

# KENYA RE Kenya Reinsurance Corporation Limited



28,284

(279,980)

3,388,573

7,371,305

10,759,878

(1,093,821)

(800,471)

10,759,878

9,959,407

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPRE	HENSIVE INC	OME AS AT 3	OTH JUNE 20	021	Unquoted equity instruments				214,480	0	214,480	209,67
COMPANY OF THE PROPERTY OF THE	Unaudited		Unaudited		Corporate bonds				45,281	0	45,281	200,07
	Short term	Long term	• • • • • • • • • • • • • • • • • • • •	o i i u u u i i u	Reinsurance Receivables				3,149,461	273,866	3,423,327	3,320,65
	Business	Business	Total	Total	Premium and loss reserves				240,700	0	240,700	153,29
	2021	2021	2021	2020	Other receivables				586,745	0	586,745	493,18
	KShs '000	KShs '000	KShs '000	KShs '000	Quoted equity instruments				1,023,387	285,210	1,308,597	1,186,12
INCOME					Government securities				13,846,997	4,507,459	18,354,456	17,258,0
Gross premiums written	8,654,931	933,699	9,588,630	9,073,816	Inventory				18,792	0	18,792	14,2
Less: change in unearned premiums	(129,776)	0	(129,776)	(157,604)	Deferred acquisition costs				715,595	0	715,595	737,6
Less: retrocession premiums	(769,583)	(321)	(769,904)	(256,037)	Deposits with financial institutions				1,843,200	5,375,393	7,218,593	8,306,5
NET EARNED PREMIUMS	7,755,572	933,378	8,688,950	8,660,175	Cash and bank balances				2,631,181	109,633	2,740,814	2,453,3
Investment income	1,394,261	502,245	1,896,506	1,904,899	Income Tax Receivable				329,353	0	329,353	
Commissions recovered	114,840	96	114,936	23,030	TOTAL ASSETS				41,816,487	12,421,555	54,238,042	53,236,5
Fair value gains on revaluation of investment properties	0	0	0	0	LIABILITIES							
Other income	31,927	0	31,927	25,593	Long term reinsurance contract liabilities				0	2,738,820	2,738,820	2,721,5
Share of associate profits	0	0	0	0	Short term reinsurance contracts liabilities				9,635,440	0	9,635,440	9,340,
TOTAL INCOME	9,296,600	1,435,719	10,732,319	10,613,697	Reinsurance payables				1,591,792	152,722	1,744,514	1,602,
CLAIMS AND BENEFITS					Deferred tax liability				(1,193,202)	2,474,729	1,281,527	1,281,
Gross claims incurred and policy holder benefits	(5,750,138)	(740,623)	(6,490,761)	(5,226,495)	Other payables				602,658	0	602,658	709,
Less: Re-insurers share of claims and policy holder benefits	207,589	0	207,589	78,015	Income tax payable				21,081	0	21,081	156,
NET CLAIMS AND BENEFITS	(5,542,549)	(740,623)	(6,283,172)		Unearned premiums				2,981,105	0	2,981,105	2,851,
Cedant acquisition costs	(1,931,873)	(283,330)	(2,215,203)	(2,146,006)	Defined benefit liabilty				175,911	0	175,911	175,
Operating and other expenses	(956,906)	(103,232)	(1,060,138)	(956,943)	TOTAL LIABILITIES				13,814,786	5,366,271	19,181,056	18,839,
Provision for doubtful debts	(411,373)	0	(411,373)	(270,993)	NET ASSETS				28,001,702	7,055,283	35,056,986	34,397,
TOTAL CLAIMS, BENEFITS, AND OTHER EXPENSES	(8,842,700)	(1,127,185)	(9,969,885)	(8,522,422)	UNAUDITED CONSOLIDATED STATE	MENT OF CH	ANGES IN	EOUITY A	S AT 30TH J	JNE 2021		
PROFIT BEFORE TAX	453,900	308,534	762,434	2,091,275					Translation	Statutory	Retained	
INCOME TAX EXPENSE	(136,170)	(92,560)	(228,730)	(522,819)		capital	reserve	reserve	reserve	reserve	earnings	To
PROFIT FOR THE YEAR	317,731	215,974	533,704	1,568,456		KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '
OTHER COMPREHENSIVE INCOME												
Items that will not be reclassified subsequently to profit or loss:	0		0	0	At 1 January 2020	6,999,491	17,530	(91,488)	288,983	5,754,183	18,982,026	31,950
Share of gain on property revaluation of associate	0		0	0	Profit for the year	0	0	0	0	633,287	2,309,635	2,942
