



KENYA RE

Kenya Reinsurance Corporation Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31ST DECEMBER 2021

	Audited Short term Business 2021 KShs '000	Audited Long term Business 2021 KShs '000	Audited Total 2021 KShs '000	Audited Total 2020 KShs '000
INCOME				
Gross premiums written	18,507,202	1,848,252	20,355,454	18,535,220
Less: change in unearned premiums	(368,168)	270,550	(97,618)	2,984,894
Less: retrocession premiums	(1,082,916)	(79,294)	(1,162,210)	(669,848)
NET EARNED PREMIUMS	17,056,118	2,039,508	19,095,626	20,850,266
Investment income-Interest income	1,909,118	852,974	2,762,092	2,749,776
Investment income-Other	772,271	123,322	895,593	1,042,140
Commissions recovered	119,329	17,301	136,630	51,313
Fair value gains on revaluation of investment properties	(94,643)	(21,999)	(116,642)	(36,403)
Other income	58,323	0	58,323	53,351
Share of associate profits	404,714	0	404,714	292,844
TOTAL INCOME	20,225,230	3,011,106	23,236,336	25,003,287
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(10,973,790)	(678,873)	(11,652,663)	(13,933,382)
Less: Re-insurers share of claims and policy holder benefits	209,905	20,882	230,787	416,804
NET CLAIMS AND BENEFITS	(10,763,885)	(657,991)	(11,421,876)	(13,516,578)
Cedant acquisition costs	(4,367,747)	(441,042)	(4,808,789)	(5,310,496)
Operating and other expenses	(1,905,507)	(190,297)	(2,095,804)	(1,964,808)
Provision for doubtful debts	(712,751)	(196,619)	(909,370)	(227,813)
TOTAL CLAIMS, BENEFITS, AND OTHER EXPENSES	(17,749,890)	(1,485,949)	(19,235,839)	(21,019,695)
PROFIT BEFORE TAX	2,475,340	1,525,157	4,000,497	3,983,592
INCOME TAX EXPENSE	(744,742)	(287,390)	(1,032,132)	(1,040,670)
PROFIT FOR THE YEAR	1,730,598	1,237,767	2,968,365	2,942,922
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Share of gain on property revaluation of associate	8,524	-	8,524	2,938
Remeasurement gains/ (losses) on defined benefit plans, net of tax	26,509	-	26,509	(152,013)
Items that may be reclassified subsequently to profit or loss:				
Reclassification adjustment relating to available-for-sale financial assets disposed in the year	-	-	-	-
Net gains / (losses) on revaluation of available-for-sale quoted equity instruments	60,828	-	60,828	(396,063)
Net gains on revaluation of available-for-sale government securities	(4,549)	-	(4,549)	5,444
Translation reserve	50,241	-	50,241	27,610
Share of movement in associate reserves:				
- currency translation	81,219	-	81,219	373,905
- fair value reserve	11,026	-	11,026	(78,163)
TOTAL OTHER COMPREHENSIVE INCOME	233,798	-	233,798	(216,342)
TOTAL COMPREHENSIVE INCOME	1,964,396	1,237,767	3,202,163	2,726,580
EARNINGS PER SHARE - basic and diluted			1.06	1.05
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			759%	902%
Claims Ratio			60%	65%
Expense Ratio			11%	9%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	Audited Short term Business 2021 KShs '000	Audited Long term Business 2021 KShs '000	Audited Total 2021 KShs '000	Audited Total 2020 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	28,992	0	28,992	20,468
Fair value reserve	(438,739)	(54,226)	(492,965)	(560,270)
Translation reserve	821,958	0	821,958	690,498
Statutory reserve	0	7,625,237	7,625,237	6,387,470
Retained earnings	22,056,816	0	22,056,816	20,859,668
TOTAL EQUITY	28,968,518	8,071,010	37,039,529	34,397,325
ASSETS				
Property and equipment	68,256	0	68,256	92,729
Intangible assets	42,865	69,938	112,803	297,764
Mortgage loans	790,455	0	790,455	776,835
Investment properties	10,517,225	1,732,775	12,250,000	12,175,000

