000 | 500,000,000 | - | - | - | - | 7,350,000,000 | |
| New Forest Company | - | 62,415,340 | - | - | - | - | 62,415,340 | |
| | 72,122,499,750 | 6,129,726,398 | 10,231,562,098 | (553,326,405) | | | 87,930,461,841 | |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

16. Equity investments – Medical Scheme (continued)

| Company particulars | At 1 July 2012 | Disposals during the year at cost | Fair value gains/(loss) | Balance at 30 June 2013 |
|--|-----------------------|-----------------------------------|-------------------------|-------------------------|
| | Rwf | Rwf | Rwf | Rwf |
| Company | | | | |
| Held at fair value through profit or loss: | | | | |
| Bralirwa Limited | 1,437,117,420 | - | 2,197,699,080 | 3,634,816,500 |
| Bank of Kigali Limited | 110,780 | - | 2,225,472 | 2,336,252 |
| | 1,437,228,200 | - | 2,199,924,552 | 3,637,152,752 |
| Company | | | | |
| Available-for-sale-equity investments: | | | | |
| Rwanda Investment Group Limited | 1,006,045,439 | - | (58,581,192) | 947,464,247 |
| Rwanda Foreign Holding Investment Company | 4,353,734,447 | - | (120,502,535) | 4,233,232,912 |
| Ciments du Rwanda Limited (CIMERWA) | 9,993,749,998 | (1,049,275,089) | (2,008,850,427) | 6,935,623,482 |
| | 15,353,529,884 | (1,049,275,089) | (2,187,934,154) | 12,116,320,641 |
| | 16,790,758,084 | (1,049,275,089) | 11,990,398 | 15,753,473,393 |

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Financial statements for the year ended to 30 June 2013*

Notes (continued)

16. Equity investments –Medical Scheme (continued)

| | At 1 July 2011 | Additions during the year at cost | Fair value gains/(loss) | Balance at 30 June 2012 |
|--|----------------------|-----------------------------------|-------------------------|-------------------------|
| Company | | | | |
| Held at fair value through profit or loss: | | | | |
| Bralirwa Limited | 903,452,280 | - | 533,665,140 | 1,437,117,420 |
| Bank of Kigali Limited | - | 110,780 | - | 110,780 |
| | 903,452,280 | 110,780 | 533,665,140 | 1,437,228,200 |
| Company | | | | |
| Available-for-sale-equity investments: | | | | |
| Rwanda Investment Group Limited | 720,000,000 | - | 286,045,439 | 1,006,045,439 |
| Rwanda Foreign Holding Investment Company | 2,889,348,000 | - | 1,464,386,447 | 4,353,734,447 |
| Ciments du Rwanda Limited (CIMERWA) | - | 3,975,000,000 | 6,018,749,998 | 9,993,749,998 |
| | 3,609,348,000 | 3,975,000,000 | 7,769,181,884 | 15,353,529,884 |
| | 4,512,800,280 | 3,975,110,780 | 8,302,847,024 | 16,790,758,084 |

Notes (Continued)

16. Equity investments (continued)

Fair value of equity investments

The investments in equities are measured at fair value. The fair values of the fund's other financial assets and liabilities approximate the respective carrying amounts, due to the generally short periods to contractual repricing or maturity dates as set out above.

The following table presents RSSB's financial assets that are measured at fair value through profit or loss at 30 June 2013:

| Assets | Level 1 | Level 2 | Level 3 | Total Balance |
|--------------|-----------------------|-----------------------|-----------------------|------------------------|
| | Rwf | Rwf | Rwf | Rwf |
| Pension | 60,773,495,569 | 6,993,643,623 | 39,034,629,114 | 106,801,768,306 |
| Medical | 3,637,152,752 | 6,935,624,482 | 5,180,696,938 | 15,753,474,172 |
| Total | 64,410,648,321 | 13,929,268,105 | 44,215,326,052 | 122,555,242,478 |

The following table presents the Fund's assets that are measured at fair value at 30 June 2012:

| Assets | Level 1 | Level 2 | Level 3 | Total Balance |
|--------------|-----------------------|-----------------------|-----------------------|------------------------|
| | Rwf | Rwf | Rwf | Rwf |
| Pension | 38,102,599,873 | 9,993,749,998 | 39,834,111,970 | 87,930,461,841 |
| Medical | 1,437,228,200 | 9,993,749,998 | 5,359,779,886 | 16,790,758,084 |
| Total | 39,539,828,073 | 19,987,499,996 | 45,193,891,856 | 104,721,219,925 |

The different level of fair value measurement hierarchy is described as follows:

- o Quoted prices (unadjusted) in active markets for identical assets (level 1)
- o Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- o Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cash flow analysis. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on fund specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no movements between level 2 and level 3 during the year.

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Notes (continued)

16. Equity investments (continued)

Fair value of financial assets and liabilities

The reconciliation of level 3 is explained below:

| | Pension | | Medical | | Total | |
|---|------------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Equity Instruments | | | | | | |
| Opening balance | 49,892,866,844 | 44,213,586,336 | 5,359,780,666 | 3,609,348,000 | 55,252,647,510 | 47,822,934,336 |
| Acquisition during the year | 2,546,314,124 | - | - | - | 2,546,314,124 | - |
| Transfers into and out of level 3 | - | 745,549,877 | - | - | - | 745,549,877 |
| Gains and losses recognised in statement of changes in net assets available for benefits | (8,888,920,343) | 4,933,730,631 | (179,083,728) | 1,750,432,666 | (9,068,004,071) | 6,684,163,297 |
| Closing balance | 43,550,260,625 | 49,892,866,844 | 5,180,696,938 | 5,359,780,666 | 48,730,957,563 | 55,252,647,510 |
| Total gains or losses for the period included in statement of changes in net assets available for benefits for assets held at the end of the reporting period | (8,888,920,343) | 4,933,730,631 | (179,083,728) | 1,750,432,666 | (9,068,004,071) | 6,684,163,297 |

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Notes (continued)

16. Fully impaired investments (Pension Scheme)

The following investments were fully impaired as at 30 June 2011, 2012 and 2013;

| Investment | Cost | Impairment provision | Net Carrying Amount |
|---|--------------------|----------------------|---------------------|
| | Rwf | Rwf | Rwf |
| International Transport Society of Rwanda | 10,000,000 | (10,000,000) | - |
| Air Rwanda S.A | 8,000,000 | (8,000,000) | - |
| Net care King Faisal Hospital | 83,052,040 | (83,052,040) | - |
| Suremed | 62,000,000 | (62,000,000) | - |
| | 163,052,040 | (163,052,040) | - |

17. Government of Rwanda Development Bond

| | 2013 | 2012 |
|------------------------------|-----------------------|-----------------------|
| | Rwf | Rwf |
| At start of the year | 46,369,516,855 | 51,313,504,051 |
| Interest accrued | 3,477,713,764 | 3,848,512,804 |
| Repayments | (3,558,750,000) | (8,792,500,000) |
| Balance as at 30 June | 46,288,480,619 | 46,369,516,855 |
| Current | 9,187,500,000 | 8,477,713,765 |
| Non-current | 37,100,980,619 | 37,891,803,090 |
| | 46,288,480,619 | 46,369,516,855 |

Government securities relate to a development bond to the Government of Rwanda arising from a conversion of amounts due from the Government into a bond through contract with the government dated 29 September 2006. The bond earns interest at an annual rate of 7.5% and is payable until 2018.

The carrying value approximates the bond fair value.

