

REPUBLIC OF RWANDA



Special Guarantee Fund

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ANNUAL ACTIVITY REPORT 2016-2017

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FOREWORD

Special Guarantee Fund (SGF), a Government of Rwanda insurance agency mandated to compensate victims of accidents and damages caused by uninsured and non-identified automobiles and wild animals. The financial year 2016/2017 was characterized by settlement of claims both related to road accident and animal's damages as its core mission, this document includes the overview of insurance sector in Rwanda, the structure of SGF's staff, the list of SGF's Board member, compensation details and other support services performed throughout the whole year as detailed in the report hereinafter. At the end of the report a copy of audited financial statement of 2016/2017 is attached.

Dr. Joseph NZABONIKUZA
Director General



EXECUTIVE SUMMARY

During the year under review, on revenues side, SGF revenues increased by 12% from FRW 1,450 Million recorded in the previous year to FRW 1,624.4 Million in the year under review. This increase is mainly attributed to an increase of 16.6% in tourism revenues from RDB which increased from FRW 582.48 Million recorded in 2015/16 to FRW 679.18 Million recorded in 2016/17, an increase of 10.2% in subscriptions from insurance companies from FRW 675.60 Million recorded in 2015/16 to FRW 744.76 recorded in 2016/17. On expenditures side, SGF expenditures increased by 39.2% from FRW 874.5 Million recorded in 2015/16 to FRW 1,375.3 Million in 2016/17 mainly due to a significant increase in compensation expenditures a result of the overall increase in claims compensated in number which increased by 25.8% from 1,143 in 2015/16 to 1,438 in 2016/17 as well as the cost that was recognized by end June 2017 to pay new eligible claims received in number which increased by 8.4% from 1,358 recorded in 2015/16 to 1,472 recorded in 2016/17.

Regarding claims management, during the year under review a total number of 1,472 new claims have been received of which 1,229 new claims for wild animals' damages and 243 new claims for damages caused by road traffic accidents. Compared to the year 2015/16, the total number of new claims received increased by 8.4% where claims for wild animals' damages and claims for damages caused by road traffic accidents increased by 3.1% and 46.4% respectively.

Meanwhile, during the year under review the number of road accidents caused by non-identified automobiles (150 new claims) represented 61.7% of the total new claims for road traffic accidents received which compared to the previous year increased by 36.3% right from 110 recorded in the previous year whereas they represented 56.9% (99 out of 174) of the total number of road accidents related claims compensated and they represented 70.8% (34 out of 48) of the total number of claims for road traffic accidents repudiated in the same period under review. These figures are alarming as these cases also called "hit-and-run" are continuously increasing over time.

Again, a significant increase in new claims for road traffic accidents received in 2016/17 is partly explained by the behavior of road as driving beyond speed limits, excess alcohol offence also called "drink drive offence"; failure to comply with or neglect road signs among others as it was evidenced by the Rwanda National Police. However, SGF is looking forward to reducing road accidents since the Rwanda National Police introduced speed governors and street cameras to monitor road traffic.

As for wild animals' damages, SGF is looking forward to partnering with key players to limit wild animals' attacks to the population neighboring national parks and other protected areas through fencing national parks. It is in this regard that SGF financially and actively supported the activity of fencing GABIRO forests.

Meanwhile, a total number of 1,438 claims have been effectively compensated of which 1,264 claims for wild animals' damages and 174 claims for damages caused by road traffic accidents. Compared to the year 2015/16, the total number of claims compensated increased by 25.8% where claims for wild animals' damages and claims for damages caused by road traffic accidents increased by 26.8% and 19.2% respectively. On the other hand, a total number of 236 Claims have been repudiated of which 188 claims for wild animals' damages and 48 claims for road

traffic accidents. Compared to the year 2016/17, the total number of claims repudiated increased by 1.3% where claims for road traffic accidents increased by 6.7% while claims for wild animals' damages repudiated have remained constant.

Prevention being better than cure; SGF continued to take part in accidents prevention activities where SGF participated jointly with the Rwanda National Police in road safety week for the year 2017 to raise public awareness on road accident preventions as well as SGF mission and activities.

Also, in order to compensate road accidents and wild animals' damages SGF organized an annual meeting with stakeholders where around 70 key stakeholders were represented in this meeting to discuss technical issues arising in the implementation of SGF mission and partnership with its stakeholders in order to improve service delivery to the Citizens.

Furthermore, SGF organized a meeting with Sectors' Agronomists to revise compensation tariffs in accordance with prices fluctuation over the last two years.

SGF is thankful to all its stakeholders and is looking forward to doing more and better to improve its services and strengthen its efficiency and effectiveness.

1. OVERVIEW OF INSURANCE SECTOR

According to BNR in its latest Monetary Policy and Financial Stability Statement published on 30th August 2017, Non-Bank Financial institutions (NBFIs) are mainly composed of insurance companies, insurance intermediaries and the pension sub-sector. The number of insurance companies increased from 14 in June 2016 to 16 in June 2017. The new insurance companies licensed during the period were BK General Insurance Company Ltd and Mayfair Insurance Rwanda Ltd, which joined the market in July 2016 and May 2017 respectively. Currently, the insurance industry consists of 16 insurers of which 10 are private non-life insurers, 4 private life insurers, and 2 public medical insurers. The insurance sub-sector operates a network of 185 branches countrywide, 557 agents, 15 brokers and 13 loss adjusters.

Total assets of the insurance sub-sector stood at FRW 366.5 billion as at the end of June 2017, indicating a year-on-year growth of 10 percent. This growth of assets is mainly attributable to (1) capital injection from some insurance companies and; (2) retained profits during the period under review. Between June 2016 and June 2017, new capital injected in the insurance sub-sector amounted to FRW 10.3 billion. Retained profits of the sub-sector amounted to FRW 17.9 billion.

Private insurers' assets increased by 9 percent to FRW 136.4 billion between June 2016 and June 2017 against 7 percent registered in the corresponding period of 2016 due to FRW 7.3 billion of the additional capital injected by private insurers during the year under review. The performance of private insurers made a significant improvement as their profits after taxes reached FRW 0.6 billion from a net loss of FRW 4.1 billion registered in June 2016. The rebound in private insurers' profits in the first half of 2017 was underpinned mainly by improvement in the claims ratio, as claims grew less compared to net premiums earned as well as a reduction of management expenses. Between June 2016 and June 2017, total claims of private insurers declined by 0.4 percent to FRW 18.4 billion, while net premiums earned increased by 12 percent to FRW 26.5 billion. As at end June 2017, the solvency ratio of the sub-sector stood at 1034 percent against 991 percent in 2016, above the BNR regulatory minimum requirement of 100 percent. For instance, the number of private companies meeting the prudential solvency requirement of 100 percent increased from 5 in June 2016 to 11 in June 2017. The improvement resulted from the recapitalization of several private insurers. (BNR, 2017)

Table 1: Key financial highlights for insurance sector (in FRW billion, except otherwise indicated).

Description	June 2016			June 2017			% change Industry
	Private	Public	Industry	Private	Public	Industry	
Assets	124.7	207.9	332.6	136.4	230.1	366.5	10%
Liabilities	17.5	2.8	20.3	17.3	2.5	19.8	-2%
Capital and Reserves	33.8	204.3	238.1	39.2	226.8	266.0	12%
Net written premiums	23.7	22.4	46.1	26.5	25.8	52.3	14%
Net underwriting profit (loss)	-8.0	6.6	-1.4	-4.2	10.5	6.3	540%
Net profit after taxes	-4.1	14.1	10	0.6	17.9	18.5	85%

Source: BNR, Monetary and Financial Stability Statement of 30 August 2017, p. 63

2. OVERVIEW ON THE SPECIAL GUARANTEE FUND

The Special Guarantee Fund (SGF) is a public institution affiliated to the Ministry of Finance and Economic Planning with the supervisory role. It is headed by the Board of Directors with decision making role and competency to approve the Guarantee Fund's general policy, budget and annual accounts, activities report, internal rules and regulations, administrative, accounting, budgeting and financial procedures for an efficient and transparent management.

SGF is led by the Director General with the role of coordinating all services in order to ensure the interaction and collaboration at all levels. He also represents the Guarantee Fund in its activities with partners, users of its services or to other administrative and judiciary institutions. In addition, the Director General acts as the secretary to the Board of Directors.

SGF is composed by two units each of which headed by a Director. Those units are namely Compensation Unit and Administration and Finance Unit. The staff that does not belong to the aforementioned units is under direct supervision of the Director General.

2.1 SGF MISSION

The Special Guarantee Fund (SGF) for accidents and damages caused by automobiles and animals has been established by the law n° 52/2011 of 14/12/2011 determining its mission, organization and functioning.

Its mission is:

- 1° To compensate victims of damages or injuries caused by an automobile where:
 - a) the automobile is not identified;
 - b) the civil liability is not covered by compulsory civil liability insurance for motor vehicles;
 - c) the automobile was stolen or taken away from its owner or driver or from any other person that has the right over the automobile;
- 2° Compensate victims of damages caused by wild animals;
- 3° Help in covering medical expenses for people injured or incapacitated by accidents caused by automobiles or animals while waiting for the person responsible for civil liability to be identified;
- 4° Collect comprehensive data on insurance for automobiles through insurance companies, the Rwanda Revenue Authority and other institutions, in order to know which automobiles are not insured so that, in collaboration with police organs, they can be removed from road traffic;
- 5° Participate in accident prevention activities;
- 6° Take part in activities meant to assist and advise the victims of the accidents mentioned in subparagraphs 1^o and 2^o of this Article when they claim compensation and thereafter.

2.2 VISION

To set road users and wildlife neighbors mind at rest and become a leading institution in this field in Africa.

2.3 PRINCIPLES AND CORE VALUES

PRINCIPLES	VALUES
<i>Transparency and being accountable</i>	<ul style="list-style-type: none"> • Openness: to communicate, consult and provide information timely;
<i>Managing for performance</i>	<ul style="list-style-type: none"> • Excellence and timely service: to deliver high quality of service, • Leadership : to set the direction, • Expertise : to develop necessary skills and apply them in a professional manner; • Effectiveness : to achieve objectives, • Efficiency : to achieve value for money, • Propriety : to ensure proper use of public funds, • Teamwork and innovation, • Trust and care • Encouragement
<i>Developing our culture of service</i>	<ul style="list-style-type: none"> • Commitment : To give our best • Integrity : To be impartial and ethical • Courtesy : To treat others decently • Responsiveness : To react to problems or claims and changing circumstances,
<i>Living within our means</i>	<ul style="list-style-type: none"> • Foresight : To forecast and plan ahead within available resources; • Partnership: To complement other government entities and private sector;

2.4 SOURCE OF FUND

The property of SGF comes from the following:

1. Ten per cent (10%) of insurance premiums for automobiles.
2. Five percent (5%) of gross annual income that the organ in charge of tourism gains from tourism activities.
3. Income generating activities, deposits in banks or in capital markets, and any other sources following a decision of the Board of Directors upon proposal by the head of the General Directorate;
4. Donations and bequests;
5. Loans granted to SGF upon approval by the Minister in charge of finance;
6. The state budget allocations, when deemed necessary.