Investment in associate	6,770,334	0	6,770,334	5,761,432
Unquoted equity instruments	194,248	0	194,248	209,674
Corporate bonds	45,329	0	45,329	0
Reinsurance Receivables	2,158,817	96,996	2,255,813	3,320,655
Premium and loss reserves	418,173	0	418,173	153,294
Other receivables	570,299	0	570,299	493,185
Quoted equity instruments	994,161	208,302	1,202,463	1,186,121
Government securities	14,017,653	4,533,371	18,551,024	17,258,062
Inventory	18,505	0	18,505	14,265
Deferred acquisition costs	856,086	123,515	979,601	737,689
Deposits with financial institutions	3,837,514	6,729,320	10,566,834	8,306,552
Cash and bank balances	1,029,822	91	1,029,913	2,453,326
Income Tax Receivable	0	0	0	0
TOTAL ASSETS	42,329,742	13,494,308	55,824,050	53,236,583
LIABILITIES				
Long term reinsurance contract liabilities	0	1,262,731	1,262,731	2,002,135
Short term reinsurance contracts liabilities	9,915,675	0	9,915,675	9,340,902
Reinsurance payables	858,563	774,110	1,632,673	1,602,217
Deferred tax liability	(1,368,682)	2,937,599	1,568,917	1,281,527
Other payables	682,305	0	682,305	709,728
Income tax payable	4,863	0	4,863	156,101
Unearned premiums	3,219,500	448,857	3,668,357	3,570,737
Defined benefit liability	49,000	0	49,000	175,911
TOTAL LIABILITIES	13,361,224	5,423,297	18,784,521	18,839,258
NET ASSETS	28,968,518	8,071,010	37,039,529	34,397,325

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2021

	Share capital KShs '000	Revalua- tion reserve KShs '000	Fair value reserve KShs '000	Transla- tion reserve KShs '000	Statutory reserve KShs '000	Retained earnings KShs '000	Total KShs '000
At 1 January 2020	6,999,491	17,530	(91,488)	288,983	5,754,183	18,982,026	31,950,725
Profit for the year	0	0	0	0	633,287	2,309,635	2,942,922
Other comprehensive income	0	2,938	(468,782)	401,515	0	(152,013)	(216,342)
Total comprehensive income	0	2,938	(468,782)	401,515	633,287	2,157,622	2,726,580
Dividends declared - 2019	-	-	-	-	-	(279,980)	(279,980)
At 31 December 2020	6,999,491	20,468	(560,270)	690,498	6,387,470	20,859,668	34,397,325
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 period 31.12.2021	0	0	0	0	1,237,767	1,730,598	2,968,365
Other comprehensive income (loss)/income	0	8,524	67,305	131,460	0	26,509	233,798
Total comprehensive income	0	8,524	67,305	131,460	1,237,767	1,757,107	3,202,163
Dividends declared - 2020	-	-	-	-	-	(559,959)	(559,959)
At 31st December 2021	6,999,491	28,992	(492,965)	821,958	7,625,237	22,056,816	37,039,529

