

REPUBLIC OF RWANDA



Special Guarantee Fund

ANNUAL REPORT 2019-2020

SEPTEMBER 2020

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
I. OVERVIEW ON THE SPECIAL GUARANTEE FUND	4
I.1 SGF MISSION, VISION, ORGANIZATION AND FUNCTIONING.....	4
I.2 COMPOSITION OF SGF BOARD OF DIRECTORS AS OF 30TH JUNE, 2020	8
II. CLAIMS MANAGEMENT	8
II.1 CLAIMS RELATED TO ROAD ACCIDENT DAMAGES	9
II.1.1 NEW CLAIMS RECEIVED RELATED TO ROAD ACCIDENT DAMAGES.....	11
II.1.2 PAID CLAIMS RELATED ROAD ACCIDENT CLAIMS.....	14
II.1.3 REJECTED CLAIMS RELATED TO ROAD ACCIDENT.....	16
II.2 CLAIMS RELATED TO WILD ANIMALS DAMAGES	17
III. RECOVERY FROM SGF DEBTORS	20
IV. CORPORATE AND SOCIAL RESPONSIBILITY AND AWARENESS.....	20
IV.1 ROAD TRAFFIC ACCIDENTS PREVENTION CAMPAIGN.....	20
IV.2 KWIBUKA	20
V. IMPLEMENTATION OF 2019/2020 SGF ACTION PLAN.....	21

LIST OF TABLES

Table 1. Comparative evolution of claims reported to SGF in five years	8
Table 2. summary of Road accident claims settlement.....	9
Table 3. New claims received related to road accident damages	11
Table 4. New claims received related to road accident damages	14
Table 5. Rejected claims related to road accident.....	17
Table 6. New claims related to wild animals' damages per region	17
Table 7. Summary of wild animal's damages claims	18
Table 8. Claims related to wild animals.....	18

LIST OF FIGURES

Figure 1. Summary of road accident claims settlement.....	10
Figure 2. Summary of road accident claim settlement by type of damage.....	10
Figure 3. Summary of road accident claims received by region.....	12



FOREWORD

Special Guarantee Fund (SGF), a Government of Rwanda insurance agency mandated to compensate victims of accidents and damages caused by uninsured & non-identified automobiles and wild animals. During 2019-2020 SGF settled claims both related to road accident and wild 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 this report a copy of audited financial statement of 2019-2020 is attached.

Dr. Joseph NZABONIKUZA
Director General



EXECUTIVE SUMMARY

During the year under review, a total number of 3,496 new claims have been received from which 3,268 were related to wild animals' damages and 247 claims related to road traffic accidents. Compared to the year 2018-2019, the total number of new claims received increased by 7% attributed mainly to claims for wild animals' damages which increased by 25% and a decrease of 2 % increase of claims related to road traffic accidents. On the settlement side FRW 929.5 Million were compensated to 3,804 claims in general where FRW 657.2 Million went to 216 claims related to road accident damages and FRW 272.2 Million paid to 3,591 claims related to wild animals' damages.

95 claims that don't fulfill all requirement were rejected from which 40 claims were caused by road accident and 55 claims were caused by wild animals' damages; at the end of the period under review 1,342 claims are pending where (1,174 are claims related to wild animals' damages and 168 claims related to road accident damages) 570 claims have been settled and waiting for payment while 772 are waiting for waiting for settlement.

SGF recovered amount worth FRW 123.6 Million from its debtors responsible for road accident across the country. Other activities including prevention of road accident, corporate social responsibility and support services to compensation of victims were well performed as it is shown in the implementation matrix attached at the end of this report, there is an appendix of audited Financial statement for the year 2019-2020.



I. 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.

I.1 SGF MISSION, VISION, ORGANIZATION AND FUNCTIONING

The SGF has been established by the law n° 52/2011 of 14/12/2011 determining its mission, organization and functioning as follows:

I.1.1 SGF mission:

- 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° and 2° of this Article when they claim compensation and thereafter.



1.1.2 SGF Vision:

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

a. SGF Principles and Core value:

PRINCIPLES	VALUES
Transparency and being accountable	<ul style="list-style-type: none"> • Openness: to communicate, consult and provide information timely;
Managing for performance	<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
Developing our culture of service	<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,
Living within our means	<ul style="list-style-type: none"> • Foresight: To forecast and plan ahead within available resources; • Partnership: To complement other government entities and private sector;

b. 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 the public 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.

1.1.3 Organization:

a. The source of funds:

The property of SGF comes from the following sources:

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.

b. Powers:

SGF has the power to:

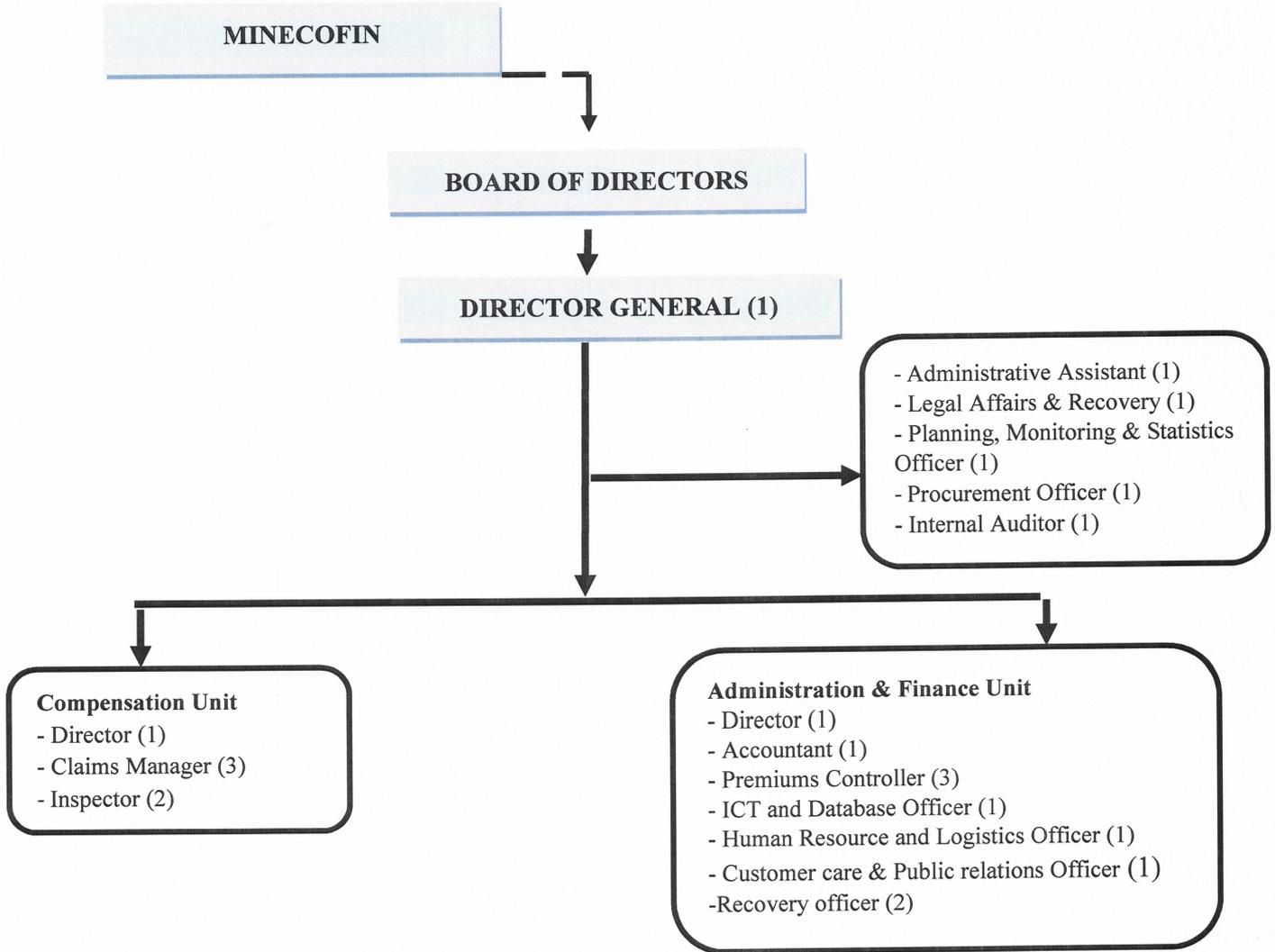
1. Exercise control over insurance companies in relation to payment of insurance premiums for civil liability for motor vehicles;
2. Sell by public auction automobile which caused the accident if, after three months of notification, the owner fails to reimburse the money paid out by SGF. When the money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

