



KENYA RE

Kenya Reinsurance Corporation Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDING 30TH JUNE 2022

	Unaudited Short term Business 2022 KShs '000	Unaudited Long term Business 2022 KShs '000	Unaudited Total 2022 KShs '000	Unaudited Total 2021 KShs '000
INCOME				
Gross premiums written	10,233,094	775,078	11,008,172	9,588,630
Less: change in unearned premiums	(529,346)	56,229	(473,116)	(129,776)
Less: retrocession premiums	(765,329)	-	(765,329)	(769,904)
NET EARNED PREMIUMS	8,938,419	831,308	9,769,726	8,688,950
Investment income	1,380,015	481,362	1,861,377	1,896,506
Commissions recovered	163,334	13,604	176,938	114,936
Other income	36,726	-	36,726	31,927
TOTAL INCOME	10,518,494	1,326,273	11,844,767	10,732,319
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(5,615,997)	(1,076,481)	(6,692,478)	(6,490,761)
Less: Re-insurers share of claims and policy holder benefits	178,200	-	178,200	207,589
NET CLAIMS AND BENEFITS	(5,437,797)	(1,076,481)	(6,514,279)	(6,283,172)
Cedant acquisition costs	(2,620,508)	(224,819)	(2,845,327)	(2,215,203)
Operating and other expenses	(867,723)	(129,660)	(997,383)	(1,060,138)
Provision for doubtful debts	(299,063)	-	(299,063)	(411,373)
TOTAL CLAIMS, BENEFITS, AND OTHER EXPENSES	(9,225,090)	(1,430,960)	(10,656,051)	(9,969,886)
PROFIT BEFORE TAX	1,293,404	(104,687)	1,188,716	762,433
INCOME TAX EXPENSE	(388,021)	31,406	(356,615)	(228,730)
PROFIT FOR THE YEAR	905,383	(73,281)	832,101	533,703
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Net gains / (losses) on revaluation of available-for-sale quoted equity instruments	(182,763)	-	(182,763)	122,476
Translation reserve	(57,799)	-	(57,799)	3,482
TOTAL OTHER COMPREHENSIVE INCOME	(240,562)	-	(240,562)	125,958
TOTAL COMPREHENSIVE INCOME	664,821	(73,281)	591,539	659,661
EARNINGS PER SHARE - basic and diluted			0.30	1.05
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			704%	707%
Claims Ratio			67%	72%
Expense Ratio			10%	12%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Unaudited Short term Business 2022 KShs '000	Unaudited Long term Business 2022 KShs '000	Unaudited Total 2022 KShs '000	Audited Total 2021 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	28,992	-	28,992	28,992
Fair value reserve	(601,398)	(74,330)	(675,728)	(492,965)
Translation reserve	764,159	-	764,159	821,958
Statutory reserve	-	7,551,956	7,551,956	7,625,237
Retained earnings	22,962,198	-	22,962,198	22,056,816
TOTAL EQUITY	29,653,442	7,977,625	37,631,068	37,039,529
ASSETS				
Property and equipment	58,902	-	58,902	68,256
Intangible assets	39,904	65,106	105,010	112,803
Mortgage loans	741,464	-	741,464	790,455
Investment properties	10,628,718	1,782,393	12,411,111	12,250,000
Investment in associate	6,770,334	-	6,770,334	6,770,334
Unquoted equity instruments	194,248	-	194,248	194,248
Corporate bonds	45,313	-	45,313	45,329
Reinsurance Receivables	2,630,215	228,714	2,858,930	2,255,813
Premium and loss reserves	553,205	-	553,205	418,173
Other receivables	769,731	-	769,731	570,299

Quoted equity instruments	812,230	208,302	1,020,532	1,202,463
Government securities	13,097,387	5,969,136	19,066,523	18,551,024
Inventory	17,848	-	17,848	18,505
Deferred acquisition costs	1,160,916	-	1,160,916	979,601
Deposits with financial institutions	6,360,068	4,263,935	10,624,003	10,566,834
Cash and bank balances	974,112	2,063	976,175	1,029,913
Income Tax Receivable	80,191	-	80,191	-
TOTAL ASSETS	44,934,786	12,519,649	57,454,435	55,824,050
LIABILITIES				
Long term reinsurance contract liabilities	-	1,568,883	1,568,883	1,262,731
Short term reinsurance contracts liabilities	10,237,662	-	10,237,662	9,915,675
Reinsurance payables	1,741,506	35,541	1,777,047	1,632,673
Deferred tax liability	(1,368,683)	2,937,599	1,568,916	1,568,916
Other payables	469,787	-	469,787	682,306
Income tax payable	0	-	0	4,863
Unearned premiums	4,152,072	-	4,152,072	3,668,357
Defined benefit liability	49,000	-	49,000	49,000
TOTAL LIABILITIES	15,281,345	4,542,023	19,823,367	18,784,521
NET ASSETS	29,653,442	7,977,625	37,631,068	37,039,529