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31ST DECEMBER 2021

	Audited 2021 KShs '000	Audited 2020 KShs '000
Net cash generated from operations	1,437,956	1,010,730
Interest received on corporate bonds	2,865	11,620
Interest received on government securities	2,121,115	2,058,283
Interest received on staff mortgages and loans	28,169	25,474
Interest received on deposits with financial institutions	484,218	555,126
Interest received on commercial mortgages	25,497	24,075
Tax paid in the year	(819,074)	(45,039)
Net cash generated from operating activities	3,280,746	3,640,269
Cash flows from investing activities		
Purchase of investment property	(191,642)	(131,403)
Purchase of property and equipment	(4,566)	(34,989)
Purchase of intangible assets	(4,043)	(15,577)
Purchase of government securities	(2,381,065)	(2,692,338)
Proceeds on maturity of government securities	1,118,234	2,675,246
Purchase of quoted equity instruments	(19,249)	(27,134)
Proceeds on sale of quoted equity instruments	63,735	10,255
Proceeds on redemption of corporate bonds	0	155,512
Purchase of corporate bonds	(45,200)	0
Dividends received on quoted equity instruments	83,297	88,712
Deposit on offshore investment	(114,938)	0
Investment in associate	(503,419)	0
Net cash generated from/ (used in) investing activities	(1,998,856)	28,284
Cash flows used in financing activities		
Dividends paid	(559,959)	(279,980)
Net increase/ (decrease) in cash and cash equivalents	721,931	3,388,573
Cash and cash equivalents at 1 January	10,759,878	7,371,305
Effect of unrealised exchange rate changes	-	-
Cash and cash equivalent at 31 December	11,481,809	10,759,878

The audited financial statements were approved by the Board of Directors on 30th March 2022 and were signed on its behalf by:

Jadhiah Mwarania
Principal OfficerJennifer Karina
ChairmanMichael Monari
Director

PERFORMANCE COMMENTARY

FINANCIAL HIGHLIGHTS

Gross written premiums grew by 10% from KShs 18.535 billion in the year 2020 to KShs 20.355 billion in 2021. Net earned premium decreased by 8% from KShs 20.850 billion in 2020 to KShs 19.095 billion in 2021.

Investment income decreased by 4% from KShs 3.792 billion in 2020 to KShs 3.658 billion in 2021, due to the effects of Covid-19 pandemic in the investment environment.

Claims incurred in year 2021 decreased by 15% to KShs 11.422 billion from KShs 13.517 billion in 2020.

Cedant acquisition costs decreased by 9% from KShs 5.310 billion in 2020 to KShs 4.809 billion in 2021.

Operating expenses increased by 7% from KShs 1.965 billion as at 31 December 2020 to KShs 2.096 billion as at 31st December 2021.

Profit before tax for the year 2021 stood at KShs 4.000 billion, an increase of 0.4% from profit before tax of KShs 3.984 billion in 2020.

The asset base increased from KShs 53.237 billion in 2020 to KShs 55.824 billion in 2021, a growth of 5%.

The Shareholders funds increased from KShs 34.397 billion in 2020 to KShs 37.040 billion in 2021 a growth of 8%.

DIVIDENDS

The Board of Directors recommend a payment of Kes 0.10 dividend per share.

AUDIT OPINION

The Auditor General carried out the audit of the Corporation's books as at 31st December 2021 and gave an unqualified opinion signed on 30th March 2022.

KEY AUDIT MATTERS

Valuation of reinsurance contract liabilities.

Valuation of investment property.

Provisions and contingent liabilities including taxation related matters.

By Order of the Board

Charles Kariuki
Company Secretary

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Kenya Reinsurance



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COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31ST DECEMBER 2021