c. Current Organizational Structure



I.2 COMPOSITION OF SGF BOARD OF DIRECTORS AS OF 30TH JUNE, 2020

#	Names of members	Responsibility
1	KAMPAYANA Augustin	Chairperson
2	MUKAKIMENYI Veneranda	V/Chairperson
3	NKURUNZIZA Mark	Member
4	CP RUMANZI George	Member
5	GAHONGAYIRE KARAKE Doreen	Member
6	DUSABE Théophile	Member
7	KAREMERA UWIMANA Claire	Member

II. CLAIMS MANAGEMENT

Claims management constitutes the SGF core mandate which is to compensate victims of road traffic accidents and damages caused by wild animals. Claims management process includes claims reception and registration, eligibility analysis, investigation, provisioning, computation of compensation fees, transaction with claimants and payment. Hereinafter there is a graph showing the evolution of claims reported to SGF in 5 years from July 2015 to June 2020.

Table 1. Comparative evolution of claims reported to SGF in five years

	PERIOD				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Road accident	166	243	202	254	247
Wild animal	1,358	1,442	1,351	2,995	3,249
Total	1,524	1,685	1,553	3,249	3,496



II.1 CLAIMS RELATED TO ROAD ACCIDENT DAMAGES

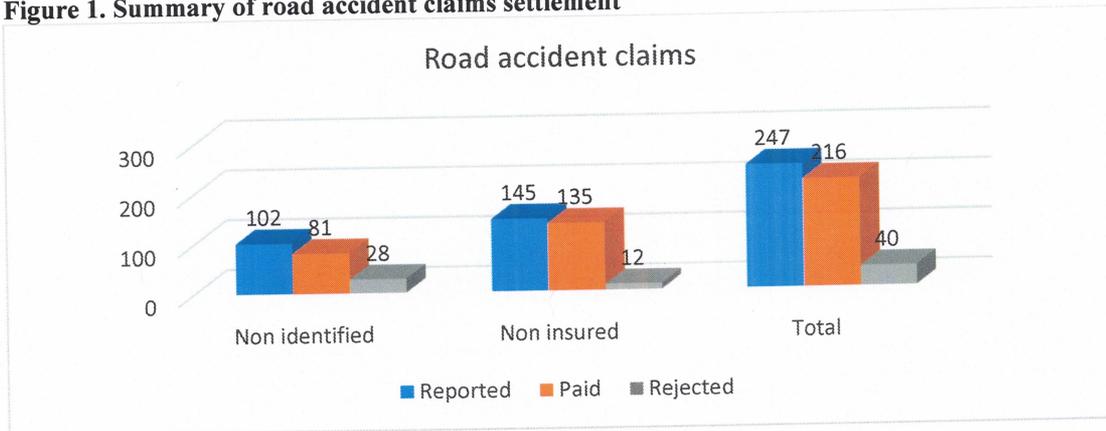
During 2019-2020; 247 claims were received (102 were non-identified and 145 non-insured) by SGF, settlement was done and 216 were paid (81 non-identified and 135 non-insured) while 40 claims were rejected (28 non-identified and 12 non-insured). At the end of June 2020, 168 claims were waiting for settlement of which 66 related to accident caused by non-identified vehicles and 102 by uninsured vehicles.

Table 2. summary of Road accident claims settlement

Types	Type of Damage		Non identified	Non insured	Total	%
Claims reported	Body injury	number	90	118	208	84
		provision	411,578,410	520,158,884	931,737,294	87
	Property	number	12	27	39	16
		provision	80,345,048	59,978,674	140,323,722	13
	Total	number	102	145	247	100
		provision	491,923,458	580,137,558	1,072,061,016	100
Claims paid	Body injury	number	72	117	189	88
		provision	380,260,831	558,734,578	938,995,409	93
		amount paid	246,805,164	379,718,356	626,523,520	95
	Property	number	9	18	27	13
		provision	6,871,910	59,265,981	66,137,891	7
		amount paid	4,429,840	26,308,752	30,738,592	5
	Total	number	81	135	216	100
		provision	387,132,741	618,000,559	1,005,133,300	100
		amount paid	251,235,004	406,027,108	657,262,112	100
Claims rejected	Body injury	number	21	9	30	75
		provision	77,195,842	45,483,385	122,679,227	60
	Property	number	7	3	10	25
		provision	81,840,350	1,297,980	83,138,330	40
	Total	number	28	12	40	100
		provision	159,036,192	46,781,365	205,817,557	100
Pending	Body injury	number	57	88	145	86
		provision	225,770,671	329,561,604	555,332,275	96
	Property	number	9	14	23	14
		provision	4,701,120	19,158,360	23,859,480	4
	Total	number	66	102	168	100
		provision	230,471,791	348,719,964	579,191,755	100

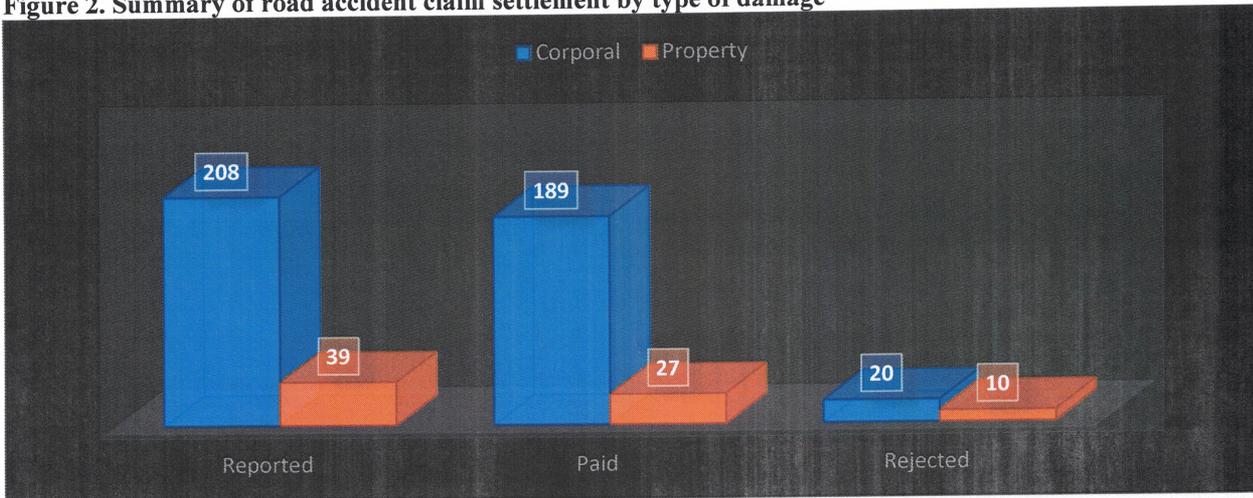


Figure 1. Summary of road accident claims settlement



In 2019-2020, 247 cases related to road accident were reported at SGF, 145 cases represented by 59% of total claims were caused by non-insured automobiles and 102 representing 41% cases were caused by non-identified automobiles. 84% of all claims i.e 208 claims led to corporal damages and 16% led to property damages. Compared to the previous year of 2018-2019 number of road accident claims decreased by 3% from 254 claims to 247 claims in this year.