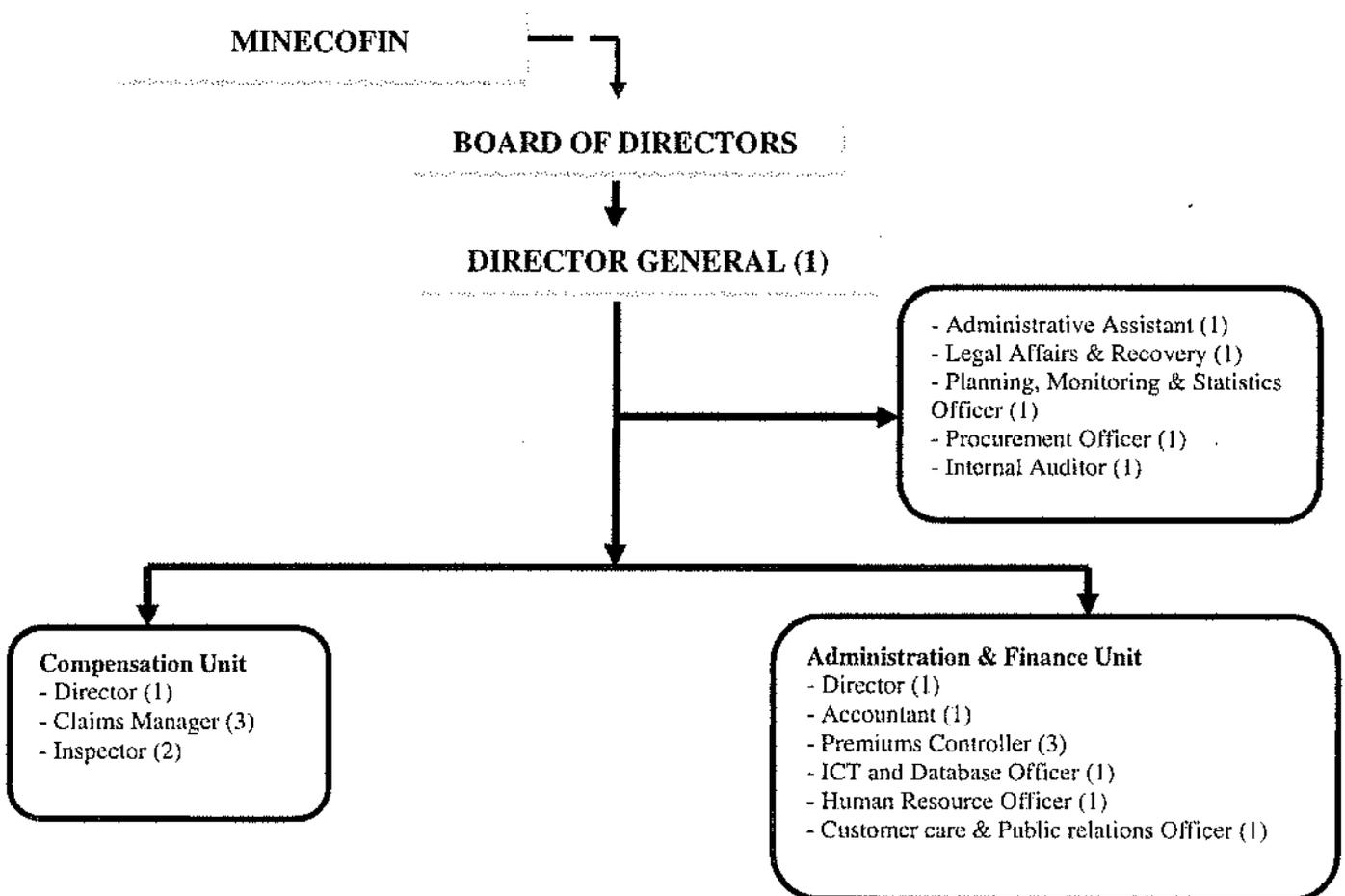
2.5 POWERS

SGF has the power to:

1. Exercise control over insurance companies in relation to payment of insurance premiums for civil liability for motor vehicles;
2. Sell by public auction automobile which caused the accident if, after three months of notification, the owner fails to reimburse the money paid out by SGF. When the money

- from such a public auction is less than the amount to be recovered, SGF shall have the right to file the case in courts of law in order to obtain the remaining amount of money;
3. Sell by public auction the wreckage of an automobile for which compensation has been paid;
 4. Request the insurance company of the automobile which caused the accident to reimburse medical expenses;
 5. File a case in courts of law against any person responsible for damage or injury caused by an animal where after a month from the time of notification, he/she failed to reimburse the amount of compensation paid by SGF.

2.6 ORGANIZATIONAL STRUCTURE



2.7 OVERALL GOALS OF SGF

1) To compensate effectively and efficiently victims of accidents and damages as defined by the law

- ✓ Improve claims management;
- ✓ Manage litigations and matters in disputes;
- ✓ Improve the investigation of claims;
- ✓ Implement MSGH;

- ✓ Build synergy with different stakeholders.

2) To develop a capable, efficient and responsive institution

- ✓ Enhance transparency, efficiency and good service delivery;
- ✓ Design an inclusive human resource management and development strategies;
- ✓ Design mechanisms to facilitate management decision-making (Design results-based management and evidence-based decision making mechanisms);
- ✓ Strengthen ICT;
- ✓ Promote cooperation with national and international institutions operating in insurance sector.

3) To become a proactive institution

- ✓ Set up a proactive insurance verification system;
- ✓ Build road accidents prevention strategy;
- ✓ Develop a fraud prevention strategy;
- ✓ Educate and sensitize on SGF mission.

4) To ensure its financial sustainability

- ✓ Optimize insurance premiums and audit regularly insurance premiums in insurance companies;
- ✓ Productively invest reserves;
- ✓ Recover SGF's money spent on accidents caused by 3rd party motor vehicles not covered by compulsory civil liability insurances;
- ✓ Reinsure the Special Guarantee Fund.

2.8 COMPOSITION OF THE REGULATORY BOARD AS OF 30 JUNE 2017

Names	Photo	Board member profile
<p>KAMPAYANA AUGUSTIN, CHAIRPERSON OF BOARD</p>		<p>CHAIRMAN OF RURAL SETTLEMENT TASK FORCE (RSTF), RWANDA HOUSING AUTHORITY</p>
<p>MUKAKIMENYI VENERANDA, VICE CHAIRPERSON OF BOARD</p>	<p>Add photo</p>	<p>WORKS AT THE OFFICE OF THE GOVERNMENT CHIEF INTERNAL AUDITOR, MINECOFIN</p>
<p>NKURUNZIZA MARK, BOARD MEMBER</p>		<p>CHIEF FINANCIAL OFFICER (CFO), RWANDA DEVELOPMENT BOARD (RDB)</p>
<p>DUSABE THÉOPHILE, BOARD MEMBER</p>	<p>Add photo</p>	<p>MAINTENANCE PROGRAMMING SENIOR ENGINEER, RWANDA TRANSPORT DEVELOPMENT AGENCY (RTDA)</p>
<p>KARAKE DOREEN, BOARD MEMBER</p>		<p>DIRECTOR OF LEGAL AFFAIRS AND COMPANY SECRETARY, NGALI HOLDINGS LTD</p>

Names	Photo	Board member profile
<p>CP. RUMANZI GEORGE, BOARD MEMBER</p>		<p>COMMISSIONER FOR TRAFFIC AND ROAD SAFETY, RWANDA NATIONAL POLICE</p>
<p>MRS. KAREMERA CLAIRE, BOARD MEMBER</p>	<p>Add photo</p>	<p>, BRD</p>
<p>Dr. NZABONIKUZA Joseph Director General</p>		

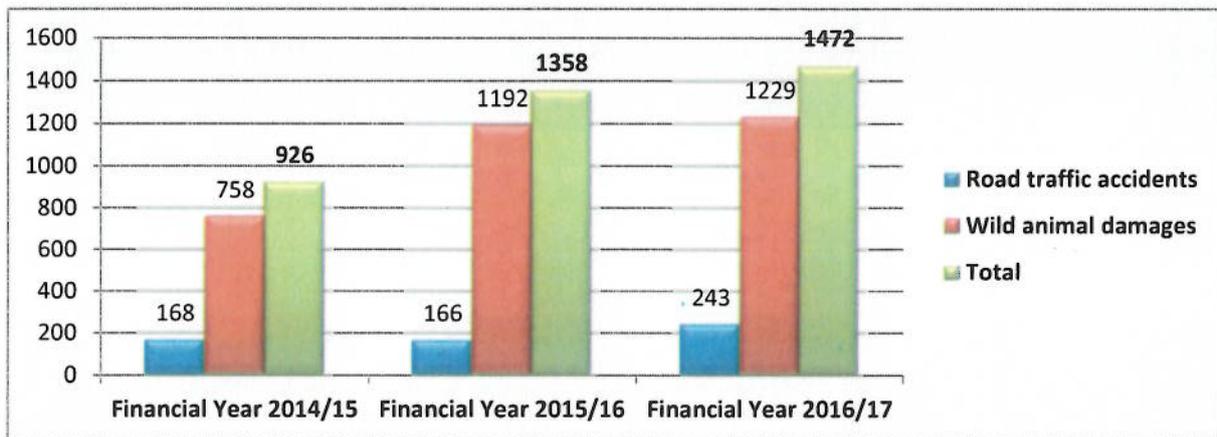
3. CLAIMS MANAGEMENT

Claims management constitutes the SGF core mandate which is to compensate road traffic accidents and damages caused by wild animals as detailed in point 2.1 of this annual activity report. It mainly includes claims reception and registration, claims handling including but not limited to eligibility analysis, investigation, provisioning as well as SGF compensation responsibility acceptance or repudiation and compensation payment.

3.1 NEW CLAIMS RECEIVED

During the year under review, a total number of 1,472 new claims have been received of which 1,229 new claims for wild animals' damages and 243 new claims for damages caused by road traffic accidents. Compared to the year 2015/16, the total number of new claims received increased by 8.4% where claims for wild animals' damages and claims for damages caused by road traffic accidents increased by 3.1% and 46.4% respectively.

Figure 1: Highlights on comparative evolution of new claims received, in number



The figure above shows that in the last two financial years, the total number of claims grew by +46.7% and +8.4% respectively. By disaggregating, claims for road traffic accidents grew by – 1.2% and +46.4% respectively whereas claims for wild animals' damages grew by +57.3% and +3.1% respectively.

It is thought that a significant increase in new claims for road traffic accidents received in 2016/17 is partly explained by the behavior of road users associated with infringement of the traffic laws such as driving beyond speed limits, excess alcohol offence (drink drive offence); failure to comply with or neglect road signs, driving automobiles with mechanical faults among others. However, to address over speeding issue in the middle of the financial year 2016/17 the RNP introduced speed governors and street cameras to regulate speed limits and monitor road traffic with an expectation to reduce road traffic accidents. As for claims for wild animals' damages, this significant increase in new claims received is explained by the population awareness about the SGF mission after around 4 years of compensation process on one hand. On the other hand, it is explained by the growing number of wild animals living in national parks and other protected areas that damage crops and livestock of the neighboring population and sometimes injure or kill the neighboring population.

It is worth noting that except the Akagera National Park, other national parks are not fenced in order to prevent wild animals from attacking crops and livestock of the neighboring population.

3.1.1 Road traffic accident damages

In 2016/2017, 150 new claims representing 61.7% of the total new claims for road traffic accidents received have been reported as caused by non-identified automobiles, while 93 new claims representing 38.3% of total new claims for road traffic accidents received have been reported as caused by uninsured automobiles. By type of damage, 200 new claims received were related to body damages including body injuries and fatalities while 43 new claims received were related to property damages. On average, the SGF has received 20 new cases of claims related to road traffic accidents per month; that is an average increase of 42.8% compared to the year 2015/16 where SGF received 14 new claims for road traffic accidents per month.

The table below shows that of 113 new claims for road traffic accidents received in 2016/17 representing 46.5% of total new claims for road traffic accidents received originated from Kigali City of which 49 in Gasabo District representing 20.2%, 34 in Nyarugenge representing 14% and 30 in Kicukiro representing 12.3%. In Southern Province, SGF recorded 46 new claims representing 19%, 35 new claims representing 14.4% recorded from Eastern Province, 26 new claims representing 10.7% recorded from Northern Province and 23 new claims representing 9.4% of the total number of new claims for road traffic accidents received in 2016/17 recorded from Western Province.

Table 2: New claims for road traffic accidents received in 2016/17, in number

Place of accident	Non-identified automobile that caused body damage	Non-identified automobile that caused property damage	Uninsured automobile that caused body damage	Uninsured automobile that caused property damage	Total per place of accident	% of total
KIGALI CITY	57	10	29	17	113	46.5
Gasabo	23	5	14	7	49	20.2
Nyarugenge	18	2	7	7	34	14.0
Kicukiro	16	3	8	3	30	12.3
SOUTHERN PROVINCE	25	6	14	1	46	19
Kamonyi	6	3	2	1	12	4.9
Huye	6	1	2	0	9	3.7
Nyamagabe	5	0	4	0	9	3.7
Muhanga	4	0	2	0	6	2.5
Ruhango	3	1	0	0	4	1.6
Gisagara	0	0	3	0	3	1.2
Nyaruguru	1	1	1	0	3	1.2
EASTERN PROVINCE	19	2	11	3	35	14.4
Rwamagana	5	1	2	1	9	3.7
Gatsibo	2	0	5	1	8	3.3
Bugesera	3	1	1	1	6	2.5

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Kayonza	4	0	1	0	5	2.1
Ngoma	3	0	1	0	4	1.6
Nyagatare	2	0	1	0	3	1.2
NOTHERN PROVINCE	19	1	5	1	26	10.7
Gakenke	6	1	0	0	7	2.9
Gicumbi	5	0	1	0	6	2.5
Rulindo	3	0	2	1	6	2.5
Musanze	5	0	0	0	5	2.1
Burera	0	0	2	0	2	0.8
WESTERN PROVINCE	10	1	11	1	23	9.4
Rubavu	4	0	6	0	10	4.1
Karongi	2	1	1	0	4	1.6
Rusizi	1	0	2	1	4	1.6
Nyabihu	3	0	1	0	4	1.6
Ngororero	0	0	1	0	1	0.4
Overall	130	20	70	23	243	100.0

Table 3: Comparative evolution of new claims for road traffic accidents received, in number