	Audited Short term Business 2021 KShs '000	Audited Long term Business 2021 KShs '000	Audited Total 2021 KShs '000	Audited Total 2020 KShs '000
INCOME				
Gross premiums written	16,196,181	1,825,195	18,021,376	17,044,801
Less: change in unearned premiums	(308,195)	277,834	(30,361)	2,816,806
Less: retrocession premiums	(579,916)	(78,973)	(658,889)	(618,736)
NET EARNED PREMIUMS	15,308,070	2,024,056	17,332,126	19,242,871
Investment income-Interest income	1,784,551	881,034	2,665,585	2,693,521
Investment income-Other	772,271	123,322	895,593	1,042,140
Commissions recovered	23,952	3,473	27,425	29,723
Fair value gains on revaluation of investment properties	(94,643)	(21,999)	(116,642)	(36,403)
Other income	57,858	0	57,858	53,351
Share of associate profits	404,714	0	404,714	292,844
TOTAL INCOME	18,256,773	3,009,886	21,266,659	23,318,047
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(10,401,894)	(665,630)	(11,067,524)	(13,381,449)
Less: Re-insurers share of claims and policy holder benefits	209,905	20,882	230,787	416,804
NET CLAIMS AND BENEFITS	(10,191,989)	(644,748)	(10,836,737)	(12,964,645)
Cedant acquisition costs	(3,756,686)	(436,153)	(4,192,839)	(4,827,650)
Operating and other expenses	(1,673,351)	(188,575)	(1,861,926)	(1,696,779)
Provision for doubtful debts	(374,544)	(196,619)	(571,163)	(78,682)
TOTAL CLAIMS, BENEFITS AND OTHER EXPENSES	(15,996,570)	(1,466,095)	(17,462,665)	(19,567,756)
PROFIT BEFORE TAX	2,260,203	1,543,791	3,803,994	3,750,291
INCOME TAX EXPENSE	(680,999)	(287,390)	(968,389)	(954,113)
PROFIT FOR THE YEAR	1,579,204	1,256,401	2,835,605	2,796,178
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Share of gain on property revaluation of associate	8,524.00	-	8,524	2,938
Remeasurement gains/ (losses) on defined benefit plans, net of tax	26,509.00	-	26,509	(152,013)
	-	-	0	0
Items that may be reclassified subsequently to profit or loss:				
Reclassification adjustment relating to available-for-sale financial assets disposed in the year	-	-	0	0
Net (losses) / gains on revaluation of available-for-sale quoted equity instruments	60,828.00	-	60,828	(396,063)
Net gains on revaluation of available-for-sale government securities	(4,549.00)	-	(4,549)	5,444
Share of movement in associate reserves:				
- currency translation	81,219.00	-	81,219	373,905
- fair value reserve	11,026.00	-	11,026	(78,163)
	-	-	0	0
TOTAL OTHER COMPREHENSIVE INCOME	183,557.00	-	183,557	(243,952)
TOTAL COMPREHENSIVE INCOME	1,762,761	1,256,401	3,019,162	2,552,226
EARNINGS PER SHARE - basic and diluted			1.01	1.00
Key Ratios				
Capital Adequacy Ratio			875%	875%
Solvency Ratio			759%	902%
Claims Ratio			63%	67%
Expense Ratio			11%	9%

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	Audited Short term Business 2021 KShs '000	Audited Long term Business 2021 KShs '000	Audited Total 2021 KShs '000	Audited Total 2020 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	28,992	-	28,992	20,468
Fair value reserve	(438,736)	(54,229)	(492,965)	(560,270)
Translation reserve	744,887	-	744,887	663,668
Statutory reserve	-	7,601,074	7,601,074	6,344,673
Retained earnings	21,788,123	-	21,788,123	20,742,369
TOTAL EQUITY	28,622,757	8,046,845	36,669,602	34,210,399
ASSETS				
Property and equipment	41,489	-	41,489	59,150
Intangible assets	17,646	95,157	112,803	297,764
Mortgage loans	780,537	-	780,537	765,636
Investment properties	10,517,225	1,732,775	12,250,000	12,175,000
Investment in associate	6,770,334	-	6,770,334	5,761,432
Investment in Subsidiary	2,630,947	-	2,630,947	2,421,540
Employee defined benefit asset	-	-	-	-
Unquoted equity instruments	194,248	-	194,248	209,674
Corporate bonds	45,329	-	45,329	-