Figure 2. Summary of road accident claim settlement by type of damage



84% of received claims i.e 208 claims led to corporal damages 189 claims of them were paid and 20 were rejected while only 39 claims led to property damages and 27 were paid, 10 were rejected



II.1.1 NEW CLAIMS RECEIVED RELATED TO ROAD ACCIDENT DAMAGES

Table 3. New claims received related to road accident damages

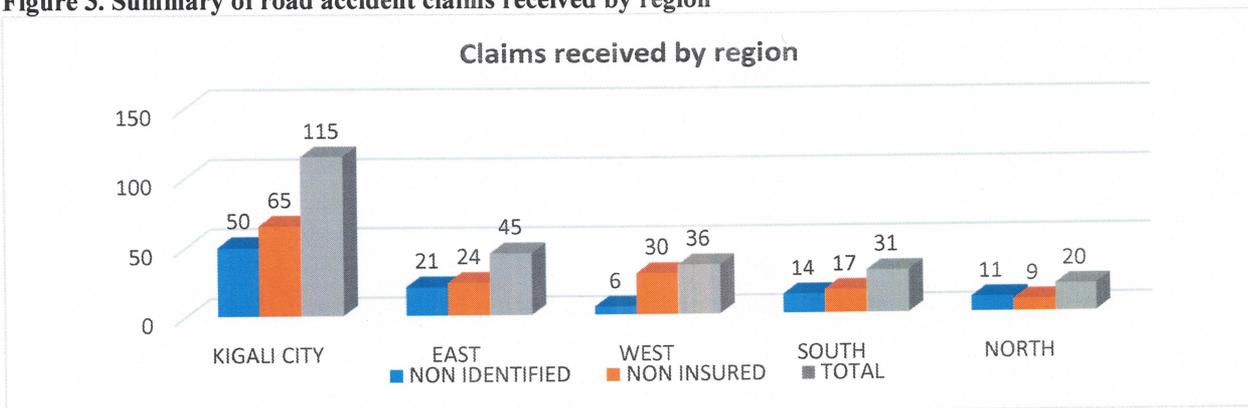
REGION	NON-IDENTIFIED	Material / Property	NON-IDENTIFIED	UNINSURED	Material / Property	UNINSURED	Grand Total
	CORPORAL		Total	CORPORAL		Total	
EAST	19	2	21	23	1	24	45
BUGESERA	3	1	4	4	1	5	9
GATSIBO	3		3	3		3	6
KAYONZA	5		5	4		4	9
KIREHE				4		4	4
NGOMA	1	1	2	2		2	4
NYAGATARE	2		2	2		2	4
RWAMAGANA	5		5	4		4	9
KIGALI CITY	40	10	50	43	22	65	115
GASABO	18	2	20	17	12	29	49
KICUKIRO	11	5	16	8	5	13	29
NYARUGENGE	11	3	14	18	5	23	37
NORTH	11		11	8	1	9	20
GAKENKE	5		5	1	1	2	7
GICUMBI				2		2	2
MUSANZE	4		4	3		3	7
RULINDO	2		2	2		2	4
SOUTH	14		14	16	1	17	31
GISAGARA				1		1	1
HUYE	5		5	6	1	7	12
KAMONYI	2		2	2		2	4
MUHANGA	1		1	2		2	3
NYAMAGABE				1		1	1
NYANZA	4		4	3		3	7
NYARUGURU				1		1	1
RUHANGO	2		2				2
WEST	6		6	28	2	30	36
KARONGI	2		2	2	1	3	5
NYABIHU	1		1	3		3	4
NYAMASHEKE	1		1	3		3	4
RUBAVU	2		2	8	1	9	11
RUSIZI				8		8	8
RUTSIRO				4		4	4
Grand Total	90	12	102	118	27	145	247



Picture 1. Non-insured vehicle which caused the accident in Rubavu district



Figure 3. Summary of road accident claims received by region



As it is shown on the graph above Kigali is the first to report many claims as it takes 46% of total claims which represent 115 claims from where 57% of them are caused by non-insured and 43% were caused by non-identified. The Eastern province follow Kigali on the second place 45 claims which represent 18% , the third is Western province with 3 claims represented by 14%, the fourth place come Southern province with 31 claims i.e 12% and finally Northern province with only 20 claims.



II.1.2 PAID CLAIMS RELATED ROAD ACCIDENT CLAIMS

Table 4. Paid claims related to road accident damages

REGION	Accidents caused by non-identified automobiles						Accidents caused by non-insured automobiles			TOTAL	
	Corporal injuries		Material damages		Total		Number of Claimant	Paid, in FRW	Number of Claimants	Paid, in FRW	
	Number of Claimants	Paid, in FRW	Number of Claimants	Paid, in FRW	Number of Claimants	Paid, in FRW					
EASTERN PROVINCE	12	44,647,936			12	44,647,936	28	91,937,264	40	136,585,200	
BUGESERA	3	10,355,766			3	10,355,766	7	20,216,663	10	30,572,429	
GATSIBO							2	4,255,112	2	4,255,112	
KAYONZA	4	11,777,824			4	11,777,824	6	19,670,183	10	31,448,007	
KIREHE							5	34,233,265	5	34,233,265	
NGOMA							2	2,528,647	2	2,528,647	
NYAGATARE	3	13,380,383			3	13,380,383	1	229,600	4	13,609,983	
RWAMAGANA	2	9,133,963			2	9,133,963	5	10,803,794	7	19,937,757	
KIGAKI CITY	29	78,141,802	5	2,934,000	34	81,075,802	65	171,008,650	99	252,084,452	
GASABO	19	43,798,648	3	2,393,100	22	46,191,748	26	69,947,970	48	116,139,718	
KICUKIRO	7	31,331,945	1	259,600	8	31,591,545	15	32,071,499	23	63,663,044	
NYARUGENGE	3	3,011,209	1	281,300	4	3,292,509	24	68,989,181	28	72,281,690	
NORTHERN PROVINCE	6	24,492,193			6	24,492,193	9	39,182,673	15	63,674,866	
GAKENKE	4	18,340,760			4	18,340,760	2	7,360,788	6	25,701,548	
GICUMBI	1	4,467,600			1	4,467,600	1	5,024,288	2	9,491,888	
MUSANZE	1	1,683,833			1	1,683,833	3	13,167,688	4	14,851,521	
RULINDO							3	13,629,909	3	13,629,909	
SOUTHERN PROVINCE	13	57,237,425	1	250,750	14	57,488,175	14	53,979,824	28	111,467,999	
HUYE	6	23,787,642			6	23,787,642	5	21,593,897	11	45,381,539	