Place of accident	Road traffic accidents caused by non-identified automobiles 2015/16	Road traffic accidents caused by non-identified automobiles 2016/17	Road traffic accidents caused by uninsured automobiles 2015/16	Road traffic accidents caused by uninsured automobiles 2016/17	Total number of claims received by place of accident 2015/16	Total number of claims received by place of accident 2016/17	% change
KIGALI CITY	54	67	16	46	103	113	9.7
Gasabo	31	28	8	21	39	49	25.6
Nyarugenge	12	20	4	14	16	34	112.5
Kicukiro	11	19	4	11	15	30	100.0
SOUTHERN PROVINCE	10	31	18	15	28	46	64.3
Kamonyi	0	9	5	3	5	12	140.0
Nyamagabe	3	5	0	4	3	9	200.0
Huye	0	7	2	2	2	9	350.0
Muhanga	6	4	6	2	12	6	-50.0
Ruhango	0	4	3	0	3	4	33.3
Gisagara	0	0	1	3	1	3	200.0
Nyaruguru	0	2	1	1	1	3	200.0
Nyanza	1	0	0	0	1	0	-100.0

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Place of accident	Road traffic accidents caused by non-identified automobiles 2015/16	Road traffic accidents caused by non-identified automobiles 2016/17	Road traffic accidents caused by uninsured automobiles 2015/16	Road traffic accidents caused by uninsured automobiles 2016/17	Total number of claims received by place of accident 2015/16	Total number of claims received by place of accident 2016/17	% change
EASTERN PROVINCE	38	21	8	14	28	35	25
Rwamagana	3	6	1	3	4	9	125.0
Gatsibo	3	2	4	6	7	8	14.3
Bugesera	2	4	0	2	2	6	200.0
Kayanza	2	4	1	1	3	5	66.7
Ngoma	1	3	1	1	2	4	100.0
Nyagatare	6	2	1	1	7	3	-57.1
Kirehe	3	0	0	0	3	0	-100.0
NORTHERN PROVINCE	9	20	5	6	14	26	85.7
Gakenke	3	7	0	0	3	7	133.3
Gicumbi	0	5	1	1	1	6	500.0
Rulindo	2	3	1	3	3	6	100.0
Musanze	4	5	3	0	7	5	-28.6
Burera	0	0	0	2	0	2	-
WESTERN PROVINCE	17	11	9	12	26	23	-11.5
Rubavu	6	4	1	6	7	10	42.9
Rusizi	4	1	6	3	10	4	-60.0
Nyabihu	5	3	2	1	7	4	-42.9
Karongi	2	3	0	1	2	4	100.0
Ngororero	0	0	0	1	0	1	-
Overall	110	150	56	93	166	243	46.4

Compared to the previous financial year, we can see from the table above that new claims for road traffic accidents received which have been reported as originating from Kigali City increased by 9.7% to reach 113 in the year under review from 103 in the previous year, new claims for road traffic accidents received which have been reported as originating from Southern Province increased by 64.3% to reach 46 from 28 recorded in the previous year; new claims for road traffic accidents received which have been reported as originating from Eastern Province increased by 25% to reach 35 from 28 recorded in the previous year while new claims for road traffic accidents received which have been reported as originating from Northern Province increased by 85.7% to reach 26 from 14 recorded in the previous. As for the Western Province, it recorded a decrease of 11.5% to reach 23 from 26 recorded in the previous year.

Considering the responsible of claims for road traffic accidents, road traffic accidents caused by non-identified automobiles increased by 36.4% to reach 150 compared with 110 recorded in the

previous financial year Kigali City being ranked first followed by Southern Province among others whereas road traffic accidents caused by uninsured automobiles increased by 66.1% to reach 93 compared with 56 recorded in the previous financial year again Kigali City being ranked first followed by Southern and then Eastern Provinces among others. On one hand, an increase in road traffic accidents caused by non-identified automobiles is an indication that significant improvement is still needed to strengthen road safety in order to reduce significantly hit-and-run cases. On the other hand, enforcement of compulsory insurance coverage for every automobile on Rwandan territory still needs more improvement.

3.1.2 Wild animals' damages

In 2016/2017, around 72.8% of the total number of new claims for wild animals' damages received have been reported as originating from Volcanoes National Park zone and Akagera National Park zone with 490 new claims (39.8%) and 405 new claims (33%) respectively. The latter are followed by Nyungwe National Park zone with 333 new claims (27.1%) and finally Gishwati National Park zone with 1 claim from Rutsiro District.

As shown on the table below, most of claims originating from Volcanoes National Park zone came from Musanze District representing 37.3% of the total, followed by Burera District (1.2%), Nyabihu District (1.1%) and Rubavu District (0.1%). In Akagera National Park zone most of new claims came from Kayonza District representing 12.6% of the total number of new claims for wild animals' damages followed by Gatsibo District (7.9%), Nyagatare District (7%), Kirehe District (3.4%), Bugesera District (1%) and finally Ngoma District (0.8%). In Nyungwe National Park zone most of new claims came from Nyamasheke District representing 17% of the total, followed by Nyamagabe District (7.6%), Nyaruguru District (1.4%) and finally Karongi District (1%).

Table 4: New claims for wild animals' damages received in 2016/17, in number

Place of damage	Property damage	Body damage	Total per place of damage	% of total
VOLCANOES NATIONAL PARK ZONE	480	10	490	39.8
MUSANZE DISTRICT	451	8	459	37.3
Kinigi	145	5	150	12.21
Shingiro	123	1	124	10.09
Gataraga	114	1	115	9.36
Nyange	62	1	63	5.13
Musanze	2	0	2	0.16
Muhoza	2	0	2	0.16
Cyuve	2	0	2	0.16
Busogo	1	0	1	0.08
BURERA DISTRICT	13	2	15	1.2
Gahunga	8	1	9	0.73

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Place of damage	Property damage	Body damage	Total per place of damage	% of total
Rugarama	5	1	6	0.49
NYABIHU DISTRICT	14	0	14	1.1
Jenda	7	0	7	0.57
Kabatwa	7	0	7	0.57
RUBAVU DISTRICT	2	0	2	0.1
Busasamana	2	0	2	0.16
AKAGERA NATIONAL PARK ZONE	395	10	405	33
KAYONZA DISTRICT	150	5	155	12.6
Murundi	46	4	50	4.07
Mwili	45	0	45	3.66
Ndego	28	0	28	2.28
Gahini	19	1	20	1.63
Kabare	11	0	11	0.90
Mukarange	1	0	1	0.08
GATSIBO DISTRICT	98	0	98	7.9
Kiramuruzi	77	0	77	6.27
Rwimbogo	20	0	20	1.63
Kabarore	1	0	1	0.08
NYAGATARE DISTRICT	86	1	87	7
Karangazi	44	0	44	3.58
Rwimiyaga	31	1	32	2.60
Katabagemu	6	0	6	0.49
Nyagatare	4	0	4	0.33
Tabagwe	1	0	1	0.08
KIREHE DISTRICT	40	2	42	3.4
Mpanga	19	0	19	1.55
Nasho	13	2	15	1.22
Mahama	5	0	5	0.41
Nyamugali	3	0	3	0.24
BUGESERA DISTRICT	11	2	13	1
Gashora	7	0	7	0.57
Rilima	4	1	5	0.41
Juru	0	1	1	0.08
NGOMA DISTRICT	10	0	10	0.8
Rurenge	7	0	7	0.57

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Place of damage	Property damage	Body damage	Total per place of damage	% of total
Rukumberi	3	0	3	0.24
NYUNGWE NATIONAL PARK ZONE	332	1	333	27.1
NYAMASHEKE DISTRICT	209	1	210	17
Mahembe	117	0	117	9.52
Rangiro	78	1	79	6.43
Karengera	10	0	10	0.81
Bushekeri	3	0	3	0.24
Karambi	1	0	1	0.08
NYAMAGABE DISTRICT	94	0	94	7.6
Kitabi	49	0	49	3.99
Uwinkingi	40	0	40	3.25
Gatare	3	0	3	0.24
Nkomane	2	0	2	0.16
NYARUGURU DISTRICT	17	0	17	1.4
Nyabimata	15	0	15	1.22
Muganza	1	0	1	0.08
Kivu	1	0	1	0.08
KARONGI DISTRICT	12	0	12	1
Mutuntu	9	0	9	0.73
Twumba	3	0	3	0.24
GISHWATI NATIONAL PARK ZONE	1	0	1	0.08
RUTSIRO DISTRICT	1	0	1	0.08
Nyabirasi	1	0	1	0.08
OVERALL	1208	21	1229	100.00

Table 5: Comparative evolution of new claims for wild animals' damages received, in number

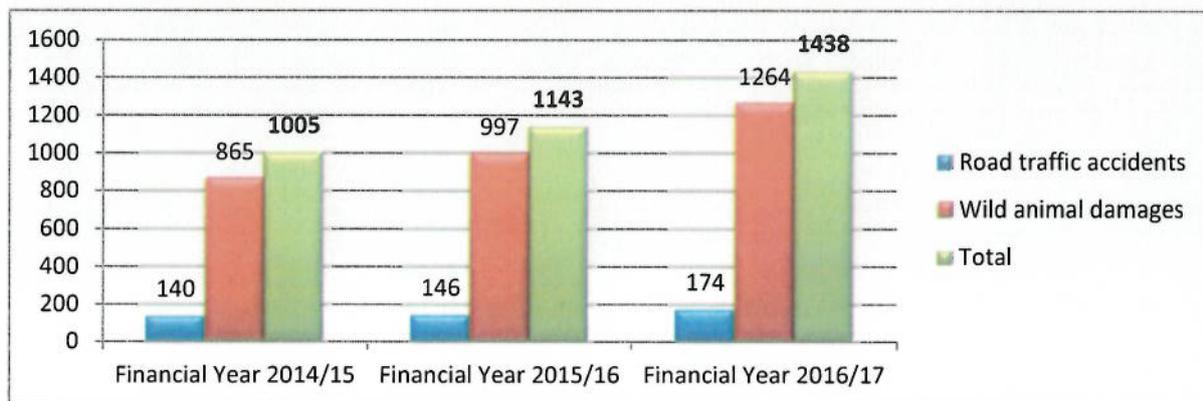
Place of damages	Property damage 2015/16	Property damage 2016/17	Body damage 2015/16	Body damage 2016/17	Total 2015/16	Total 2016/17	Overall % change
Volcanoes National Park Zone	659	480	3	10	662	490	-25.98
Musanze	600	451	1	8	601	459	-23.63
Burera	32	13	2	2	34	15	-55.88
Rubavu	23	2	0	0	23	2	-91.30
Nyabihu	4	14	0	0	4	14	250.00
Akagera National Park Zone	183	395	12	10	195	405	107.69
Kayonza	106	150	5	5	111	155	39.64
Nyagatare	38	86	3	1	41	87	112.20
Kirehe	24	40	1	2	25	42	68.00
Gatsibo	9	98	0	0	9	98	988.89
Bugesera	5	11	2	2	7	13	85.71
Ngoma	1	10	1	0	2	10	400.00
Nyungwe national Park Zone	335	332	0	1	335	333	-0.6
Nyamashoke	212	209	0	1	212	210	-0.94
Nyamagabe	77	94	0	0	77	94	22.08
Karongi	43	12	0	0	43	12	-72.09
Nyaruguru	3	17	0	0	3	17	466.67
Gishwati National Park Zone	0	1	0	0	0	1	-
Rutsiro	0	1	0	0	0	1	-
OVERALL	1177	1208	15	21	1192	1229	3.10

Notwithstanding the overall number of new claims for wild animals' damages received which increased by 3.1%, in Volcanoes National Park zone new claims declined from 662 recorded in the previous year to 490 in the year under review (-25.98%) while in Nyungwe National Park zone it slightly decreased by 0.6%. However, in Akagera National Park zone there has been a significant increase of 107.69% to reach 405 new claims from 195 new claims recorded in the previous year which is thought to be explained by the fact that there are some wild animals that are still out of the national parks in several protected areas such as lakes, dams and forests and still damage crops and livestock of population. It is also worth mentioning that in some parks zones there are some types of wild animals in the category of primates including monkeys, chimpanzee as well as baboons and some types of birds that are very difficult to prevent. The latter are also the reason behind these below expectations decreases observed in both Volcanoes National Park zone and Nyungwe National Park zone.

3.2 CLAIMS HANDLING

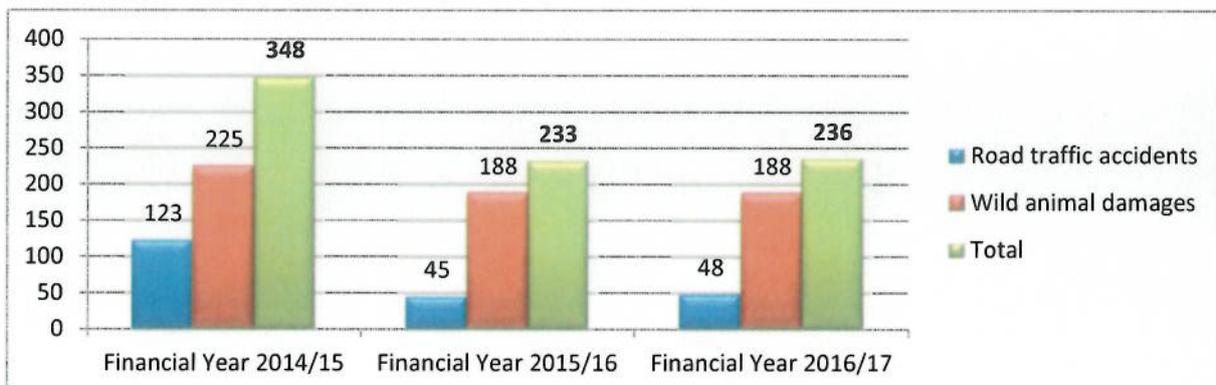
During the financial year under review, on one hand a total number of 1,438 claims have been effectively compensated of which 1,264 claims for wild animals' damages and 174 claims for damages caused by road traffic accidents. Compared to the year 2015/16, the total number of claims compensated increased by 25.8% where claims for wild animals' damages and claims for damages caused by road traffic accidents increased by 26.8% and 19.2% respectively. On the other hand, a total number of 236 Claims have been repudiated of which 188 claims for wild animals' damages and 48 claims for road traffic accidents. Compared to the year 2016/17, the total number of claims repudiated increased by 1.3% where claims for road traffic accidents increased by 6.7% while claims for wild animals' damages repudiated have remained constant.

