



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 2016:

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Short-Term Business Kshs'000	Long-Term Business Kshs'000	TOTAL 2016 Kshs'000	TOTAL 2015 Kshs'000
<b>INCOME</b>				
Gross written premiums	2,516,439	811,635	3,328,074	3,704,511
Retrocession premiums	(116,530)	(180,350)	(296,880)	(257,099)
<b>Net written premiums</b>	<b>2,399,909</b>	<b>631,285</b>	<b>3,031,194</b>	<b>3,447,412</b>
Gross earned premiums	2,733,037	778,105	3,511,142	3,677,109
<b>Net earned premiums</b>	<b>2,616,116</b>	<b>588,008</b>	<b>3,204,124</b>	3,419,873
Investment income	454,904	152,230	607,134	529,633
Risk premium rebates earned	(10)	37,884	37,874	41,347
Other income	237	-	237	23
<b>Total income</b>	<b>3,071,247</b>	<b>778,122</b>	<b>3,849,369</b>	<b>3,990,876</b>
<b>OUTGO</b>				
Claims	1,760,551	346,216	2,106,767	2,691,122
Amounts recoverable from retrocessionaires	(112,163)	(43,549)	(155,712)	(656,167)
<b>Net claims</b>	<b>1,648,388</b>	<b>302,667</b>	<b>1,951,055</b>	<b>2,034,955</b>
Risk premium rebates	674,557	206,388	880,945	999,168
Operating and other expenses	272,111	76,904	349,015	330,507
<b>Total outgo</b>	<b>2,595,056</b>	<b>585,959</b>	<b>3,181,015</b>	<b>3,364,630</b>
<b>Profit before taxation</b>	<b>476,191</b>	<b>192,163</b>	<b>668,354</b>	<b>626,246</b>
Taxation charge	(142,397)	(60,399)	(202,796)	(194,545)
<b>Profit for the year</b>	<b>333,794</b>	<b>131,764</b>	<b>465,558</b>	<b>431,701</b>
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>333,794</b>	<b>131,764</b>	<b>465,558</b>	<b>431,701</b>
Proposed dividend			60,000	60,000

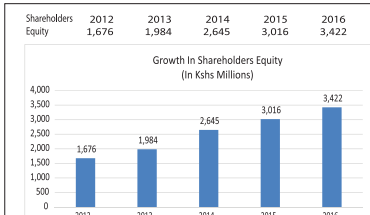
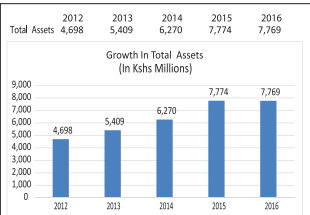
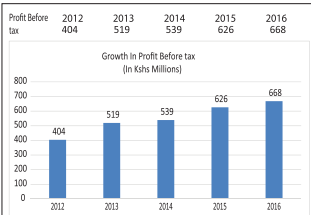
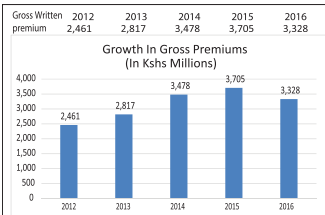
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Short-Term Business Kshs '000	Long-Term Business Kshs '000	TOTAL 2016 Kshs '000	TOTAL 2015 Kshs '000
<b>SHAREHOLDERS' FUNDS</b>				
Share capital	1,000,000	500,000	1,500,000	1,300,000
Fair value reserve	8,460	-	8,460	10,301
Revaluation reserve	201,758	-	201,758	212,619
General reserve	-	428,292	428,292	366,086
Retained earnings	1,223,536	-	1,223,536	1,067,481
Proposed dividend	60,000	-	60,000	60,000
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,493,754</b>	<b>928,292</b>	<b>3,222,046</b>	<b>3,016,487</b>
<b>ASSETS</b>				
Property and equipment	393,445	-	393,445	403,280
Intangible assets	-	-	-	2,559
Investment properties	780,000	-	780,000	765,000
Equity investments	75,508	29,387	104,895	149,258
Mortgage loans (staff)	43,929	-	43,929	29,259
Corporate bonds	358,846	52,247	411,093	421,115
Government securities (held to maturity)	1,473,666	881,080	2,354,746	1,419,255
Receivables arising out of retrocession arrangements	65,185	-	65,185	103,436
Receivables arising out of reinsurance arrangements	546,245	65,944	612,189	806,272
Retrocessionaires' share of reinsurance contract liabilities	486,189	66,835	553,024	535,317
Deferred risk premium rebates	298,569	-	298,569	375,068
Corporate tax recoverable	-	-	-	21,471
Other receivables	119,193	23,377	142,570	196,053
Deposits in financial institutions	1,468,657	447,759	1,916,416	2,460,477
Cash and bank balances	74,739	18,054	92,793	86,290
<b>TOTAL ASSETS</b>	<b>6,184,171</b>	<b>1,584,683</b>	<b>7,768,854</b>	<b>7,774,110</b>
<b>LIABILITIES</b>				
Deferred risk premium rebates arising from retrocession arrangements	-	-	-	96
Reinsurance/reassurance contract liabilities	1,594,847	166,201	1,761,048	2,002,007
Deferred taxation	79,599	183,554	263,153	256,873
Provision for unearned premiums	941,919	144,594	1,086,513	1,235,017
Payables arising from retrocession arrangements	37,758	96,707	134,465	58,888
Payables arising from reinsurance arrangements	619,603	38,774	658,377	795,486
Other payables	382,765	19,296	402,061	404,721
Tax payable	33,926	7,265	41,191	4,535
<b>TOTAL LIABILITIES</b>	<b>3,690,417</b>	<b>656,391</b>	<b>4,346,808</b>	<b>4,757,623</b>
<b>NET ASSETS</b>	<b>2,493,754</b>	<b>928,292</b>	<b>3,422,046</b>	<b>3,016,487</b>

**KEY RATIOS**

Capital adequacy ratio	243%	232%	240%	207%
Solvency ratio	428%	2266%	558%	425%
Claims ratio	70%	43%	63%	73%
Expense ratio	38%	35%	37%	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 23 February 2017 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