KAMONYI	2	7,778,676			2	7,778,676	3	7,113,784	5	14,892,460
MUHANGA	1	10,481,857			1	10,481,857	4	15,974,416	5	26,456,273
NYAMAGABE							1	2,164,807	1	2,164,807
NYANZA	2	3,783,822			2	3,783,822			2	3,783,822
RUHANGO	2	11,405,428	1	250,750	3	11,656,178	1	7,132,920	4	18,789,098
WESTERN PROVINCE	12	42,285,808			12	42,285,808	22	51,163,787	34	93,449,595
KARONGI	2	13,853,309			2	13,853,309	2	3,309,481	4	17,162,790
NGORORERO	1	390,000			1	390,000	1	2,086,430	2	2,476,430
NYABIHU	1	5,147,518			1	5,147,518	1	1,409,922	2	6,557,440
NYAMASHEKE	3	9,410,961			3	9,410,961	1	662,469	4	10,073,430
RUBAVU	5	13,484,020			5	13,484,020	8	20,931,381	13	34,415,401
RUSIZI							7	19,772,152	7	19,772,152
RUTSIRO							2	2,991,952	2	2,991,952
Grand Total	72	246,805,164	6	3,184,750	78	249,989,914	138	407,272,198	216	657,262,112

During 2019-2020 SGF paid FRW 657 Million to 216 victims of road accident claims, FRW 249.9 M were paid to 78 victims of non-identified claims and FRW 407 M paid 138 claims of non-insured claims. In Kigali 99 victims were paid FRW 252 Million equivalent to 38% of the total paid amount, the Eastern province had 40 victims paid amount worth FRW 136 Million, FRW 111 Million were paid to 28 victims while FRW 93 Million were paid to 34 victims in Western province and FRW 63 Million were paid in Northern to 15 victims of road accident damages.

On the other side of settlement 40 claim files were rejected due to different reasons including delay in declaration, delay in fulfilling required documents and some vehicles had third party insurance covers. 75% of rejected claims led to corporal damages while 25% caused property damages.



Picture 2: SGF staff with claimants in transaction meeting in public to validate wild animals' damages in Jarama sector, Ngoma District respecting preventive measures against Covid 19.



Picture 3: House that was damaged by buffalo and rebuilt by SGF in Nyabihu district Kabatwa Sector.



II.1.3 REJECTED CLAIMS RELATED TO ROAD ACCIDENT

Table 5. Rejected claims related to road accident

Automobiles responsible of accident	Corporal damages		Property damages		Total	
	Number of Claimants	Provisions, in FRW	Number of Claimant	Provisions, In FW	Total number of Claimants	Provision, in FRW
NON-IDENTIFIED	19	72,620,015	7	81,840,350	26	154,460,365
UNINSURED	11	50,059,212	3	1,297,980	14	51,357,192
Grand Total	30	122,679,227	10	83,138,330	40	205,817,557

II.2 CLAIMS RELATED TO WILD ANIMALS DAMAGES

During the period under review 3,768 claims were reported at SGF (2,369 claims from Northern province, 1020 from East, 163 claims from South, 154 claims from Western province and 62 claims were from Kigali city). 63% of total claims were from Northern province especially in Musanze district in Kinigi sector neighboring the Birunga national park, 27% of total claims were from Eastern province, Southern province is the third with 163 claims representing 4%, the fourth is Western province with 154 claims and the last is Kigali city with 62 claims from Kicukiro district Gahanga sector.

Settlement were made 55 claims were rejected and FRW 272 Million were compensated to 3,591 claims (North FRW 125 M paid to 2,400 claims, FRW 124 M paid to 1,020 claims in East, FRW 11 M paid to 152 claims in South, FRW 8 M paid to 181 claims in West and FRW 2 M paid to 37 claims in Kigali city) while 1,174 claims are still by end June 2020.

Table 6. New claims related to wild animals' damages per region

REGION	Reported	% of claims per region
NORTH	2,369	62.9
SOUTH	163	4.3
EAST	1,020	27.1
WEST	154	4.1
KIGALI CITY	62	1.6
TOTAL	3,768	100



Table 7. Summary of wild animal's damages claims

REGION	Reported	Rejected	Paid	%
NORTH	2,369	37	2,400	62.9
SOUTH	163	5	152	4.3
EAST	1,020	11	821	27.1
WEST	154	2	181	4.1
KIGALI CITY	62	-	37	1.6
TOTAL	3,768			100

Table 8. CLAIMS RELATED TO WILD ANIMALS

REGION			Reported	Rejected	Paid		
PROVINCE	District	Sector	Number	Number	Number	Amount, in FRW	Average by claim, in FRW
NORTH	Musanze	Gataraga	627	11	599	21,151,686	35,312
		Shingiro	262	1	247	15,433,821	62,485
	Burera	Kinigi	853	7	1,061	48,889,182	46,078
		Nyange	134	4	117	14,531,729	124,203
		Musanze	1		1	510,000	510,000
		Cyuve	2		2	249,817	124,909
		Busogo	3		2	277,250	138,625
		Gahunga	119		97	13,705,987	141,299
		Rugarama	120	1	70	3,239,988	46,286
		Cyanika	245	12	201	7,614,361	37,882
Gicumbi	Bungwe	3	1	3	133,610	44,537	
S/Total	S/Total		2,369	37	2,400	125,737,431	52,391
	Nyamagabe	Kitabi	40	5	42	2,319,105	55,217
SOUTH	Nyaruguru	Gatare	8		7	1,029,068	147,010
		Muganza	1		1	19,000	19,000
		Nyabimata	31		30	2,399,027	79,968
		Ruheru	24		25	1,701,000	68,040
		Kivu	53		47	3,835,000	81,596
S/Total	S/Total		163	5	152	11,302,200	74,357
EAST	Nyagatare	Karangazi	49		29	11,010,172	379,661
		Rwimiyaga	30		33	7,793,202	236,158
		Nyagatare	1		2	308,750	154,375
	Mwili	Ndego	18		15	1,188,576	79,238
		Mwili	106		96	35,681,995	371,687



		Rwinkwavu	1		2	248,500	124,250
		Gahini	21		16	6,081,563	380,098
	Kayonza	Kabare	73	1	52	1,254,469	24,124
		Murundi	148		118	24,039,511	203,725
		Rwimbogo	111	8	106	12,248,881	115,555
	Gatsibo	Gasange	2		1	32,050	32,050
	Bugesera	Rweru	43		62	3,977,522	64,154
		Ririma	3		13	209,534	16,118
	Kirehe	Gashora	23		3	341,080	113,693
		Mpanga	147	1	112	9,139,030	81,598
		Nyamugari	18		26	2,867,588	110,292
		Nasho	35		35	2,111,330	60,324
		Mahama	67		47	2,917,472	62,074
		Musaza	1		1	19,000	19,000
	Ngoma	Rukumberi	6		10	1,439,348	143,935
		Rurenge	18				
		Sake	4		5	106,880	21,376
		Zaza	2		2	79,904	39,952
	Rwamagana	Jarama	72		35	1,073,505	30,672
S/Total	S/Total		1,020	11	821	124,169,862	151,242
	Karongi	Bwishyura	1		1	58,000	58,000
		Ruhango	1		1	78,400	78,400
	Nyabihu	Kabatwa	13		53	1,610,783	30,392
		Mukamira			1	71,000	71,000
		Jenda	45	2	38	3,079,850	81,049
WEST	Nyamasheke	Mahembe	3		1	20,650	20,650
		Bushekeri	1		1	28,000	28,000
		Karambi	3		4	108,640	27,160
		Kirimbi	1				
		Cyato	22		16	1,321,455	82,591
	Rubavu	Bugeshi	18		17	512,147	30,126
		Busasamana	37		38	1,122,357	29,536
	Rusizi	Bweyeye	1		1	71,784	71,784
		Nkungu	6		7	347,179	49,597
		Nyakabuye	0		1	61,000	
		Bugarama	2		1	7,763	7,763
S/Total	S/Total		154	2	181	8,499,008	46,956
KIGALI CITY	Nyarugenge	Kigali			1	1,357,000	1,357,000
	Kicukiro	Gahanga	62		36	1,198,472	33,291
S/Total	S/Total		62		37	2,555,472	69,067
TOTAL			3,768	55	3,591	272,263,973	394,012



