



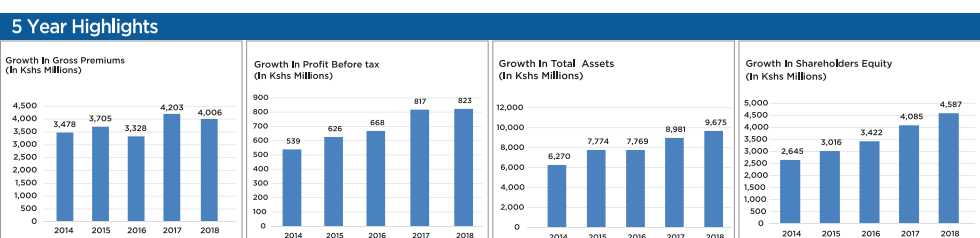
A Secure Risk Partner

The Board of Directors of East Africa Reinsurance Company Limited is pleased to announce the audited results for the year ended 31 December 2018:

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2018				
	Short-Term Business	Long-Term Business	TOTAL 2018	TOTAL 2017
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
INCOME				
Gross written premiums	2,884,737	1,121,268	4,006,005	4,202,508
Retrocession premiums	(134,418)	(195,027)	(329,445)	(294,866)
Net written premiums	2,750,319	926,241	3,676,560	3,907,642
Gross earned premiums	2,980,530	1,121,268	4,101,798	3,963,795
Net earned premiums	2,846,112	697,984	3,544,096	3,645,640
Investment income	505,062	171,485	676,547	658,644
Risk premium rebates earned	10,967	41,578	52,545	37,360
Other income	701	-	701	70
Total income	3,362,842	911,047	4,273,889	4,341,714
OUTGO				
Claims	1,727,158	371,100	2,098,258	2,129,349
Amounts recoverable from retrocessionaires	(26,393)	(77,890)	(104,283)	(85,023)
Net claims	1,700,765	293,210	1,993,975	2,044,326
Risk premium rebates	750,067	272,001	1,022,068	1,072,245
Operating and other expenses	363,333	71,734	435,067	407,745
Total outgo	2,814,165	636,945	3,451,110	3,524,316
Profit before taxation	548,677	274,102	822,779	817,398
Taxation charge	(129,389)	(77,843)	(207,232)	(215,831)
Profit for the year	419,288	196,259	615,547	601,567
Other comprehensive income for the year	-	-	-	121,448
Total comprehensive income for the year	419,288	196,259	615,547	723,015
Proposed dividend	-	-	100,000	100,000

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018				
	Short-Term Business	Long-Term Business	TOTAL 2018	TOTAL 2017
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
SHAREHOLDERS' FUNDS				
Share capital	1,000,000	500,000	1,500,000	1,500,000
Fair value reserve	5,011	-	5,011	6,624
Revaluation reserve	299,956	-	299,956	312,344
General reserve	-	530,346	530,346	515,349
Retained earnings	2,251,662	-	2,251,662	1,750,744
Proposed dividend	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	3,556,629	1,030,346	4,586,975	4,085,061
ASSETS				
Property and equipment	520,723	-	520,723	546,684
Investment properties	825,000	-	825,000	800,000
Equity investments	29,860	14,049	43,909	131,972
Mortgage loans (staff)	59,885	-	59,885	39,640
Corporate bonds	521,353	85,897	607,250	621,214
Government securities (held to maturity)	2,257,377	1,183,778	3,441,155	3,244,181
Receivables arising out of retrocession arrangements	59,276	2,806	62,082	32,074
Receivables arising out of reinsurance arrangements	947,798	344,154	1,291,952	894,335
Retrocessionaires' share of reinsurance contract liabilities	412,163	70,255	482,418	518,949
Deferred risk premium rebates	320,937	124,158	445,095	386,830
Corporate tax recoverable	3,421	-	3,421	44,617
Other receivables	231,562	19,928	251,490	309,274
Deposits in financial institutions	1,178,029	250,836	1,428,865	1,328,228
Cash and bank balances	181,943	30,744	212,687	83,151
TOTAL ASSETS	7,549,327	2,126,605	9,675,932	8,981,149
LIABILITIES				
Deferred risk premium rebates - retrocession	-	14,085	14,085	3,907
Reinsurance/reassurance contract liabilities	1,777,222	95,053	1,872,275	1,931,548
Deferred taxation	119,483	228,908	348,391	355,358
Provision for unearned premiums	1,096,998	555,156	1,652,154	1,450,111
Payables arising from retrocession arrangements	57,065	14,667	71,732	64,952
Payables arising from reinsurance arrangements	570,216	24,025	594,241	699,196
Other payables	371,714	140,026	511,740	386,943
Tax payable	-	24,339	24,339	4,073
TOTAL LIABILITIES	3,992,698	1,096,259	5,088,957	4,896,088
NET ASSETS	3,556,629	1,030,346	4,586,975	4,085,061

KEY RATIOS				
Capital adequacy ratio	239%	206%	231%	242%
Claims ratio	60%	33%	52%	51%
Expense ratio	39%	31%	36%	35%



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 20 February 2019 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