



A Secure Risk Partner

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of East Africa Reinsurance Company Limited is pleased to announce the audited results for the year ended 31 December 2019:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Long-Term Business	Short-Term Business	TOTAL 2019	TOTAL 2018
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
INCOME				
Gross written premiums	1,282,676	3,382,290	4,664,966	4,006,005
Gross earned premiums	1,244,391	3,140,345	4,384,736	3,803,962
Retrocession premiums	(171,585)	(175,304)	(346,889)	(307,953)
Net earned premiums	1,072,806	2,965,041	4,037,847	3,496,009
Investment income	169,439	463,884	633,323	676,547
Acquisition costs recoverable from retrocessionaires	33,234	7,298	40,532	42,367
Other income	-	120	120	701
Total income	1,275,479	3,436,343	4,711,822	4,215,624
OUTGO				
Claims	701,659	1,585,586	2,287,245	2,098,258
Amounts recoverable from retrocessionaires	(120,215)	118,055	(2,160)	(104,283)
Net claims	581,444	1,703,641	2,285,085	1,993,975
Acquisition costs	310,855	825,029	1,135,884	963,803
Operating and other expenses	98,628	357,056	455,684	435,067
Total outgo	990,927	2,885,726	3,876,653	3,392,845
Profit before taxation	284,552	550,617	835,169	822,779
Taxation charge	(81,615)	(164,217)	(245,832)	(207,232)
Profit for the year	202,937	386,400	589,337	615,547
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	202,937	386,400	589,337	615,547
Proposed dividend	-	-	100,000	100,000

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

SHAREHOLDERS' FUNDS				
Share capital	500,000	1,000,000	1,500,000	1,500,000
Fair value reserve	-	3,950	3,950	5,011
Revaluation reserve	-	281,068	281,068	299,956
General reserve	496,345	-	496,345	530,346
Retained earnings	-	2,794,949	2,794,949	2,251,662
Proposed dividend	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	996,345	4,079,967	5,076,312	4,586,975
ASSETS				
Property and equipment	-	489,584	489,584	520,723
Intangible assets	-	6,098	6,098	-
Investment properties	-	800,000	800,000	825,000
Equity investments	22,475	45,335	67,810	43,909
Mortgage loans (staff)	-	75,819	75,819	59,885
Corporate bonds	45,826	192,805	238,631	607,250
Government securities	989,962	2,245,671	3,235,633	3,441,155
Receivables arising out of retrocession arrangements	4,153	20,502	24,655	62,082
Receivables arising out of reinsurance arrangements	303,638	1,228,920	1,532,558	1,291,952
Retrocessionaires' share of reinsurance contract liabilities	111,949	266,802	378,751	482,418
Deferred acquisition costs	140,966	401,054	542,020	445,095
Corporate tax recoverable	-	-	-	3,421
Other receivables	2,869	346,548	349,417	251,490
Deposits in financial institutions	607,626	1,863,533	2,471,159	1,428,865
Cash and bank balances	25,037	243,512	268,549	212,687
TOTAL ASSETS	2,254,501	8,226,183	10,480,684	9,675,932
LIABILITIES				
Deferred acquisition cost arising from retrocession arrangements	19,796	7,495	27,291	14,085
Reassurance/reinsurance contract liabilities	101,420	1,612,145	1,713,565	1,872,275
Deferred income tax	214,336	124,674	339,010	348,391
Provision for unearned premiums	593,440	1,338,943	1,932,383	1,652,154
Payables arising from retrocession arrangements	18,846	47,644	66,490	71,732
Payables arising from reinsurance arrangements	37,665	547,226	584,891	594,241
Other payables	253,244	467,936	721,180	511,740
Tax payable	19,409	153	19,562	24,339
TOTAL LIABILITIES	1,258,156	4,146,216	5,404,372	5,088,957
NET ASSETS	996,345	4,079,967	5,076,312	4,586,975

KEY RATIOS

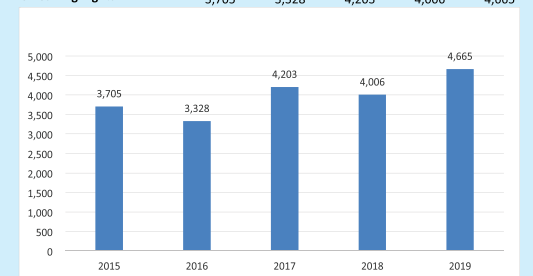
Capital Adequacy Ratio	175%	294%	261%	231%
Claims Ratio	54%	58%	56%	57%
Expense Ratio	31%	29%	31%	30%

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.

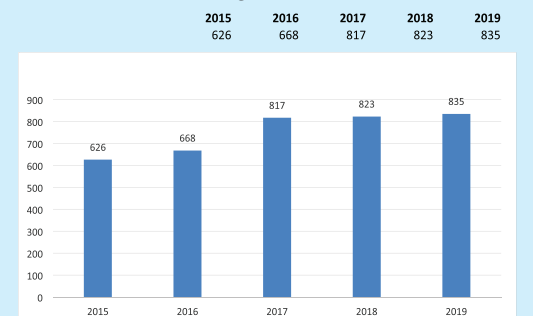
The financial statements were approved by the Board of Directors on 27 February 2020 and signed on its behalf by J. P. M. Ndegwa (Chairman), D. G. M. Hutchison (Director) and P. K. Maina (Chief Executive Officer and Principal Officer).

K. M. Ontiti
Company Secretary

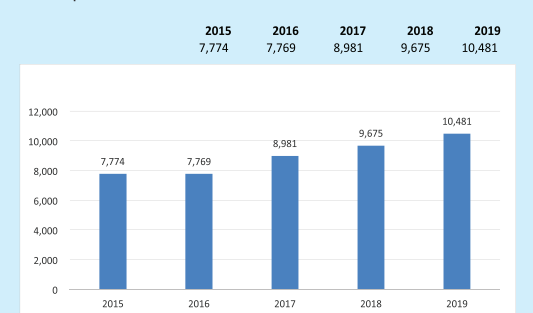
5 Year Highlights



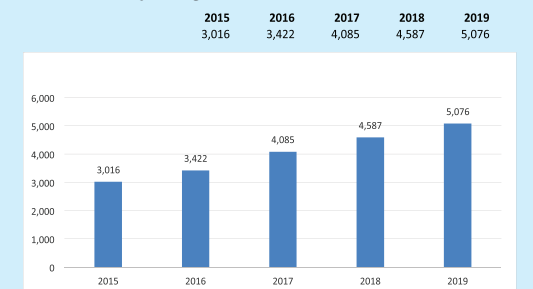
Gross Written Premiums (Kshs Millions)
The gross written premiums grew by 16% over 2018 to stand at Kshs 4.7 billion attributable to enhanced marketing efforts.



Profit Before Tax (Kshs Millions)
The Company reported the highest profit in its history to stand at Kshs 835 million up from Kshs 823 million in 2018.



Total Assets
Total assets increased by 8% to stand at Kshs 10.5 billion up from Kshs 9.7 billion in 2018 mainly due to growth in investment assets.



Shareholders Funds
Shareholders funds grew by 11% to stand at Kshs 5.1 billion up from Kshs 4.6 billion in 2018 mainly due to growth in investment assets.

VISION STATEMENT
To be the risk partner of choice in our markets.

MISSION STATEMENT
To provide quality risk solutions, excellent service and enhanced value to all the stakeholders.

CORE VALUES
Integrity, commitment, partnership, excellence, professionalism, innovation.

SECURED SOLID PARTNERSHIP