III. RECOVERY FROM SGF DEBTORS

At the beginning of July 2019 SGF has receivables worth FRW 1,706,591,365 including written and non-written off where non-written receivables equal to FRW 649,228,215. Throughout the whole year the identification and localization of debtors, distribution of recovery letters, negotiation with debtors, participating in auctions were done in order to recover SGF amount that have been compensated to victims of non-insured automobiles.

Recovery office managed to recover FRW 123,674,941 out of FRW 80,500,000 that was planned to be recovered in the period under review despite of number of challenges it faced in getting information and tracing real debtors and increasing number of non-insured cases reported to SGF that lead to the increase of receivables worth FRW 928,311,596 not written at the end of June 2020.

IV. CORPORATE AND SOCIAL RESPONSIBILITY AND AWARENESS

IV.1 ROAD TRAFFIC ACCIDENTS PREVENTION CAMPAIGN

As it is part of its mission to take part in accidents prevention activities, SGF participated financially in Gerayo Amahoro campaign which occurred in the first semester of 2019-2020 unfortunately it was stopped by lockdown since March 2020 due to the pandemic Covid 19 as it was supposed to end in May 2020.

IV.2 KWIBUKA

As the 26th Commemoration of Genocide against Tutsi occurred during the lockdown caused by Covid 19, in collaboration with Ibuka, SGF provided a financial support of FRW 4 Million to 110 Genocide survivors in Nyamasheke District.

V. IMPLEMENTATION OF 2019/2020 SGF ACTION PLAN

Hereinafter is a table showing some of key activities that were performed during the period under review with the rate of their implementation status.

The scoring approach used for action plan evaluation- (*MINECOFIN guidelines*)

GREEN COLOR: **ACHIEVED** – *at least 90%* of the target has been achieved. This indicates that the activity has been completed at an excellent level.

YELLOW COLOR: **PARTIALLY ACHIEVED** – When the result is *between 50% and 89%* of the target. This indicates that the target is not achieved, but the achievement level has been in the range of good and very good.

RED COLOR: **NOT ACHIEVED** – When the achievement is *less than 50%* of the target. This indicates that the objective is not achieved due to internal or exogenous factors.



Table 9. IMPLEMENTATION MATRIX OF SGF ACTION PLAN 2019-2020

Output	Indicators	Baseline	Targets/ Milestones	Activities to Deliver output	Stakeholders	Level of achieve- ment	Comments	Responsible unit/post	
OUTCOME 1: ENHANCED CLAIMS SETTLEMENT AND CUSTOMER SATISFACTION									
1.1	Claims settled and compensated within timeframe	% of claims settled and paid out of total claims received within 45 days	86%, i.e 2632 claims out of 2947 claims received have been settled within the required timeframe	100% of received claims to be settled within the required timeframe by end June 2020	Conduct timely field claims settlement of wild animals, Conduct timely accidents investigations,	Local government, RDB, RNP, Hospitals, Garages	Achieved at 91%	3,496 claims RA:247 WA: 3,268 were reported at SGF, 3,804 claims were paid, 95 claims were rejected and 1,342 claims were pending (570 claims for payment and 772 for settlement and fulfillment of requirements by end June 2020)	Compensation and Finance & Administration
1.2	Customer complaints addressed	% of customer complaints addressed out of total complaints received	100% complaints received addressed in FY 2018/19	100% of all received customer complaints to be addressed	Record properly and timely customer complaints and address	Claimants, Local Government	Fully achieved	During the FY 2019-2020, 7complaints were received and have been addressed	Public Relation and Customer care Officer
OUTCOME 2: SUSTAINED SGF FINANCIAL HEALTH									
2.1	SGF revenues increased	% increase in investment revenues	FRW 192.1 Million achieved in	12% increase in investment revenues, FRW	Invest available funds in	RNIT, Commercial Banks,	Achieved at 109.4%	Frw 235.4 Million have been achieved from	Finance & Administration



Output	Indicators	Baseline	Targets/ Milestones	Activities to Deliver output	Stakeholders	Level of achieve- ment	Comments	Responsible unit/post
		FY year 2018/19.	215.1 M to be achieved by end June 2020	Government securities, term deposits, commercial banks and RNIT	Horizon and BNR		July 2019 to June 2020	
2.2 Debt recovery mechanism in place	Amount recovered	FRW 53.7 Million recovered in 2018/19	50% increase in recovered amount, FRW 80.5M to be recovered from debtors by end June 2020	Identify and locate, register responsible of road accidents caused by non-insured automobiles, conclude recovery contracts and appeal to courts of law.	RNP, NIDA, Local government authorities.	Achieved at 153.5%	Frw 123.6 Million have been from July up to June 2020.	Finance & Administration
2.3 Premiums declarations verified and confirmed	Proportion of premiums verification executed in total of planned verification plan	100% of premium verification planned activities done in 2018/2019	100% of verification activities planned to be performed by end June 2020	Conduct premiums verification activities in insurance companies in headquarters and agencies across the country	Insurance companies	Fully achieved	All 17 planned premiums verification in 2019/20 have been fully completed.	



Output	Indicators	Baseline	Targets/ Milestones	Activities to Deliver output	Stakeholders	Level of achieve- ment	Comments	Responsible unit/ post
OUTCOME 3: IMPROVED PUBLIC AWARENESS ON SGF MISSION AND ACTIVITIES								
3.1 Public awareness activities conducted	Active partnership with stakeholders	Training of drivers of motorcycles in Kigali City	MOU signed with FERWACOTAMO on monitoring third part insurance cover amidst their members across the country.	Putting in place insurance monitoring mechanism for motorcycles operating as taxi.	FERWACO- TAMO, RNP, ASSAR	Achieved at 75%	The draft MoU was prepared but not yet signed by both parties.	
3.2 Corporate social responsibility programs implemented	Number of corporate social responsibility implemented	2 events sponsorship of Rwanda volleyball federation and financial support given to Genocide survivors in Nyabihu district occurred in the FY 2018/2019	Support identified needy victims of the Genocide against Tutsi	Identify the needy victims of the Genocide against the Tutsi, Provide financial support in sport activities especially involved in sectors neighboring national parks	IBUKA	Achieved at 100%	Financial support was given to Genocide survivors in Nyamasheke districts	Finance & Administration