Figure 2: Highlights on comparative evolution of claims compensated, in number



The figure above shows that in the last two financial years, the total number of claims compensated grew by +13.7% and +25.8% respectively. By disaggregating, claims for road traffic accidents grew by 4.3% and +19.2% respectively whereas claims for wild animals' damages grew by +15.3% and +26.8% respectively. It is worth noting that though these accidents are not 100% preventable but a big number of them can be prevented provided that appropriate prevention measures are taken and duly implemented. However, it requires joint intervention of all the players in road traffic accidents and wild animals' damages.

Figure 3: Highlights on comparative evolution of claims repudiated, in number



3.2.1 Claims compensation

3.2.1.1 Road traffic accidents compensated

During the year under review, among 174 road accident claims compensated claims originating from Kigali City constituted 44.2% of the total followed by Southern Province and Eastern Province each of them representing 16.7% respectively, followed by Western Province representing 13.2% and finally Western Province representing 9.2% of total claims for road traffic accidents compensated in 2016/17.

Table 6: Claims for road traffic accidents compensated in 2016/17, in number

Place of accident	Road traffic accidents caused by non-identified automobile leading to body damage	Road traffic accidents caused by non-identified automobile leading to property damage	Road traffic accidents caused by uninsured automobile leading to body damage	Road traffic accidents caused by uninsured automobile leading to property damage	Total per place of accident	% of total
KIGALI CITY	36	10	19	12	77	44.2
Nyarugenge	18	2	7	4	31	17.8
Gasabo	10	3	5	6	24	13.8
Kicukiro	8	5	7	2	22	12.6
SOUTHERN PROVINCE	14	0	12	3	29	16.7
Muhanga	4	0	2	0	6	3.4
Kamonyi	1	0	2	3	6	3.4
Ruhango	3	0	2	0	5	2.9
Huye	3	0	1	0	4	2.3
Nyamagabe	2	0	2	0	4	2.3
Nyaruguru	1	0	1	0	2	1.1
Gisagara	0	0	2	0	2	1.1
EASTERN PROVINCE	16	1	10	2	29	16.7
Rwamagana	6	0	3	1	10	5.7
Gatsibo	4	0	3	0	7	4.0
Kayonza	2	0	2	0	4	2.3
Bugesera	1	1	0	1	3	1.7
Nyagatare	0	0	2	0	2	1.1
Ngoma	2	0	0	0	2	1.1
Kirehe	1	0	0	0	1	0.6
WESTERN PROVINCE	10	1	11	1	23	13.2
Rubavu	3	0	5	0	8	4.6
Rusizi	2	0	3	1	6	3.4
Nyabihu	3	0	1	0	4	2.3

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Place of accident	Road traffic accidents caused by non-identified automobile leading to body damage	Road traffic accidents caused by non-identified automobile leading to property damage	Road traffic accidents caused by uninsured automobile leading to body damage	Road traffic accidents caused by uninsured automobile leading to property damage	Total per place of accident	% of total
Karongi	2	1	1	0	4	2.3
Ngororero	0	0	1	0	1	0.6
NORTHERN PROVINCE	11	0	4	1	16	9.2
Rulindo	3	0	2	1	6	3.4
Musanze	4	0	0	0	4	2.3
Gicumbi	2	0	1	0	3	1.7
Gakenke	2	0	1	0	3	1.7
Overall	87	12	56	19	174	100.0

Table 7: Claims for road traffic accidents compensated in 2016/17, in Millions of FRW

Place of accident	Non identified automobile		Non identified automobile Total	Uninsured automobile		Uninsured automobile Total	Grand Total
	Body damage	Property damage		Body damage	Property damage		
KIGALI CITY	111.49	16.83	128.34	64.89	29.51	94.4	222.74
Nyarugenge	65.15	3.29	68.45	24.47	5.17	29.64	98.09
Gasabo	28.56	7.41	35.98	27.08	18.64	45.72	81.70
Kicukiro	17.78	6.13	23.91	13.34	5.70	19.04	42.95
WESTERN PROVINCE	47.62	6.27	52.9	45.44	5.56	51	103.92
Rubavu	7.22	0.00	7.22	24.33	0.00	24.33	31.56
Karongi	12.37	6.27	18.65	8.52	0.00	8.52	27.17
Rusizi	11.67	0.00	11.67	6.91	5.56	12.47	24.15
Nyabihu	15.36	0.00	15.36	2.01	0.00	2.01	17.37
Ngororero	0.00	0.00	0.00	3.67	0.00	3.67	3.67
SOUTHERN PROVINCE	48.2	0.0	48.2	31.17	5.08	36.25	84.45
Nyamagabe	9.19	0.00	9.19	15.59	0.00	15.59	24.78
Huye	16.09	0.00	16.09	1.13	0.00	1.13	17.22
Muhanga	11.84	0.00	11.84	3.98	0.00	3.98	15.82
Ruhango	9.71	0.00	9.71	2.55	0.00	2.55	12.26
Kamonyi	0.66	0.00	0.66	1.98	5.08	7.06	7.72
Gisagara	0.00	0.00	0.00	4.41	0.00	4.41	4.41
Nyaruguru	0.71	0.00	0.71	1.53	0.00	1.53	2.24
EASTERN PROVINCE	21.83	3.20	25.03	29.49	4.57	34.06	71.8
Rwamagana	12.71	0.00	12.71	9.14	0.95	10.09	22.80
Gatsibo	12.16	0.00	12.16	9.29	0.00	9.29	21.45

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Place of accident	Non identified automobile		Non identified automobile Total	Uninsured automobile		Uninsured automobile Total	Grand Total
	Body damage	Property damage		Body damage	Property damage		
Bugesera	3.13	3.20	6.33	0.00	3.62	3.62	9.95
Nyagatare	0.00	0.00	0.00	9.48	0.00	9.48	9.48
Kayonza	2.69	0.00	2.69	1.58	0.00	1.58	4.27
Ngoma	2.93	0.00	2.93	0.00	0.00	0.00	2.93
Kirehe	0.92	0.00	0.92	0.00	0.00	0.00	0.92
NORTHERN PROVINCE	37.7	0.0	37.7	8.36	0.23	8.59	46.29
Gakenke	12.65	0.00	12.65	3.93	0.00	3.93	16.59
Musanze	14.74	0.00	14.74	0.00	0.00	0.00	14.74
Gicumbi	6.00	0.00	6.00	1.88	0.00	1.88	7.88
Rulindo	4.31	0.00	4.31	2.55	0.23	2.78	7.08
Grand Total	278.58	26.30	304.88	179.33	44.97	224.29	529.17

NB: The figures are computed on cash basis

The table above shows that 42.1% of the amount paid to compensate has been paid to claims originating from Kigali City, followed by Western Province occupying 19.6%, Southern Province occupying 16%, Eastern Province occupying 13.6% and Northern Province occupying 8.7% of the total amount paid to compensate claims for road accidents' damages. Note that the compensation amount paid is associated to the number of claims compensated as well as the monetary value of the damages. On average, SGF paid FRW 3.04 Million per claim for road traffic accidents.

3.2.1.2 Claims for wild animals' damages compensated in 2016/2017

During the year under review, among 1,264 claims for wild animals' damages have been compensated of which 565 claims originating from Volcanoes National Park zone representing 44.7% of the total number of claims for wild animals' damages compensated followed by Akagera National Park zone with 428 claims compensated representing 33.8% of the total, and followed by Nyungwe National Park zone with 271 representing 21.4% of the total number of claims for wild animals' damages compensated in 2016/17.

Table 8: Claims for wild animals' damages compensated, in number

Place of damages	Property damage	Body damage	Total	% of total
VOLCANOES NATIONAL PARK ZONE	556	9	565	44.7
MUSANZE DISTRICT	514	7	521	41.2
Kinigi	180	5	185	14.6
Gataraga	148	1	149	11.8
Shingiro	101	0	101	8.0
Nyange	82	1	83	6.6
Musanze	2	0	2	0.2
Busogo	1	0	1	0.1

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Place of damages	Property damage	Body damage	Total	% of total
BURERA DISTRICT	26	2	28	2.2
Gahunga	20	1	21	1.7
Rugarama	5	1	6	0.5
Bungwe	1	0	1	0.1
NYABIHU DISTRICT	16	0	16	1.2
Kabatwa	10	0	10	0.8
Jenda	5	0	5	0.4
Mukamira	1	0	1	0.1
AKAGERA NATIONAL PARK ZONE	418	10	428	33.8
KAYONZA DISTRICT	218	4	222	17.5
Ndego	73	0	73	5.8
Mwili	54	1	55	4.4
Murundi	49	3	52	4.1
Gahini	25	0	25	2.0
Kabare	16	0	16	1.3
Mukarange	1	0	1	0.1
GATSIBO DISTRICT	95	0	95	7.5
Kiramuruzi	70	0	70	5.5
Rwimbogo	24	0	24	1.9
Kabarore	1	0	1	0.1
NYAGATARE DISTRICT	69	3	72	5.7
Karangazi	52	1	53	4.2
Rwimiyaga	6	1	7	0.6
Nyagatare	5	0	5	0.4
Katabagemu	5	0	5	0.4
Matimba	0	1	1	0.1
Tabagwe	1	0	1	0.1
KIREHE DISTRICT	23	0	23	1.8
Nasho	11	0	11	0.9
Nyamugali	6	0	6	0.5
Mpanga	6	0	6	0.5
NGOMA DISTRICT	8	0	8	0.6
Rurenge	7	0	7	0.6
Rukumberi	1	0	1	0.1
BUGESERA DISTRICT	4	3	7	0.5
Juru	2	2	4	0.3
Rilima	2	0	2	0.2
Mayange	0	1	1	0.1
NYUNGWE NATIONAL PARK ZONE	271	0	271	21.4
NYAMASHEKE DISTRICT	181	0	181	14.3
Mahembe	100	0	100	7.9

Place of damages	Property damage	Body damage	Total	% of total
Rangiro	73	0	73	5.8
Karengera	4	0	4	0.3
Bushekeri	3	0	3	0.2
Karambi	1	0	1	0.1
NYAMAGABE DISTRICT	67	0	67	5.3
Kitabi	45	0	45	3.6
Uwinkingi	13	0	13	1.0
Gatare	6	0	6	0.5
Nkomane	3	0	3	0.2
NYARUGURU DISTRICT	15	0	15	1.2
Nyabimata	14	0	14	1.1
Muganza	1	0	1	0.1
KARONGI DISTRICT	8	0	8	0.6
Twumba	5	0	5	0.4
Mutuntu	3	0	3	0.2
GISHWATI NATIONAL PARK ZONE	1	0	1	0.1
RUTSIRO DISTRICT	1	0	1	0.1
Nyabirasi	1	0	1	0.1
Overall	1245	19	1264	100.0

Table 9: Claims for wild animals' damages compensated, in Millions of FRW

Place of damages	Property damage	Body damage	Total	% of total
AKAGERA NATIONAL PARK ZONE	103.7	10.83	114.53	64.3
KAYONZA DISTRICT	57.39	1.83	59.22	33.2
Mwili	16.97	0.27	17.23	9.67
Ndego	16.40	0.00	16.40	9.20
Murundi	13.97	1.56	15.54	8.72
Gahini	8.11	0.00	8.11	4.55
Kabare	1.49	0.00	1.49	0.84
Mukarange	0.45	0.00	0.45	0.25
NYAGATARE DISTRICT	21.76	6.57	28.33	16
Karangazi	18.73	2.58	21.30	11.96
Nyagatare	1.20	0.00	1.20	0.67
Rwimiyaga	0.90	0.01	0.92	0.52
Matimba	0.00	3.98	3.98	2.24
Katabagemu	0.43	0.00	0.43	0.24
Tabagwe	0.50	0.00	0.50	0.28
GATSIBO DISTRICT	11.42	0.0	11.42	6.4
Kiramuruzi	6.70	0.00	6.70	3.76
Rwimbogo	4.37	0.00	4.37	2.45
Kabarore	0.35	0.00	0.35	0.20