18 Treasury bond (Medical)

| | 2013 | 2012 |
|------------------------------|----------------------|----------------------|
| | Rwf | Rwf |
| At start of the year | 1,504,640,781 | 870,234,108 |
| Additions | - | 576,900,000 |
| Interest accrued | 124,217,552 | 153,203,406 |
| Repayments | (534,266,458) | (95,696,733) |
| Balance as at 30 June | 1,094,591,875 | 1,504,640,781 |

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

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Financial statements for the year ended 30 June 2013*

Notes (continued)

19. Treasury bills

| | 2013 | 2012 |
|------------------------------|-----------------------|------|
| | Rwf | Rwf |
| a) Pension | | |
| At start of the year | - | - |
| Additions | 91,353,209,305 | - |
| Interest accrued | 2,045,337,338 | - |
| Maturities | (68,392,174,200) | - |
| Balance as at 30 June | 25,006,372,443 | - |
| b) Medical | | |
| At start of the year | - | - |
| Additions | 42,842,863,680 | - |
| Interest accrued | 1,682,261,874 | - |
| Maturities | (27,094,492,559) | - |
| Balance as at 30 June | 17,430,632,995 | - |

The maturity profile of the treasury bills held during the year is as follows:

| | Pension | Medical |
|--|-----------------------|-----------------------|
| | Rwf | Rwf |
| Treasury bills and bonds maturing: | | |
| - Within 91 days from the date of acquisition | 16,906,428,587 | 3,590,742,398 |
| - 91 days to 1 year from the date of acquisition | 8,099,943,856 | 13,839,890,597 |
| | 25,006,372,443 | 17,430,632,995 |

Due to the short term nature of the treasury bills, their carrying value approximates to their fair value

20. Amounts due from the Government of Rwanda

| | 2013 | 2012 |
|------------------------------|-------------------|-------------------|
| | Rwf | Rwf |
| At start of the year | 6,890,427,846 | 6,890,427,846 |
| Impairment provision | (6,858,188,561) | (6,858,188,561) |
| Balance as at 30 June | 32,239,285 | 32,239,285 |

Amounts due from the Government of Rwanda ("GoR") relate to proceeds from the sale of RSSB's equity investments in Rwandatel Limited shares that were paid to GoR but have not been transferred to the institution.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

21. Loans and Advances to third parties

| | Pension Scheme | | Medical Scheme | | Total | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Development Bank of Rwanda Limite | 2,258,142,031 | 2,745,078,242 | 876,906,347 | 2,530,406,526 | 3,135,048,378 | 5,275,484,768 |
| Broadband Systems Corporation Limited | - | - | 3,051,875,000 | 2,500,000,000 | 3,051,875,000 | 2,500,000,000 |
| New Forest Company | 438,273,748 | 438,273,748 | - | - | 438,273,748 | 438,273,748 |
| Akagera Game Lodge | 68,390,518 | - | - | - | 68,390,518 | - |
| | 2,764,806,297 | 3,183,351,990 | 3,928,781,347 | 5,030,406,526 | 6,693,587,644 | 8,213,758,516 |

21.1 Loan to Development Bank of Rwanda Limited

| | | | | | | |
|----------------------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| At start of the year | 2,745,078,241 | 2,239,636,297 | 2,530,406,526 | 3,163,315,775 | 5,275,484,767 | 5,402,952,072 |
| Additions | 770,000,000 | 1,250,000,000 | - | 1,250,000,000 | 770,000,000 | 2,500,000,000 |
| Interest accrued during the year | 223,895,702 | 243,685,189 | 122,863,124 | 329,910,398 | 346,758,826 | 573,595,587 |
| Payments received on the loans | (1,480,831,912) | (988,243,244) | (1,776,363,303) | (2,212,819,647) | (3,257,195,215) | (3,201,062,891) |
| Balance as at 30 June | 2,258,142,031 | 2,745,078,242 | 876,906,347 | 2,530,406,526 | 3,135,048,378 | 5,275,484,768 |
| Current | 1,391,053,315 | 908,792,178 | 418,985,935 | 708,904,993 | 1,810,039,250 | 1,617,697,171 |
| Non-current | 867,088,716 | 1,836,286,064 | 457,920,412 | 1,821,501,533 | 1,325,009,128 | 3,657,787,597 |
| | 2,258,142,031 | 2,745,078,242 | 876,906,347 | 2,530,406,526 | 3,135,093,378 | 5,275,484,768 |

The loans to Development Bank of Rwanda Limited (BRD) are in several tranches with maturity periods of between 2-3 years and earn interest at an annual rate of 10-11%. The loans are not secured. Additions relate to the asset sold by RSSB to BRD at a selling price of Rwf 1.1 billion. 70% of this sales price is repayable within two years at an interest rate of 13% payable semi-annually.

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Notes (continued)

21.2 Loan to Broadband Systems Corporation Limited

On 7th July 2011 the Broadband Systems Corporation Limited represented by Ministry of Finance as guarantor was given a loan of Rwf 2,500,000,000 by RSSB. The loan must be repaid over a period of four (4) years with a grace period of two (2) years. The loan was issued at a floating interest rate and based on the average of the last six months rate of treasury bills plus 1.5% from the date of the disbursement, payable semi-annually. Accrued interest amounting to Rwf 551 million has been included in statement of comprehensive income for this loan.

21.3 Loan to New Forest Company

RSSB advanced a share holder loan to New Forests Company Rwanda amounting to Rwf 438,273,748. The loan was advanced on 13 May 2012. The loan is interest free and is unsecured.

22. Mortgage loans

| | 2013 | 2012 |
|----------------------------------|----------------------|----------------------|
| | Rwf | Rwf |
| At start of the year | 5,674,517,186 | 9,511,812,536 |
| Interest accrued during the year | 769,937,479 | 946,517,935 |
| Repayments during the period | (2,108,277,537) | (4,783,813,285) |
| Balance at 30 June | 4,336,177,128 | 5,674,517,186 |
| Impairment provision | (802,405,982) | (802,405,982) |
| Net balance at 30 June | 3,533,771,146 | 4,872,111,204 |
| Impairment provision | | |
| At start of the year | 802,405,982 | 359,405,606 |
| Additional impairment | - | 443,000,376 |
| Balance as at 30 June | 802,405,982 | 802,405,982 |

23 Corporate bond

| | 2013 | 2012 |
|------------------------------|--------------------|--------------------|
| | Rwf | Rwf |
| At start of the year | 363,285,330 | 364,962,413 |
| Interest accrued | 36,336,563 | 41,093,810 |
| Repayments | (54,862,499) | (42,770,893) |
| Balance as at 30 June | 344,759,394 | 363,285,330 |

Corporate bonds are debt securities issued by I&M Bank (Rwanda) Limited domiciled in Rwanda. These securities have a maturity period of 10 years and are carried at amortized cost. The amortized cost approximates the fair value of the bonds.

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Notes (continued)

24 Other assets

| | Pension Scheme | | Medical Scheme | | Total | |
|---|----------------|---------------|----------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Advances to contractors | 2,063,836,456 | 2,972,918,616 | 489,847,742 | 1,466,013,363 | 2,553,684,743 | 4,438,931,979 |
| Staffloans and advances | 228,034,187 | 223,237,562 | 213,383,793 | 46,697,637 | 441,417,980 | 269,935,199 |
| Rent receivable | 599,054,820 | 471,703,014 | - | - | 599,054,820 | 471,703,014 |
| Receivable from pension/medical scheme | - | 661,405,384 | 1,279,979,891 | - | 1,279,979,891 | 661,405,384 |
| Receivable dividend from Bank of Kigali | 1,619,403,039 | - | - | - | 1,619,403,039 | - |
| Other debtors | 214,689,364 | 402,640,122 | 122,392,608 | 870,467,331 | 337,081,427 | 1,273,107,453 |
| | 4,725,017,866 | 4,731,904,698 | 2,105,604,034 | 2,383,178,331 | 6,830,621,900 | 7,115,083,029 |

The advances to contractors are analyzed as follows:

| | Pension Scheme | | Medical Scheme | | Total | |
|----------------------|-----------------|-----------------|----------------|---------------|-----------------|-----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Gross | 4,989,913,066 | 5,898,995,226 | 489,847,742 | 1,466,013,363 | 5,479,760,808 | 7,365,008,589 |
| Impairment provision | (2,926,076,610) | (2,926,076,610) | - | - | (2,926,076,610) | (2,926,076,610) |
| | 2,063,836,456 | 2,972,918,616 | 489,847,742 | 1,466,013,363 | 2,553,684,198 | 4,438,931,979 |

