



A Secure Risk Partner

The Board of Directors of East Africa Reinsurance Company Limited is pleased to announce the audited results for the year ended 31 December 2014:

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2014

	Short-Term Business	Long-Term Business	TOTAL 2014	TOTAL 2013
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
INCOME				
Gross written premiums	3,046,645	431,706	3,478,351	2,817,456
Retrocession premiums	(83,729)	(90,501)	(174,230)	(104,041)
Net written premiums	2,962,916	341,205	3,304,121	2,713,415
Gross earned premiums	2,899,428	431,706	3,331,134	2,750,059
Net earned premiums	2,815,906	341,205	3,157,111	2,644,799
Investment income	322,940	83,549	406,489	392,617
Risk premium rebates earned	6,065	26,166	32,231	20,728
Total income	3,144,911	450,920	3,595,831	3,058,144
OUTGO				
Claims	1,629,873	212,824	1,842,697	1,402,771
Amounts recoverable from retrocessionaires	41,837	(65,703)	(23,866)	49,131
Net claims	1,671,710	147,121	1,818,831	1,451,902
Risk premium rebates	801,158	104,555	905,713	799,692
Operating and other expenses	267,034	64,786	331,820	287,124
Total outgo	2,739,902	316,462	3,056,364	2,538,718
Profit before taxation	405,009	134,458	539,467	519,426
Transfer of actuarial surplus	39,690	(39,690)	-	-
Total profit before taxation	444,699	94,768	539,467	519,426
Taxation charge	(125,724)	(40,860)	(166,584)	(153,902)
Profit for the year	318,975	53,908	372,883	365,524
Other comprehensive income for the year	141,948	-	141,948	365,524
Total comprehensive income for the year	460,923	53,908	514,831	367,490
Proposed dividend			60,000	60,000
Earnings per share (Kshs)			373	366

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Short-Term Business	Long-Term Business	TOTAL 2014	TOTAL 2013
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
SHAREHOLDERS' FUNDS				
Share capital	700,000	300,000	1,000,000	1,000,000
Fair value reserve	12,136	-	12,136	13,970
Revaluation reserve	227,078	-	227,078	89,745
General reserve	-	259,631	259,631	205,723
Retained earnings	1,145,941	-	1,145,941	880,517
TOTAL SHAREHOLDERS' FUNDS	2,085,155	559,631	2,644,786	2,189,955
ASSETS				
Property and equipment	403,660	-	403,660	212,167
Intangible assets	-	4,571	4,571	-
Investment properties	735,809	-	735,809	-
Equity investments	109,077	9,479	118,556	50,840
Mortgage loans - staff	34,395	-	34,395	34,369
Receivables arising out of retrocession arrangements	52,579	-	52,579	43,291
Receivables arising out of reinsurance arrangements	550,700	13,351	564,051	650,919
Retrocessionaires' share of reinsurance contract liabilities	23,440	9,969	33,409	138,174
Deferred risk premium rebates	362,034	-	362,034	285,909
Corporate tax recoverable	8,068	8,970	17,038	-
Other receivables	151,106	40,549	191,655	158,587
Corporate bonds	376,482	54,753	431,235	75,971
Government securities (held to maturity)	461,170	210,156	671,326	826,093
Deposits in financial institutions	2,082,941	530,670	2,613,611	2,820,875
Cash and bank balances	28,574	7,762	36,336	111,726
TOTAL ASSETS	5,380,035	890,230	6,270,265	5,408,921
LIABILITIES				
Deferred risk premium rebates arising from retrocession arrangements	461	-	461	85
Reinsurance/reassurance contract liabilities	1,251,079	172,310	1,423,389	1,268,706
Deferred taxation	90,476	111,270	201,746	119,419
Provision for unearned premiums	1,194,580	-	1,194,580	971,238
Payables arising from retrocession arrangements	44,767	11,641	56,408	54,979
Payables arising from reinsurance arrangements	384,451	14,514	398,965	369,141
Other payables	329,066	20,864	349,930	422,827
Tax payable	-	-	-	12,571
TOTAL LIABILITIES	3,294,880	330,599	3,625,479	3,218,966
NET ASSETS	2,085,155	559,631	2,644,786	2,189,955
KEY RATIOS				
Capital adequacy ratio	140%	100%	125%	125%
Solvency ratio	381%	1215%	467%	362%
Claims ratio	53%	49%	53%	50%
Expense ratio	35%	39%	36%	39%

The above statement of comprehensive income and statement of financial position are extracts from the Company's financial statements which were audited by Deloitte & Touche and received an unqualified opinion.

The financial statements were approved by the Board of Directors on 26 February 2015 and signed on its behalf by J. P. M. Ndegwa (Chairman), D. G. M. Hutchison (Director) and P. K. Maina (Chief Executive Officer and Principal Officer).

L. A. Kimang'a
Company Secretary