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Place of damages	Property damage	Body damage	Total	% of total
KIREHE DISTRICT	11.03	0.0	11.03	6.2
Nasho	8.59	0.00	8.59	4.82
Mpanga	1.63	0.00	1.63	0.91
Nyamugali	0.81	0.00	0.81	0.45
BUGESERA DISTRICT	0.12	2.43	2.55	1.4
Juru	0.11	2.20	2.31	1.30
Mayange	0.00	0.23	0.23	0.13
Rilima	0.01	0.00	0.01	0.01
NGOMA DISTRICT	1.98	0.0	1.98	1.1
Rurenge	1.35	0.00	1.35	0.76
Rukumberi	0.63	0.00	0.63	0.35
VOLCANOES NATIONAL PARK ZONE	40.98	2.27	43.25	24.2
MUSANZE DISTRICT	37.55	1.65	39.2	22
Nyange	13.42	0.32	13.75	7.72
Kinigi	10.37	1.06	11.42	6.41
Gataraga	6.88	0.27	7.15	4.01
Shingiro	6.71	0.00	6.71	3.77
Musanze	0.14	0.00	0.14	0.08
Busogo	0.03	0.00	0.03	0.02
BURERA DISTRICT	2.4	0.62	3.02	1.7
Gahunga	2.17	0.45	2.62	1.47
Rugarama	0.21	0.17	0.38	0.21
Bungwe	0.02	0.00	0.02	0.01
NYABIHU DISTRICT	1.03	0.0	1.03	0.5
Kabatwa	0.86	0.00	0.86	0.48
Jenda	0.15	0.00	0.15	0.09
Mukamira	0.02	0.00	0.02	0.01
NYUNGWE NATIONAL PARK ZONE	19.94	0.0	19.94	11.2
NYAMASHEKE DISTRICT	10.71	0.0	10.71	6
Mahembe	5.14	0.00	5.14	2.89
Rangiro	4.91	0.00	4.91	2.76
Karambi	0.31	0.00	0.31	0.17
Bushekeri	0.25	0.00	0.25	0.14
Karengera	0.10	0.00	0.10	0.05
NYAMAGABE DISTRICT	6.03	0.0	6.03	3.4
Kitabi	3.06	0.00	3.06	1.72
Gatare	1.83	0.00	1.83	1.03
Uwinkingi	0.68	0.00	0.68	0.38
Nkomane	0.46	0.00	0.46	0.26
NYARUGURU DISTRICT	2.08	0.0	2.08	1.1
Nyabimata	1.96	0.00	1.96	1.10

Place of damages	Property damage	Body damage	Total	% of total
Muganza	0.12	0.00	0.12	0.07
KARONGI DISTRICT	1.12	0.0	1.12	0.6
Twumba	0.73	0.00	0.73	0.41
Mutuntu	0.42	0.00	0.42	0.23
GISHWATI NATIONAL PARK ZONE	0.42	0.0	0.42	0.24
RUTSIRO DISTRICT	0.42	0.0	0.42	0.24
Nyabirasi	0.42	0.00	0.42	0.24
Overall	165.08	13.09	178.17	100.00

NB: The figures are computed on cash basis

The table above reveals that 64.3% of the compensation amount paid to claims for wild animals' damages has been paid on claims originating from Akagera National Park zone (FRW 114.53 Millions) followed by Volcanoes National Park zone representing 24.4% (FRW 43.25 Millions), followed by Nyungwe National Parks zone representing 11.2% (FRW 19.94 Millions). This important share occupied by claims originating from Akagera National Park zone is explained by a big number of the neighboring population are farmers having dams where they raise their livestock especially cows which have much higher values. On average, SGF paid FRW 0.14 Million per claim for wild animals' damages.

3.2.2 Claims repudiated in 2016/2017

In 2016/17, 236 claims have been rejected of which 188 for wild animals' damages representing 79.6% and 48 for road traffic accidents representing 20.4% of the total number of claims rejected during the year under review. Compared with the previous year, the total number of claims rejected slightly increased by 1.3% from 233 claims rejected in the previous year.

Table 10: Claims for road traffic accidents repudiated in 2016/17, in number

Place of accident	Road traffic accidents caused by non-identified automobile leading to body damage	Road traffic accidents caused by non-identified automobile leading to property damage	Road traffic accidents caused by uninsured automobile leading to body damage	Road traffic accidents caused by uninsured automobile leading to property damage	Total per place of accident	% of total
KIGALI CITY	10	6	2	5	23	48
Kicukiro	2	5	0	2	9	18.8
Gasabo	6	0	1	1	8	16.7
Nyarugenge	2	1	1	2	6	12.5
SOUTHERN PROVINCE	7	3	2	0	12	25
Kamonyi	1	2	1	0	4	8.3
Nyamagabe	3	0	0	0	3	6.3
Muhanga	1	0	1	0	2	4.2

Place of accident	Road traffic accidents caused by non-identified automobile leading to body damage	Road traffic accidents caused by non-identified automobile leading to property damage	Road traffic accidents caused by uninsured automobile leading to body damage	Road traffic accidents caused by uninsured automobile leading to property damage	Total per place of accident	% of total
Huye	2	0	0	0	2	4.2
Ruhango	0	1	0	0	1	2.1
NORTHERN PROVINCE	3	2	1	0	6	12.5
Musanze	0	1	1	0	2	4.2
Gakenke	1	1	0	0	2	4.2
Rulindo	1	0	0	0	1	2.1
Gicumbi	1	0	0	0	1	2.1
WESTERN PROVINCE	1	1	2	0	4	8.3
Nyabihu	0	1	1	0	2	4.2
Rusizi	1	0	0	0	1	2.1
Karongi	0	0	1	0	1	2.1
EASTERN PROVINCE	1	0	2	0	3	6.2
Rwamagana	1	0	1	0	2	4.2
Gatsibo	0	0	1	0	1	2.1
Overall	22	12	9	5	48	100.0

We can see from the table above that out of 48 claims for road traffic accidents repudiated 23 claims originated from Kigali City (48%) followed by Southern Province with 12 claims (25%) among others. It is worth noting that the main reasons behind claims repudiation are delay to declare the claim within the timeframe provided for by the compensation law, claiming for damages after having repaired without SGF authorization or before SGF automobile expert's expertise on the damages, claiming for damages while the victim's automobile is the one responsible for the road traffic accident, etc.

Table 11: Comparison of rejected claims for road traffic accidents by cause of repudiation, in number

Description	Number of cases in 2015/16	Number of cases in 2016/17	% change
Exceeded required declaration timeframe (Delayed)	23	13	-43
The non-identified automobile referred to while lodging a claim to SGF did not exist	8	11	38
The automobile that caused the road traffic accident is insured	5	10	100

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Description	Number of cases in 2015/16	Number of cases in 2016/17	% change
The person that caused the accident agreed with the victim to repair damages himself and the claim lodged to SGF was cancelled	3	1	-67
The Claimant repaired automobile before SGF assesses the damages	3	5	67
At own fault (The claimant is identified as the cause of the road traffic accident)	2	6	200
The claim was rejected basing on the court decision following the victim's legal action taken against SGF instead of following normal compensation procedures	-	1	-
No proof that the automobile was stolen	1	-	-100
Duplication of claims which caused rejection of one in order to continue compensation procedure with a unique one	-	1	-
Total	45	48	7

The table above shows that the total number of claims for road traffic accidents repudiated increased by 7% from 45 recorded in 2015/16 to 48 recorded in this year under review. The table reveals that cases of claims rejected as a result of exceeding required declaration timeframe decreased significantly by 43% from 23 cases to 13 which is a good sign as a result of SGF continued public awareness activities. However, cases of claims repudiated as a result of claimant was identified as the cause of accident increased by 200%, cases of claims rejected because the automobile which caused the accident is insured increased by 100% among others. The last two cases may explain some issues related to either ignorance of compensation laws or people tempting to benefit compensation undeservedly.

Table 12: Claims for wild animals' damages repudiated in 2016/17, in number

SECTOR	Property damage	Body damage	Total per Sector	% of total
VOLCANOES NATIONAL PARK ZONE	105	0	105	55.8
MUSANZE DISTRICT	98	0	98	52.1
Shingiro	41	0	41	21.8
Gataraga	40	0	40	21.3
Kinigi	10	0	10	5.3
Nyange	7	0	7	3.7
NYABIHU DISTRICT	7	0	7	3.7

SECTOR	Property damage	Body damage	Total per Sector	% of total
Kabatwa	5	0	5	2.7
Jenda	2	0	2	1.1
NYUNGWE NATIONAL PARK ZONE	67	0	64	35.6
NYAMASHEKE DISTRICT	48	0	48	25.5
Mahembe	30	0	30	16.0
Karengera	14	0	14	7.4
Rangiro	4	0	4	2.1
KARONGI DISTRICT	8	0	8	4.2
Mutuntu	7	0	7	3.7
Twumba	1	0	1	0.5
NYAMAGABE DISTRICT	7	0	7	3.8
Kitabi	5	0	5	2.7
Uwinkingi	2	0	2	1.1
NYARUGURU DISTRICT	4	0	4	2.1
Nyabimata	3	0	3	1.6
Kivu	1	0	1	0.5
AKAGERA NATIONAL PARK ZONE	15	1	16	8.5
KAYONZA	10	0	10	5.3
Mwili	4	0	4	2.1
Kabare	3	0	3	1.6
Ndego	2	0	2	1.1
Murundi	1	0	1	0.5
GATSIBO DISTRICT	3	0	3	1.6
Rwimbogo	2	0	2	1.1
Kiramuruzi	1	0	1	0.5
BUGESERA DISTRICT	1	1	2	1.1
Rilima	1	1	2	1.1
NYAGATARE DISTRICT	1	0	1	0.5
Karangazi	1	0	1	0.5
Total	187	1	188	100.0

The table above shows that 55.8% (105 claims) of claims for wild animals' damages repudiated was originating from Volcanoes National Park followed by Nyungwe National Park representing 35.6% (64 claims) and finally Akagera National Park representing 8.5% (16 claims). For most of claims for wild animals' damages repudiated the common reasons behind were related to

exceeding declaration timeframe or the absence of damages during investigation on damages declared.

4. SGF CORPORATE AND SOCIAL RESPONSIBILITY AND AWARENESS PROGRAMS

4.1 Active participation in road traffic accidents prevention campaign

As it is part of its mission to take part in accidents prevention activities, SGF participated jointly with the Rwanda National Police in road safety week for the year 2017. SGF was represented throughout this campaign and it was an important opportunity to raise public awareness on road accident preventions as well as SGF mission and activities. Moreover, in order to limit wild animals' attacks to the population neighboring national parks and other protected areas through fencing national parks, SGF financially and actively supported the activity of fencing GABIRO forests.

4.2 Sponsorship of social events

This year under review, SGF sponsored volleyball tournaments in a bid to raise public awareness on SGF mission, activities as well as accidents prevention. SGF has signed a three year partnership agreement with Rwanda National Volley Federation.

4.3 Meeting with stakeholders

SGF organized an annual meeting with stakeholders where 70 stakeholders were represented including 41 sectors neighboring national parks and 8 insurance companies among others. This meeting was very important as it was an opportunity to discuss technical issues arising in the implementation of SGF mission in order to find a way forward.

Furthermore, SGF organized a meeting with Sectors' Agronomists to revise compensation tariffs in accordance with prices fluctuation. The latter is expected to be organized at least every two years.

Last but not least, SGF organized an event for awarding its stakeholders that have been outstanding in helping SGF achieve its mission. To this end, Rwimbogo Sector located in Gatsibo District, Rangiro Sector located in Nyamasheke District and Kinigi Sector located in Musanze District received awards in addition to the Rwanda National Police and Akagera Management Company Ltd for their proactive intervention and good partnership with SGF in implementing its mission.

Picture 1: Awarding ceremony of the outstanding SGF stakeholders, at NOBLEZA HOTEL on 7th January 2017



Picture 2: Meeting with Sectors' Agronomists to adjust compensation tariffs applied for crops and livestock, at NOBLEZA HOTEL on 14th December 2016



4.4 Visit to NTARAMA Memorial site and support to needy survivors of the genocide against the Tutsi

SGF staff visited NTARAMA memorial site during 100 day period of remembrance of the genocide against the Tutsi. In this regard, SGF paid “MUTUEL DE SANTE” for 100 needy genocide survivors and purchased 50 goats for 50 families of the needy genocide survivors selected by local authorities and the staff of the national commission for the fight against genocide (CNLG).

Picture 3: SGF staff at NTARAMA Memorial site



Picture 4: SGF staff distributing goats to the needy genocide survivors



5. OVERVIEW ON ACHIEVEMENT AGAINST SGF 2016/2017 IMIHIGO

As part of efforts to reconstruct Rwanda and nurture a shared national identity, the Government of Rwanda drew on aspects of Rwandan culture and traditional practices to enrich and adapt its development programs to the country's needs and context. The result is a set of Home Grown Solutions based on culturally owned practices translated into sustainable development programs¹. One of these Home Grown Solutions is IMIHIGO or Performance contract where in all Rwandan public institutions, every year each public institution signs IMIHIGO with its line Ministry made of a set of targets or goals to be achieved within a one year time period. The table below shows the implementation status of the key targets whereby the estimated % of the target in **GREEN** means that the target was achieved *beyond 80%*; in **YELLOW** means that the target was achieved *between 50 and 79%* whereas in **RED** means that the target was achieved *below 50%*.

