

SPEECH BY THE MANAGING DIRECTOR OF KENYA REINSURANCE CORPORATION LIMITED, MR. JADIAH MWARANIA, DURING THE OFFICIAL RELEASE OF KENYA RE'S ANNUAL FINANCIAL RESULTS FOR THE YEAR 2011 AT THE HILTON HOTEL, NAIROBI, ON 24TH APRIL 2012

TREASURY REPRESENTATIVES
SHAREHOLDERS
INSURANCE INDUSTRY PLAYERS
BROKERS
FUND MANAGERS
BOARD OF DIRECTORS OF KENYA RE
KENYA RE MANAGEMENT TEAM
DISTINGUISHED INVITED GUESTS
MEMBERS OF THE MEDIA
LADIES AND GENTLEMEN

ALL PROTOCOLS OBSERVED

GOOD MORNING.

WE THANK YOU FOR SPARING YOUR VALUABLE TIME TO BE HERE WITH US THIS EARLY MORNING.

BEFORE PRESENTING THE 2011 FINANCIAL RESULTS I REQUEST YOUR INDULGENCE FOR ME TO INTRODUCE THE KENYA RE MANAGEMENT TEAM THAT WAS RESPONSIBLE FOR GENERATING THE RESULTS WE WILL PRESENT THIS MORNING. (INTRODUCE *MANAGEMENT TEAM*)

KENYA RE IS DELIGHTED TODAY TO ANNOUNCE A SUCCESSFUL YEAR 2011. WITH YOUR SUPPORT, WE CONTINUED IMPLEMENTING STRATEGIES THAT LED TO THE GROWTH OF THE CORPORATION'S BUSINESS.

THE POSITIVE FINANCIAL PERFORMANCE LAST YEAR ATTESTS TO OUR STRENGTH AND ABILITY TO SPOT AND SEIZE BUSINESS OPPORTUNITIES IN OUR CHOSEN MARKETS IN AFRICA, MIDDLE EAST AND ASIA.

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.

OUR GOOD RESULTS HAVE BEEN ACHIEVED THROUGH SUPPORT AND PARTNERSHIPS OF THE LOCAL INSURANCE INDUSTRY WHICH REMAINS OUR LARGEST SINGLE MARKET FOR THE GENERAL AS WELL AS LONG TERM BUSINESS. IN ADDITION, WE HAVE ALSO BEEN ABLE TO OFFER POLITICAL

RISKS COVER FOR OUR LOCAL CLIENTS AND, HAVE CONTINUED TO PARTNER WITH INSURANCE COMPANIES AS THEY DESIGN PRODUCTS AND SERVICES FOR MICRO-INSURANCE AS WELL AS AGRICULTURAL INSURANCE.

FOLLOWING THE RECENT OIL EXPLORATION IN KENYA, WE ARE POSITIONING OURSELVES ADEQUATELY TO PROVIDE REINSURANCE TO THIS NEW FRONTIER AS AND WHEN NEED ARISES.

WE HAVE CONTINUED TO EXPAND INTO REGIONAL MARKETS IN AFRICA, MIDDLE EAST AND ASIA. TODATE WE HAVE A BUSINESS PRESENCE IN OVER 45 COUNTRIES AND IN OVER 170 INSURANCE COMPANIES IN AFRICA AND BEYOND.

I AM PLEASED TO INFORM YOU THAT WE HAD A VERY SUCCESSFULLY LAUNCHED OUR REGIONAL BRANCH OFFICE IN COTE DE VOIRE IN MARCH THIS YEAR. THE LAUNCH WAS ATTENDED BY TE IVORY COAST INSURANCE INDUSTRY AND OFFICIATED BY THE MINISTRIES OF TRADE AND FINANCE OF THE IVORIAN GOVERNMENT.

THIS BRANCH OFFICE HAS CONTINUED TO PERFORM VERY WELL OVER THE LAST TWO YEARS OF ITS EXISTENCE DESPITE THE POLITICAL INSTABILITY EXPERIENCED IN THE COUNTRY OVER THE PERIOD. WE BELIEVE IT WAS THE BEST LOCATION TO SET UP OUR WEST AFRICAN FRANCOPHONE MARKETS BRANCH OFFICE. INVORY COAST INSURANCE MARKET IS THE BIGGEST FRANCOPHONE MARKET IN WEST AND NORTHERN AFRICA AND IT IS GEOGRAPHICALLY CENTRALLY LOCATED. IT HAS THE ADVANTAGE OF BEING A

CENTRE FROM WHICH WEST AND NORTH AFRICAN MARKETS CAN BE EASILY ACCESSED.

IN ADDITION, WITH 22 GENERAL INSURANCE AND 11 LIFE INSURANCE COMPANIES, IT IS CLEARLY A MATURE MARKET. THUS, OUR CHOICE OF ABIDJAN FOR OUR WEST AFRICA REGIONAL MARKET WAS THUS A BEFITTINGLY NATURAL ONE.

WE CONTINUE TO LOOK AT OPPORTUNITIES FOR FURTHER EXPANSIONS THROUGH BRANCH SET-UPS.

WE ALSO CONTINUE TO PUT IN PLACE STRUCTURES TO ENSURE THAT WE ARE FULLY RETAKAFUL COMPLIANT TO POSITIO THE CORPORATION TO TAKE FULL ADVANTAGE OF THE EVER GROWING GLOBAL RETAKAFUL REINSURANCE MARKET.