Remeasurement gains/ (losses) on defined benefit plans, net of tax	U		0	U	Other comprehensive income	0	2,938	(468,782)	401,515	0	(152,013)	(216,3
Items that may be reclassified subsequently to profit or loss:			0		Total comprehensive income	0	2,938	(468,782)	401,515	633,287	2,157,622	2,726,
Reclassification adjustment relating to available-for-sale financial assets disposed in the year	0		0	0	Dividends declared – 2019						(279,980)	(279,9
Net gains / (losses) on revaluation of available-for-sale quoted equity instruments	122,476		122,476	(421,601)	At 31 December 2020	6,999,491	20,468	(560,270)	690,498	6,387,470	20,859,668	34,397,3
Net gains on revaluation of available-for-sale government securities	122,470		122,470	(421,001)	At 1 January 2021	6,999,491	20,468	(560,270)	690,498	6,387,470	20,859,668	34,397,
Translation reserve	3,482		3,482	0	Profit for the period 30.06.2021	0	0	0	0	215,974	317,729	533,
Share of movement in associate reserves:	3,402		0,402	O	Other comprehensive income (loss)/income	0	0	122,476	3,482	0	0	125,
- currency translation	0		0	0	Total comprehensive income	0	0	122,476	3,482	215,974	317,729	659,
- fair value reserve	0		0	0	Dividends declared - 2020						0	
ian value reserve	· ·		Ü	Ŭ	At 30th June 2021	6,999,491	20,468	(437,794)	693,980	6,603,444	21,177,397	35,056,
TOTAL OTHER COMPREHENSIVE INCOME	125,958	0	125,958	(421,601)	CONSOLIDATED STATEMENT OF CAS	SH FLOWS AS	S AT 30TH J	UNE 2021				
TOTAL COMPREHENSIVE INCOME	443,689	215,974	659,662	1,146,855						Unaudited		Aud
	.,	.,	,	, ,,						2021		:
EARNINGS PER SHARE - basic and diluted			0.19	0.56						KShs '000		KShs
					Net cash generated from operations					(982,011)		1,010
Key Ratios					Interest received on corporate bonds					0		11
Capital Adequacy Ratio			875%	875%	Interest received on government securities					1,041,954		2,058
Solvency Ratio			707%	789%	Interest received on staff mortgages and loa					13,894		25
Claims Ratio			72%	59%	Interest received on deposits with financial in	nstitutions				208,701		555
Expense Ratio			12%	11%	Interest received on commercial mortgages					10,811		24,
CONCOLIDATED STATEMENT OF FINANCIAL POSITION, AS AT 20TH HIL	VE 2021				Tax paid in the year					0		(45,
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUI		Hannadika d	Hannadita d	0	Net cash generated from operating activit	ties				293,349		3,640,
	Unaudited Short torm	Unaudited	Unaudited	Audited	Cash flows from investing activities							
	Short term Business	Long term Business	Total	Total	Purchase of investment property					(41,326)		(131,4
	30.06.2021	30.06.2021	30.06.2021		Purchase of property and equipment					(2,078)		(34,
	KShs '000	KShs '000	KShs '000	KShs '000	Purchase of intangible assets					(8,272)		(15,
EQUITY					Purchase of government securities					(2,226,139)		(2,692,
Share capital	6,499,491	500,000	6,999,491	6,999,491	Proceeds on maturity of government securit	ries				1,160,414		2,675
Revaluation reserve	20,468	0		20,468	Purchase of quoted equity instruments					0		(27,
Fair value reserve	(389,634)	(48,160)	(437,794)	(560,270)	Proceeds on sale of quoted equity instrumer	nts				0		10
Translation reserve	693,980	0	693,980	690,498	Proceeds on redemption of corporate bonds	5				0		155,
Statutory reserve	0	6,603,444	6,603,444	6,387,470	Purchase of corporate bonds					(45,200)		
Retained earnings	21,177,397	0		20,859,668	Dividends received on quoted equity instrum	ments				68,781		88,
TOTAL EQUITY	28,001,702	7,055,283										
ACCETC					Net cash generated from/ (used in) investi					(1.093.821)		28.2



