



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 2015:

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015

	Short-Term Business Kshs'000	Long-Term Business Kshs'000	TOTAL 2015 Kshs'000	TOTAL 2014 Kshs'000
Gross written premiums	2,994,995	709,516	3,704,511	3,478,351
Retrocession premiums	(114,040)	(143,059)	(257,099)	(174,230)
Net written premiums	2,880,955	566,457	3,447,412	3,304,121
Net earned premiums	2,853,416	566,457	3,419,873	3,157,111
Investment income	421,234	108,399	529,633	406,489
Risk premium rebates earned	231	41,116	41,347	32,231
Other income	23	-	23	-
Total income	3,274,904	715,972	3,990,876	3,595,831
Claims	2,307,651	383,471	2,691,122	1,842,697
Amounts recoverable from retrocessionaires	(534,391)	(121,776)	(656,167)	(23,866)
Net claims	1,773,260	261,695	2,034,955	1,818,831
Risk premium rebates	821,647	177,521	999,168	905,713
Operating and other expenses	278,746	51,761	330,507	331,820
Total expenses	2,873,653	490,977	3,364,630	3,056,364
Profit before taxation	401,251	224,995	626,246	539,467
Taxation charge	(124,854)	(69,691)	(194,545)	(166,584)
Profit for the year	276,397	155,304	431,701	372,883
Other comprehensive income for the year	-	-	-	141,948
Total comprehensive income for the year	276,397	155,304	431,701	514,831
Proposed dividend	-	-	60,000	60,000

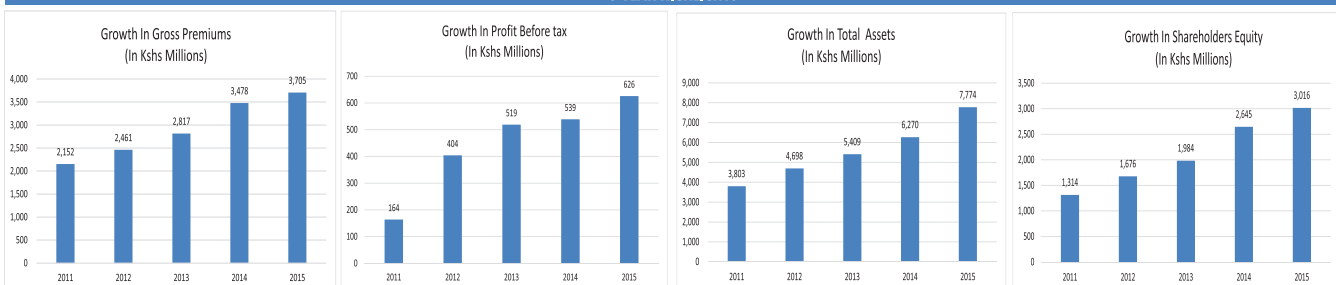
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Short-Term Business Kshs'000	Long-Term Business Kshs'000	TOTAL 2015 Kshs'000	TOTAL 2014 Kshs'000
SHAREHOLDERS' FUNDS				
Share capital	1,000,000	300,000	1,300,000	1,000,000
Fair value reserve	10,301	-	10,301	12,136
Revaluation reserve	212,619	-	212,619	227,078
General reserve	-	366,086	366,086	259,631
Retained earnings	1,067,481	-	1,067,481	1,085,941
Proposed dividend	60,000	-	60,000	60,000
TOTAL SHAREHOLDERS' FUNDS	2,350,401	666,086	3,016,487	2,644,786
ASSETS				
Property and equipment	403,280	-	403,280	403,660
Intangible assets	-	2,559	2,559	4,571
Investment properties	765,000	-	765,000	735,809
Equity investments	111,599	37,659	149,258	118,556
Mortgage loans (staff)	29,259	-	29,259	34,395
Corporate bonds	367,622	53,493	421,115	431,235
Government securities (held to maturity)	928,006	491,249	1,419,255	671,326
Receivables arising out of retrocession arrangements	103,436	-	103,436	52,579
Receivables arising out of reinsurance arrangements	782,739	23,533	806,272	564,051
Retrocessionaires' share of reinsurance contract liabilities	459,843	75,474	535,317	33,409
Deferred risk premium rebates	375,068	-	375,068	362,034
Corporate tax recoverable	21,471	-	21,471	17,038
Other receivables	178,417	17,636	196,053	191,655
Deposits in financial institutions	1,872,750	587,727	2,460,477	2,613,611
Cash and bank balances	68,234	18,056	86,290	36,336
TOTAL ASSETS	6,466,724	1,307,386	7,774,110	6,270,265
LIABILITIES				
Deferred risk premium rebates arising from retrocession arrangements	96	-	96	461
Reinsurance/reassurance contract liabilities	1,654,493	347,514	2,002,007	1,423,389
Deferred taxation	99,979	156,894	256,873	201,746
Provision for unearned premiums	1,235,017	-	1,235,017	1,194,580
Payables arising from retrocession arrangements	37,055	21,833	58,888	56,408
Payables arising from reinsurance arrangements	764,751	30,735	795,486	398,965
Other payables	324,932	79,789	404,721	349,930
Tax payable	-	4,535	4,535	-
TOTAL LIABILITIES	4,116,323	641,300	4,757,623	3,625,479
NET ASSETS	2,350,401	666,086	3,016,487	2,644,786

KEY RATIOS

Capital adequacy ratio	200%	100%	163%	125%
Solvency ratio	319%	1884%	425%	467%
Claims ratio	77%	54%	73%	53%
Expense ratio	37%	32%	36%	36%

5 YEAR HIGHLIGHTS



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

The financial statements were approved by the Board of Directors on 25 February 2016 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).

K. M. Ontiti
Company Secretary