



Secured Solid Partnership

The Board of Directors of East Africa Reinsurance Company Limited is pleased to announce the audited results for the year ended 31 December 2021.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021				
	Long-Term Business	Short-Term Business	TOTAL 2021	TOTAL 2020
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
INCOME				
Gross written premiums	1,168,653	3,155,834	4,324,487	4,003,361
Gross earned premiums	1,166,359	3,050,379	4,216,738	4,319,142
Retrocession premiums	(262,509)	(213,010)	(475,519)	(428,461)
Net earned premiums	903,850	2,837,369	3,741,219	3,890,681
Investment income	166,662	579,527	746,189	683,670
Acquisition costs recoverable from retrocessionaires	35,970	25,158	61,128	69,814
Other income	-	-	-	12
Total income	1,106,482	3,442,054	4,548,536	4,644,177
OUTGO				
Gross claims incurred	1,306,830	1,835,959	3,142,789	2,608,738
Amounts recoverable from retrocessionaires	(119,052)	(104,344)	(223,396)	(278,329)
Net claims incurred	1,187,778	1,731,615	2,919,393	2,330,409
Acquisition costs	282,703	860,571	1,143,274	1,183,542
Operating and other expenses	49,003	334,411	383,414	524,145
Total expenses	1,519,484	2,926,597	4,446,081	4,038,096
Profit before taxation	(413,002)	515,457	102,455	606,081
Income tax expense	125,032	(90,099)	34,933	(195,712)
Profit for the year	(287,970)	425,358	137,388	410,369
Total other comprehensive income	-	-	-	(15,485)
Total comprehensive income for the year	(287,970)	425,358	137,388	394,884
Proposed dividend	-	-	100,000	100,000

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021				
	Long-Term Business	Short-Term Business	TOTAL 2021	TOTAL 2020
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
SHAREHOLDERS' FUNDS				
Share capital	500,000	1,000,000	1,500,000	1,500,000
Fair value reserve	-	-	-	1,577
Revaluation reserve	-	225,106	225,106	243,434
General reserve	339,304	-	339,304	627,274
Retained earnings	-	3,344,174	3,344,174	2,998,911
TOTAL SHAREHOLDERS' FUNDS	839,304	4,569,280	5,408,584	5,371,196
ASSETS				
Property and equipment	-	414,659	414,659	446,594
Intangible assets	-	61,064	61,064	3,049
Investment properties	-	730,000	730,000	760,000
Equity investments at fair value through profit or loss	13,736	25,484	39,220	51,296
Real estate investment trusts (REITs)	-	102,470	102,470	-
Mortgage loans	-	36,822	36,822	41,853
Corporate bonds at amortised cost	29,532	29,532	59,064	269,389
Government securities at amortised cost	1,091,339	3,634,856	4,726,195	4,056,813
Receivables arising out of retrocession arrangements	592	7,574	8,166	39,165
Receivables arising out of reinsurance arrangements	458,330	988,583	1,446,913	1,206,340
Retrocessionaires' share of reinsurance liabilities	288,159	366,476	654,635	382,344
Deferred acquisition costs	106,306	379,595	485,901	465,482
Current income tax receivable	52,468	-	52,468	52,468
Other receivables	37,351	201,301	238,652	99,859
Deposits with financial institutions	389,743	1,323,678	1,713,421	2,098,536
Cash and bank balances	141,974	359,129	501,103	288,284
TOTAL ASSETS	2,609,530	8,661,223	11,270,753	10,261,472
LIABILITIES				
Reinsurance or reinsurance contract liabilities	902,472	1,715,468	2,617,940	1,801,197
Provision for unearned premiums	446,279	1,278,072	1,724,351	1,616,602
Payables arising from reinsurance arrangements	120,523	423,156	543,679	426,781
Payables arising from retrocession arrangements	139,797	60,655	200,452	108,230
Deferred acquisition cost arising from retrocession arrangements	15,739	15,518	31,257	35,477
Other payables	-	508,627	508,627	504,274
Current income tax payable	-	16,356	16,356	13,492
Deferred income tax	145,416	74,091	219,507	384,223
TOTAL LIABILITIES	1,770,226	4,091,943	5,862,169	4,890,276
NET ASSETS	839,304	4,569,280	5,408,584	5,371,196
	-	-	-	-
KEY RATIOS				
Capital adequacy ratio	150%	369%	301%	327%
Claims ratio	131%	61%	78%	60%
Expense ratio	30%	32%	33%	32%

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

The financial statements were approved by the Board of Directors on 23 February 2022 and signed on its behalf by J. P. M. Ndegwa (Chairman), J. K. Kimeu (Director) and P. K. Maina (Chief Executive Officer and Principal Officer).

K. M. Ontiti
Company Secretary