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2022

	Share capital KShs '000	Revaluation reserve KShs '000	Fair value reserve KShs '000	Translation reserve KShs '000	Statutory reserve KShs '000	Retained earnings KShs '000	Total KShs '000
At 1 January 2021	6,999,491	20,468	(560,270)	690,498	6,387,470	20,859,668	34,397,325
Profit for the year	-	-	-	-	1,237,767	1,730,598	2,968,365
Other comprehensive income	-	8,524	67,305	131,460	-	26,509	233,798
Total comprehensive income	-	8,524	67,305	131,460	1,237,767	1,757,107	3,202,163
Dividends declared - 2020	-	-	-	-	-	(559,959)	(559,959)
At 31 December 2021	6,999,491	28,992	(492,965)	821,958	7,625,237	22,056,816	37,039,529
At 1 January 2022	6,999,491	28,992	(492,965)	821,958	7,625,237	22,056,816	37,039,529
Profit for the period 30.06.2022	-	-	-	-	(73,281)	905,382	832,101
Other comprehensive income (loss)/income	-	-	(182,763)	(57,799)	-	-	(240,562)
Total comprehensive income	-	-	(182,763)	(57,799)	(73,281)	905,382	591,539
At 30 JUNE 2022	6,999,491	28,992	(675,728)	764,159	7,551,956	22,962,198	37,631,068

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

	Unaudited 2022 KShs '000	Audited 2021 KShs '000
Net cash generated from operations	(221,047)	1,437,956
Interest received on corporate bonds	2,959	2,866
Interest received on government securities	1,077,979	2,121,114
Interest received on staff mortgages and loans	13,681	28,169
Interest received on deposits with financial institutions	300,627	484,218
Interest received on commercial mortgages	14,097	25,497
Tax paid in the year	(366,164)	(819,074)
Net cash generated from operating activities	822,131	3,280,746
Cash flows from investing activities		
Purchase of investment property	(161,111)	(191,642)
Purchase of property and equipment	(1,692)	(4,566)
Purchase of intangible assets	(83,097)	(4,043)
Purchase of government securities	(3,559,039)	(2,381,065)
Proceeds on maturity of government securities	3,021,287	1,118,234
Purchase of quoted equity instruments	-	(19,249)
Proceeds on sale of quoted equity instruments	-	63,735
Purchase of corporate bonds	-	(45,200)
Dividends received on quoted equity instruments	79,890	83,297
Investment in associate	-	(503,419)
Deposit on offshore investments	-	(114,938)
Net cash generated from/ (used in) investing activities	(703,762)	(1,998,856)
Cash flows used in financing activities		
Dividends paid	-	(559,959)
Net increase/ (decrease) in cash and cash equivalents	118,370	721,931
Cash and cash equivalents at 1 January	11,481,809	10,759,878
Effect of unrealised exchange rate changes	-	-
Cash and cash equivalent at 30th June	11,600,179	11,481,809

The unaudited financial statements were approved by the Board of Directors on 04th August 2022 and were signed on its behalf by:

Jadhiah Mwarania
Principal OfficerHon. Catherine Kimura
ChairmanDavid Muthusi
Director

PERFORMANCE COMMENTARY

FINANCIAL HIGHLIGHTS

Gross written premiums grew by 15% from KShs 9.59 billion in June 2021 to KShs 11.0 billion in June 2022. Net earned premiums grew by 12% from KShs 8.69 billion in 2021 to KShs 9.77 billion in 2022.

Investment income dropped by 2% from KShs 1.90 billion in June 2021 to KShs 1.86 billion in June 2022.

Claims incurred as at June 2022 grew by 4% to KShs 6.51 billion up from KShs 6.28 billion as at June 2021.