Reinsurance Receivables	1,253,420	96,996	1,350,416	2,393,097
Premium and loss reserves	368,638	-	368,638	127,338
Due from related party	55,558	-	55,558	65,311
Other receivables	525,962	-	525,962	465,515
Quoted equity instruments	994,161	208,302	1,202,463	1,186,121
Government securities	13,710,278	4,533,371	18,243,649	17,160,253
Inventory	18,406	-	18,406	14,152
Deferred acquisition costs	742,862	121,296	864,158	654,771
Deposits with financial institutions	1,590,204	6,087,433	7,677,637	7,585,300
Cash and bank balances	144,311	91	144,402	136,934
Income Tax Receivable	104,006	-	104,006	-
TOTAL ASSETS	40,505,561	12,875,421	53,380,982	51,478,988
LIABILITIES				
Long term reinsurance contract liabilities	-	1,254,757	1,254,757	2,002,135
Short term reinsurance contracts liabilities	9,156,159	-	9,156,159	8,646,523
Reinsurance payables	439,267	194,647	633,914	1,130,137
Deferred tax liability	(1,385,355)	2,937,599	1,552,244	1,264,854
Other payables	588,157	-	588,157	603,212
Income tax payable	-	-	-	105,516
Unearned premiums	2,900,636	441,573	3,342,209	3,311,847
Defined benefit liability	49,000	-	49,000	175,911
Due to related Party	134,940	-	134,940	28,454
TOTAL LIABILITIES	11,882,804	4,828,576	16,711,380	17,268,589
NET ASSETS	28,622,757	8,046,845	36,669,602	34,210,399

AUDITED COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2021

	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 2020	6,999,491	17,530	(91,488)	289,763	5,711,407	19,011,450	31,938,153
Profit for the year	0	0	0	0	633,266	2,162,912	2,796,178
Other comprehensive income	0	2,938	(468,782)	373,905	0	(152,013)	(243,952)
Total comprehensive income	0	2,938	(468,782)	373,905	633,266	2,010,899	2,552,226
Dividends declared - 2019	0	0	0	0	0	(279,980)	(279,980)
	0	0	0	0	0	0	0
At 31 December 2020	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369	34,210,399
At 1 January 2021	6,999,491	20,468	(560,270)	663,668	6,344,673	20,742,369	34,210,399
Profit for the period 31.12.2021	0	0	0	0	1,256,401	1,579,204	2,835,605
Other comprehensive income (loss)/income	0	8,524	67,305	81,219	0	26,509	183,557
Total comprehensive income	0	8,524	67,305	81,219	1,256,401	1,605,713	3,019,162
Dividends declared - 2020	0	0	0	0	0	(559,959)	(559,959)
At 31st December 2021	6,999,491	28,992	(492,965)	744,887	7,601,074	21,788,123	36,669,602

COMPANY STATEMENT OF CASH FLOWS AS AT 31ST DECEMBER 2021

	Audited 2021 KShs '000	Audited 2020 KShs '000
Net cash generated from operations	727,871	764,032
Interest received on corporate bonds	2,865	11,620
Interest received on government securities	2,107,016	2,032,564
Interest received on staff mortgages and loans	27,543	25,000
Interest received on deposits with financial institutions	446,301	543,018
Interest received on commercial mortgages	25,497	24,075
Tax paid in the year	(794,045)	(45,039)
Net cash generated from operating activities	2,543,048	3,355,270
Cash flows from investing activities		
Purchase of investment property	(191,642)	(131,403)
Purchase of property and equipment	(3,632)	(17,952)
Purchase of intangible assets	(4,043)	(15,577)
Purchase of government securities	(2,054,259)	(2,602,673)
Proceeds on maturity of government securities	1,000,535	2,554,235
Purchase of quoted equity instruments	(19,249)	(27,134)
Proceeds on sale of quoted equity instruments	63,735	10,255
Proceeds on redemption of corporate bonds	0	155,512
Investment in subsidiary	(209,408)	0
Purchase of corporate bonds	(45,200)	0
Dividends received on quoted equity instruments	83,297	88,712
Deposit on offshore investment	(114,938)	0
Investment in associate	(503,419)	(1,958,132)
Net cash generated from/ (used in) investing activities	(1,998,223)	(1,944,157)
Cash flows used in financing activities		
Dividends paid	(559,959)	(279,980)
Net increase/ (decrease) in cash and cash equivalents	(15,134)	1,131,133
Cash and cash equivalents at 1 January	7,722,235	6,591,101
Cash and cash equivalent at 31 December	7,707,101	7,722,234

