



KENYA RE

Kenya Reinsurance Corporation Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31 DECEMBER 2022

	Audited Short term Business 2022	Audited Long term Business 2022	Audited Total 2022	Audited Restated Total 2021
	KSh's '000	KSh's '000	KSh's '000	KSh's '000
INCOME				
Gross premiums written	22,699,777	2,280,174	24,979,951	20,296,195
Less: change in unearned premiums	(1,451,046)	(143,540)	(1,594,586)	(97,618)
Less: retrocession premiums	(1,142,585)	(97,338)	(1,239,923)	(1,162,210)
NET EARNED PREMIUMS	20,106,146	2,039,296	22,145,442	19,036,367
Investment income-Interest income	2,037,727	927,270	2,964,998	2,762,092
Investment income-Other	667,068	111,628	778,697	895,593
Commissions recovered	224,201	32,850	257,051	136,630
Fair value gains on revaluation of investment properties	(100,985)	8,832	(92,154)	(116,642)
Other income	72,023	-	72,023	58,323
Share of associate profits	551,107	-	551,107	404,714
TOTAL INCOME	23,557,287	3,119,876	26,677,163	23,177,077
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(12,807,004)	(1,642,397)	(14,449,402)	(10,875,525)
Less: Re-insurers share of claims and policy holder benefits	505,971	76,992	582,963	230,787
NET CLAIMS AND BENEFITS	(12,301,033)	(1,565,406)	(13,866,439)	(10,644,738)
Cedant acquisition costs	(5,600,794)	(539,666)	(6,140,460)	(5,259,613)
Operating and other expenses	(1,594,737)	(160,190)	(1,754,927)	(2,095,804)
Provision for doubtful debts	(329,029)	-	(329,029)	(909,370)
TOTAL CLAIMS, BENEFITS, AND OTHER EXPENSES	(19,825,593)	(2,265,262)	(22,090,855)	(18,909,525)
PROFIT BEFORE TAX	3,731,694	854,614	4,586,308	4,267,552
INCOME TAX EXPENSE	(825,326)	(143,007)	(968,333)	(1,112,248)
PROFIT FOR THE YEAR	2,906,368	711,607	3,617,975	3,155,304
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Share of gain on property revaluation of associate	4,705	-	4,705	8,524
Remeasurement gains/ (losses) on defined benefit plans, net of tax	41,099	-	41,099	26,509
Items that may be reclassified subsequently to profit or loss:				
Reclassification adjustment relating to available-for-sale financial assets disposed in the year	-	-	-	-
Net gains / (losses) on revaluation of available-for-sale quoted equity instruments	(48,392)	-	(48,392)	60,828
Net gains on revaluation of available-for-sale government securities	(78,205)	-	(78,205)	(4,549)
Translation reserve	(77,884)	-	(77,884)	50,241
Share of movement in associate reserves:				
- currency translation	603,350	-	603,350	81,219
- fair value reserve	(106,452)	-	(106,452)	11,026
TOTAL OTHER COMPREHENSIVE INCOME	338,221	-	338,221	233,798
TOTAL COMPREHENSIVE INCOME	3,244,589	711,607	3,956,196	3,389,102
EARNINGS PER SHARE - basic and diluted			1.29	1.13
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			731%	759%
Claims Ratio			63%	56%
Expense Ratio			8%	11%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Audited Short term Business 2022	Audited Long term Business 2022	Audited Total 2022	Audited Restated Total 2021	Audited Restated Total 1.1.2021
	KSh's '000	KSh's '000	KSh's '000	KSh's '000	KSh's '000
EQUITY					
Share capital	6,499,491	500,000	6,999,491	6,999,491	6,999,491
Revaluation reserve	33,697	-	33,697	28,992	20,468
Fair value reserve	(645,952)	(80,061)	(726,012)	(492,965)	(560,270)
Translation reserve	1,347,425	-	1,347,425	821,958	690,498
Statutory reserve	-	8,145,000	8,145,000	7,433,393	6,237,682
Retained earnings	24,972,103	-	24,972,103	22,304,615	20,878,472
TOTAL EQUITY	32,206,764	8,564,939	40,771,703	37,095,484	34,266,341
ASSETS					
Property and equipment	93,426	-	93,426	68,256	92,729
Intangible assets	21,912	35,751	57,663	112,803	297,764
Investment properties	10,649,225	1,755,775	12,405,000	12,250,000	12,175,000
Investment in associate	7,823,043	-	7,823,043	6,770,334	5,761,432
Unquoted equity instruments	201,623	-	201,623	194,248	209,674
Mortgage loans	750,213	-	750,213	790,455	776,835
Corporate bonds-held to maturity	45,329	-	45,329	45,329	-
Receivables arising out of reinsurance and retrocession arrangements	1,584,575	557,698	2,142,273	2,065,570	7,347,292