25 Inventory

| | Pension Scheme | | Medical Scheme | | Total | |
|---------------------|----------------|-------------|----------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Office supplies | 204,652,648 | 179,304,805 | 204,652,648 | 73,212,961 | 409,305,296 | 252,517,766 |
| Medical inventories | - | - | 142,767,637 | 368,414,652 | 142,767,637 | 368,414,652 |
| | 204,652,648 | 179,304,805 | 347,420,285 | 441,627,613 | 552,072,933 | 620,932,418 |

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Notes (continued)

26. Deposits with Financial Institutions

| | Pension Scheme | | Medical Scheme | | Total | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Bank of Kigali Limited | 16,688,962,761 | 10,923,767,123 | 9,217,301,449 | 10,349,969,862 | 25,906,264,210 | 21,273,736,985 |
| Banque Populaire du Rwanda Limited | 5,089,488,699 | 8,152,906,849 | 3,154,839,726 | 5,119,413,151 | 8,244,328,425 | 13,272,320,000 |
| Zigama CSS | 2,085,123,425 | 4,252,000,000 | 5,113,029,041 | 1,086,013,699 | 7,198,152,466 | 5,338,013,699 |
| Guaranty Trust Bank (Rwanda) Limited | 8,335,236,740 | 4,131,769,863 | 3,061,845,348 | 8,212,027,397 | 11,397,082,088 | 12,343,797,260 |
| KCB Rwanda Limited | 3,166,530,137 | 2,127,150,685 | 4,156,563,014 | 3,207,000,000 | 7,323,093,151 | 5,334,150,685 |
| Ecobank Rwanda Limited | 4,269,727,123 | 2,716,308,219 | 6,068,921,027 | 7,822,579,452 | 10,338,648,150 | 10,538,887,671 |
| Cogebanque Limited | 3,013,236,211 | 4,074,881,644 | 8,402,845,897 | 5,242,613,151 | 11,416,082,108 | 9,317,494,795 |
| Development Bank of Rwanda Limited | 6,052,979,452 | 3,029,301,370 | 4,221,264,867 | - | 10,274,244,319 | 3,029,301,370 |
| I&M Bank (Rwanda) Limited | 5,194,308,836 | 1,063,863,014 | 5,285,579,041 | 4,284,232,877 | 10,479,887,877 | 5,348,095,891 |
| Access Bank (Rwanda) Limited | - | - | - | 3,247,795,890 | - | 3,247,795,890 |
| Equity Bank Rwanda Limited | 4,027,386,301 | - | - | - | 4,027,386,301 | - |
| | 57,922,979,685 | 40,471,948,767 | 48,682,189,410 | 48,571,645,479 | 106,605,169,095 | 89,043,594,246 |

27. Cash and bank balances

| | | | | | | |
|--------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Cash at bank | 8,093,989,340 | 7,495,226,388 | 8,197,169,338 | 4,606,961,758 | 16,291,158,678 | 12,102,188,146 |
| Cash at hand | 3,406,080 | 1,692,494 | 2,221,524 | 720,000 | 5,627,604 | 2,412,494 |
| | 8,097,395,420 | 7,496,918,882 | 8,199,390,862 | 4,607,681,758 | 16,296,786,282 | 12,104,600,640 |

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Notes (continued)

28. Other Payables

| | Pension Scheme | | Medical Scheme | | Total | |
|-----------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Suppliers and shares subscribed | 3,750,233,561 | 5,903,772,364 | 674,665,364 | 1,275,147,088 | 4,424,898,925 | 7,178,919,452 |
| Payable to medical/pension scheme | 1,279,979,891 | - | - | 661,405,384 | 1,279,979,891 | 661,405,384 |
| Unallocated contributions | 2,145,761,641 | 3,682,672,824 | 424,087,666 | - | 2,569,849,307 | 3,682,672,824 |
| Pay As You Earn (PAYE) | 96,953,700 | 49,548,630 | 57,491,026 | 49,548,630 | 154,444,726 | 99,097,260 |
| Benefits payable | 25,749,427 | 110,127,385 | 39,462,674 | - | 65,212,101 | 110,127,385 |
| Other creditors | 340,312,682 | 373,687,059 | - | - | 340,312,682 | 373,687,059 |
| Prepaid mortgage loan interest | - | 34,690,941 | - | - | - | 34,690,941 |
| | 7,638,990,902 | 10,154,499,203 | 1,195,706,730 | 1,986,101,102 | 8,834,697,632 | 12,140,600,305 |

Notes (continued)

29 Medical claims payable

| | 2013 | 2012 |
|--|---------------|---------------|
| | Rwf | Rwf |
| Medical claims incurred but not reported | 1,619,250,735 | 1,904,218,312 |

30. Retentions on contractors' payments

In accordance with the institution's procurement policy and the construction contracts it enters into, the institution retains 10% on all contractors' invoices prior to completion of contracted works. The retentions are payable to contractors on completion and certification of works carried out. The current year retention balance stands at Rwf 3,994,898,680 for pension scheme and Rwf 1,202,467,505 for medical scheme.

31. Share Capital

Share capital relate to retained surpluses from the medical division converted to shares. The shares are unallocated.

32. Revaluation reserve

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

33. Fair value reserve

The fair value reserve represents the surplus on the revaluation of available-for-sale equity investments and 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.

34. Statutory reserves

The statutory reserves are set out by Decree Law of 22 August 1974 concerning the 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;

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

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Notes (continued)

35. Contingent liabilities

In 2010, a dispute arose between RSSB and Thomas and Piron Grand Lacs (Rwanda) Limited (the contractor) who had been contracted by RSSB to construct the Grand Pension Plaza Building. RSSB disputed the final account certificate issued by the contractor as cost of work done. The two parties engaged a quantity surveyor to carry out a valuation of completed works, whose report concluded that the contractor's final account certificate of Rwf 7.4 billion had been overstated by Rwf 4.7 Billion. This was however disputed by the contractor, who maintained the original claim was correct.

The matter is now currently under arbitration.

RSSB has recorded a liability of Rwf 944 million against the contractor's claim, on the basis of the valuation report issued by the quantity surveyor.

The Directors consider that it is more likely than not that no outflows exceeding the recognised liabilities will arise, in relation to the matter above.

RSSB is a defendant in a number of court cases, including those involving expropriation of land. Based on legal advice received and past experience on similar matters, the Directors consider that it is more likely than not that no outflows will arise from these contingent liabilities.

There were no other contingent liabilities of RSSB at 30 June 2013.

36. Prior period adjustments

Investment property balances and the related fair value gains reported in the 2012 financial statements included errors that were identified in the current year. The nature of these errors is as follows:

1. Following valuation of investment properties as at 30 June 2012, the value of land amounting to Rwf 8,098,560,000 was erroneously omitted in recording the fair value the investment properties.

This resulted in an understatement of investment property balances and fair value gains on investment properties by this amount;

2. In recording the construction cost of some properties in 2012, tax exemptions available to RSSB amounting to Rwf 1,695,012,586 has not been considered and the historical cost was therefore recorded gross of those taxes. This overstated the cost of the properties and consequently, on subsequent valuation of the properties, the fair value gains. The financial statements of 2012 have been restated to correct the impact of those errors.