Table 13: Achievements against 2016/17 SGF Imihigo

OUTPUT	PERFORMANCE INDICATOR	BASELINE FOR THE YEAR 2015/16	TARGETS FOR THE YEAR 2016/17	ACHIEVEMENT BY 30 JUNE 2017	ESTIMATED % OF THE TARGET	CHALLENGES AND WAY FORWARD
Claims properly and timely settled and compensated	% of new claims received that are settled within 30 days following the fulfillment of all requirements for settlement	N/A	100% of new claims received fulfilling all requirements for settlement to be settled within 30 days	1,238 new claims fulfilling all requirements for settlement have been settled within 30 days out of 1,472 total new claims received in 2016/17	84.1	An increasing number of claims requiring a lot of work within required timeframe which make difficult their management with limited resources. For this regard, SGF is committed to revising SGF structure towards optimum staffing

¹ <http://www.rwandapedia.rw/explore/imihigo>

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OUTPUT	PERFORMANCE INDICATOR	BASELINE FOR THE YEAR 2015/16	TARGETS FOR THE YEAR 2016/17	ACHIEVEMENT BY 30 JUNE 2017	ESTIMATED % OF THE TARGET	CHALLENGES AND WAY FORWARD
						and putting in place appropriate prevention strategies in partnership with key stakeholders.
	% of eligible claims that are paid within 15 days following the fulfillment the requirements for payment.		100% of eligible claims fulfilling requirements for payment to be paid within 15 days.	Around 1,286 claims have been paid out of a total of 1,438 total claims paid where around 90% of claims related to wild animals' damages (1,164 out of 1,264) have been paid within timeframe, against around 70% for road accident claims (122 out of 174) have been paid within 15 days .	89.4	Cash shortage issue experienced hindered claims compensation payment to the extent that some road accident claims with big amount have been paid in installments
SGF revenues increased	% change in SGF investment revenues	FRW 146.2 Million	10% increase in investment revenues by end June 2017 to reach FRW 160.8 Million	FRW 143.2 Million	89.1	SGF experienced cash shortage due to unrealized revenues which hindered SGF investments to the extent that some investments have been postponed.
	FRW recovered in total outstanding amount spent on compensation for victims of road traffic accidents caused by uninsured motor vehicles	FRW 4.2 Million	FRW 15 Million	FRW 16.3 Million	108.6	Though the target has been exceeded, SGF could have achieved more but the complexity of this service continued to be a big challenge resulting from debtors that are not yet traced while the refunding rate is still very low compared to the outstanding amount. For this regard, SGF will strengthen partnership with the POLICE, RRA, MINIJUST, etc. to identify and compel reluctant debtors to refund.

SGF ANNUAL ACTIVITY REPORT 2016/2017

OUTPUT	PERFORMANCE INDICATOR	BASELINE FOR THE YEAR 2015/16	TARGETS FOR THE YEAR 2016/17	ACHIEVEMENT BY 30 JUNE 2017	ESTIMATED % OF THE TARGET	CHALLENGES AND WAY FORWARD
An investment project in affordable houses undertaken	Number of investment projects in affordable houses started	Ongoing project feasibility study	One investment project in affordable houses started, with an initial investment of FRW 300 Million	Consultations with Musanze District Authorities as the targeted project site have been held and a report on the feasibility of the investment project in affordable houses is available	50.0	Consultations and feasibility study took more time than expected due to time constraints for key players in this project. To this end, SGF will work closely and timely with key players to make this project successful.
SGF processes regarding public finance management, internal control, risk and governance improved	% of audit recommendations implemented	98% of audit recommendations implemented	100% of audits and BNR inspection recommendations implemented	180 audit recommendations are fully implemented out of 190 recommendations.	94.7	The remaining recommendations not yet fully implemented are issues still being addressed by the automation project "Claims Management and Accounting Software" under finalization stage. For this regard, SGF is determined to finalize the automation project and implement the remaining recommendations not fully implemented.
	Availability of unqualified audit report	2014-2015 SGF financial statements obtained an unqualified	Financial statements audited and unqualified audit report for 2015/16 obtained	SGF obtained an Unqualified audit opinion for its 2015-2016 Financial Statements in the audit conducted by GPO Partners	100.0	—

6. FINANCIAL PERFORMANCE REVIEW

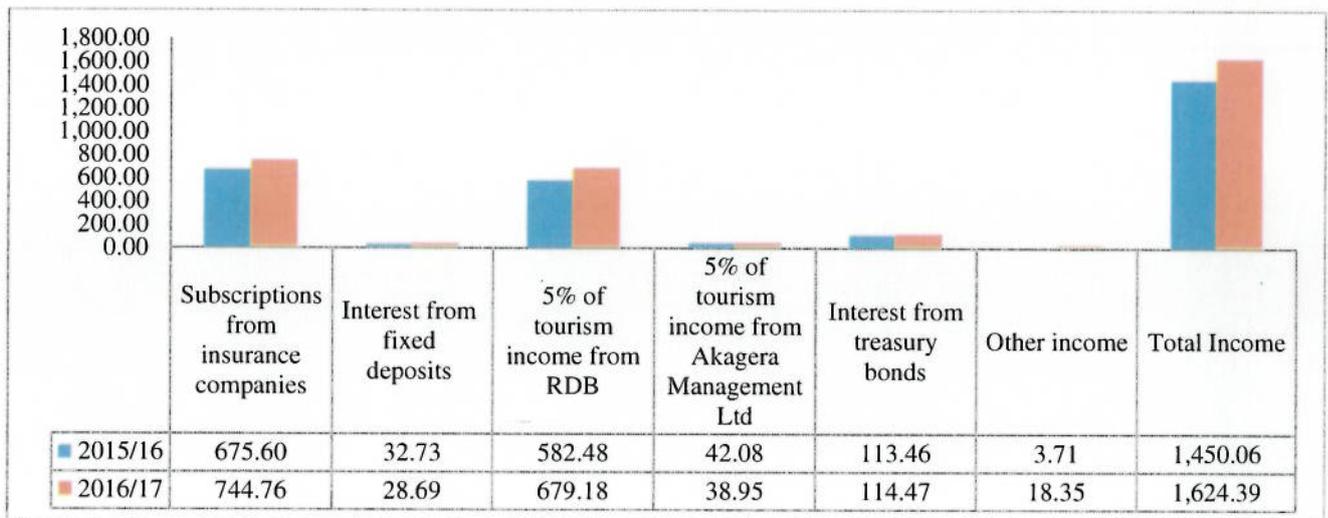
This section concerns revenues and expenditures during the financial year under review. It focuses on the major source of SGF revenues including tourism revenues, subscription from insurance companies and investment revenues as well as some of the most important SGF expenditures including claims compensation payments and capital expenditures.

6.1 Revenues

During the year under review, SGF revenues increased by 12% from FRW 1,450 Million recorded in the previous year to FRW 1,624.4 Million in the year under review. This increase is mainly attributed to an increase of 16.6% in tourism revenues from RDB which increased from FRW 582.48 Million recorded in 2015/16 to FRW 679.18 Million recorded in 2016/17, an increase of 10.2% in subscriptions from insurance companies from FRW 675.60 Million recorded in 2015/16 to FRW 744.76 recorded in 2016/17 and an increase of 394.3% in other revenues mainly including the amount recovered from responsible of road traffic accidents caused by uninsured automobiles which increased from FRW 3.3 Million recorded in 2015/16 to FRW 16.3 Million recorded in 2016/17.

Revenues originating from treasury bonds slightly increased by 0.9% from FRW 113.46 Million recorded in 2015/16 to FRW 114.47 Million recorded in 2016/17 whereas revenues originating from Akagera Management Company Ltd declined by 7.4% from FRW 42.08 Million recorded in 2015/16 to FRW 38.95 Million recorded in 2016/17 as well as revenues originating from interest from term deposits in commercial banks that decreased by 12.4% from FRW 32.73 Million recorded in 2015/16 to FRW 28.69 Million in 2016/17.

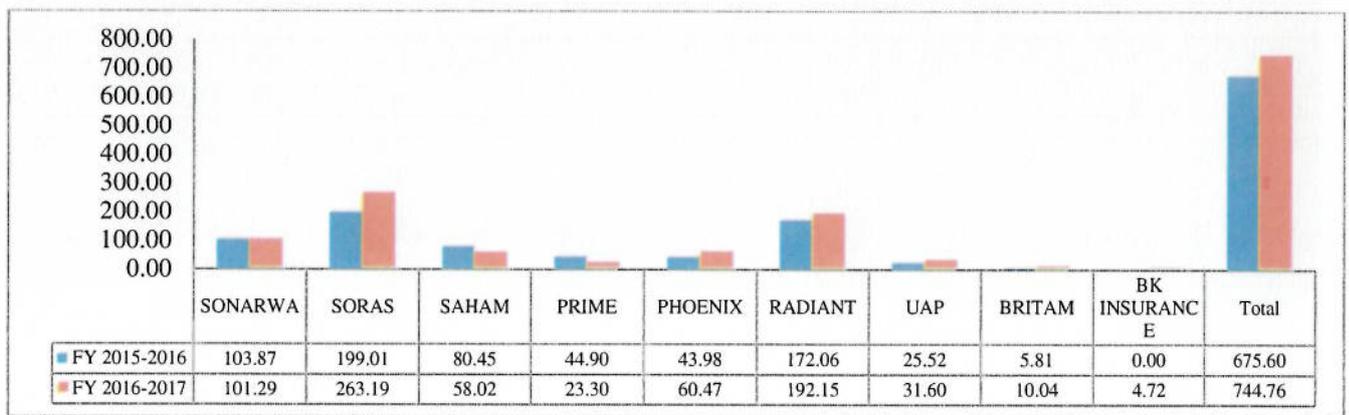
Figure 4: Comparative evolution of SGF revenues, in Millions of FRW



6.1.1 Subscriptions from insurance companies

During the year under review, subscriptions from insurance companies also called premiums revenues increased by 10.2% from FRW 675.6 Million in the previous year to FRW 744.76 Million in the year under review as mentioned above. This increase is mainly attributed to an increase in premiums collected by SORAS, RADIANT, PHOENIX, UAP and BRITAM which increased by 32.2%, 11.7%, 37.5%, 23.8% and 73% respectively as depicted on the figure below. However, a decline in premium revenues of 2.5%, 27.9% and 48.1% was observed for SONARWA, SAHAM and PRIME respectively. It is worth mentioning that during the year under review a new insurance company named BK GENERAL INSURANCE was created.

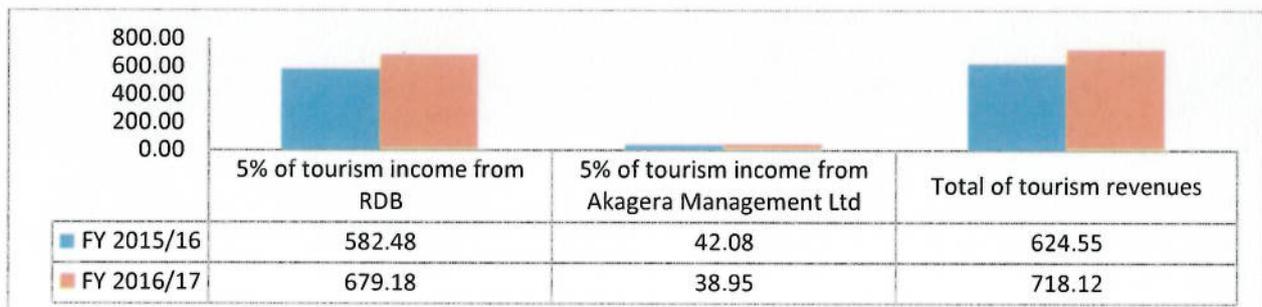
Figure 5: Comparative evolution of premiums revenues, in Millions of FRW



6.1.2 Tourism revenues

During this year under review, tourism revenues increased by 15% from FRW 624.5 Million recorded in the previous year to FRW 718.12 Million recorded during the year under review. This increase is explained by an increase in tourism revenues from RDB which increased by 16.6% from FRW 582.48 Million recorded in the previous year to FRW 679.18 Million recorded in this year under review despite a decrease of 7.4% in tourism revenues from Akagera Management Ltd from FRW 42.08 Million recorded in the previous year to FRW 38.95 Million recorded in the year under review as shown on the figure below.

