

STATEMENT OF THE CHAIRMAN OF KENYA REINSURANCE CORPORATION LIMITED (MRS NELIUS KARIUKI) DURING THE OFFICIAL RELEASE OF THE CORPORATION'S ANNUAL RESULTS FOR THE YEAR 2011 AT THE HILTON HOTEL, ON 24TH APRIL 2012, STARTING AT 7.30 AM

INVESTORS, STAKEHOLDERS, MEMBERS OF THE PRESS, DISTINGUISHED GUESTS, LADIES AND GENTLEMEN, GOOD MORNING

THANK YOU FOR YOUR ATTENDANCE; IT IS AN HONOUR FOR KENYA REINSURANCE CORPORATION TO CONVENE YET ANOTHER INVESTOR AND PRESS BRIEFING ON ITS PERFORMANCE FOR THE YEAR 2011. THIS IS A CLEAR DEMONSTRATION THAT KENYA RE CONTINUES TO ACHIEVE ITS MANDATE.

FIRST AND FOREMOST, LET ME BEGIN BY SPECIFICALLY ACKNOWLEDGING THE PRESENCE OF OUR MAJOR SHAREHOLDERS, THE GOVERNMENT OF KENYA, REPRESENTED BY THE TREASURY, STERLING SECURITIES NOMINEES (EA) LTD, STANDARD BANK NOMINEES, NATIONAL SOCIAL SECURITY FUND, BARCLAYS (KENYA) NOMINEES LIMITED AND CANNON ASSURANCE (KENYA) LIMITED, AMONG OTHERS. I ALSO WISH TO ACKNOWLEDGE THE REPRESENTATIVES OF THE REGULATORY BODIES; IRA,

CMA AND NSE; INSURANCE INDUSTRY, ALL OUR STOCK BROKERS, FUND MANAGERS, MEMBERS OF THE FOURTH ESTATE, MY COLLEAGUES THE BOARD MEMBERS, KENYA RE MANAGEMENT STAFF, AND INDEED ALL OF YOU, OUR VALUED FRIENDS AND BUSINESS PARTNERS! WELCOME TO THIS MEETING.

LADIES AND GENTLEMEN

LOOKING BACK AT YEAR 2011, ECONOMIC PROSPECTS WERE POSITIVE WITH 4-5% GDP DESPITE THE FAMINE SITUATION THAT THREATENED LIVES IN SOME PARTS OF THE COUNTRY. THANKS TO THE GENEROSITY OF ALL KENYANS WHO SAVED THE SITUATION THROUGH KENYANS FOR KENYA INITIATIVE, THIS SITUATION WAS BROUGHT UNDER CONTROL. THE GLOBAL MARKETS EXPERIENCED WHIMS AND RIGORS THAT RESULTED TO THE WEAKENING OF KENYAN SHILLING. THE HIGH ENERGY COSTS AND FOOD IMPORTS TO HELP THOSE AFFECTED BY HUNGER LED TO WEAKENING OF THE SHILLING. WE ARE HAPPY TO NOTE THAT THE SHILLING LATER RECOVERED AND THE OIL PRICES CAME DOWN, ALBEIT MOMENTARILY.

THOUGH AS A COUNTRY WE CONTINUE TO BE OPTIMISTIC AS FAR AS ECONOMIC GROWTH PROSPECTS ARE CONCERNED, THE HIGH FOOD AND OIL PRICES ARE LIKELY TO SLOW THE PACE. THE GLOBAL TRENDS ARE ALSO A MATTER OF CONCERN FOR THE INSURANCE SECTOR IN THE COUNTRY. AGRICULTURAL INSURANCE IS ALREADY EXPERIENCING CLAIMS ARISING FROM THE PREVAILING CONDITIONS.

HOWEVER, WE REMAIN CONFIDENT THAT THE GLOBAL ECONOMY WILL STABILIZE AND AS A COUNTRY WE SHALL CONTINUE TO PURSUE GREATER RETURNS ON INVESTMENT AND ATTAIN MILESTONES OUTLINED IN THE VISION 2030 BLUE PRINT.

LADIES AND GENTLEMEN

THE INSURANCE SECTOR HAS WITNESSED MOST COMPANIES ARE COMING UP WITH UNCONVENTIONAL PRODUCTS AND SERVICES TO MEET THE NEEDS IN THE MARKET PLACE. THE EMERGENCE OF TAKAFUL BUSINESS, MICRO INSURANCE, AGRICULTURAL INSURANCE AND POLITICAL RISK HAS NECESSITATED PROVISION OF REINSURANCE SERVICE TO THE INDUSTRY. THIS AND THE RECENT DISCOVERY OF OIL IN NORTHERN KENYA PRESENTS AN OPPORTUNITY FOR US TO GROW OUR BUSINESS THOUGH CAUTIOUSLY.