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Notes (continued)

36. Prior period adjustments (continued)

The effect of the restatement on the changes in net assets available for benefits for 2012 as previously reported is set out below.

| | Pension scheme | | Pension Scheme | | Medical | Total |
|---|------------------------|----------------------|------------------------|-----------------------|------------------------|-------|
| | Reported 2012 | Adjustments | (Restated) 2012 | Reported 2012 | (Restated) 2012 | |
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Dealings with members | | | | | | |
| Contributions | 42,890,412,771 | - | 42,890,412,771 | 27,607,121,723 | 70,497,534,494 | |
| Benefits payable | (8,422,992,219) | - | (8,422,992,219) | (9,435,099,253) | (17,858,091,472) | |
| Pharmacy sales | - | - | - | 659,507,382 | 659,507,382 | |
| | 34,467,420,552 | | 34,467,420,552 | 18,831,529,852 | 53,298,950,404 | |
| Returns on investments | | | | | | |
| Investment income | 10,591,944,530 | | 10,591,944,530 | 5,181,403,301 | 15,773,347,831 | |
| Change in fair value of investment properties | 21,029,356,985 | 9,793,572,586 | 30,822,929,571 | - | 30,822,929,571 | |
| Change in fair value of financial assets at fair value through profit or loss | 10,231,562,098 | | 10,231,562,098 | 533,665,920 | 10,765,228,018 | |
| | 41,852,863,613 | 9,793,572,586 | 51,646,436,199 | 5,715,069,221 | 57,361,505,420 | |
| Less: investment management expenses | (468,897,030) | - | (468,897,030) | - | (468,897,030) | |
| Net returns on investments | 41,383,966,583 | 9,793,572,586 | 51,177,539,169 | 5,715,069,221 | 56,892,608,309 | |
| Other income | 101,559,502 | - | 101,559,502 | 32,912,981 | 134,472,483 | |
| Expenditure | | | | | | |
| Staff costs | (2,140,947,270) | - | (2,140,947,270) | (2,127,385,054) | (4,268,332,324) | |
| Administrative expenses | (970,439,747) | - | (970,439,747) | (737,446,287) | (1,707,886,034) | |
| Depreciation and amortization charge | (1,337,636,898) | - | (1,337,636,898) | (506,300,149) | (1,843,937,047) | |
| Other expenses | (798,259,120) | - | (798,259,120) | (991,981,948) | (1,790,241,068) | |
| Pharmaceutical inventory expensed | - | - | - | (699,754,225) | (699,754,225) | |
| Total expenses | (5,247,283,035) | - | (5,247,283,035) | - | - | |
| Net income for the period | 70,705,663,602 | 9,793,572,586 | 80,499,236,188 | 19,516,644,391 | 100,015,880,579 | |
| Other comprehensive income | | | | | | |
| Fair value gains on property and equipment | 692,653,000 | - | 692,653,000 | 6,066,776,659 | 6,759,429,659 | |
| Gain in fair value of available for sale equity investments | | | | 7,769,181,884 | 7,769,181,884 | |
| Total comprehensive income for the year | 71,398,316,602 | 9,793,572,586 | 81,191,889,188 | 33,352,602,934 | 114,544,492,122 | |

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

36. Prior period adjustments (continued)

The effect of the restatement on the statement of net asset available for benefits as at 30 June 2012 as previously v reported is set out below

| | Pension Scheme Reported 2012 | Adjustments 2012 | Pension Scheme Restated 2012 | Medical Scheme Reported 2012 | Total Restated 2012 |
|--|-------------------------------------|-------------------------|-------------------------------------|-------------------------------------|----------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf |
| Assets | | | | | |
| Investment properties in the process of construction | 14,835,426,550 | - | 14,835,426,550 | - | 14,835,426,550 |
| Property and equipment | 1,121,484,785 | - | 1,121,484,785 | 25,049,803,985 | 26,171,288,770 |
| Intangible assets | 94,178,470 | - | 94,178,470 | 82,499,393 | 176,677,863 |
| Investment properties | 89,810,365,205 | 8,098,560,000 | 97,908,925,205 | - | 97,908,925,205 |
| Equity investments | 87,930,461,841 | - | 87,930,461,841 | 16,790,758,084 | 104,721,219,925 |
| Government of Rwanda Development Bond | 46,369,516,855 | - | 46,369,516,855 | - | 46,369,516,855 |
| Treasury bond | - | - | - | 1,504,640,781 | 1,504,640,781 |
| Amounts due from the Government of Rwanda | 32,239,285 | - | 32,239,285 | - | 32,239,285 |
| Loan and Advances to third parties | 3,183,351,990 | - | 3,183,351,990 | 5,030,406,526 | 8,213,758,516 |
| Mortgage loans | 4,872,111,204 | - | 4,872,111,204 | - | 4,872,111,204 |
| Contributions receivable | - | - | - | 1,927,089,631 | 1,927,089,631 |
| Corporate bonds | 363,285,330 | - | 363,285,330 | - | 363,285,330 |
| Other assets | 4,911,209,503 | - | 4,911,209,503 | 2,824,805,944 | 7,736,015,447 |
| Deposits with financial institutions | 40,471,948,767 | - | 40,471,948,767 | 48,571,645,479 | 89,043,594,246 |
| Cash and bank balances | 7,496,918,882 | - | 7,496,918,882 | 4,607,681,758 | 12,104,600,640 |
| Total assets | 301,492,498,667 | 8,098,560,000 | 309,591,058,667 | 106,389,331,581 | 415,980,390,248 |
| Less: Liabilities | | | | | |
| Amounts retained on construction contracts | 4,647,011,621 | - | 4,647,011,621 | 1,508,639,887 | 6,155,651,508 |
| Medical benefits payable | - | - | - | 1,904,218,312 | 1,904,218,312 |
| Other payables | 11,849,511,789 | (1,695,012,586) | 10,154,499,203 | 1,986,101,102 | 12,140,600,305 |
| | 16,496,523,410 | (1,695,012,586) | 14,801,510,824 | 5,398,959,301 | 20,200,470,125 |
| Net assets available for benefits | 284,995,975,257 | 9,793,572,586 | 294,789,547,843 | 100,990,372,280 | 395,779,920,123 |
| Represented by | | | | | |
| Share capital | - | - | - | 1,179,070,491 | 1,179,070,491 |
| Retained earnings | - | - | - | 85,975,343,246 | 85,975,343,246 |
| Revaluation reserve | 692,653,000 | - | 692,653,000 | 6,066,776,659 | 6,759,429,659 |
| Fair value reserve | - | - | - | 7,769,181,884 | 7,769,181,884 |
| Accumulated members' funds | 111,460,925,759 | 4,291,712,181 | 115,752,637,940 | - | 115,752,637,940 |
| Statutory reserves | 172,842,396,498 | 5,501,860,405 | 178,344,256,903 | - | 178,344,256,903 |
| Total reserves | 284,995,975,257 | 9,793,572,586 | 294,789,547,843 | 100,990,372,280 | 395,779,920,123 |

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Financial statements for the year ended to 30 June 2013*

Notes (continued)

37. Financial instruments by category

Pension scheme

| | Fair value through P&L Rwf | Held to maturity Rwf | Loans and receivables Rwf | Available for sale Rwf | Total carrying amount Rwf |
|---|----------------------------------|----------------------------|---------------------------------|------------------------------|---------------------------------|
| At 30 June 2013 | | | | | |
| Financial assets | 106,741,768,306 | - | - | - | 106,741,768,306 |
| Equity investments | - | 46,288,480,619 | - | - | 46,288,480,619 |
| Government of Rwanda development bond | - | 25,006,372,443 | - | - | 25,006,372,443 |
| Treasury bills | - | - | 32,239,285 | - | 32,239,285 |
| Amounts due from the Government of Rwanda | - | - | 2,764,806,297 | - | 2,764,806,297 |
| Loan and advances to third parties | - | - | 3,533,771,146 | - | 3,533,771,146 |
| Mortgage loans | - | 344,759,394 | - | - | 344,759,394 |
| Corporate bond | - | - | 57,922,979,685 | - | 57,922,979,685 |
| Deposit with financial institutions | - | - | 8,097,395,420 | - | 8,097,395,420 |
| Cash and bank balances | - | - | 4,878,445,923 | - | 4,878,445,923 |
| Other assets | - | - | - | - | - |
| Total financial assets | 106,741,768,306 | 71,639,612,456 | 77,229,637,756 | - | 255,611,018,518 |

| | Trading Rwf | Amortised cost Rwf | Total carrying amount Rwf |
|------------------------------------|----------------|-----------------------|---------------------------------|
| Financial liabilities | | | |
| Contract retentions | - | 3,994,898,680 | 3,994,898,680 |
| Other payables | - | 7,638,990,902 | 7,638,990,902 |
| Total financial liabilities | - | 11,633,889,582 | 11,633,889,582 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