Receivables arising out of reinsurance and retrocession arrangements-Pipeline

Receivables arising out of reinsurance and retrocession arrangements-Pipeline	7,968,485	448,546	8,417,031	-	-
Premiums retained by cedants	424,861	-	424,861	418,173	153,294
Deferred acquisition costs	1,301,433	138,300	1,439,733	979,601	737,689
Other receivables	437,655	82,222	519,877	570,299	493,185
Quoted equity instruments	976,193	177,878	1,154,071	1,202,463	1,186,121
Government securities	13,353,705	6,579,364	19,933,069	18,551,024	17,258,062
Inventory	20,345	-	20,345	18,505	14,265
Deposits with financial institutions	8,171,395	4,186,346	12,357,741	10,566,834	8,306,552
Cash and bank balances	822,315	66,000	888,315	1,029,913	2,453,326
Deferred tax asset	1,452,394	-	1,452,394	-	-
TOTAL ASSETS	56,098,127	14,027,880	70,126,007	55,633,807	57,263,220
LIABILITIES					
Long term reinsurance contract liabilities	-	1,309,997	1,309,997	1,262,731	2,721,542
Short term reinsurance contracts liabilities	10,273,510	-	10,273,510	9,915,675	9,340,902
Payables arising out of reinsurance arrangements	1,542,391	175,805	1,718,197	1,306,359	5,815,974
Payables arising out of reinsurance arrangements-Pipeline	6,602,888	341,315	6,944,203	-	-
Deferred tax liability	-	3,160,311	3,160,311	1,568,916	1,281,527
Retirement benefits obligation	19,578	-	19,578	49,000	175,911
Income tax payable	39,276	-	39,276	84,980	99,965
Other payables	626,306	-	626,306	682,305	709,728
Unearned premiums	4,787,417	475,510	5,262,927	3,668,357	2,851,330
TOTAL LIABILITIES	23,891,365	5,462,939	29,354,304	18,538,324	22,996,878
NET ASSETS	32,206,762	8,564,941	40,771,703	37,095,484	34,266,341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Revaluation reserve	Fair value reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	KSh's '000	KSh's '000	KSh's '000	KSh's '000	KSh's '000	KSh's '000	KSh's '000
At 31 December 2020 - as previously reported	6,999,491	20,468	(560,270)	690,498	6,387,470	20,859,668	34,397,325
Prior year adjustments	-	-	-	-	(149,788)	18,804	(130,984)
At 31 December 2020-restated	6,999,491	20,468	(560,270)	690,498	6,237,682	20,878,472	34,266,341
At 1 January 2021-Restated	6,999,491	20,468	(560,270)	690,498	6,237,682	20,878,472	34,266,341
Profit for the year	-	-	-	-	1,195,711	1,959,593	3,155,304
Other comprehensive income (loss)/income	-	8,524	67,305	131,460	-	26,509	233,798
Total comprehensive income	-	8,524	67,305	131,460	1,195,711	1,986,102	3,389,102
Dividends declared - 2021	-	-	-	-	-	(559,959)	(559,959)
At 31 December 2021-Restated	6,999,491	28,992	(492,965)	821,958	7,433,393	22,304,615	37,095,484
At 31 December 2021 - as previously reported	6,999,491	28,992	(492,965)	821,958	7,625,237	22,056,816	37,039,529
Prior year adjustments	-	-	-	-	(191,844)	247,799	55,955
At 31 December 2021 - as restated	6,999,491	28,992	(492,965)	821,958	7,433,393	22,304,615	37,095,484
At 1 January 2022 as restated	6,999,491	28,992	(492,965)	821,958	7,433,393	22,304,615	37,095,484
Profit for the year	-	-	-	-	711,607	2,906,368	3,617,975
Other comprehensive income (loss)/income	-	4,705	(233,048)	525,467	-	41,099	338,222
Total comprehensive income	-	4,705	(233,048)	525,467	711,607	2,947,467	3,956,197
Dividends declared - 2021	-	-	-	-	-	(279,979)	(279,979)
At 31 DECEMBER 2022	6,999,491	33,697	-726,613	1,347,425	8,145,000	24,972,103	40,771,703