Intangible assets

Mortgage loans

Property and equipment

Investment properties

Investment in associate

Employee defined benefit asset

ASSETS



84.773

86,378

10,488,547

5,761,432



1,729,061 12,217,608

0 5,761,432

140,933

84.773

227,311



Dividends paid

Cash flows used in financing activities

Cash and cash equivalents at 1 January

Effect of unrealised exchange rate changes

Cash and cash equivalent at 30th June 2021

Net cash generated from/ (used in) investing activities

Net increase/ (decrease) in cash and cash equivalents

92,729

297,764

776,835

12,175,000

5,761,432



## KENYA RE Kenya Reinsurance Corporation Limited



COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30TH JUNE 2021								
	Unaudited	Unaudited		Unaudited				
	Short term	Long term	0	0				
	Business	Business	Total	Total				
	2021	2021	2021	2020				
	KShs '000	KShs '000	KShs '000	KShs '000				
INCOME	K3113 000	113113 000	KSIIS 000	K3113 000				
Gross premiums written	7,341,845	919,389	8,261,234	8,420,935				
Less: change in unearned premiums	416,505	717,507	416,505	(118,309)				
Less: retrocession premiums	(372,772)	_	(372,772)	(241,716)				
NET EARNED PREMIUMS	7,385,578	919,389	8,304,967	8,060,910				
Investment income	1,358,044	493,695	1,851,739	1,891,594				
Commissions recovered	14,529	0	14,529	12,213				
Fair value gains on revaluation of investment properties	0	0	0	0				
Other income	31,927	0	31,927	25,593				
Share of associate profits	0	0	0	0				
TOTAL INCOME	8,790,077	1,413,084	10,203,162	9,990,310				
CLAIMS AND BENEFITS	3,7 50,077	1,-13,004	. 3/203/102	3,330,310				
Gross claims incurred and policy holder benefits	(5,385,876)	(735,897)	(6,121,773)	(5,032,164)				
Less: Re-insurers share of claims and policy holder benefits	207,589	(755,657)	207,589	78,015				
NET CLAIMS AND BENEFITS	(5,178,287)	(735,897)		(4,954,149)				
Cedant acquisition costs	(1,711,587)	(279,244)	(1,990,831)	(1,966,382)				
Operating and other expenses	(884,909)	(110,814)	(995,723)	(810,716)				
Provision for doubtful debts	(345,515)	(110,014)	(345,515)	(181,544)				
TOTAL CLAIMS, BENEFITS AND OTHER EXPENSES	(8,120,297)			(7,912,791)				
PROFIT BEFORE TAX	669,780	287,129	956,910	2,077,519				
INCOME TAX EXPENSE	(200,934)	(86,139)	(287,073)	(519,380)				
PROFIT FOR THE YEAR	468,846	200,990	669,837	1,558,139				
OTHER COMPREHENSIVE INCOME	400,040	200,550	009,037	1,550,155				
Items that will not be reclassified subsequently to profit or loss:								
Share of gain on property revaluation of associate			0	0				
Remeasurement gains/ (losses) on defined benefit plans, net of tax			0	0				
nemeasurement gains/ (losses) on defined benefit plans, het of tax			0	U				
Items that may be reclassified subsequently to profit or loss:			0					
Reclassification adjustment relating to available-for-sale financial assets disposed in the year			0	0				
Net (losses) / gains on revaluation of available-for-sale quoted equity instruments	122,476.00		122,476	(421,601)				
Net gains on revaluation of available-for-sale government securities	122,470.00		122,470	(421,001)				
Share of movement in associate reserves:	-		0	U				
- currency translation			0	0				
– fair value reserve	-		0	0				
- Idii value reserve	-		0	U				
TOTAL OTHER COMPREHENSIVE INCOME	122 476 00		-	(421 601)				
TOTAL OTHER COMPREHENSIVE INCOME	122,476.00	-	122,476	(421,601)				
TOTAL COMPREHENSIVE INCOME	591,322	200,990	792,312	1,136,538				
EARNINGS PER SHARE - basic and diluted			0.24	0.56				
Koy Paties								
Key Ratios			875%	875%				
Capital Adequacy Ratio			8/5% 707%	8/5% 789%				
Solvency Ratio								
Claims Ratio			71%	61%				
Expense Ratio			12%	10%				
COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 20								
	Unaudited	Unaudited	Unaudited	Audited				