37 Financial instruments by category (continued)

Pension scheme (continued)

| | Fair value through P&L Rwf | Held to maturity Rwf | Loans and receivables Rwf | Available for sale Rwf | Total carrying amount Rwf |
|---|----------------------------------|----------------------------|---------------------------------|------------------------------|---------------------------------|
| At 30 June 2012 | | | | | |
| Financial assets | | | | | |
| Equity investments | 87,930,461,841 | - | - | - | 87,930,461,841 |
| Government of Rwanda development bond | - | 46,369,516,855 | - | - | 46,369,516,855 |
| Amounts due from the Government of Rwanda | - | - | 32,239,285 | - | 32,239,285 |
| Loan and advances to third parties | - | - | 3,183,351,990 | - | 3,183,351,990 |
| Mortgage loans | - | - | 4,872,111,204 | - | 4,872,111,204 |
| Corporate bond | - | 363,285,330 | - | - | 363,285,330 |
| Deposit with financial institutions | - | - | 40,471,948,767 | - | 40,471,948,767 |
| Cash and bank balances | - | - | 7,496,918,882 | - | 7,496,918,882 |
| Other assets | - | - | 4,911,209,503 | - | 4,911,209,503 |
| Total financial assets | 87,930,461,841 | 46,732,802,185 | 60,967,779,631 | - | 195,631,043,657 |

| | Trading Rwf | Amortised cost Rwf | Total carrying amount Rwf |
|------------------------------------|----------------|-----------------------|---------------------------------|
| Financial liabilities | | | |
| Contract retentions | - | 4,647,011,621 | 4,647,011,621 |
| Other payables | - | 10,154,499,203 | 10,154,499,203 |
| Total financial liabilities | - | 14,801,510,824 | 14,801,510,824 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

37 Financial instruments by category (continued)

Medical scheme

At 30 June 2013

| | Fair value through P&L Rwf | Held to maturity Rwf | Loans and receivables Rwf | Available for sale Rwf | Total carrying amount Rwf |
|-------------------------------------|----------------------------------|----------------------------|---------------------------------|------------------------------|---------------------------------|
| Financial assets | | | | | |
| Equity investments | 12,116,320,641 | - | - | 3,637,152,752 | 15,753,473,393 |
| Treasury bonds | - | 1,094,591,875 | - | - | 1,094,591,875 |
| Treasury bills | - | 17,430,632,995 | - | - | 17,430,632,995 |
| Loan and advances to third parties | - | 3,928,781,347 | - | - | 3,928,781,347 |
| Deposit with financial institutions | - | - | 48,682,189,410 | - | 48,682,189,410 |
| Cash and bank balances | - | - | 8,199,390,862 | - | 8,199,390,862 |
| Other assets | - | - | 2,453,024,319 | - | 2,453,024,319 |
| Total financial assets | 12,116,320,641 | 22,454,006,217 | 59,334,604,591 | 3,637,152,752 | 97,542,084,201 |
| Financial liabilities | | | | | |
| Contract retentions | - | - | - | 1,202,467,505 | 1,202,467,505 |
| Medical benefits payable | - | - | - | 1,619,250,735 | 1,619,250,735 |
| Other payables | - | - | - | 1,195,706,730 | 1,195,706,730 |
| Total financial liabilities | - | - | - | 4,017,424,970 | 4,017,424,970 |

Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013

Notes (continued)

37. Financial instruments by category (continued)

Medical scheme (continued)

| | Fair value through P&L | Held to maturity | Loans and receivables | Available for sale | Total carrying amount |
|-------------------------------------|------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf |
| At 30 June 2012 | | | | | |
| Financial assets | | | | | |
| Equity investments | 15,353,530,884 | - | - | 1,437,228,200 | 16,790,759,084 |
| Treasury bonds | - | 1,504,640,781 | - | - | 1,504,640,781 |
| Loan and advances to third parties | - | - | 5,030,406,526 | - | 5,030,406,526 |
| Contributions receivable | - | - | 1,927,089,631 | - | 1,927,089,631 |
| Deposit with financial institutions | - | - | 48,571,645,479 | - | 48,571,645,479 |
| Cash and bank balances | - | - | 4,607,681,758 | - | 4,607,681,758 |
| Other assets | - | - | 2,824,805,944 | - | 2,824,805,944 |
| Total financial assets | 15,353,530,884 | 1,504,640,781 | 62,961,629,338 | 1,437,228,200 | 81,257,029,203 |
| Financial liabilities | | | | | |
| Contract retentions | - | - | - | 1,508,639,887 | 1,508,639,887 |
| Medical benefits payable | - | - | - | 1,904,218,312 | 1,904,218,312 |
| Other payables | - | - | - | 1,986,101,102 | 1,986,101,102 |
| Total financial liabilities | - | - | - | 5,398,959,301 | 5,398,959,301 |

Total financial assets

| | Trading | Amortised cost | Total carrying amount |
|------------------------------------|----------|----------------------|-----------------------|
| | Rwf | Rwf | Rwf |
| Financial liabilities | | | |
| Contract retentions | - | 1,508,639,887 | 1,508,639,887 |
| Medical benefits payable | - | 1,904,218,312 | 1,904,218,312 |
| Other payables | - | 1,986,101,102 | 1,986,101,102 |
| Total financial liabilities | - | 5,398,959,301 | 5,398,959,301 |

Notes (continued)

38. 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. 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 Fund's transactions with the GoR and its bodies is included below:

- RSSB has issued a bond to GoR as set out under Note 16; RSSB collects contributions from employees of parastatals and other government bodies in the country as part of the execution of its mandate as the public pension fund and the provider of medical insurance to civil servants in Rwanda. Some of the fund's contributions by members are received by the Rwanda Revenue Authority on behalf of RSSB.
- In its normal course of business, RSSB operates current and deposit accounts with the National Bank of Rwanda (Rwanda's Central Bank). RSSB also operates current and deposit accounts with Zigama CSS, a microfinance institution affiliated to the Ministry of Defence;
- During the year, RSSB sold one of its investment properties to the Ministry of Infrastructure. The transactions described above are both collectively and individually significant to the financial statements.

39. Actuarial valuation

Pension scheme

Background and purpose of the actuarial valuation

The purpose of an actuarial valuation is to review the long-term financial sustainability of a pension scheme. RSSB therefore commissioned Government Actuary's Department (GAD) based in London, UK to perform an actuarial valuation as at 30 June 2012 of the RSSB pension & occupational hazard scheme.

The actuarial valuation has reviewed the following:

- Membership profile and how this is likely to change over the next 50 years
- The contribution rate required to balance contribution income and expenditure
- Funding position at the valuation date

- (i) Membership profile and how this is likely to change over the next 50 years
- Active members are those members who are currently contributing.
 - Deferred members have contributed, but are not currently, and have not yet reached retirement.
 - Pensioner members have retired and are receiving benefit.

Currently there is a relatively small number of pensioner members (around 30,000) compared to the number of Active Members (around 330,000) at the valuation date and so there is a low dependency ratio. This dependency ratio is set to change as more people retire, and so the dependency ratio will start to increase.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

39. Actuarial valuation (continued)

Pension scheme (continued)

(ii) The contribution rate required to balance contribution income and expenditure

The contributions rates are currently as follows:

- 2%: occupational hazard (payable by employer)
- 3%: pension branch (payable by employer)
- 3%: pension branch (payable by employee)

At the moment there is enough money to pay pension benefits from the contributions RSSB receives. This is because there are proportionally few pensioners. However as more people retire the contributions coming into RSSB will not be sufficient to pay benefits and so assets will need to be sold. Finds revealed that after around 25 years, RSSB will need to start selling assets in order to pay benefits.