Cedant acquisition costs increased by 28% from KShs. 2.22 billion in June 2021 to KShs. 2.85 billion in June 2022.

Operating expenses decreased by 6% from KShs. 1.06 billion in June 2021 to KShs.1.00 billion in June 2022.

Profit before tax as at June 2022 stood at KShs 1.19 billion, an increase of 56% from profit before tax of KShs 0.76 billion as at June 2021.

The asset base increased from KShs 55.82 billion in December 2021 to KShs 57.45 billion in June 2022, a growth of 3%.

The Shareholders funds increased from KShs 37.04 billion in December 2021 to KShs 37.63 billion in June 2022, a growth of 2%.

DIVIDENDS

The Board of Directors does not recommend payment of interim dividend

By Order of the Board

Charles Kariuki
Company Secretary

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDING 30TH JUNE 2022

	Unaudited Short term Business 2022 KShs '000	Unaudited Long term Business 2022 KShs '000	Unaudited Total 2022 KShs '000	Audited Total 2021 KShs '000
INCOME				
Gross premiums written	8,777,607	763,620	9,541,226	8,261,234
Less: change in unearned premiums	(259,074)	48,946	(210,128)	416,505
Less: retrocession premiums	(361,975)	-	(361,975)	(372,772)
NET EARNED PREMIUMS	8,156,557	812,565	8,969,122	8,304,967
Investment income	1,286,870	501,278	1,788,148	1,851,739
Commissions recovered	5,004	417	5,420	14,529
Other income	35,941	-	35,941	31,927
TOTAL INCOME	9,484,372	1,314,260	10,798,632	10,203,162
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(5,122,189)	(1,082,558)	(6,204,747)	(6,121,773)
Less: Re-insurers share of claims and policy holder benefits	65,631	-	65,631	207,589
NET CLAIMS AND BENEFITS	(5,056,557)	(1,082,558)	(6,139,116)	(5,914,184)
Cedant acquisition costs	(2,287,324)	(218,869)	(2,506,193)	(1,990,831)
Operating and other expenses	(765,093)	(114,324)	(879,417)	(995,723)
Provision for doubtful debts	(256,555)	-	(256,555)	(345,515)
TOTAL CLAIMS, BENEFITS AND OTHER EXPENSES	(8,365,529)	(1,415,751)	(9,781,281)	(9,246,253)
PROFIT BEFORE TAX	1,118,843	(101,491)	1,017,351	956,909
INCOME TAX EXPENSE	(335,653)	30,447	(305,205)	(287,073)
PROFIT FOR THE YEAR	783,191	(71,044)	712,146	669,836
OTHER COMPREHENSIVE INCOME				
Net (losses) / gains on revaluation of available-for-sale quoted equity instruments	(187,312)	-	(187,312)	122,476
Net gains on revaluation of available-for-sale government securities	4,549	-	4,549	5,444
TOTAL OTHER COMPREHENSIVE INCOME	(182,763)	-	(182,763)	127,920
TOTAL COMPREHENSIVE INCOME	600,428	(71,044)	529,383	797,756
EARNINGS PER SHARE - basic and diluted			0.25	1.00
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			704%	707%
Claims Ratio			68%	71%
Expense Ratio			10%	12%

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Unaudited Short term Business 2022 KShs '000	Unaudited Long term Business 2022 KShs '000	Unaudited Total 2022 KShs '000	Audited Total 2021 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	28,992	-	28,992	28,992
Fair value reserve	(601,395)	(74,333)	(675,728)	(492,965)
Translation reserve	744,887	-	744,887	744,887
Statutory reserve	-	7,530,030	7,530,030	7,601,074
Retained earnings	22,571,520	-	22,571,520	21,788,123
TOTAL EQUITY	29,243,494	7,955,698	37,199,191	36,669,602
ASSETS				
Property and equipment	34,104	-	34,104	41,489
Intangible assets	14,685	90,325	105,010	112,803
Mortgage loans	734,244	-	734,244	780,537
Investment properties	10,628,718	1,782,393	12,411,111	12,250,000
Investment in associate	6,770,334	-	6,770,334	6,770,334
Investment in Subsidiary	2,630,947	-	2,630,947	2,630,947
Unquoted equity instruments	194,248	-	194,248	194,248
Corporate bonds	45,313	-	45,313	45,329
Reinsurance Receivables	1,477,926	671,994	2,149,920	1,350,416
Premium and loss reserves	446,239	-	446,239	368,638
Due from related party	52,302	-	52,302	55,558
Other receivables	711,460	-	711,460	525,962
Quoted equity instruments	812,230	208,302	1,020,532	1,202,463

