





# KENYA REINSURANCE CORPORATION LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	Share capital	Revaluation reserve	Fair value reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	Sh'000'	Sh'000'	Sh'000'	Sh'000'	Sh'000'	Sh'000'	Sh'000'
At 1 January 2017	1,749,873	3,795	255,837	371,547	3,496,869	18,226,843	24,104,764
<b>Profit for the period 31.12.2017</b>	-	-	-	-	<b>388,502</b>	<b>3,378,789</b>	<b>3,767,291</b>
Other comprehensive income (loss)/income	-	11,522	122,975	(43,209)	-	(36,882)	54,406
Total comprehensive income	-	11,522	122,975	(43,209)	388,502	3,341,907	3,821,697
Dividends declared - 2016	-	-	-	-	-	(559,959)	(559,959)
<b>At 31 December 2017</b>	<b>1,749,873</b>	<b>15,317</b>	<b>378,812</b>	<b>328,338</b>	<b>3,885,371</b>	<b>21,008,791</b>	<b>27,366,502</b>
At 1 January 2018	1,749,873	15,317	378,812	328,338	3,885,371	21,008,791	27,366,502
<b>Profit for the period 30.06.2018</b>	-	-	-	-	<b>202,636</b>	<b>961,624</b>	<b>1,164,259</b>
Other comprehensive income (loss)/income	-	-	(294,600)	-	-	-	(294,600)
<b>Total comprehensive income</b>	-	-	<b>(294,600)</b>	-	<b>202,636</b>	<b>961,624</b>	<b>869,659</b>
<b>At 30 JUNE 2018</b>	<b>1,749,873</b>	<b>15,317</b>	<b>84,212</b>	<b>328,338</b>	<b>4,088,007</b>	<b>21,970,415</b>	<b>28,236,161</b>

## CONDENSED COMPANY CASH FLOW STATEMENT

	Unaudited 30.06.2018	Audited 31.12.2017	Unaudited 30.06.2017
	Sh'000'	Sh'000'	Sh'000'
<b>Operating activities</b>			
<b>Net cash generated from operations</b>	<b>818,744</b>	<b>1,581,939</b>	<b>722,839</b>
Interest received on corporate bonds	29,089	59,530	30,241
Interest received on government securities	802,991	1,226,804	728,131
Interest received on staff mortgages and loans	16,411	16,200	8,135
Interest received on deposits with financial institutions	22,446	286,284	11,262
Interest received on commercial mortgages	24,572	54,748	27,844
Tax paid in the year	(423,583)	(1,248,194)	(705,137)
<b>Net cash generated from operating activities</b>	<b>1,290,670</b>	<b>1,977,311</b>	<b>823,315</b>
<b>Investing activities</b>			
Purchase of investment property	(40,521)	(46,923)	(14,950)
Purchase of property and equipment	691	(10,916)	-
Proceeds on sale of property and equipment	-	765	-
Proceeds on disposal of non current assets held for sale	-	15,500	-
Purchase of intangible assets	-	(252,620)	(67,524)
Purchase of government securities	(5,417,301)	(5,401,776)	(1,424,139)
Proceeds on maturity of government securities	3,426,000	2,876,600	1,301,000
Purchase of quoted equity instruments	-	-	-
Proceeds on sale of quoted equity instruments	259,377	273,605	142,455
Proceeds on redemption of corporate bonds	2,962	5,925	2,963
Dividends received on quoted equity instruments	52,690	111,489	68,745
Purchase of shares in associate company	-	-	-
<b>Net cash used in investing activities</b>	<b>(1,716,102)</b>	<b>(2,428,351)</b>	<b>8,550</b>
<b>Cash flows from financing activities</b>			
Dividends paid	-	(559,959)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(425,432)</b>	<b>(1,010,999)</b>	<b>831,865</b>
At the beginning of period	3,245,755	4,257,349	4,257,349
Effect of unrealised exchange rates changes	-	(595)	-
<b>At the end of period</b>	<b>2,820,323</b>	<b>3,245,755</b>	<b>5,089,214</b>

The unaudited financial statements were approved by the Board of Directors on 23rd August 2018 and were signed on its behalf by:

Jadhiah Mwarania  
Principal Officer

David Kemei  
Chairman

Anthony Munyao  
Director

## PERFORMANCE COMMENTARY

### FINANCIAL HIGHLIGHTS

- Gross Premiums Written declined by 16% for the six months period ended 30th June 2018 from KShs.7504 billion to KShs. 6.332 billion. This is due to overall loss of business across key markets including Ghana, Nigeria, India, Ethiopia and Nepal due to domestication.
- Investment Income grew by 14% from KShs. 1.671 billion as at 30th June 2017 to stand at KShs. 1.904 billion as at 30th June 2018 buoyed by favorable returns on government securities.
- Net Claims incurred declined by 7% from KShs. 3.607 billion to KShs. 3.362 billion. The minimal decrease in claims was attributable to no major claims being reported during the last six months.
- Cedant acquisition costs declined by 13% from KShs. 2.101 billion to KShs. 1.838 billion in line with drop in gross premium written.
- Overall Operating expenses increased by 7% from KShs. 698 million as at 30th June 2017 to KShs. 745 million as at 30th June 2018.
- Profit before tax decreased by 23% from KShs. 2.294 billion as at 30th June 2017 to KShs. 1.756 billion as at 30th June 2018.
- Total Assets increased by 2% from KShs. 42.372 billion in December 2017 to KShs. 43.614 billion in June 2018.
- Shareholders' Funds increased by 3% from KShs. 27.205 billion in December 2017 to KShs. 28.140 billion as at June 2018.

### DIVIDENDS

The Board of Directors do not recommend payment of an interim dividend to shareholders.

By Order of the Board

Charles Kariuki  
Company Secretary