The current contribution level of 6% to the pension branch does not cover the benefits provided. It has been estimated that pension branch will become exhausted by 2044 if the assumptions are born out in practice. RSSB therefore must take measures to ensure sustainability of the scheme. The occupational hazard branch has been projected to remain solvent through the 50-year projection period

39 Actuarial valuation

(iii) Funding position at the valuation date

For the scheme to be fully funded where the funding position is 100%, additional contributions would be required from employees, employers or government.

Summary of scheme funding position at the valuation date:

Pension branch stands at 15.4%
Occupational hazard branch stands at 111.3%
Scheme overall stands at 23.6%

These figures have been determined by dividing the net assets by the present value of the benefits promised at the valuation date. The present value of benefits has been calculated by discounting projected expenditure in respect of accrued benefits over the 50-year projection period based on projected salaries.

The principal actuarial assumptions used were as follows:

| Factor | Principal Assumption |
|-----------------------|--|
| Price inflation | 5% a year |
| Earnings inflation | 6% a year |
| Investment return | 7.5% a year |
| Labour Market | First year- 10% increase reducing over 10 years to 6% increase Based on UN CD-North model life table, 2010-15 life expectancy of 55 for males and 57.5 for females future |
| Mortality Assumptions | Improvement: > 1.25% a year for males >1.5% a year for females |
| Pension increases | No allowance |
| Expenses | First year-15% of contribution income and benefit expenditure reducing over 5 years to 10%. |

Notes (continued)

39 Actuarial valuation (continued)

iii) Funding position at the valuation date (continued)

Valuation methodology and assumptions

The future financial status of RSSB was determined basing on many demographic, economic and program specific factors. Assumptions were developed for the specific demographic and economic factors based on analysis of historical and projected data obtained from various credible sources such as the National Institute of Statistics Rwanda, The International Monetary fund, the World Health organization and RSSB's department of Planning, Research and Statistics.

Demographic assumptions made covered the following; mortality rates, disability rates, future new members to RSSB and members' composition i.e. male – female, dependency ratios, age etc.

Economic assumptions made considered inflation rates, salary increments, and investment return rates. The program specific assumptions included; retirement rates, minimum monthly pensions and temporal and permanent disability rates. The above assumptions were fed into the valuation model to calculate the short and long term estimates.

Recognition of the actuarial results

The fund runs a state plan as defined in International Accounting Standard (IAS) 19, i.e. it is established by legislation to cover all entities and is operated by national or local government or by another body. The fund is sponsored by the Government of Rwanda through the Ministry of Finance and Economic Planning (MINECOFIN). The Government of Rwanda then would make good any deficits that the fund would have at any point in time. According to IAS 19, results of the actuarial valuation of such entities should only be recognised in the records of the sponsoring organisation only and this is why the results have not been recognised in the financial statements of the fund.

As at 30 June 2013 and 2012, the only single investment that was greater than 5% of the fund's net assets value was the government securities. Details of this are presented under Note 16 of the financial statements.

40. Capital management

For regulatory purposes, the Medical division's capital includes both share 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:

- o to comply with the capital requirements as set out in the Insurance Regulations;
- o to comply with regulatory solvency requirements as set out in the Insurance Regulations; and
- o 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 Rwf 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.

During the year, the medical scheme held the minimum capital required for short term insurers. The capital at the end of 2012 and 2011 are presented on Note 30.

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 33. 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, as set out under Note 38.

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Financial statements for the year ended 30 June 2013*

Notes (continued)

41 Critical accounting estimates

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

i) Fair value of unquoted equity investments

Fair values of unquoted equity investments may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

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

ii) Recoverable amount of mortgage loans and other receivables

RSSB reviews its loan portfolios to assess impairment on an annual basis. In determining whether an impairment loss, RSSB makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

iii) Useful lives of property and equipment

RSSB's management determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on the projected useful lives for such assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

iv) Fair value of buildings under property and equipment and investments properties

Management estimates the fair value of investment properties and buildings by using the depreciated replacement cost. The fair value of the land is based on the open market value of land owned.

Notes (continued)

42 Management of insurance and financial risk

RSSB's activities expose it to a variety of risks, including insurance risk, liquidity risk, credit risk, and the effects of changes foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance.

This section summarizes the way RSSB manages these risks.

(a) Insurance risk

RSSB is engaged in provision of medical insurance services and is therefore exposed to the risk that the insured event occurs. By the nature of medical insurance and RSSB's experience, the risk attaching to the uncertainty of the amount of the resulting claim is minimal and would relate to inpatient medical claims. This risk is, by its nature, random and therefore unpredictable. The pricing of the contributions receivable from RSSB's medical scheme members is prescribed by the applicable legislation and the theory of probability is therefore not applied to pricing and provisioning. The principal risk that RSSB faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. RSSB members share 15% of all medical claims and the medical insurance risk is not reinsured.

(b) Financial risk management objectives and policies

RSSB is exposed to financial risk through its financial assets, financial liabilities and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts and future pension benefits payments. The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk. These risks arise from open positions in interest rates, currency exchange rates and equity securities prices, all of which are exposed to general and specific market movements. The risks that RSSB primarily faces due to the nature of its investments and liabilities are liquidity risk, interest rate risk and equity price risk. Both the pensions and medical division manage exposure to these risks through policies approved by the Board of Directors. RSSB's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Fund does not hedge any risks.

Market risk

(i) Foreign exchange risk

RSSB is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to cash balances denominated in US dollars and quoted equity investments denominated in Kenya Shillings and US dollar. Currency exposure arising from assets and liabilities denominated in foreign currencies is managed primarily by placing limits on foreign currency denominated assets and liabilities.

At 30 June 2013, if the Rwandan Franc had weakened/strengthened by 10% (2012: 10%) against the US dollar with all other variables held constant, the increase in net assets available for benefits for the year would have been Rwf 83,699,760 (2012: Rwf 41,711,603) higher/lower for the pension scheme and Rwf 4,406,305 (2012: nil) higher/lower for the medical scheme. Foreign exchange risk with regard to the Kenya Shilling and US Dollar denominated equity is included in the price risk disclosures.

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Financial statements for the year ended 30 June 2013*

Notes (continued)

42 Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

RSSB's holds fixed interest rate corporate bonds, government securities, loans to corporate organisations and bank deposits that are measured at amortised cost. RSSB has no interest bearing liabilities. RSSB is therefore not exposed to cash flow interest rate risk. RSSB's policy on bank deposits and loans to corporate organisations is invite bids or negotiate a fixed interest rate that is benchmarked to prevailing market interest rates.

As the interest bearing financial assets are measured at amortised cost, RSSB is not exposed to fair value interest rate risk.

(iii) Price risk

RSSB is exposed to equity price risk in respect of its investments in quoted shares, both local and foreign. The exposure to price risk is managed primarily by setting limits on the percentage of net assets available for benefits that may be invested in equity investments and by ensuring sufficient diversity of the investment portfolio.

At 30 June 2013, a 10% (2012: 10%) increase or decrease in the Nairobi Stock Exchange and Rwanda Stock Exchange indexes, with all other variables held constant, would result in an increase/decrease in net assets available for benefits for the year by Rwf 6,077,349,557 (2012: Rwf 2,804,456,090) for the pensions division and Rwf 787,038,544 (2012: Rwf 143,711,742) for the medical division.

Credit risk

RSSB is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which RSSB is exposed arises from Government securities, mortgage loans, contributions receivable, loans to corporate entities, other receivables, deposits with financial institutions and cash at bank.