LADIES AND GENTLEMEN

TO ENSURE THAT THE CORPORATION HAS THE RIGHT PEOPLE IN THE RIGHT JOBS, LAST YEAR WE CARRIED OUT COMPETITIVE RECRUITMENT FOR VARIOUS SENIOR MANAGEMENT POSITIONS. THIS IS PART OF OUR EFFORTS GEARED TOWARDS BUILDING CAPACITY WITH COMPETENTLY QUALIFIED AND SKILLED PROFESSIONAL STAFF IN ORDER TO RETAIN COMPETITIVE EDGE IN THE MARKET PLACE. THE POSITIONS OF MANAGING DIRECTOR, GENERAL MANAGER (REINSURANCE OPERATIONS), GENERAL

MANAGER (FINANCE & INVESTMENTS), CHIEF ACCOUNTANT, INTERNAL AUDIT MANAGER, MANAGER CORPORATE AFFAIRS AND MARKETING & BUSINESS DEVELOPMENT MANAGER WERE FILLED DURING THE YEAR. KENYA RE VALUES HUMAN CAPITAL AND IS OUT TO RETAIN KEY TALENTS WHERE NECESSARY TO BOOST ITS BRAND IMAGE AND FACILITATE ITS REGIONAL EXPANSION INITIATIVES. WE HAVE STREAMLINED OUR PERFORMACE APPRAISAL SYSTEM BY ADOPTION OF THE BALANCED SCORE CARD IN AN EFFORT TO ENSURE WE HAVE SPECIFIC AND MEASURABLE PERFORMACE OBJECTIVES.

WE RETAINED OUR FINANCILA CREDIT RATING OF B+ BY A.M. BEST AND AA (DOUBLE A) BY GLOBAL CREDIT RATING AGENCY (GCR) FOR DOMESTIC CLAIM PAYING ABILITY.

WE ARE ISO 9001:2008 CERTIFIED. WE ARE CONSTANTLY SEEKING TO HAVE QUALITY MANAGEMENT SYSTEM IN PLACE TO MANAGE VAROIOUS PROCESSES OF OUR BUSINESS.

LADIES AND GENTLEMEN

GOING FORWARD, WE REMAIN ON TRACK IN IMPLEMENTING THE CORPORATION'S STRATEGY FOR THE 2012 TO 2016.

WE CRITICALLY EVALUATED OUR VISION AND MISSION STATEMENTS AND AGREED THAT WE SHALL ACHIEVE THEM BY ACHIEVING ON FIVE AREAS OF STRATEGIC FOCUS.

WE ARE CONVINCED THAT ACHIEVEMENT OF OUR 5 CORE STRATEGIC AREAS WILL RESULT IN INCREASE MARKET SHARE, ENHANCE CORPORATE GOVERNANCE, IMPROVED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS, SUSTAINABLE FINANCIAL GROWTH, HIGH RETURN ON INVESTMENT, INCREASE SHAREHOLDER VALUE AND ENHANCE INVESTOR CONFIDENCE.

IN THIS ERA OF RAPID TECHNOLOGICAL ADVANCEMENT, WE WILL CONTINUE EXPLOITING WAYS OF INCORPORATING THE LATEST TECHNOLOGY IN OUR PROCESSES TO FOCUS ON QUALITY SERVICE DELIVERY TO DELIGHT THE EVER DISCERNING CUSTOMERS.

LADIES AND GENTLEMEN

AFTER 4 DECADES OF OPERATION, WE BELIEVE IT IS IMPERATIVE TO REVIEW OUR CORPORATE BRAND AND REPOSITION OURSELVES TO PROVIDE A FRESH APPEAL. WE ARE IN THE PROCESS OF RE-LAUNCHING OUR CORPORATE IDENTITY TO IMPROVE KENYA RE'S PERCEPTION AND PERSONALITY IN LINE WITH OUR VISION, MISSION AND OUR CORE VALUES.

FURTHERMORE, WE WANT TO CONTINUE BEING A RESPONSIBLE CORPORATE CITIZEN AND RESPOND TO THE NEEDS OF THE LESS FORTUNATE IN SOCIETY. WE SHALL CONTINUE TO ENGAGE DIRECTLY WITH THE COMMUNITY

THROUGH OUR CSR POLICY AS IT IS INTEGRAL TO OUR DAILY OPERATIONS, LEGACY AND FUTURE.

DURING THE YEAR, WE ROLLED OUT A ROBUST CORPORATE SOCIAL RESPONSIBILITY PROGRAMME DUBBED ***NIKO FITI - ABILITY BEYOND DISABILITY***. THIS INITIATIVE WILL PROVIDE ASSISTIVE DEVICES TO PERSONS WITH DISABILITIES AND CREAT AWARENESS ABOUT THE RIGHTS OF PERSONS WITH DISABILITIES.

LADIES AND GENTLEMEN

IN CONCLUSION, I TAKE THIS OPPORTUNITY TO SINCERELY EXPRESS MY APPRECIATION TO THE BOARD OF DIRECTORS FOR ITS WISE COUNCIL AND GUIDANCE.

I ALSO THANK THE MANAGEMENT OF KENYA RE FOR THEIR TIRELESS EFFORTS IN SEEKING TO ENSURE THAT WE ACHIEVE OUR CORPORATE OBJECTIVES.

WE GREATLY APPRECIATE THE CONTINUED SUPPORT OF OUR CUSTOMERS INSIDE AND OUTSIDE THE INSURANCE INDUSTRY. WITHOUT THEIR SUPPORT WE WOULD NOT BE HERE TODAY READING THE RESULTS WE HAVE MANAGED TO ACHIEVE.

WE THANK OUR SHAREHOLDERS FOR THE TRUST AND FAITH THEY HAVE IN US IN ACQUIRING AND RETAINING THEIR STAKE IN THE CORPORATION.

LADIES AND GENTLEMEN

WITH THOSE REMARKS, ALLOW ME TO NOW GO INTO THE PRESENTATIONS OF THE ANNUAL RESULTS FOR THE HALF YEAR 2011.