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Audited 2022	Audited 2021
	KSh's '000	KSh's '000
Net cash generated from operations	1,521,145	1,437,956
Interest received on corporate bonds	5,884	2,866
Interest received on government securities	2,202,932	2,121,114
Interest received on staff mortgages and loans	27,435	28,169
Interest received on deposits with financial institutions	498,887	484,218
Interest received on commercial mortgages	26,842	25,497
Tax paid in the year	(774,507)	(819,074)
Net cash generated from operating activities	3,508,619	3,280,746
Cash flows from investing activities		
Purchase of investment property	(247,154)	(191,642)
Purchase of property and equipment	(60,523)	(4,566)
Purchase of quoted equity instruments	-	(19,249)
Purchase of intangible assets	(47,128)	(4,043)
Purchase of government securities	(3,424,759)	(2,381,065)
Purchase of corporate bonds	-	(45,200)
Proceeds on maturity of government securities	2,202,932	1,118,234
Proceeds on sale of quoted equity instruments	-	63,735
Investment in associate	-	(503,419)
Deposit on offshore investment	-	(114,938)
Dividends received on quoted equity instruments	112,241	83,297
Net cash generated from/ (used in) investing activities	(1,464,391)	(1,998,856)
Cash flows used in financing activities		
Dividends paid	(279,979)	(559,959)
Net increase/ (decrease) in cash and cash equivalents	1,764,249	721,931
Cash and cash equivalents at 1 January	11,481,809	10,759,878
Cash and cash equivalent at 31 December	13,246,057	11,481,809

Michael Mbeshi
Principal OfficerThe Audited financial statements were approved by the Board of Directors on 27th March 2023 and were signed on its behalf by:
Dr. Hon. Catherine Ngima Kimura
ChairmanDavid Muthusi
Director

PERFORMANCE COMMENTARY

FINANCIAL HIGHLIGHTS

Gross written premiums grew by 23% from KShs 20.30 billion in the year 2021 to KShs 24.98 billion in 2022. Net earned premium increased by 16% from KShs 19.04 billion in 2021 to KShs 22.15 billion in 2022.

Investment income increased by 2% from KShs 3.66 billion in 2021 to KShs 3.74 billion in 2022, due to the effects of full containment of Covid-19 pandemic on the investment environment.

Claims incurred in year 2022 increased by 30% to KShs 13.87 billion from KShs 10.64 billion in 2021.

Cedant acquisition costs increased by 17% from KShs. 5.26 billion in 2021 to KShs. 6.14 billion in 2022.

Operating expenses decreased by 16% from KShs. 2.10 billion as at 31 December 2021 to KShs. 1.75 billion as at 31st December 2022.

Profit before tax for the year 2022 stood at KShs 4.59 billion, an increase of 7% from the profit before tax of KShs 4.27 billion in 2021.

The asset base increased from KShs 55.63 billion in 2021 to KShs 70.13 billion in 2022, a growth of 26%.

The Shareholders funds increased from KShs 37.10 billion in 2021 to KShs 40.77 billion in 2022, a growth of 10%.

DIVIDENDS

The Board of Directors recommend a payment of Kes 0.20 dividend per share

AUDIT OPINION

The Auditor General carried out the audit of the Corporation's books as at 31st December 2022 and gave an unqualified opinion signed on 27th March 2023

