

**KENYA REINSURANCE CORPORATION LIMITED**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2009**

	<b>30/09/2008</b>	<b>31/12/2008</b>	<b>30/09/2009</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>INCOME</b>	<b>Shs.</b>	<b>Shs.</b>	<b>Shs.</b>
Gross premiums written	2,315,842,598	3,427,810,742	2,803,320,528
Less retrocession premiums	292,601,577	-318,720,206	229,297,797
<b>NET PREMIUMS</b>	<b>2,023,241,021</b>	<b>3,109,090,536</b>	<b>2,574,022,730</b>
Investment income	780,728,938	1,121,539,887	850,022,582
Commissions receivable	654,563	14,168,982	14,138,571
Fair value gains on revaluation of investment properties	0	565,000,000	0
<b>NET INCOME</b>	<b>2,804,624,522</b>	<b>4,809,799,405</b>	<b>3,438,183,883</b>
Gross claims incurred	949,955,415	1,564,778,616	1,063,765,604
Amounts recoverable from retrocessionaires	72,733,283	-156,919,220	105,439,533
<b>NET CLAIMS INCURRED</b>	<b>877,222,132</b>	<b>1,407,859,396</b>	<b>958,326,071</b>
Impairment loss on unquoted equity investment	0	1,842,475	0
Commissions payable	668,623,873	1,009,539,448	742,074,184
Operating and other expenses	380,957,863	664,933,709	414,365,017
<b>OPERATING AND OTHER EXPENSES</b>	<b>1,926,803,868</b>	<b>1,676,315,632</b>	<b>2,114,765,273</b>
<b>PROFIT FROM OPERATIONS</b>	<b>877,820,654</b>	<b>1,725,624,377</b>	<b>1,323,418,611</b>
SHARE OF PROFIT IN ASSOCIATE COMPANY	0	33,391,042	0
<b>PROFIT BEFORE TAXATION</b>	<b>877,820,654</b>	<b>1,759,015,419</b>	<b>1,323,418,611</b>
TAXATION CHARGE	175,564,131	-277,914,505	264,683,722
<b>PROFIT FOR THE YEAR</b>	<b>702,256,523</b>	<b>1,481,100,914</b>	<b>1,058,734,888</b>
Attributable:			
General business	702,107,591	1,179,801,223	841,142,198
Life business	148,932	301,299,691	217,592,690
	<b>702,256,523</b>	<b>1,481,100,914</b>	<b>1,058,734,888</b>
<b>EARNINGS PER SHARE</b>	<b>1.17</b>	<b>1.97</b>	<b>1.40</b>

**KENYA REINSURANCE CORPORATION LIMITED**  
**BALANCE SHEET AS AT 30.09.2009**

	30th September 2008 Un-Audited Shs '000	31st December 2008 Audited Shs '000	30th September 2009 Un-Audited Shs '000
<b>ASSETS</b>			
Investment properties	3,253,381	3,845,000	3,845,000
Property and equipment	30,896	24,481	33,175
Intangible asset	11,888	11,738	16,405
Investment in associate	432,905	614,880	614,880
Deferred tax asset	68,356	73,421	73,421
Government securities - held to maturity	2,827,616	2,836,863	2,695,700
Quoted equity instruments	3,022,713	2,214,146	2,003,129
Unquoted equity instruments available for sale	37,307	37,307	37,307
Inventories	468,308	54,069	54,069
Non current assets held for sale	146,729	536,858	536,858
Mortgage loans	547,752	462,799	505,350
Receivables arising out of reinsurance arrangements	1,317,343	1,562,779	1,718,569
Premium and loss reserves	329,382	290,554	392,322
Other receivables	84,912	33,942	27,754
Deposits with financial institutions	434,038	925,508	999,265
Cash and cash equivalents	677,279	141,255	522,717
<b>TOTAL ASSETS</b>	<b>13,690,805.00</b>	<b>13,665,600.00</b>	<b>14,075,921.00</b>
<b>EQUITY</b>			
Share capital	1,500,000	1,500,000	1,500,000
Revaluation reserve	17,088	7,383	7,383
Fair value reserve	2,649,594	1,757,792	1,650,107
Translation reserve	(45,906)	64,294	64,294
Statutory reserve	-	474,073	691,666
Retained earnings	3,920,556	4,200,345	4,718,385
<b>Shareholders' funds</b>	<b>8,041,332.00</b>	<b>8,003,887.00</b>	<b>8,631,835.00</b>
<b>LIABILITIES</b>			
Long term reinsurance liabilities	2,400,308	1,926,354	1,926,354
Short term insurance contracts:			
-Outstanding claims	1,984,056	2,287,549	2,051,288
-Unearned premiums	633,647	1,080,716	874,352
Payables arising out of reinsurance arrangements	321,161	84,919	264,721
Defined benefit liability	39,926	47,686	47,686
Other payables	193,547	147,097	250,015
Tax payable	76,828	87,392	29,670
<b>TOTAL LIABILITIES</b>	<b>5,649,473</b>	<b>5,661,713</b>	<b>5,444,086</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,690,805</b>	<b>13,665,600</b>	<b>14,075,921</b>