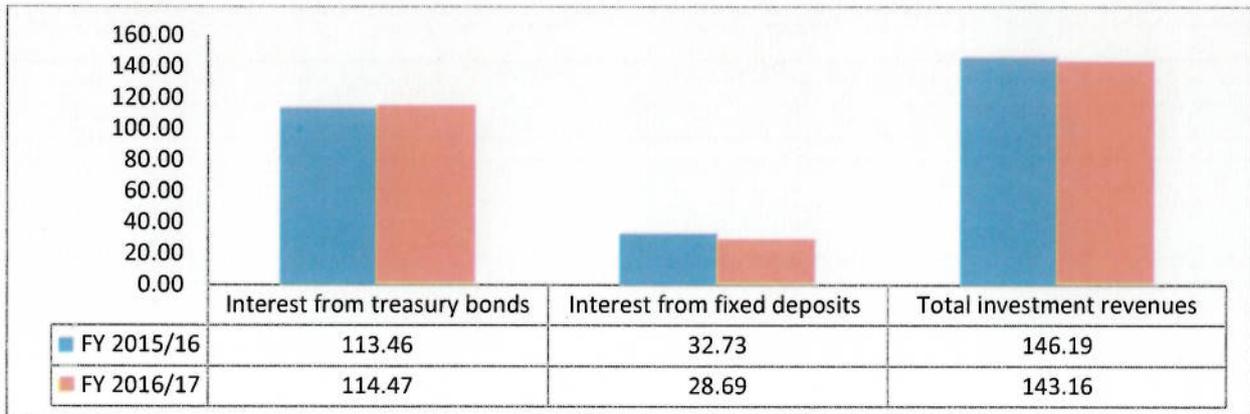
Figure 6: Comparative evolution of tourism revenues, in Millions of FRW



6.1.3 Investment revenues

During the year under review, investment revenues slightly decreased by 2.1% from FRW 146.2 Million recorded in the previous year to FRW 143.16 Million recorded in the year under review. This decrease is mainly attributed to some investment undertaken too late due to encountered liquidity issue as a result of unexpected delay in disbursing tourism revenues whose portion was expected to be invested in this period under review.

Figure 7: Comparative evolution of investment revenues, in Millions of FRW



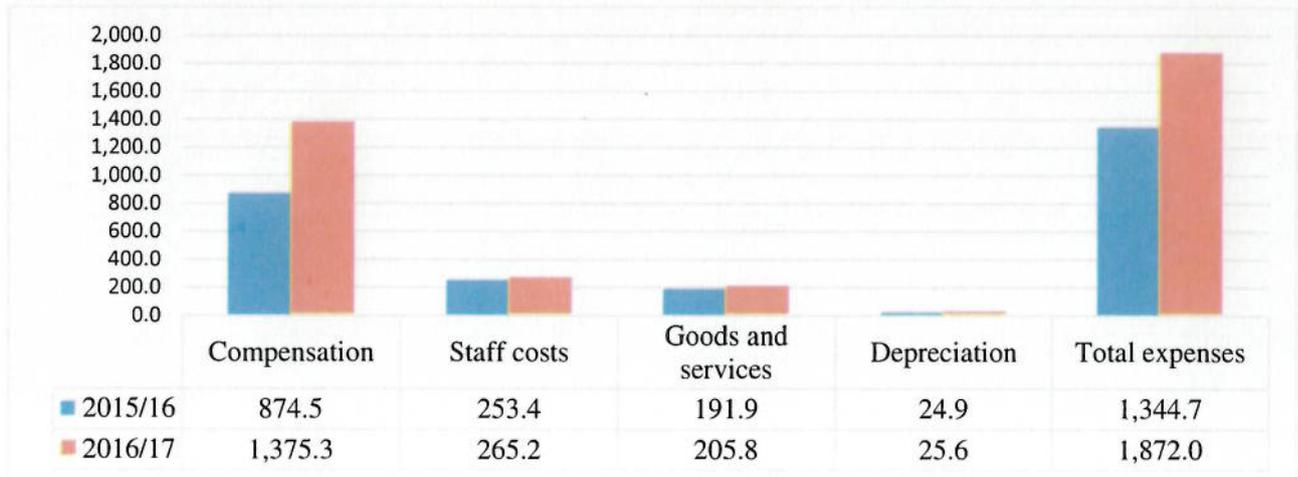
6.2 Expenditures

During the year under review, SGF expenditures increased by 39.2% from FRW 874.5 Million recorded in 2015/16 to FRW 1,375.3 Million in 2016/17 mainly due to a significant increase in compensation expenditures a result of the overall increase in claims compensated in number which increased by 25.8% from 1,143 in 2015/16 to 1,438 in 2016/17 as well as new claims received in number which increased by 8.4% from 1,358 recorded in 2015/16 to 1,472 recorded in 2016/17. In simple terms, note that compensation expenditures include the cost of claims effective paid as well as provisions for claims for which SGF accepted responsibility to pay but have not yet paid at the end of the year 2016/17.

Apart from compensation cost, staff cost slightly increased by 4.7% from FRW 253.4 Million recorded in 2015/16 to FRW 265.2 Million recorded in 2016/17 as a result of the staff that received horizontal promotion and the corresponding statutory contributions and other benefits as well as the cost of hiring contractual staff which increased by 34.1% from FRW 15.2 Million in 2015/16 to FRW 20.4 Million in 2016/17 simply to cope with workload compared to existing resources which include the limited number of staff and limited time to handle claims whose number is progressively increasing.

Furthermore, the cost for goods and services increased by 7.3% from FRW 191.9 Million in 2015/16 to FRW 205.8 Million in 2016/17. This increase was mainly due to an increase in the cost of local travel that increased by 28.7% from FRW 25.2 Million in 2015/16 to FRW 32.5 Million in 2016/17 as well as an increase by 34.9% in domestic per diem that increased from FRW 12.1 Million in 2015/16 to FRW 16.3 Million in 2016/17, simply aimed at organizing regular field visits in areas neighboring national parks to handle wild animals' damages.

Figure 8: Comparative evolution of expenditures, in Millions of FRW



APPENDIX: SGF AUDITED FINANCIAL STATEMENTS 2016/17

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SPECIAL GUARANTEE FUND

**FINANCIAL STATEMENTS
AND AUDIT REPORT**

**FOR THE YEAR ENDED
— 30TH JUNE 2017**

GPO Partners Rwanda Ltd
KG 7 Ave. - Aurora Building - Kacyiru
P.O. Box 1902 - Kigali - Rwanda
Company Code / V.A.T. : 100161492
Audit - Accounting - Tax - Consulting

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**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

CORPORATE INFORMATION

Directors

Mr. KAMPAYANA Augustin	Chairperson
Mrs. MUKAKIMENYI Venerande	Vice Chairperson
Mr. NKURUNZIZA Marc	Member
Mrs. KAREMERA UWIMANA Claire	Member
Mrs. GAHONGAYIRE KARAKE Doreen	Member
Mr. DUSABE Théophile	Member
CP.RUMANZI George	Member

Senior Management Functions

Dr NZABONIKUZA Joseph	Director General
BUKURU Joseph	Director, Administration and Finance Unit
NIBAKURE Florence	Director, Compensation Unit
KWIZERA Aime Richard	Officer, Planning, Monitoring & Evaluation
REKAMUHINKA Jeanne D'Arc	Officer, Legal affairs & Recovery

Registered Office

Special Guarantee Fund
P.O Box 7359
Kigali-Rwanda

Auditors

GPO PARTNERS RWANDA LTD
KG 7Ave,
Aurore Building- Kacyiru
PO Box 1902
Kigali, Rwanda

Bankers

National Bank of Rwanda
BANK of Kigali
G.T BANK
COGEBANQUE
Banque Populaire du Rwanda
ECOBANK
I&M BANK Ltd
KCB Rwanda Ltd
Agaseke Bank
AB BANK Ltd

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 30 June 2017.

MISSION

The Special Guarantee Fund (SGF) is a public financial institution affiliated to the Ministry of Finance and Economic Planning and supervised by the Central Bank. It is governed by the Board of Directors with decision making role and competency to approve the institution's general policy, budget and annual accounts, activities report, internal rules and regulations, administrative, accounting, budgeting and financial procedures for an efficient and transparent management.

The daily Management is led by the Director General who represents the institution in its activities with partners and customers.

The SGF has the following missions:

1. To compensate victims of road accidents caused by an automobile when:
 - a) the automobile is not identified;
 - b) the civil liability is not covered by compulsory civil liability insurance for motor vehicles;
 - c) the automobile was stolen or taken away from its owner or driver or from any other person that has the right over the automobile;
2. To compensate victims of damages caused by wild animals;
3. To help in covering medical expenses for people injured or incapacitated by accidents caused by automobiles or animals while waiting for the person responsible for civil liability to be identified;
4. To collect comprehensive data on insurance for automobiles through insurance companies, Rwanda Revenue Authority and other institutions, in order to know which automobiles are not insured so that, in collaboration with police organs, they can be removed from road traffic;
5. To participate in accident prevention activities;
6. To take part in activities meant to assist and advise the victims of the accidents mentioned in sub-paragraphs 1^o and 2^o when they claim compensation and thereafter

DIRECTORS

The membership of the Board of directors and Management during the year ended 30th June 2017 is set out on page 3.

AUDITORS

GPO Partners Rwanda Ltd, having been appointed during the year, has expressed their willingness to continue in office in accordance with Laws and regulations of Rwanda.

BY ORDER OF THE BOARD OF DIRECTORS

Kigali, 27/12/2017

Dr. Joseph Ntabonkuzo
Director General



SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

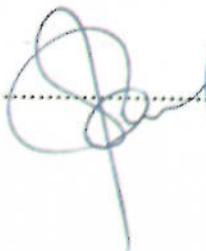
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law N° 52/2011 of 14/12/2011 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the end of the financial year and of the operating results of that year. It also requires the directors to ensure the Organisation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation. They are also responsible for safeguarding the assets of the society.

The directors 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 and in the manner required by the law. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the society and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Director



Director



INDEPENDENT AUDITOR'S REPORT

To the management of Special Guarantee Fund

Report on financial statement

Opinion

We have audited the accompanying financial statements of Special Guarantee Fund which comprise the Statement of financial position as at 30th June, 2017, the statement of income and expenditure for the period from 1st July 2016 to 30th June 2017, and the statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Special Guarantee Fund as at 30th June 2017, and of its financial performance and its cash flows for the year then ended in accordance with law N° 52/2011 of 14/12/2011

Basis for opinion

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

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

For GPO PARTNERS RWANDA LTD



Patrick GASHAGAZA
Partner

28/12/2017

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30th JUNE 2017

	Notes	12 Months to 6/30/2017 <u>FRW</u>	12 Months to 6/30/2016 <u>FRW</u>
Income			
Subscriptions from insurance companies	3	744,763,941	675,598,496
Interest from fixed deposits		28,687,193	32,733,818
5% of Tourism income	4	679,176,393	582,476,426
5% of Tourism income from Akagera Management ltd		38,945,124	42,077,247
Interest from treasury bonds		114,472,488	113,459,994
Other Income	5	<u>18,348,615</u>	<u>3,711,828</u>
Total Income		<u>1,624,393,754</u>	<u>1,450,057,809</u>
Expenditure			
Compensation	6	1,375,332,789	874,489,719
Staff costs	7	265,238,157	253,434,193
Goods and services	8	205,843,170	191,886,339
Depreciation	10	<u>25,559,422</u>	<u>24,864,028</u>
Total expenses		<u>1,871,973,538</u>	<u>1,344,674,279</u>
Surplus from operating activities		<u>(247,579,784)</u>	<u>105,383,531</u>
Technical provision expense	9	-	426,433,413
Surplus for the period		<u>(247,579,784)</u>	<u>531,816,944</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2017

	Notes	12 Months to 6/30/2017 <u>FRW</u>	12 Months to 6/30/2016 <u>FRW</u>
ASSETS			
Non-Current assets			
Property, Plant and equipments	10	106,053,200	119,220,049
Treasury bonds	11	916,414,640	916,414,640
ITERAMBERE investment		32,055,000	-
		<u>1,054,522,840</u>	<u>1,035,634,689</u>
Current assets			
Cash and cash equivalents	12	566,732,254	370,170,842
Trade and other receivables	13	1,229,191,699	1,255,413,947
		<u>1,795,923,953</u>	<u>1,625,584,788</u>
TOTAL ASSETS		<u>2,850,446,793</u>	<u>2,661,219,477</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Government of Rwanda	14	43,266,248	43,266,248
Prior year adjustment	15	883,730,589	288,979,931
Accumulated surplus		1,118,272,009	586,455,065
Retained earnings-surplus		(247,579,784)	531,816,944
S/Total capital and reserves		<u>1,797,689,062</u>	<u>1,450,518,188</u>
Current liabilities			
Payables	16	21,376,449	10,922,769
Provisions	17	1,031,381,282	1,199,778,520
		<u>1,052,757,731</u>	<u>1,210,701,289</u>
Total Equity and liabilities		<u>2,850,446,793</u>	<u>2,661,219,477</u>

The financial statements on pages 9 to 23 were approved by the Board of Directors on 27/09/2017 and were signed on its behalf by:

KAMPAYANA Augustin


Board Chairman

Dr. Joseph Ntabonkusa


Managing director



SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30th JUNE 2017

	Share capital <u>Frw</u>	Retained earnings <u>Frw</u>	Total <u>Frw</u>
At 1 July 2015	43,266,248	1,004,252,644	1,047,518,892
Prior year adjustment	-	-128,817,648	-128,817,648
Surplus for the year	-	531,816,944	531,816,944
At 30 June 2016	<u>43,266,248</u>	<u>1,407,251,940</u>	<u>1,450,518,188</u>
At 1 July 2016	43,266,248	1,407,251,940	1,450,518,188
Prior year adjustment	-	594,750,658	594,750,658
Surplus for the year	-	(247,579,784)	(247,579,784)
At 30 June 2017	<u>43,266,248</u>	<u>1,754,422,814</u>	<u>1,797,689,062</u>

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30th JUNE 2017

	12 Months to 6/30/2017 <u>FRW</u>	12 Months to 6/30/2016 <u>FRW</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus (deficit) for the year	-247,579,784	531,816,944
Adjustment for:		
Depreciation	25,559,422	24,864,028
Prior year adjustment	594,750,658	-128,817,648
Profit before working capital changes	372,730,296	427,863,324
Decrease/ (Increase) in receivables	26,222,249	-326,691,116
Increase (Decrease) in payables	-157,943,558	-327,077,042
Net cash used in/from operating activities	<u>241,008,986</u>	<u>-225,904,834</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	-12,392,573	-92,655,397
Investment in ITERAMBERE FUND	-32,055,000	-
Net cash used in investing activities	<u>-44,447,573</u>	<u>-92,655,397</u>
Net movement in cash and cash equivalents	196,561,413	-318,560,231
Balance at beginning of the year	370,170,842	688,731,073
CASH AND CASH EQUIVALENTS AT 30 JUNE 2016	<u>566,732,255</u>	<u>370,170,842</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

The Automobile Guarantee Fund (AGF) was established in 1975 by decree N°32/75 of 7/08/1975, with a mission of compensating victims of road accidents:

- When the vehicle is unidentified (hit and run);
- When the civil responsibility is not covered by any insurance;
- When the vehicle is stolen or taken by violence.

By Presidential order N° 175/05 of 7/08/1975, SONARWA was assigned the management of the AGF. The management of the fund however changed with the introduction of law N°04/2002 of 19/01/2002 which established the AGF as a legal entity with financial autonomy.

In 2011, the Government reformed the AGF and established the Special Guarantee Fund to compensate victims of Accidents and Damages Caused by Automobiles and Wild Animals. To this end, the Law N° 52/2011 of 14/12/2011 was enacted and published in the official gazette.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements have been prepared in accordance with the accrual basis of accounting. This implies that all revenues are recognized (recorded) when earned, and expenses are recognised when incurred.

b) Revenue recognition

Revenue is recognized when earned. Revenues include payment from insurance companies, 5% of tourism income, interest from fixed deposit accounts, interests from treasury Bills, engagement from accident caused by non-insured cars and paid by the Special Guarantee Fund and revenue from documents related to different open tenders published by special Guarantee Fund.

c) Property and equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

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 company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation on other property, plant and equipment is calculated on a straight line basis to write down the costs of each asset to its residual value over estimated useful life.
In previous periods depreciation was being computed using the following annual rates:

<u>Class</u>	<u>Rate %</u>
Furniture and fittings	25
Office equipment	25
Computers, faxes and copiers	50

Since the financial year ended 30 June 2016 depreciation rates have changed as follows in line with section 7.8.4 of SGF policies and procedures manual.

<u>Class</u>	<u>Rate %</u>
Furniture and fittings	10-20
Equipment	25
Intangibles	5
Motor vehicles	15
Library	20
Computers & notebooks	33.33
Other ICT equipment & accessories	33.33
Network Infrastructure	10
Servers	10
Long Term IT Assets (Core Systems)	5

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Rwandese Francs (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Rwandese Francs at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

e) Receivables

Receivables are amounts due from insurers or persons responsible for the accidents against which SGF made payments to the victims. They also include premium subscriptions due from insurance premiums at the period end while other receivables represent advances to staff and interest receivables on T-bonds.

Receivables are recognised initially at fair value of the consideration paid to claimants and subsequently measured at cost less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that SGF will not be able to collect all the amounts due or when the timing of the receipts is expected to be significantly altered. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Revenue and expenditure.

f) Provisions

Provisions are recognised when: the organisation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

g) Tax

The Special Guarantee Fund as a government entity established through an organic law is not subject to corporation tax on any surplus earned during the period.

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

3 Subscription from insurance companies

	12 Months 30/06/2017	12 Months 30/06/2016
	<u>Frw</u>	<u>Frw</u>
SONARWA	101,288,291	103,872,762
SORAS	263,187,567	199,014,566
CORAR	58,020,066	80,448,692
PRIME	23,297,465	44,895,484
PHOENIX	60,465,844	43,979,402
RADIANT	192,145,069	172,061,637
UAP	31,600,042	25,519,065
BRITAM	10,044,282	5,806,888
BK INSURANCE	4,715,315	-
	<u>744,763,941</u>	<u>675,598,496</u>

4 Revenues from tourism activities

	30/06/2017	30/06/2016
Refund from RDB for wild animals' damages paid	-	86,605,403
Accrued revenue from RDB for year 2016-2017	<u>679,176,393</u>	<u>495,871,023</u>
	<u>679,176,393</u>	<u>582,476,426</u>

5 Other income

	30/06/2017	30/06/2016
Recovered from owners of uninsured vehicles	16,293,615	3,399,938
Penalty on delay of supply	-	-
Inflows from sale of tender documents	<u>2,055,000</u>	<u>311,890</u>
	<u>18,348,615</u>	<u>3,711,828</u>

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

6 Compensation costs

	12 Months 30/06/2017	12 Months 30/06/2016
	<u>FRW</u>	<u>FRW</u>
Compensation due to automobiles 'damages	1,206,851,916	580,418,676
Compensation due to wild animals 'damages	160,142,393	259,248,755
MSGH expenses	<u>8,338,480</u>	<u>34,822,288</u>
	<u>1,375,332,789</u>	<u>874,489,719</u>

7 Staff costs

	12 Months 30/06/2017	12 Months 30/06/2016
	<u>Frw</u>	<u>Frw</u>
Salaries	139,417,500	137,954,000
Transport allowances	15,157,963	14,949,042
Housing allowances	19,916,827	19,707,764
Other benefits	20,615,279	17,253,078
Employer contribution to RSSB	9,106,053	8,303,471
Health insurance	10,546,135	10,346,628
Contractual staff	20,436,205	15,233,749
Lump sum payments	21,539,976	21,539,976
Beverages, tea and coffee	6,032,220	5,676,485
Team building and sports	<u>2,469,999</u>	<u>2,470,000</u>
	<u>265,238,157</u>	<u>253,434,193</u>

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SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

8 Goods and services

	12 Months 30/06/2017	12 Months 30/06/2016
	<u>Frw</u>	<u>Frw</u>
Rent	52,665,600	52,665,600
Advertising	3,649,858	9,987,267
Local travel	32,493,690	25,253,258
Legal Fees	389,890	778,440
Meeting Costs	11,615,817	2,016,286
Domestic Per diem	16,324,266	12,098,840
Fax & telephone	8,734,964	7,013,588
Consultancy	5,947,648	14,579,464
Stationery	8,426,150	18,434,140
Frais d'adhesion/membership fees	5,000,000	10,000,000
Internet Costs	5,321,319	4,684,800
Water & electricity	2,400,000	2,700,000
Domestic entertainment	-	144,990
Bank Charges	344,151	841,811
Journals & newspapers	253,400	511,001
Other expenses	1,716,000	2,582,322
ICT Equipment	210,500	2,889,816
Official	879,194	140,892
Insurance	487,054	147,262
Maintenance	4,821,116	3,683,010
Postage	179,610	5,000
Technical assistance remuneration	232,710	2,024,988
Withholding tax on term deposit	10,512,640	8,976,693
Equipment spare parts	4,306,334	738,000
Sponsorship	8,000,000	7,588,872
Loss on fixed asset	-	1,400,000
Capacity building	5,320,000	-
External	288,729	-
Public	472,500	-
Promotion	576,960	-
Social	3,195,190	-
Road	10,250,700	-
Codification	827,180	-
	<u>205,843,170</u>	<u>191,886,340</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

9 Provision Income (expenses)

	12 Months 30/06/2017 <u>Frw</u>	12 Months 30/06/2016 <u>Frw</u>
Technical provision made (written back)	<u>-</u>	<u>426,433,413</u>

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SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

10 Property Plant and Equipment

	Fittings <u>Frw</u>	Computers <u>Frw</u>	Total <u>Frw</u>
COST			
At 1 July 2015	39,432,088	44,876,447	84,308,535
Additions	3,507,290	89,148,107	92,655,397
AT 30 JUNE 2016	<u>42,939,378</u>	<u>134,024,554</u>	<u>176,963,932</u>
At 1 July 2016	42,939,378	134,024,554	176,963,932
Additions	7,019,286	5,373,287	12,392,573
AT 30 JUNE 2017	<u>49,958,664</u>	<u>139,397,841</u>	<u>189,356,505</u>
DEPRECIATION			
At 1 July 2016	-10,105,849	-22,774,006	-32,879,855
Charge for the year	-10,454,990	-14,409,038	-24,864,028
AT 30 June 2016	<u>-20,560,839</u>	<u>-37,183,044</u>	<u>-57,743,883</u>
At 1 July 2016	-20,560,839	-37,183,044	-57,743,883
Charge for the year	-17,242,037	-8,317,385	-25,559,422
AT 30 June 2017	<u>-37,802,876</u>	<u>-45,500,429</u>	<u>-83,303,305</u>
NBV At 30 June 2016	<u>22,378,539</u>	<u>96,841,510</u>	<u>119,220,049</u>
NBV At 30 June 2017	<u>12,155,788</u>	<u>93,897,412</u>	<u>106,053,200</u>

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Treasury Bonds

	12 Months to 30/06/2017 <u>FRW</u>	12 Months to 30/06/2016 <u>FRW</u>
3 Year Government T-bonds	-	199,254,000
5 Year Government T-bonds	398,326,000	199,072,000
7 Year Government T-bonds	99,877,000	99,877,000
10 Year Government T-bonds	418,211,640	418,211,640
	<u>916,414,640</u>	<u>916,414,640</u>

12 Cash and Banks

Cash at Bank	367,837,474	370,146,461
Cash on hand	17,780	24,381
Treasury bills	<u>198,877,000</u>	<u>-</u>
	<u>566,732,254</u>	<u>370,170,841</u>

13 Trade and other receivables

Trade receivables	823,393,840	760,449,284
Recours	399,737,118	488,867,624
Prepayments	5,275,609	5,249,089
Other receivables	<u>785,132</u>	<u>847,950</u>
	<u>1,229,191,699</u>	<u>1,255,413,947</u>

14 Share capital

Own funds	<u>43,266,248</u>	<u>43,266,248</u>
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15 Prior year adjustments

Opening Balance	288,979,931	417,797,579
Adjustment for the year	594,750,658	(128,817,648)
Change in accumulated loss	<u>-</u>	<u>-</u>
	<u>883,730,589</u>	<u>288,979,931</u>

SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

16 Payables

	12 Months 30/06/2017 <u>FRW</u>	12 Months 30/06/2016 <u>FRW</u>
Trade payables	18,503,910	8,194,740
	<u>18,503,910</u>	<u>8,194,740</u>
Other Payables		
PAYE payable	-	252,226
Taxes payable	2,306,667	2,030,702
Withheld performance security	<u>565,872</u>	<u>445,101</u>
	<u>2,872,539</u>	<u>2,728,029</u>
	<u>21,376,449</u>	<u>10,922,769</u>

17 Technical provision

	30/06/2017 <u>FRW</u>	30/06/2016 <u>FRW</u>
Provision for road accident compensations	318,068,132	158,076,216
Provision for litigations	271,126,393	366,483,192
Provision for damages caused by animals	33,176,579	138,132,844
Provision for MSGH	9,253,060	48,198,644
Provision for bad debts (*)	<u>399,757,118</u>	<u>488,887,624</u>
	<u>1,031,381,282</u>	<u>1,199,778,520</u>

* To reflect the reality over hardly recovery of funds paid to a claimant for a non-insured vehicle, The Organization recognizes both receivable and a Provision for doubtful receivable at the time of payment. Thus, the balance of doubtful receivable reported includes 68% of some receivables which last for more than 2 years.

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SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUATION)

18 Contingent liabilities

Considering the requirement of National Bank of Rwanda as one of SGF regulators, there may be claims incurred but not yet reported (IBNR) which may lead to outflows of SGF economic benefits and which are estimated to 10% of the above first three provisions disclosed in note 18 detailed as follows:

	FRW
10% of Provision for road accident compensations	31,694,504
10% of Provision for litigations	27,112,639
10% of Provision for damages caused by animals	3,317,658
10% of Provision for MSGH	925,306
Total contingent liabilities	63,050,107

19 Reporting currency

The financial statements are presented in Rwandan francs (FRW).

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