KEY AUDIT MATTER

Determination of reinsurance contract liabilities

By Order of the Board

Charles Kariuki
Company Secretary

kenyare@kenyare.co.ke



kenyare.co.ke



Kenya Reinsurance



kenya_re

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31 DECEMBER 2022

	Audited Short term Business 2022 KShs '000	Audited Long term Business 2022 KShs '000	Audited Total 2022 KShs '000	Audited Restated Total 2021 KShs '000
INCOME				
Gross premiums written	19,535,488	2,240,479	21,775,967	17,871,081
Less: change in unearned premiums	(1,128,642)	(131,523)	(1,260,165)	(30,361)
Less: retrocession premiums	(564,405)	(97,338)	(661,743)	(658,889)
NET EARNED PREMIUMS	17,842,441	2,011,618	19,854,059	17,181,831
Investment income-Interest income	1,834,233	983,711	2,817,944	2,665,585
Investment income-Other	667,068	111,628	778,696	895,593
Commissions recovered	31,694	4,644	36,338	27,425
Fair value gains on revaluation of investment properties	(100,985)	8,832	(92,153)	(116,642)
Other income	123,420	-	123,420	57,858
Share of associate profits	551,107	-	551,107	404,714
TOTAL INCOME	20,948,978	3,120,433	24,069,411	21,116,364
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(11,542,893)	(1,639,787)	(13,182,680)	(10,250,170)
Less: Re-insurers share of claims and policy holder benefits	70,787	76,992	147,779	230,787
NET CLAIMS AND BENEFITS	(11,472,106)	(1,562,795)	(13,034,901)	(10,019,383)
Cedant acquisition costs	(4,776,421)	(539,441)	(5,315,862)	(4,597,547)
Operating and other expenses	(1,359,881)	(155,962)	(1,515,843)	(1,861,926)
Provision for doubtful debts	(245,200)	-	(245,200)	(571,163)
TOTAL CLAIMS, BENEFITS AND OTHER EXPENSES	(17,853,608)	(2,258,198)	(20,111,806)	(17,050,019)
PROFIT BEFORE TAX	3,095,370	862,235	3,957,605	4,066,345
INCOME TAX EXPENSE	(802,204)	(139,001)	(941,205)	(1,047,094)
PROFIT FOR THE YEAR	2,293,166	723,234	3,016,400	3,019,251
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Share of gain on property revaluation of associate	4,705	-	4,705	8,524
Remeasurement gains/ (losses) on defined benefit plans, net of tax	41,099	-	41,099	26,509
Items that may be reclassified subsequently to profit or loss:				
Reclassification adjustment relating to available-for-sale financial assets disposed in the year	-	-	-	-
Net (losses) / gains on revaluation of available-for-sale quoted equity instruments	(48,392)	-	(48,392)	60,828
Net gains on revaluation of available-for-sale government securities	(78,205)	-	(78,205)	(4,549)
Share of movement in associate reserves:				
- currency translation	603,350	-	603,350	81,219
- fair value reserve	(106,452)	-	(106,452)	11,026
TOTAL OTHER COMPREHENSIVE INCOME	416,104	-	416,104	183,557
TOTAL COMPREHENSIVE INCOME	2,709,270	723,234	3,432,504	3,202,808
EARNINGS PER SHARE - basic and diluted			1.08	1.08
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			767%	759%
Claims Ratio			66%	58%
Expense Ratio			8%	11%

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Audited Short term Business 2022 KShs '000	Audited Long term Business 2022 KShs '000	Audited Total 2022 KShs '000	Audited Restated Total 2021 KShs '000	Audited Restated Total 2021 KShs '000
EQUITY					
Share capital	6,499,491	500,000	6,999,491	6,999,491	6,999,491
Revaluation reserve	33,697	-	33,697	28,992	20,468
Fair value reserve	(645,950)	(80,064)	(726,013)	(492,965)	(560,270)
Translation reserve	1,348,236	-	1,348,236	744,887	663,668
Statutory reserve	-	8,131,318	8,131,318	7,408,085	6,189,289
Retained earnings	24,042,509	-	24,042,509	21,988,223	20,721,218
TOTAL EQUITY	31,277,983	8,551,255	39,829,238	36,676,713	34,033,863
ASSETS					
Property and equipment	66,580	-	66,580	41,489	59,150
Intangible assets	21,912	35,751	57,663	112,803	297,764
Investment properties	10,783,252	1,621,748	12,405,000	12,250,000	12,175,000
Investment in associate	7,823,043	-	7,823,043	6,770,334	5,761,432
Investment in subsidiary companies	2,761,398	-	2,761,398	2,630,947	2,421,540
Unquoted equity instruments	201,623	-	201,623	194,248	209,674
Mortgage loans	743,491	-	743,491	780,537	765,636
Corporate bonds-held to maturity	45,329	-	45,329	45,329	-
Receivables arising out of reinsurance and retrocession arrangements	1,130,213	502,972	1,633,185	1,023,586	6,273,565
Receivables arising out of reinsurance and retrocession arrangements-Pipeline	7,091,168	435,356	7,526,524	-	-
Premium retained by cedants	310,500	-	310,500	368,638	127,338

Deferred acquisition costs	1,097,410	133,997	1,231,407	864,158	654,771
Due from related party	104,168	-	104,168	55,558	65,311
Other receivables	479,542	-	479,542	525,962	465,515
Income tax receivable	-	-	-	25,301	-
Quoted equity instruments	976,193	177,878	1,154,071	1,202,463	1,186,121
Government securities	12,692,211	6,579,364	19,271,575	18,243,649	17,160,253
Inventory	18,912	-	18,912	18,406	14,152
Deposits with financial institutions	4,712,380	4,482,916	9,195,296	7,677,637	7,585,300
Deferred tax asset	1,452,394	-	1,452,394	-	-
Cash and bank balances	95,091	6	95,097	144,402	136,934
TOTAL ASSETS	52,606,810	13,969,988	66,576,798	52,975,447	55,359,454
LIABILITIES					
Long term reinsurance contract liabilities	-	1,298,214	1,298,214	1,254,757	2,721,542
Short term reinsurance contracts liabilities	9,454,900	-	9,454,900	9,156,159	8,646,523
Payables arising out of reinsurance arrangements	867,040	176,099	1,043,139	221,268	5,262,798
Payables arising out of reinsurance arrangements-Pipeline	6,018,207	338,885	6,357,092	-	-
Deferred tax liability	-	3,143,639	3,143,639	1,552,244	1,264,854
Retirement benefits obligation	19,578	-	19,578	49,000	175,911
Due to related party	252,887	-	252,887	134,940	28,454
Income tax payable	29,525	-	29,525	-	29,858
Other payables	546,212	-	546,212	588,157	603,212
Unearned premiums	4,140,478	461,896	4,602,374	3,342,209	2,592,440
TOTAL LIABILITIES	21,328,827	5,418,733	26,747,560	16,298,734	21,325,592
NET ASSETS	31,277,983	8,551,255	39,829,238	36,676,713	34,033,863