The Government securities represents 19% of its total assets. The investment department assesses the credit quality of each investment, taking into account its credit rating. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. Maximum exposure to credit risk before collateral held:

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

| | Pension scheme | | Medical scheme | | Total | |
|---|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|
| | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf | 2013 Rwf | 2012 Rwf |
| Amounts due from the Government of Rwanda | 32,239,285 | 32,239,285 | - | - | 32,239,285 | 32,239,285 |
| Government of Rwanda Development bond | 46,288,480,619 | 46,369,516,855 | - | - | 46,288,480,619 | 46,369,516,855 |
| Government securities | 25,006,372,443 | - | 18,525,224,870 | 1,504,640,781 | 43,531,597,313 | 1,504,640,781 |
| Loans and advances to corporate entities | 2,764,806,297 | 3,183,351,990 | 3,928,781,870 | 5,030,406,526 | 6,693,588,167 | 8,213,758,516 |
| Contributions receivable | - | - | - | 1,927,089,631 | - | 1,927,089,631 |
| Corporate bonds | 344,759,394 | 363,285,330 | - | - | 344,759,394 | 363,285,330 |
| Deposits with financial institutions | 57,922,979,685 | 40,471,948,767 | 48,682,189,410 | 48,571,645,479 | 106,605,169,095 | 89,043,594,246 |
| Mortgage loans | 3,533,771,146 | 4,872,111,204 | - | - | 3,533,771,146 | 4,872,111,204 |
| Cash and bank balances | 8,097,395,420 | 7,496,918,882 | 8,199,390,862 | 4,607,681,758 | 16,296,786,282 | 12,104,600,640 |
| Staffloans and advances | 254,413,650 | 223,237,562 | 240,012,756 | 46,697,637 | 494,426,406 | 269,935,199 |
| | 144,245,217,939 | 103,012,609,875 | 79,575,599,768 | 61,688,161,812 | 223,820,817,184 | 164,700,771,687 |

The mortgages are secured by the buildings occupied by the tenants. Titles are transferred after payments completed. No collateral is held for any of the other assets listed above. The following is an assessment of assets impairment.

| | | | | | | |
|-------------------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|
| Neither past due nor impaired | 144,245,217,939 | 102,647,609,875 | 79,575,599,245 | 59,761,072,181 | 223,820,817,184 | 162,408,682,056 |
| Past due but not impaired | - | 365,000,000 | - | 1,927,089,631 | - | 2,292,089,631 |
| Individually impaired | 802,405,982 | 802,405,982 | - | - | 802,405,982 | 802,405,982 |
| Impairment provision | (802,405,982) | (802,405,982) | - | - | (802,405,982) | (802,405,982) |
| | 144,245,217,939 | 103,012,609,875 | 79,575,599,245 | 61,688,161,812 | 223,820,817,184 | 164,700,771,687 |

No other financial assets are either past due or impaired.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

42 Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated benefit payments. RSSB approves all investments made by the investment department in assets that can be easily liquidated. RSSB is exposed to calls on its available cash resources from the benefits payments made to pensioners every quarter as well as medical claims paid monthly, suppliers and calls on cash settled contingencies.

RSSB does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. RSSB sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of other borrowing facilities that should be in place to cover unexpected levels of demand. The Treasury and investment departments monitor liquidity ratios on a daily basis. Sources of liquidity are regularly reviewed by a separate team in these departments to maintain a wide diversification by provider, product and term. The tables in the following pages present the undiscounted cash flows payable by the fund under financial liabilities by remaining contractual maturities at the balance sheet date and from financial assets by expected maturity dates.

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Pension scheme - At 30 June 2013

| | Less than 1 month | 1-3 months | 3-12 months | 1-5 Years | Over 5 Years | Total |
|---|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Liabilities | | | | | | |
| Contract retentions | - | - | - | 3,994,898,680 | - | 3,994,898,680 |
| Other liabilities | 7,025,664,730 | - | - | - | - | 7,025,664,730 |
| Total financial liabilities | 7,025,664,730 | - | - | 3,994,898,680 | - | 11,020,563,410 |
| Assets | | | | | | |
| Cash and bank balances | 8,097,395,420 | - | - | - | - | 8,097,395,420 |
| Term deposits with financial institutions | 5,512,945,890 | - | 52,410,033,795 | - | - | 57,922,979,685 |
| Loans and advances to corporate entities | 246,271,835 | - | 1,290,010,363 | 1,448,738,156 | - | 2,985,020,354 |
| Investment securities | 35,053,410 | 51,905,184 | - | 347,049,795 | - | 434,008,389 |
| Other assets | - | - | 4,878,445,923 | - | - | 4,878,445,923 |
| Mortgages | 132,828,882 | 265,657,765 | 1,195,459,941 | 3,225,972,560 | 217,576,950 | 5,037,496,098 |
| Government securities | 10,113,022,342 | 10,723,450,541 | 13,418,062,560 | 42,250,000,001 | - | 76,504,535,444 |
| Total financial assets | 24,137,517,779 | 11,041,013,490 | 73,192,012,582 | 47,271,760,512 | 217,576,950 | 155,859,881,313 |
| Net liquidity gap | 17,111,853,049 | 11,041,013,490 | 73,192,012,582 | 43,276,861,832 | 217,576,950 | 144,839,317,903 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Pension Scheme - At 30 June 2012

| | Less than 1 month | 1-3 months | 3-12 months | 1-5 Years | Over 5 Years | Total |
|---|------------------------|------------|-----------------------|-----------------------|--------------|------------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Liabilities | | | | | | |
| Contract retentions | - | - | - | 4,647,011,621 | - | 4,647,011,621 |
| Other liabilities | 10,154,499,203 | - | - | - | - | 10,154,499,203 |
| Total financial liabilities | 10,154,499,203 | - | - | 4,647,011,621 | - | 14,801,510,824 |
| Assets | | | | | | |
| Cash and bank balances | 7,496,918,882 | - | - | - | - | 7,496,918,882 |
| Term deposits with financial institutions | - | - | 40,471,948,767 | - | - | 40,471,948,767 |
| Loans and advances to corporate entities | - | - | 908,792,178 | 2,274,559,812 | - | 3,183,351,990 |
| Investment securities | - | - | - | 363,285,330 | - | 363,285,330 |
| Other assets | - | - | 223,237,562 | - | - | 223,237,562 |
| Mortgages | - | - | 1,032,411,114 | 3,839,700,090 | - | 4,872,111,204 |
| Government securities | - | - | 8,375,000,000 | 37,994,516,855 | - | 46,369,516,855 |
| Total financial assets | 7,496,918,882 | - | 51,011,389,621 | 44,472,062,087 | - | 102,980,370,590 |
| Net liquidity gap | (2,657,580,321) | - | 51,011,389,621 | 39,825,050,466 | - | 88,178,859,766 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Medical scheme - At 30 June 2013

| | Less than 1 month | 1-3 months | 3-12 months | 1-5 Years | Over 5 Years | Total |
|--|-----------------------|----------------------|-----------------------|----------------------|--------------|-----------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Contract retentions | | | | 1,202,467,506 | | 1,202,467,506 |
| Medical benefits payable | 1,619,250,735 | - | - | - | - | 1,619,250,735 |
| Other payables | 1,195,706,730 | - | - | - | - | 1,195,706,730 |
| | 2,814,957,465 | - | - | 1,202,467,506 | - | 4,017,424,971 |
| Assets | | | | | | |
| Held to maturity government securities | - | 6,506,926,464 | 3,382,617,448 | 1,321,653,125 | - | 11,211,197,037 |
| Loans and advances | - | - | 1,481,168,392 | 3,458,417,836 | - | 4,939,586,228 |
| Medical contributions receivable | - | - | - | - | - | - |
| Cash and bank balances | 8,228,796,185 | - | - | - | - | 8,228,796,185 |
| Deposits with financial institutions | 6,618,667,847 | - | 42,063,521,563 | - | - | 48,682,189,410 |
| Other assets | - | - | 1,272,685,711 | - | - | 1,272,685,711 |
| Total financial assets | 14,847,464,032 | 6,506,926,464 | 48,199,993,114 | 4,780,070,961 | - | 74,334,454,571 |
| Net liquidity gap | 12,032,506,567 | 6,506,926,464 | 48,199,993,114 | 3,577,603,455 | - | 70,317,029,600 |