**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020**

GENERAL INFORMATION

Country of incorporation and domicile	Rwanda																
Nature of business and principal activities	Special Guarantee Fund is public financial institution affiliated to the Ministry of Finance and Economic Planning and supervised by the National Bank of Rwanda																
Board of Directors	<table><tr><td>Mr. KAMPAYANA Augustin</td><td>Chairperson</td></tr><tr><td>Mrs. MUKAKIMENYI Veneranda</td><td>Vice Chairperson</td></tr><tr><td>Mr. NKURUNZIZA Mark</td><td>Member</td></tr><tr><td>Mrs. KAREMERA UWIMANA Claire</td><td>Member</td></tr><tr><td>Mrs. GAHONGAYIRE KARAKE Doreen</td><td>Member</td></tr><tr><td>Mr. DUSABE Theophile</td><td>Member</td></tr><tr><td>CP. RUMANZI George</td><td>Member</td></tr><tr><td>Dr Joseph NZABONIKUZA</td><td>Director General</td></tr></table>	Mr. KAMPAYANA Augustin	Chairperson	Mrs. MUKAKIMENYI Veneranda	Vice Chairperson	Mr. NKURUNZIZA Mark	Member	Mrs. KAREMERA UWIMANA Claire	Member	Mrs. GAHONGAYIRE KARAKE Doreen	Member	Mr. DUSABE Theophile	Member	CP. RUMANZI George	Member	Dr Joseph NZABONIKUZA	Director General
Mr. KAMPAYANA Augustin	Chairperson																
Mrs. MUKAKIMENYI Veneranda	Vice Chairperson																
Mr. NKURUNZIZA Mark	Member																
Mrs. KAREMERA UWIMANA Claire	Member																
Mrs. GAHONGAYIRE KARAKE Doreen	Member																
Mr. DUSABE Theophile	Member																
CP. RUMANZI George	Member																
Dr Joseph NZABONIKUZA	Director General																
Registered office	Special Guarantee Fund P.O Box 7359 Kigali-Rwanda																
Bankers	<p>National Bank of Rwanda Avenue paul IV PO Box 531 Kigali, Rwanda</p> <p>Bank of Kigali Plc P.O Box 175 Kigali-Rwanda</p> <p>Guarantee Trust Bank Rwanda Plc P.O Box 331 Kigali, Rwanda</p> <p>Bank Populaire du Rwanda Part of Atlas Mala 32 avenue del'armee PO Box 1348 Kigali, Rwanda</p>																
Auditors	BDO EA Rwanda Ltd Certified Public Accountants Career Center Building 8th Floor KG 541 ST, P.O Box 6593 Kigali, Rwanda																

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020**

CONTENTS

	Page
Report of the directors	3 - 4
Statement of directors' responsibilities	5
Report of the independent auditors	6 - 8
Statement of income and expenditure	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Accounting policies	13 - 15
Notes to the financial statements	16 - 20

SPECIAL GUARANTEE FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report on the financial statements of Special Guarantee Fund for the year ended June 30, 2020.

1. Nature of business

Special Guarantee Fund is Public financial institution affiliated to the Ministry of Finance and Economic planning (MINECOFIN) and supervised by the National Bank of Rwanda (BNR).

The principal activities of the institution is:

1. To compensate victims of road accident caused by an automobile when:
 - (a) 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 it's owner or driver or from any other person that has right over the automobile.
2. To compensate victims of damage caused by wild animals,
3. To help in covering medical expenses for people injured or incapacitated by accident 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 and when they claim compensation and thereafter

There have been no material changes to the nature of the institution's operations from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with accrual basis of accounting and the requirements of the Law no 052/2011 of 14/12/2011 governing public institutions. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the institution are set out in these financial statements.

3. Directors

The Directors in office at the date of this report are as follows:

Directors	Office
Mr. KAMPAYANA Augustin	Chairperson
Mrs. MUKAKIMENYI Veneranda	Vice-Chairperson
Mr. NKURUNZIZA Mark	Member
Mrs. KAREMERA UWIMANA Claire	Member
Mrs. GAHONGAYIRE KARAKE Doreen	Member
Mr. DUSABE Theophile	Member
CP. RUMANZI George	Member

There have been no changes to the directorate for the year under review.

4. Going concern

The directors believe that the Institution has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors are not aware of any new material changes that may adversely impact the institution. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Institution.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
REPORT OF THE DIRECTORS**

5. Litigation statement

The institution becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The institution is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

6. Auditors

BDO EA Rwanda Ltd was appointed by Directors as external auditor for the current year and have expressed their willingness to continue in the office in accordance with the Rwanda Public Procurement Law and Companies Act.

By Order of the Board


Digitally signed by SGF
(DIRECTOR GENERAL)
Date: 2021.01.15
15:16:57 +02'00'

Director General

Date: _____ January 2021

SPECIAL GUARANTEE FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law no 52/12/2011 establishing Special Guarantee Fund and Article 113 of the Ministerial Order No 001/16/10/TC of 26/1/2016 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 financial year and of the operating results of that year. It also requires the directors to ensure the organization keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the organization. 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 judgements 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.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the institution and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the institution and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the institution is on identifying, assessing, managing and monitoring all known forms of risk across the institution. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the organisation's cash flow forecast for the year to June 30, 2021 and, in light of this review and the current financial position, they are satisfied that the institution has or had access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 9 to 20 which have been prepared on the going concern basis, were approved by the Board of Directors on ____ January 2021 and were signed on their behalf by:



Digitally signed by SPECIAL
GUARANTEE FUND
(CHAIRMAN OF BOARD)
Date: 2021.01.18 17:21:35
+02'00'



Digitally signed by SGF
(DIRECTOR GENERAL)
Date: 2021.01.15
15:17:47 +02'00'

Director General



Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO EA Rwanda Ltd
Career Centre Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

REPORT OF THE INDEPENDENT AUDITORS

To the Board of Directors of Special Guarantee Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Special Guarantee Fund (the Institution) set out on pages 9 to 20, which comprise the statement of financial position as at June 30, 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Special Guarantee Fund as at June 30, 2020, and its financial performance and cash flows for the year then ended in accordance with Organic Law No 52/2011 of 14/12/2011 and the requirements of the Article 113 of the Ministerial Order No 001/16/10/TC of 26/1/2016.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Special Guarantee Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Rwanda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Rwanda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Special Guarantee Fund financial statements for the year ended June 30, 2020", which includes the Report of the directors as required by the law establishing SGF No 52/2011 of 14/12/2011 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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



Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO EA Rwanda Ltd
Career Centre Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

REPORT OF THE INDEPENDENT AUDITORS

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Article 113 of the Ministerial Order No 001/16/10/TC of 26/1/2016, and for such internal control as the determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the organisation'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 the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the .
- Conclude on the appropriateness of the Special Guarantee Fund's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation 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 the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Tel: +250 738 304070
Tel: +250 788 309225
rwanda@bdo-ea.com
www.bdo-ea.com

BDO EA Rwanda Ltd
Career Centre Building, 8th Floor
KG 541st Road, P.O. Box 6593
Kigali, Rwanda

REPORT OF THE INDEPENDENT AUDITORS

Report on other legal and regulatory requirements

As required by Article 166 of the Constitution of the Republic of Rwanda of 2003 as revised in 2015, we report to you based on our audit that:

- (i) Expenditure incurred was necessary and in conformity with the laws and regulations in force and sound management;
- (ii) Controls to safeguard the receipt, custody and proper use of public funds were put in place and that the laws and regulations in force were duly observed to prevent misappropriation of public funds; and
- (iii) Special Guarantee Fund acquired and utilized human, material and financial resources economically, efficiently and effectively to prevent squandering of public funds.