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital KShs '000	Revaluation reserve KShs '000	Fair value reserve KShs '000	Translation reserve KShs '000	Statutory reserve KShs '000	Retained earnings KShs '000	Total KShs '000
At 31 December 2020 - as previously reported	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369	34,210,399
Prior year adjustments	-	-	-	-	(155,384)	(21,151)	(176,535)
At 31 December 2020-restated	6,999,491	20,468	(560,270)	663,668	6,189,289	20,721,218	34,033,864
At 1 January 2021-Restated	6,999,491	20,468	(560,270)	663,668	6,189,289	20,721,218	34,033,864
Profit for the year	-	-	-	-	1,218,795	1,800,456	3,019,251
Other comprehensive income (loss)/income	-	8,524	67,305	81,219	-	26,509	183,557
Total comprehensive income	-	8,524	67,305	81,219	1,256,401	1,605,713	3,202,808
Dividends declared - 2021	-	-	-	-	-	(559,959)	(559,959)
At 31 December 2021-Restated	6,999,491	28,992	(492,965)	744,887	7,408,085	21,988,223	36,676,713
At 31 December 2021 - as previously reported	6,999,491	28,992	(492,965)	744,887	7,601,074	21,788,123	36,669,602
Prior year adjustments	-	-	-	-	(192,990)	200,101	7,111
At 31 December 2021 - as restated	6,999,491	28,992	(492,965)	744,887	7,408,085	21,988,223	36,676,713
At 1 January 2022 as restated	6,999,491	28,992	(492,965)	744,887	7,408,085	21,988,223	36,676,713
Profit for the year	-	-	-	-	723,234	2,293,166	3,016,400
Other comprehensive income (loss)/income	-	4,705	(233,048)	603,349	-	41,099	416,104
Total comprehensive income	-	4,705	(233,048)	603,349	723,234	2,334,265	3,432,504
Dividends declared - 2021	-	-	-	-	-	(279,979)	(279,979)
At 31 DECEMBER 2022	6,999,491	33,697	(726,013)	1,348,236	8,131,318	24,042,509	39,829,238

COMPANY STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Audited 2022 KShs '000	Audited 2021 KShs '000
Net cash generated from operations	1,055,521	727,871
Interest received on corporate bonds	5,884	2,866
Interest received on government securities	2,179,297	2,107,015
Interest received on staff mortgages and loans	27,075	27,543
Interest received on deposits with financial institutions	471,875	446,301
Interest received on commercial mortgages	26,842	25,497
Tax paid in the year	(747,379)	(794,045)
Net cash generated from operating activities	3,019,115	2,543,048
Cash flows from investing activities		
Purchase of investment property	(247,154)	(191,642)
Purchase of property and equipment	(52,664)	(3,632)
Purchase of quoted equity instruments	-	(19,249)
Purchase of intangible assets	(47,128)	(4,043)
Purchase of government securities	(2,969,986)	(2,054,259)
Purchase of corporate bonds	-	(45,200)
Proceeds on maturity of government securities	2,179,297	1,000,535
Proceeds on sale of quoted equity instruments	-	63,735
Investment in subsidiary	(130,450)	(209,408)
Investment in associate	-	(503,419)
Deposit on offshore investment	-	(114,938)
Dividends received on quoted equity instruments	112,241	83,297
Net cash generated from/ (used in) investing activities	(1,155,844)	(1,998,223)
Cash flows used in financing activities		
Dividends paid	(279,979)	(559,959)
Net increase/ (decrease) in cash and cash equivalents	1,583,292	(15,134)
Cash and cash equivalents at 1 January	7,707,101	7,722,235
Cash and cash equivalent at 31 December	9,290,392	7,707,101