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Medical scheme - At 30 June 2012

| | Less than 1 month | 1-3 months | 3-12 months | 1-5 Years | Over 5 Years | Total |
|--|----------------------|----------------------|-----------------------|----------------------|--------------|-----------------------|
| | Rwf | Rwf | Rwf | Rwf | Rwf | Rwf |
| Medical benefits payable | 478,466,859 | - | 1,425,751,453 | - | - | 1,904,218,312 |
| Other payables | - | 1,324,695,718 | - | 1,508,639,887 | - | 2,833,335,605 |
| | 478,466,859 | 1,324,695,718 | 1,425,751,453 | 1,508,639,887 | - | 4,737,553,917 |
| Assets | | | | | | |
| Held to maturity government securities | - | 369,600,000 | - | 1,135,040,781 | - | 1,504,640,781 |
| loans and advances | - | - | 708,904,993 | 4,321,501,533 | - | 5,030,406,526 |
| Medical contributions receivable | - | 631,279,974 | - | - | - | 631,279,974 |
| Cash and bank balances | 4,607,681,758 | - | - | - | - | 4,607,681,758 |
| Deposits with financial institutions | - | - | 48,381,145,997 | - | - | 48,381,145,997 |
| Other assets | - | - | 363,365,730 | - | - | 363,365,730 |
| | 4,607,681,758 | 1,000,879,974 | 49,453,416,720 | 5,456,542,314 | - | 60,518,520,766 |
| Total financial assets | | | | | | |
| | 4,129,214,899 | (323,815,744) | 48,027,665,267 | 3,947,902,427 | - | 55,780,966,849 |
| Net liquidity gap | | | | | | |

Notes (continued)

43. Summary of significant accounting policies

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

a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards. The financial statements summarize the transactions of RSSB and deal with the net assets at the disposal of the directors. They do not take account of obligations to pay pensions and benefits that fall due after the end of RSSB year. The actuarial position of RSSB, which does take account of such obligations, is dealt with in the statement by the actuary and these financial statements should be read in conjunction with it. The financial statements are presented in Rwandan Francs. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by RSSB

The following standards have been adopted by the society for the first time for the financial year beginning on or after 1 January 2013 and have a material impact on RSSB: Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures.

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for RSSB until 1 January 2014, however RSSB has decided to early adopt the amendment as of 1 January 2013.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

43. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(b) New standards and interpretations that are not yet effective and have not been early adopted A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of RSSB, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition.

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. RSSB is yet to assess IFRS 9's full impact. RSSB will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. RSSB is not currently subjected to significant levies so the impact is not material. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on RSSB.

(b) Insurance contracts

I. Classification

In accordance with applicable laws, the medical scheme provides medical insurance services to government employees and other public institutions within the Republic of Rwanda. Under the applicable law, the medical scheme may also issue contracts that transfer insurance risk to other third parties within Rwanda. All of the medical scheme's business is classified as short term insurance in accordance with the provisions of the Insurance Regulations.

II. Recognition and measurement

i. Contributions income

Contributions income is recognised on assumption of risks, which is the monthly period that medical insurance cover is provided to the insurance. Contributions income includes estimates of contributions due but not yet received.

By nature of its operations, contributions are payable on a monthly basis for each month of cover and all contribution income had been earned as at 30 June 2013.

Notes (continued)

43. Summary of significant accounting policies (continued)

(b) Insurance contracts (continued)

II. Recognition and measurement (continued)

ii. Medical claims payable

Claims incurred comprise claims and benefits paid in the year and changes in the provision for outstanding medical claims. Claims paid represent all medical payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all medical claims and benefits arising from incidents occurring prior to the balance sheet date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR").

iii. Medical insurance receivables

Receivables are recognised when due. These include amounts due from medical division's members, including the contributions payable by their respective employers.

If there is objective evidence that the insurance receivable is impaired, RSSB reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. RSSB gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables as described in subsequent pages.

(c) Revenue recognition

i. Insurance premium receivable

The revenue recognition policy relating to medical insurance contracts is set out under note (b).

ii. Interest income

Interest income for all interest-bearing financial instruments is recognised in the income statement using the effective interest rate method. When a receivable is impaired, the RSSB reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

iii. Pharmacy sales

Income arising from sale from pharmacies and sale of drugs is recognised when the customer has accepted the drugs and collectability of the related receivables is reasonably assured.

iv. Dividend income

Dividend income for equities is recognised when the right to receive payment is established.

v. Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

(d) Foreign currency translation

Functional and presentation currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which RSSB operates (the "functional currency"). The financial statements are presented in Rwandan Francs (Rwf) which is RSSB's functional currency.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

43 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

Transactions and balances

Transactions in foreign currencies during the year are converted into Rwandan Francs at rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of changes in net assets available for benefits.

(e) Pension contributions and benefits payable

Contributions from employers/employees are accounted for on a receipts basis. Contributions not received at the end of every quarter is accrued at 125% of the previous quarter's gross salary declarations and reversed when the respective employers make their declarations.

Pensions and other benefits payable are recognised as liabilities in the period in which they fall due.

(f) Property and equipment

Land and buildings comprise mainly office blocks occupied by RSSB. Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

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. Value added tax incurred in the purchase of the fixed assets is capitalised as part of that fixed asset.

Management reviews the residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the statement of changes in net assets.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from 'other reserves' to 'retained earnings'.

Notes (continued)

43 Summary of significant accounting policies (continued)

(f) Property and equipment (continued)

values over their estimated useful life. The entity depreciates its assets using the rates provided by the government. Land is not depreciated. The following rates were adopted during the year:

| | |
|------------------------|--------|
| Buildings | 5% |
| Motor vehicles | 25% |
| Office equipment | 20% |
| Furniture and fittings | 10% |
| Computer equipment | 33.33% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

(g) Intangible assets

Intangible assets relate to computer software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (two years). Costs associated with developing or maintaining computer software program are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

(h) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Fund and the cost can be reliably measured. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, RSSB uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.]

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

43. Summary of significant accounting policies (continued)

(h) Investment property (continued)

Changes in fair values are recognised in the statement of changes in net assets available for benefit in the year in which they arise. Investment properties are derecognised when they have been disposed. Where RSSB disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of changes in net assets available for benefit.

Capital work in progress includes buildings under construction. They are recorded at the actual costs incurred to date and capitalized when the completion certificates are received from the constructors.

(i) Cash and cash equivalents

For the purposes of presentation in the cash flow statement, the cash and cash equivalents comprise of bank balances and treasury bills maturing within 3 months from date of acquisition.

(j) Financial assets

i) Classification

RSSB classifies its financial assets as loans and receivables or fair value through profit or loss, based on the purpose for which the financial assets were acquired. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. RSSB's loans and receivables comprise mortgage loans and other assets in the balance sheet.

Fair value through profit or loss comprise investments in the shares of unquoted companies, government securities, loans to third parties, corporate bonds and deposits with financial institutions on the balance sheet.

ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which RSSB commits to purchase or sell the asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

All purchases and sales of financial assets at fair value through profit or loss are recognised on the trade date, which is the date the Fund commits to purchase or sell the asset.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

All changes in the fair value arising on investments are recognised in the statement of changes in net assets available for benefits.

The fair values of quoted investments are based on current bid prices. If the market for an investment is not active (and for unlisted securities), If the market for an investment is not active (and for unlisted securities), RSSB values them at cost.

Notes (continued)

43. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

iii) Offsetting financial instruments

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

iv) Impairment

RSSB assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used to determine that there is objective evidence of an impairment loss include: significant financial difficulty of the issuer or borrower; a breach of contract, such as a default or delinquency in interest or principal payments; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(k) Impairment of non-financial assets

The carrying amounts of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated and an impairment loss recognized whenever the carrying amount of an asset exceeds its recoverable amount.

(l) Provisions

A provision is recognized in the balance sheet when the entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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.

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Notes (continued)

43. Summary of significant accounting policies (continued)

(m) Statutory reserves

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

Pension's branch

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

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.

(n) Taxation

No provision is made for taxation as the entity is exempt from income tax in accordance with the Rwandan income tax law.

Notes (continued)

43. Summary of significant accounting policies (continued)

(p) Comparatives

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

(q) Employee benefits

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(r) Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method less provision for impairment. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

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