BDO EA Rwanda Ltd
Certified Public Accountants
Career Center Building 8th Floor
KG 541 ST, P.O Box 6593
Kigali, Rwanda



BDO EA RWANDA Ltd
Tel: +250 788309225
+250 738304070
P.O Box 6593 Kigali, Rwanda

19/01/2021

Emmanuel Habineza, FCCA ,CPA (R)
PC/CPA0007/0014)
Managing Partner

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
STATEMENT OF INCOME AND EXPENDITURE**

	Note	2020 Frw	2019 Frw
Income	2	1,906,944,167	2,064,374,796
Direct expenditure	3	(1,317,987,225)	(1,211,377,097)
Gross surplus		588,956,942	852,997,699
Interest income	4	361,939,840	248,282,177
Operating expenses	5	(627,487,940)	(635,613,926)
Operating surplus	5	323,408,842	465,665,950
Other non-operating gains (losses)		-	-
Surplus before taxation		323,408,842	465,665,950
Taxation		-	-
Surplus for the year		323,408,842	465,665,950
Other comprehensive income		-	-
Total comprehensive surplus for the year		323,408,842	465,665,950

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
 STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020**

	Note	2020 Frw	2019 Frw
Assets			
Non-Current Assets			
Office & IT equipment	6	166,587,754	145,431,267
Financial assets	7	1,585,865,208	1,156,225,980
		<u>1,752,452,962</u>	<u>1,301,657,247</u>
Current Assets			
Receivables	8	1,235,160,542	1,093,265,587
Cash and cash equivalents	9	1,164,713,764	1,089,898,323
		<u>2,399,874,306</u>	<u>2,183,163,910</u>
Total Assets		<u>4,152,327,268</u>	<u>3,484,821,157</u>
Equity and Liabilities			
Share capital	10	43,266,248	43,266,248
Accumulated surplus		2,863,024,639	2,505,240,205
		<u>2,906,290,887</u>	<u>2,548,506,453</u>
Liabilities			
Current Liabilities			
Payables	11	21,231,676	36,060,760
Technical provisions	12	1,224,804,705	900,253,944
		<u>1,246,036,381</u>	<u>936,314,704</u>
Total Equity and Liabilities		<u>4,152,327,268</u>	<u>3,484,821,157</u>

The financial statements and the notes on pages 9 to 20, were approved by the Board of Directors on the January 2021 and were signed on its behalf by:



Board Chairman

Digitally signed by SPECIAL
 GUARANTEE FUND (CHAIRMAN
 OF BOARD)
 Date: 2021.01.18 17:32:53 +02'00'



Director General

Digitally signed by
 SGF (DIRECTOR
 GENERAL)
 Date: 2021.01.15
 15:18:25 +02'00'

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020**

STATEMENT OF CHANGES IN EQUITY

	Share capital Frw	Accumulated surplus Frw	Total equity Frw
Opening balance as previously reported	43,266,248	1,752,340,323	1,795,606,571
Adjustments			
Prior year adjustments	-	287,233,933	287,233,933
Balance at July 1, 2018 as restated	43,266,248	2,039,574,256	2,082,840,504
Surplus for the year	-	465,665,949	465,665,949
Other comprehensive income	-	-	-
Total surplus and other comprehensive income for the year	-	465,665,949	465,665,949
Balance at July 1, 2019	43,266,248	2,505,240,205	2,548,506,453
Surplus for the year	-	323,408,842	323,408,842
Other comprehensive income	-	-	-
Total surplus and other comprehensive income for the year	-	323,408,842	323,408,842
Prior year adjustment (note 13)	-	34,375,592	34,375,592
Total	-	34,375,592	34,375,592
Balance at June 30, 2020	43,266,248	2,863,024,639	2,906,290,887
Note	10		

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
 STATEMENT OF CASH FLOWS**

	Note	2020 Frw	2019 Frw
Cash flows from operating activities			
Surplus for the year		323,408,842	465,665,950
Adjustments for:			
Depreciation expense		17,910,845	16,291,946
Movements in provisions		324,550,761	900,253,944
Prior year adjustment		34,375,592	-
Changes in working capital:			
Receivables		(141,894,955)	(1,093,265,587)
Payables		(14,829,084)	36,060,760
Cash generated from operations		<u>543,522,001</u>	<u>325,007,013</u>
Cash flows from investing activities			
Purchase of office & IT equipment	6	(39,067,332)	(21,704,994)
Purchase of financial assets		(429,639,228)	(95,067,749)
Net cash from investing activities		<u>(468,706,560)</u>	<u>(116,772,743)</u>
Total cash movement for the year		74,815,441	265,730,887
Cash at the beginning of the year		1,089,898,323	824,167,436
Total cash and cash equivalent at end of the year	9	<u>1,164,713,764</u>	<u>1,089,898,323</u>

SPECIAL GUARANTEE FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Article 113 of the Ministerial Order No 001/16/10/TC of 26/1/2016.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rwanda Francs, which is the institution's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Office & IT equipment

Office & IT equipment are tangible assets which the Special Guarantee Fund holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of office & it equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Special Guarantee Fund, and the cost of the item can be measured reliably.

Office & IT equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of office & it equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Special Guarantee Fund and the cost can be measured reliably. Day to day servicing costs are included in income statement in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Special Guarantee Fund. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of office & it equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office equipments	Straight line	25%
ICT Equipments	Straight line	33%
Server	Straight line	10%
IAM Software	Straight line	5%
Curtnains	Straight line	10%

SPECIAL GUARANTEE FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

ACCOUNTING POLICIES

1.4 Financial instruments

Financial instruments held by the Special Guarantee Fund are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Special Guarantee Fund, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Payables

Recognition and measurement

They are recognised when the organisation becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 3 months, net of recognised immediately in profit or loss.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
ACCOUNTING POLICIES**

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Special Guarantee Fund's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.6 Income recognition

Revenue is recognized when earned. Revenues include payments from insurance companies for 10% of their premium, 5% of tourism income, interest from fixed deposit accounts, interest from treasury Bills and Bonds, engagement from accident caused by non-insured cars and paid by Special Guarantee Fund and revenue from documents related to different open tenders published by Special Guarantee Fund.