COMPANY STATEMENT OF FINANCIAL POSITION AS AT SOTT SOLE 20	Unaudited	Unaudited	Unaudited	Audited
	Short term Business	Long term Business	Total	Total
	30.06.2021	30.06.2021	30.06.2021	31.12.2020
	KShs '000	KShs '000	KShs '000	KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	20,468	-	20,468	20,468
Fair value reserve	(389,634)	(48,160)	(437,794)	(560,270)
Translation reserve	663,668	-	663,668	663,668
Statutory reserve	-	6,545,663	6,545,663	6,344,673
Retained earnings	21,211,215	-	21,211,215	20,742,369
TOTAL EQUITY	28,005,208	6,997,503	35,002,711	34,210,399
ASSETS				
Property and equipment	51,780	-	51,780	59,150
Intangible assets	61,159	166,152	227,311	297,764
Mortgage loans	737,744	-	737,744	765,636
Investment properties	10,488,547	1,729,061	12,217,608	12,175,000
Investment in associate	5,761,432	-	5,761,432	5,761,432
Investment in Subsidiary	2,469,049	-	2,469,049	2,421,540
Employee defined benefit asset	-	-	-	-
Unquoted equity instruments	214,480	-	214,480	209,674
Corporate bonds	45,281	-	45,281	-

Reinsurance Receivables	1,832,144	635,670	2,467,814	2,393,097
Premium and loss reserves	201,018	-	201,018	127,338
Due from related party	57,813	-	57,813	65,311
Other receivables	569,716	-	569,716	465,515
Quoted equity instruments	1,023,387	285,210	1,308,597	1,186,121
Government securities	13,731,934	4,507,459	18,239,393	17,160,253
Inventory	18,694	-	18,694	14,152
Deferred acquisition costs	509,890	-	509,890	654,771
Deposits with financial institutions	1,296,890	5,187,559	6,484,449	7,585,300
Cash and bank balances	87,963	3,665	91,628	136,934
Income Tax Receivable	228,573	-	228,573	-
TOTAL ASSETS	39,387,496	12,514,775	51,902,271	51,478,988
LIABILITIES				
Long term reinsurance contract liabilities	-	2,738,820	2,738,820	2,721,542
Short term reinsurance contracts liabilities	8,715,214	-	8,715,214	8,646,523
Reinsurance payables	1,022,626	303,719	1,326,345	1,130,137
Deferred tax liability	(1,209,875)	2,474,729	1,264,854	1,264,854
Other payables	422,413	-	422,413	603,212
Income tax payable	-	-	-	105,516
Unearned premiums	2,175,935	-	2,175,935	2,592,440
Defined benefit liability	175,911	-	175,911	175,911
Due to related Party	78,784	-	78,784	28,454
TOTAL LIABILITIES	11,381,007	5,517,268	16,898,275	17,268,589
NET ASSETS	28,006,486	6,997,508	35,003,994	34,210,399

UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2021  Share Revaluation Fair value Translation Statutory Retained							
	capital	reserve	reserve	reserve	reserve	earnings	Tota
	KShs '000	KShs '000					
At 1 January 2020	6,999,491	17,530	(91,488)	289,763	5,711,407	19,011,450	31,938,153
Profit for the year	0	0	0	0	633,266	2,162,912	2,796,178
Other comprehensive income	0	2,938	(468,782)	373,905	0	(152,013)	(243,952
Total comprehensive income	0	2,938	(468,782)	373,905	633,266	2,010,899	2,552,226
Dividends declared – 2019	0	0	0	0	0	(279,980)	(279,980
	0	0	0	0	0	0	(
At 31 December 2020	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369	34,210,399
At 1 January 2021	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369	34,210,399
Profit for the period 30.06.2021	0	0	0	0	200,990	468,846	669,836
Other comprehensive income (loss)/income	0	0	122,476	0	0	0	122,476
Total comprehensive income	0	0	122,476	0	200,990	468,846	792,312
Dividends declared - 2020		0	0	0	0	0	(
At 30th June 2021	6,999,491	20,468	(437,794)	663,668	6,545,663	21,211,215	35,002,711

COMPANY STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2021		
	2021	2020
	KShs '000	KShs '000
Net cash generated from operations	(1,312,385)	764,032
Interest received on corporate bonds	0	11,620
Interest received on government securities	1,041,954	2,032,564
Interest received on staff mortgages and loans	13,846	25,000
Interest received on deposits with financial institutions	193,096	543,018
Interest received on commercial mortgages	10,811	24,075
Tax paid in the year	0	(45,039)
Net cash generated from operating activities	(52,678)	3,355,270
Cash flows from investing activities		
Purchase of investment property	(41,326)	(131,403)
Purchase of property and equipment	(1,738)	(17,952)
Proceeds on sale of property and equipment	-	-
Proceeds on disposal of non-current assets held for sale	-	-
Purchase of intangible assets	(8,272)	(15,577)
Purchase of government securities	(2,226,139)	(2,602,673)
Proceeds on maturity of government securities	1,160,414	2,554,235
Purchase of quoted equity instruments	0	(27,134)
Proceeds on sale of quoted equity instruments	0	10,255
Proceeds on redemption of corporate bonds	0	155,512
Purchase of corporate bonds	(45,200)	0
Dividends received on quoted equity instruments	68,781	88,712
Investment in Subsidiary	0	(1,958,132)
Net cash generated from/ (used in) investing activities	(1,093,480)	(1,944,157)
Cash flows used in financing activities		
Dividends paid	0	(279,980)
Net increase/ (decrease) in cash and cash equivalents	(1,146,158)	1,131,133
Cash and cash equivalents at 1 January	7,722,234	6,591,101
Cash and cash equivalent at 30th June 2021	6,576,077	7,722,234

The unaudited financial statements were approved by the Board of Directors on 05th August 2021.

### PERFORMANCE COMMENTARY

Gross written premiums grew by 6% from KShs 9.074 billion in the year June 2020 to KShs 9.59 billion in June 2021. Net earned premiums grew by 0.3% from KShs 8.660 billion in June 2020 to KShs 8.689 billion in June 2021

Investment income decreased by 0.44% from KShs 1.905 billion in June 2020 to KShs 1.897 billion in June 2021.

Claims incurred in as June 2021 grew by 22% to KShs 6.283 billion up from KShs 5.148 billion in June 2020.

Cedant acquisition costs increased by 3% from KShs. 2.146 billion in June 2020 to KShs. 2.215 billion in June 2021.

Operating expenses decreased by 11% from KShs. 0.957 billion in June 2020 to KShs.1.060 billion in June 2021. Profit before tax as at 30.06.2021 stood at KShs 0.762 billion, a decrease of 64% from profit before tax of KShs 2.091 billion as at 30.06.2020

The asset base increased from KShs~53.24~billion~as~at~31.12.2020~to~KShs~54.24~billion~as~at~30.06.2021~, a~growth~of~2%.

 $The Shareholders funds increased from KShs 34.40 \ billion \ as \ at 31.12.2020 \ \ to \ KShs 35.06 \ billion \ as \ at 30.06.2021 \ a \ growth \ of \ 2\%. \ decided a \ dec$ 

#### DIVIDENDS

The Board of Directors does not recommend payment of an interim dividend.

By Order of the Board

Charles Kariuki **Company Secretary** 







