



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 2022.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Long-Term Business	Short-Term Business	TOTAL 2022	TOTAL 2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
INCOME				
Gross written premiums	821,011	3,704,748	4,525,759	4,324,487
Gross earned premiums	960,223	3,425,339	4,385,562	4,216,738
Retrocession premiums	(237,136)	(243,284)	(480,420)	(475,519)
Net earned premiums	723,087	3,182,055	3,905,142	3,741,219
Investment income	179,270	665,211	844,481	746,189
Acquisition costs recoverable from retrocessionaires	51,597	29,268	80,865	61,128
Other income	-	24	24	-
Total income	953,954	3,876,558	4,830,512	4,548,536
EXPENSES				
Gross claims incurred	794,585	1,944,477	2,739,062	3,142,789
Amounts recoverable from retrocessionaires	(563,358)	(82,661)	(646,019)	(223,396)
Net claims incurred	231,227	1,861,816	2,093,043	2,919,393
Acquisition costs	237,323	931,440	1,168,763	1,143,274
Operating and other expenses	49,725	472,207	521,932	383,414
Total expenses	518,275	3,265,463	3,783,738	4,446,081
Profit before tax	435,679	611,095	1,046,774	102,455
Income tax expense	(130,704)	(132,939)	(263,643)	34,933
Profit for the year	304,975	478,156	783,131	137,388
Total other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	304,975	478,156	783,131	137,388
Proposed dividends			200,000	100,000

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Long-Term Business	Short-Term Business	TOTAL 2022	TOTAL 2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
SHAREHOLDERS' FUNDS				
Share capital	500,000	1,000,000	1,500,000	1,500,000
Revaluation reserve	-	206,777	206,777	225,106
General reserve	644,279	-	644,279	339,304
Retained earnings		3,740,659	3,740,659	3,344,174
TOTAL SHAREHOLDERS' FUNDS	1,144,279	4,947,436	6,091,715	5,408,584
ASSETS				
Property and equipment	-	390,204	390,204	414,659
Intangible assets	-	46,036	46,036	61,064
Investment properties	-	735,000	735,000	730,000
Equity investments at fair value through profit or loss	12,071	21,886	33,957	39,220
Real estate investment trusts (REITs)	-	170,607	170,607	102,470
Mortgage loans	-	29,568	29,568	36,822
Corporate bonds at amortised cost	37,632	38,142	75,774	59,064
Government securities at amortised cost	1,277,117	3,988,821	5,265,938	4,726,195
Receivables arising out of retrocession arrangements	52,110	9,056	61,166	8,166
Receivables arising out of reinsurance arrangements	169,375	1,107,378	1,276,753	1,446,913
Retrocessionaires' share of reinsurance contract liabilities	151,874	489,385	641,259	654,635
Deferred acquisition costs	74,810	447,752	522,562	485,901
Current income tax receivable	52,468	-	52,468	52,468
Other receivables	39,871	168,239	208,110	238,652
Deposits with financial institutions	290,338	1,608,671	1,899,009	1,713,421
Cash and bank balances	46,939	254,289	301,228	501,103
TOTAL ASSETS	2,204,605	9,505,034	11,709,639	11,270,753
LIABILITIES				
Reinsurance or reinsurance contract liabilities	334,290	1,889,939	2,224,229	2,617,940
Provision for unearned premiums	307,066	1,557,480	1,864,546	1,724,351
Payables arising from retrocession arrangements	51,112	53,021	104,133	200,452
Payables arising from reinsurance arrangements	49,959	450,972	500,931	543,679
Deferred acquisition costs arising from retrocession arrangements	22,543	29,475	52,018	31,257
Other payables	19,236	499,160	518,396	508,627
Current income tax payable	-	40,477	40,477	16,356
Deferred income tax	276,120	37,074	313,194	219,507
TOTAL LIABILITIES	1,060,326	4,557,598	5,617,924	5,862,169
NET ASSETS	1,144,279	4,947,436	6,091,715	5,408,584
KEY RATIOS				
Capital adequacy ratio	218%	390%	338%	301%
Claims ratio	32%	59%	54%	78%
Expense ratio	27%	30%	31%	33%

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 22 February 2023 and signed on its behalf by A. K. Wainaina (Chairman), J. K. Kimeu (Director) and P. K. Maina (Chief Executive Officer and Principal Officer).

K. M. Ontiti
Company Secretary