Government securities	12,731,527	5,969,136	18,700,663	18,243,649
Inventory	17,749	-	17,749	18,406
Deferred acquisition costs	937,948	-	937,948	864,158
Deposits with financial institutions	3,381,398	4,142,683	7,524,082	7,677,637
Cash and bank balances	143,209	2,063	145,272	144,402
Income Tax Receivable	167,296	-	167,296	104,006
TOTAL ASSETS	41,931,880	12,866,895	54,798,775	53,380,982
LIABILITIES				
Long term reinsurance contract liabilities	-	1,561,000	1,561,000	1,254,757
Short term reinsurance contracts liabilities	9,325,388	-	9,325,388	9,156,159
Reinsurance payables	978,116	19,973	998,088	633,914
Deferred tax liability	(1,385,355)	2,937,598	1,552,243	1,552,244
Other payables	370,182	-	370,182	588,157
Income tax payable	1,196	-	1,196	-
Unearned premiums	3,159,710	392,628	3,552,338	3,342,209
Defined benefit liability	49,000	-	49,000	49,000
Due to related Party	190,149	-	190,149	134,940
TOTAL LIABILITIES	12,688,383	4,911,198	17,599,582	16,711,380
NET ASSETS	29,243,494	7,955,698	37,199,191	36,669,602

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	Share capital KShs '000	Revaluation reserve KShs '000	Fair value Translation reserve KShs '000	Statutory reserve KShs '000	Retained earnings KShs '000	Total KShs '000
At 1 January 2021	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369
Profit for the year	-	-	-	1,256,401	1,579,204	2,835,605
Other comprehensive income	-	8,524	67,305	81,219	26,509	183,557
Total comprehensive income	-	8,524	67,305	81,219	1,605,713	3,019,162
Dividends declared - 2020	-	-	-	-	(559,959)	(559,959)
At 31 December 2021	6,999,491	28,992	(492,965)	744,887	7,601,074	21,788,123
At 1 January 2022	6,999,491	28,992	(492,965)	744,887	7,601,074	21,788,123
Profit for the period 30.06.2022	-	-	-	(71,044)	783,190	712,146
Other comprehensive income (loss)/income	-	-	(182,763)	-	-	(182,763)
Total comprehensive income	-	-	(182,763)	(71,044)	783,190	529,383
At 30 JUNE 2022	6,999,491	28,992	(675,728)	744,887	7,530,030	22,571,313

COMPANY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

	Unaudited 2022 KShs '000	Audited 2021 KShs '000
Net cash generated from operations	(525,930)	727,871
Interest received on corporate bonds	2,959	2,866
Interest received on government securities	1,064,340	2,107,015
Interest received on staff mortgages and loans	13,524	27,543
Interest received on deposits with financial institutions	259,327	446,301
Interest received on commercial mortgages	14,097	25,497
Tax paid in the year	(355,572)	(794,045)
Net cash generated from operating activities	472,746	2,543,048
Cash flows from investing activities		
Purchase of investment property	(161,111)	(191,642)
Purchase of property and equipment	(1,692)	(3,632)
Purchase of intangible assets	(83,097)	(4,043)
Purchase of government securities	(3,307,784)	(2,054,259)
Proceeds on maturity of government securities	2,963,299	1,000,535
Purchase of quoted equity instruments	-	(19,249)
Proceeds on sale of quoted equity instruments	-	63,735
Purchase of corporate bonds	-	(45,200)
Dividends received on quoted equity instruments	79,890	83,297
Investment in Subsidiary	-	(209,408)
Investment in associate	-	(503,419)
Deposit on offshore investments	-	(114,938)
Net cash generated from/ (used in) investing activities	(510,493)	(1,998,223)
Cash flows used in financing activities		
Dividends paid	-	(559,959)
Net increase/ (decrease) in cash and cash equivalents	(37,748)	(15,134)
Cash and cash equivalents at 1 January	7,707,101	7,722,234
Cash and cash equivalent at 30th June	7,669,353	7,707,100