I AM PLEASED TO NOTE THAT WE HAVE DELIVERED IMPRESSIVE RESULTS IN THE YEAR 2011.

DURING THE YEAR 2011, GROSS PREMIUM WRITTEN GREW BY 33% FROM KSHS 4.9 BILLION IN THE YEAR 2010 TO KSHS 6.6 BILLION IN THE YEAR 2011. THE NET EARNED PREMIUMS GREW FROM KSHS 4.2 BILLION TO KSHS 5.7 BILLION, A 34% INCREASE. PRETAX PROFITS GREW BY 23% FROM KSHS 1.6 BILLION TO 2 BILLION OVER THE SAME PERIOD.

PROFITS FOR THE YEAR GREW TO KSHS 1.9 BILLION, A 25% IMPROVEMENT FROM KSHS 1.5 BILLION OVER THE YEAR 2010.

THE LAST ONE YEAR HAS RECORDED REMARKABLE GROWTH FOR YOUR BUSINESS. OUR ASSETS INCREASED FROM KSHS 17.2 BILLION TO KSHS 19 BILLION, AN 11% GROWTH WHILE THE CORPORATION SHAREHOLDERS FUNDS WERE 9% FROM KSHS 10.5 BILLION TO KSHS 11.5 BILLION.

LADIES AND GENTLEMEN

OUR PERFORMANCE IS PROOF THAT THE CORPORATION HAS GREAT POTENTIAL WITH THE CAPACITY TO CONTINUE DELIVERING SUBSTANTIAL AND SUSTAINED VALUE FOR OUR SHAREHOLDERS. THESE RESULTS ARE TESTAMENT TO THE SUCCESS OF OUR BUSINESS STRATEGY WHERE WE CONTINUE TO AGGRESSIVELY MARKET OUR BRAND OF QUALITY SERVICE AND FOCUS TO OUR CUSTOMERS.

WE WILL CONTINUE TO FOCUS ON OUR LOCAL MARKET BY ENHANCING OUR EXISTING PRODUCTS AND INTRODUCING NEW ONES AS DICTATED BY THE NEEDS OF THE MARKET. WE SHALL CONTINUE TO EXPLORE OPERATIONS IN NEW POTENTIAL INTERNATIONAL MARKETS. THIS MOVE HAS SO FAR HAVE BROUGHT GOOD TIDINGS FOR US HENCE OUR RECENT OPENING OF A REGIONAL OFFICE IN WEST AFRICA.

TO ENABLE US COMPETE FAVORABLY IN THE INTERNATIONAL MARKET, WE MUST DEMONSTRATE THAT WE MAINTAIN INTERNATIONAL STANDARDS IN SERVICE DELIVERY AND QUALITY MANAGEMENT OF BUSINESS. TO THIS END, FOLLOWING OUR ISO 9001:2008 CERTIFICATION LAST YEAR BY AN INTERNATIONAL RATING AGENCY, WE

HAVE RECENTLY UNDERGONE THE 6TH SURVEILLANCE AUDIT WHICH REINFORCED OUR SUSTENANCE OF HIGH GLOBAL STANDARDS IN OUR OPERATIONS. THIS HAS BEEN A BIG WIN FOR US WHICH WE SHALL CONTINUE TO UPHOLD.

WE CONTINUE TO MAINTAIN THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE AND BEST PRACTICE. WE SHALL CONTINUE TO STRIVE FOR EXCELLENCE AND CREATE VALUE FOR OUR SHAREHOLDERS.

ON BEHALF OF THE BOARD OF KENYA RE, AND ON MY OWN BEHALF, I WOULD LIKE TO EXPRESS OUR SINCERE GRATITUDE TO AND CONGRATULATE THE STAFF OF KENYA RE FOR THEIR HARD WORK AND DEDICATION. I ALSO TAKE THIS OPPORTUNITY TO THANK THE INDUSTRY REGULATOR, IRA, AND OUR BUSINESS PARTNERS FOR THEIR CONTINUED SUPPORT.

IN CONCLUSION, IT IS MY PLEASURE TO INVITE THE MANAGING DIRECTOR MR. JADIAH MWARANIA TO MAKE HIS REMARKS AND TAKE YOU THROUGH THE ACTUAL FIGURES FOR OUR 2011 ACCOUNTS.

THANK YOU VERY MUCH FOR YOUR TIME.

GOD BLESS YOU.