



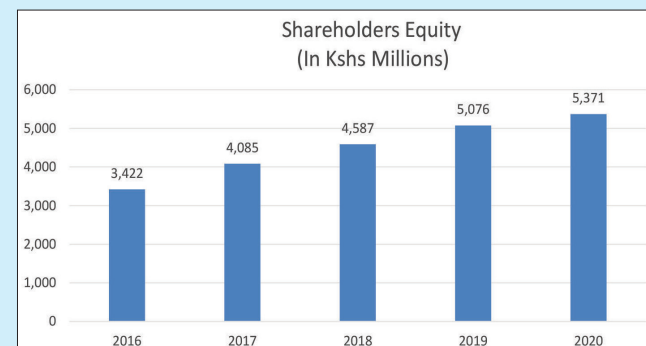
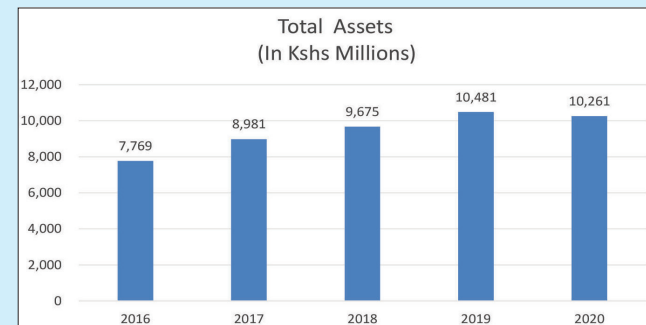
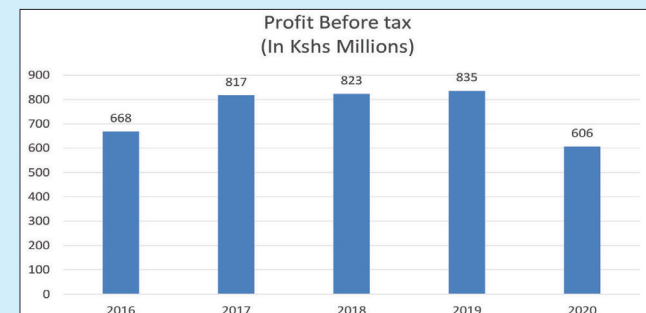
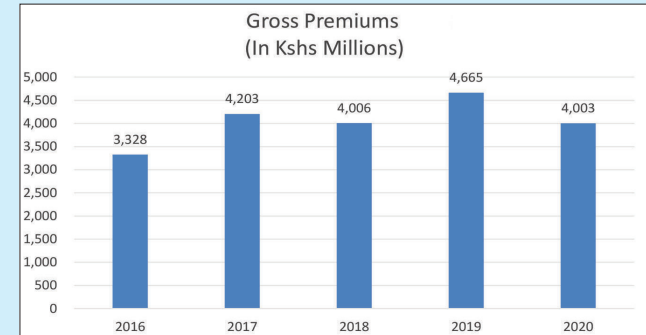
A Secure Risk Partner

## AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Directors of East Africa Reinsurance Company Limited is pleased to announce the audited results for the year ended 31 December 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020				
	Long-Term Business Kshs'000	Short-Term Business Kshs'000	TOTAL 2020 Kshs'000	TOTAL 2019 Kshs'000
<b>INCOME</b>				
Gross written premiums	1,137,038	2,866,323	4,003,361	4,664,966
Gross earned premiums	1,286,493	3,032,649	4,319,142	4,384,736
Retrocession premiums	(231,022)	(197,439)	(428,461)	(346,889)
<b>Net earned premiums</b>	<b>1,055,471</b>	<b>2,835,210</b>	<b>3,890,681</b>	<b>4,037,847</b>
Investment income	178,152	505,518	683,670	693,603
Acquisition costs recoverable from retrocessionaires	45,651	24,163	69,814	40,532
Other income	-	12	12	120
<b>Total income</b>	<b>1,279,274</b>	<b>3,364,903</b>	<b>4,644,177</b>	<b>4,772,102</b>
<b>OUTGO</b>				
Claims	940,519	1,668,219	2,608,738	2,287,245
Amounts recoverable from retrocessionaires	(273,746)	(4,583)	(278,329)	(2,160)
<b>Net claims</b>	<b>666,773</b>	<b>1,663,636</b>	<b>2,330,409</b>	<b>2,285,085</b>
Acquisition costs	327,671	855,871	1,183,542	1,135,884
Operating and other expenses	80,892	443,253	524,145	515,964
<b>Total outgo</b>	<b>1,075,336</b>	<b>2,962,760</b>	<b>4,038,096</b>	<b>3,936,933</b>
<b>Profit before taxation</b>	<b>203,938</b>	<b>402,143</b>	<b>606,081</b>	<b>835,169</b>
Taxation charge	(73,009)	(122,703)	(195,712)	(245,832)
<b>Profit for the year</b>	<b>130,929</b>	<b>279,440</b>	<b>410,369</b>	<b>589,337</b>
Total other comprehensive loss for the year	-	(15,485)	(15,485)	-
<b>Total comprehensive income for the year</b>	<b>130,929</b>	<b>263,955</b>	<b>394,884</b>	<b>589,337</b>
Proposed dividend			100,000	100,000
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020				
<b>SHAREHOLDERS' FUNDS</b>				
Share capital	500,000	1,000,000	1,500,000	1,500,000
Fair value reserve	-	1,577	1,577	3,950
Revaluation reserve	-	243,434	243,434	281,068
General reserve	627,274	-	627,274	496,345
Retained earnings		2,998,911	2,998,911	2,794,949
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,127,274</b>	<b>4,243,922</b>	<b>5,371,196</b>	<b>5,076,312</b>
<b>ASSETS</b>				
Property and equipment	-	446,594	446,594	489,584
Intangible assets	-	3,049	3,049	6,098
Investment properties	-	760,000	760,000	800,000
Equity investments	17,040	34,256	51,296	67,810
Mortgage loans (staff)	-	41,853	41,853	75,819
Corporate bonds	61,150	208,239	269,389	238,631
Government securities at amortised cost	1,005,954	3,050,859	4,056,813	3,235,633
Receivables arising out of retrocession arrangements	35,978	3,187	39,165	24,655
Receivables arising out of reinsurance arrangements	209,815	996,525	1,206,340	1,532,558
Retrocessionaires' share of reinsurance contract liabilities	129,320	253,024	382,344	378,751
Deferred acquisition costs	113,870	351,612	465,482	542,020
Corporate tax recoverable	52,468	-	52,468	-
Other receivables	2,178	97,681	99,859	349,417
Deposits in financial institutions	452,410	1,646,126	2,098,536	2,471,159
Cash and bank balances	46,437	241,847	288,284	268,549
<b>TOTAL ASSETS</b>	<b>2,126,620</b>	<b>8,134,852</b>	<b>10,261,472</b>	<b>10,480,684</b>
<b>LIABILITIES</b>				
Deferred acquisition cost arising from retrocession arrangements	23,104	12,373	35,477	27,291
Reinsurance/reassurance contract liabilities	176,315	1,624,882	1,801,197	1,713,565
Deferred income tax	270,448	113,775	384,223	339,010
Provision for unearned premiums	443,985	1,172,617	1,616,602	1,932,383
Payables arising from retrocession arrangements	44,499	63,731	108,230	66,490
Payables arising from reinsurance arrangements	16,942	409,839	426,781	584,891
Other payables	24,053	480,221	504,274	721,180
Tax payable	-	13,492	13,492	19,562
<b>TOTAL LIABILITIES</b>	<b>999,346</b>	<b>3,890,930</b>	<b>4,890,276</b>	<b>5,404,372</b>
<b>NET ASSETS</b>	<b>1,127,274</b>	<b>4,243,922</b>	<b>5,371,196</b>	<b>5,076,312</b>
<b>KEY RATIOS</b>				
<b>Capital adequacy ratio</b>	207%	387%	327%	261%
<b>Claims ratio</b>	63%	59%	60%	57%
<b>Expense ratio</b>	29%	31%	32%	31%

### 5 YEARS' PERFORMANCE HIGHLIGHTS



**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.



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

The financial statements were approved by the Board of Directors on 25 February 2021 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