1.7 Provisions

Provisions are recognized when: the organization 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. The provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

1.8 Comparatives

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

1.9 Taxation

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 JUNE 30, 2020
NOTES TO THE FINANCIAL STATEMENTS

	2020 Frw	2019 Frw
2. Income		
Revenue from Insurance	1,149,355,406	1,100,132,359
Revenue from tourism Activities	757,588,761	964,242,437
	1,906,944,167	2,064,374,796
3. Direct expenditure		
Compensation costs	1,317,987,225	1,211,377,097
Compensation costs		
Accident claims	998,816,796	890,207,380
Wild animals	319,092,927	310,190,476
MSGH expenses	77,502	10,979,241
	1,317,987,225	1,211,377,097
4. Other operating income		
Interest Income	230,549,444	187,550,966
Other income	131,390,396	60,731,211
	361,939,840	248,282,177
5. Operating surplus		
Operating surplus for the year is stated after charging (crediting) the following, amongst others:		
Remuneration, other than to employees		
Social contribution	5,000,000	6,604,228
Consulting and professional services	9,100,425	12,529,600
	14,100,425	19,133,828
Employee costs		
Salaries, wages, bonuses and other benefits	276,259,594	274,902,920
Government contribution	20,349,550	20,322,183
Termination benefits	-	1,406,572
Total employee costs	296,609,144	296,631,675
Leases		
Operating lease charges		
Office Rent	99,072,000	99,072,000
Depreciation and amortisation		
Depreciation charge	17,910,845	16,291,946

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
NOTES TO THE FINANCIAL STATEMENTS

	2020 Frw	2019 Frw
5. Operating surplus (continued)		
Expenses by nature		
The total general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Compensation costs	1,317,987,225	1,211,377,097
Employee costs	296,609,144	296,631,675
Lease expenses	99,072,000	99,072,000
Depreciation charge	17,910,845	16,291,946
Other expenses	213,895,951	223,618,305
	<u>1,945,475,165</u>	<u>1,846,991,023</u>

6. Office & IT equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	73,587,636	(39,630,310)	33,957,326	61,985,476	(44,537,028)	17,448,448
IT equipment	204,620,119	(71,989,691)	132,630,428	208,167,957	(80,185,138)	127,982,819
Total	<u>278,207,755</u>	<u>(111,620,001)</u>	<u>166,587,754</u>	<u>270,153,433</u>	<u>(124,722,166)</u>	<u>145,431,267</u>

Reconciliation of office & IT equipment - 2020

	Opening balance	Additions	Reversed amount at cost	Depreciation	Accumulated depreciation reversed	Total
Office equipment	17,448,448	23,635,000	(12,032,840)	(7,126,122)	12,032,840	33,957,326
IT equipment	127,982,819	15,432,332	(18,980,170)	(10,784,723)	18,980,170	132,630,428
	<u>145,431,267</u>	<u>39,067,332</u>	<u>(31,013,010)</u>	<u>(17,910,845)</u>	<u>31,013,010</u>	<u>166,587,754</u>

Reconciliation of office & IT equipment - 2019

	Opening balance	Additions	Prior year adjustment	Depreciation	Total
Office equipment	23,042,388	2,966,812	(1,217,112)	(7,343,640)	17,448,448
IT equipment	121,981,694	18,738,182	(3,788,751)	(8,948,306)	127,982,819
	<u>145,024,082</u>	<u>21,704,994</u>	<u>(5,005,863)</u>	<u>(16,291,946)</u>	<u>145,431,267</u>

7. Financial assets

Held to maturity		
Investment in Horizon	300,000,000	178,000,000
Investment in Rwanda National Investment Trust**	68,704,568	61,811,340
Bonds	1,217,160,640	916,414,640
	<u>1,585,865,208</u>	<u>1,156,225,980</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
NOTES TO THE FINANCIAL STATEMENTS

	2020 Frw	2019 Frw
7. Financial assets (continued)		
Breakdown of Bonds		
20 Years Government T-Bonds	300,000,000	199,254,000
Maturity of 20 years end 29/07/2039		
5 Years Government T-Bond	199,072,000	199,072,000
Maturity of 5 years end 18/02/2022		
7 Years Government T-Bond	99,877,000	99,877,000
Maturity of 7 years end 19/11/2021		
10 Years Government T-Bond	418,211,640	418,211,640
Maturity of 10 years end 16/05/2025		
15 Years Government T-Bond	200,000,000	-
Maturity of 15 years end 02/02/2035.		
	<u>1,217,160,640</u>	<u>916,414,640</u>
	<u>2,803,025,848</u>	<u>2,072,640,620</u>
Non-current assets		
Held to maturity	1,585,865,208	1,156,225,980
	<u>1,585,865,208</u>	<u>1,156,225,980</u>

**SGF has purchased the investment (Units) in RNIT by Investing Frw 50,000,000 into two section: The first was invested on 09/09/2016 by purchasing 300,000 units @ 100 totaling Frw 30,000,000 and the second was invested on 20/03/2018 by purchasing 174,367.92 units @ 114.70 totaling Frw 20,000,000. At the end of the period the changes in investemnt due to market value is recognised through profit or loss and capitalised on investment cost. During the period Frw 6,893,228 has been capitalised and no impairment was noted.

8. Receivables

Financial instruments:		
Receivables	1,196,972,225	1,069,425,373
Receivable from Non-insured vehicles	928,038,879	649,228,215
Accrued interest income	35,530,062	21,523,738
Provision for non-insured vehicle**	(928,038,879)	(649,228,215)
Receivables at amortised cost	1,232,502,287	1,090,949,111
Advances and prepayments	2,658,255	2,316,476
Receivables	<u>1,235,160,542</u>	<u>1,093,265,587</u>

Non-insured vehicle aging

**To reflect the reality over hardly recovery of fund paid to a claimant for non-insured vehicle, the organization recognizes both receivable and a provision for doubtful receivables at a time of payment. The provision has been reclassified in the current year previously it was reported under technical provisions note number 12. The total receivables from non-insured vehicle aging is listed below:

Curreny year aging		
Receivables in repayment process	51,004,421	-
Less than 1 Year	315,020,081	-
1-2 Years	419,693,932	-
2-5 Years	135,518,087	-
5-10 Years	5,268,191	-
More than 10 years	1,534,167	-
	<u>928,038,879</u>	<u>-</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020
NOTES TO THE FINANCIAL STATEMENTS

	2020 Frw	2019 Frw
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	11,170	88,000
Bank balances	285,096,595	340,750,424
Short-term deposits	334,505,999	300,005,999
Treasury Bills	545,100,000	449,053,900
	1,164,713,764	1,089,898,323

10. Share capital

Government contribution	43,266,248	43,266,248
-------------------------	------------	------------

11. Payables

Financial instruments:		
Payables	21,231,676	36,060,760

12. Technical provisions

Reconciliation of technical provisions - 2020

	Opening balance	Additions	Utilised during the year	Total
Provision for road accident compensations	476,043,382	103,148,373	-	579,191,755
Provision for damages caused by animals	112,448,602	47,926,789	-	160,375,391
Provision for MSGH	11,965,786	-	(4,693,161)	7,272,625
Provision for litigations	299,796,174	178,168,760	-	477,964,934
	900,253,944	329,243,922	(4,693,161)	1,224,804,705

Reconciliation of technical provisions - 2019

	Opening balance	Additions	Utilised during the year	Total
Provision for road accident compensations	427,573,218	48,470,164	-	476,043,382
Provision for damages caused by animals	83,982,956	28,465,646	-	112,448,602
Provision for MSGH	23,362,554	-	(11,396,768)	11,965,786
Provision for litigations	465,410,012	-	(165,613,838)	299,796,174
	1,000,328,740	76,935,810	(177,010,606)	900,253,944

13. Comparative figures

Certain comparative figures have been adjusted. The opening retained earning has been restated due to recognition of sales from RDB that was previously understated by Frw 58,255,997 and the recognition was done in the current period on the opening retained earning by debiting receivable and crediting the retained earnings.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS

	2020 Frw	2019 Frw
13. Comparative figures (continued)		
The effects of the prior year adjustments is as follows:		
Prior year adjustments		
Reverse BNR supervision fees 2018-2019	5,000,000	-
RDB understated income for June 2019	58,255,997	-
Invoice recorded twice	142,606	-
Other adjustments during the period	1,534,522	-
Akagera confirmation variance adjustments	(30,557,533)	-
Total prior year adjustments	34,375,592	-