Kenya Re FY21 AGM Questions

NO.	QUESTION	RESPONSE
1	1) Why didn't Kenya Re post the ANNUAL REPORT on its website 21 days prior to the AGM? I am asking about the ANNUAL REPORT which includes a lot more information than just the Financial Statements. Is the Board satisfied with the Corporate Governance of Kenya Re in light of the above?	The entire booklet containing the Corporation's Financial Statements for the FY 2021 was posted on the website on 31st March 2022 after the accounts were approved by the Auditor General's office and released to the public. Further, the abridged financial statements were published in the Daily Nation and Standard Newspapers on 16th and 17th May 2022 together with the AGM Notice. All these disclosures were made within the given timelines and the Board is therefore satisfied with the Corporate Governance of the Company.
2.	The Corporation's gross written premiums, asset base, shareholders' funds, profit before tax and reduction in claims incurred spurred us to registering impressive 2021 Financial Results." - Chairperson Karina Then why did Kenya Re reduce the dividend for FY2021 by 50% over FY2020?	The Corporation's dividend payout provides a paid-out ratio not exceeding 30% of the after-tax Company short-term business profits after non-cash adjustments (property revaluations, share of profits from associate) and planned capital expenditures for the following FY. In 2020 the profit after tax for short-term business was Kshs 2.163b. After adjusting for non-cash earnings, the distributable earnings were Kshs 1.630b. In 2021 the after tax for the Company short-term business was Kshs 1.579b. After adjusting for non-cash earnings and planned capital expenditure, the distributable earnings are Kshs 1.028b, a drop of 37%. Applying the 30% Policy Provisions, the dividends payable is Ksh. 308,542m which gives dividends per share of Ksh.0.11. This is rounded to Ksh. 0.1, resulting to a dividend payable of Ksh280m

3.

Please provide the EPS for Kenya Re from FY 2012 to FY2021.

Why has Kenya Re's financial performance stagnated for the past 9 years?

Year	Profit Before tax (KShs)	EPS
2012	2.94B	4.00
2013	3.27B	3.99
2014	3.92B	4.48
2015	4.51B	5.10
2016	4.22B	4.70
2017	4.56B	5.11
2018	3.10B	1.46
2019	4.18B	2.55
2020	3.98B	1.05
2021	4.00B	1.06

Profitability

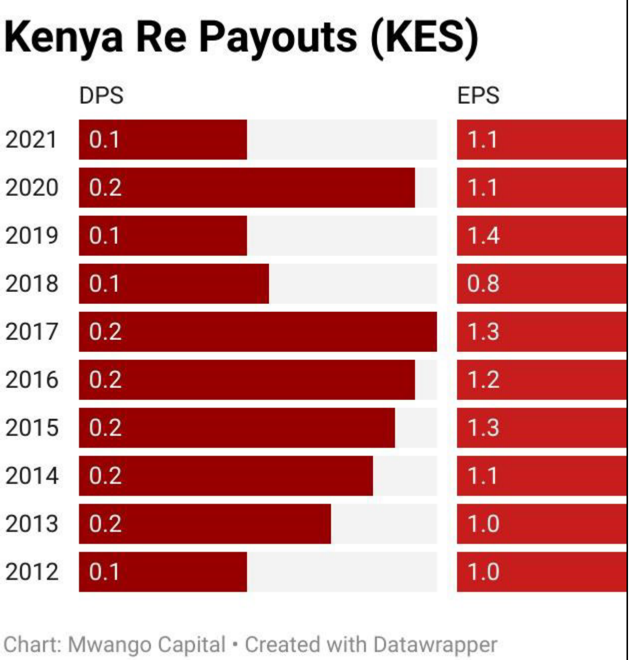
EPS grew consistently from 2012 to 2017. In 2018 EPS went down due to the crop losses. 2019 was stable. 2020 and 2021 was flat due to COVID effect.

Reinsurance.

The non-life business segment has not been performance well because of crop business from India and which have run-off claims. To mitigate against this, the Corporation has continued to exit from these treaties. This has led to improved non-life loss ratios for FY20 and FY21. We expect continued improvement going forward.

COVID-19 outbreak in March 2020 hit economies around the globe hard. This has continued to have a negative impact on business growth and claims experience.

Going forward and in line with our 2022-2026 strategy, we are working towards improving the quality of our reinsurance portfolio.

4.	Why hasn't the Board considered a Special Dividend instead of reinvesting in a business that is providing sub-par returns?	Companies pay a special dividend when they have sold off a large asset while going through a corporate restructuring or on achievement of supernormal profits. Another reason a company may pay a special dividend is due to non-recurring capital gains and attainment of super-normal profits. For instance, in the event that the Corporation divests from Zep-Re, it will definitely pay a special dividend.
5.	Is the Board satisfied with its performance considering the stagnant financial performance of Kenya Re for the past 9 years?  Does the Board see anything wrong with the picture above? If not, then consider that KES 1/- earned	The performance of the Corporation has grown year on year. The Corporation has consistently paid a dividend and three years ago issued three bonus shares for every share held to all the shareholders. The Board is consistently reviewing and adjusting the strategic programs aimed at enhancement of the firm value maximization to the benefit of the shareholders and other stakeholders. Despite the tough operating business environment in the last ten years, the Corporation has recorded positive profits and paid dividends to the shareholders. The Board is committed to the preservation of the firm's capital and assets to guarantee a sustainable and responsive business that is agile and ready to meet majority of the stakeholder interests. The earnings per share have remained stable and stayed in the positive territory throughout the period of interest and at the backdrop of this, the Corporation has been able to consistently pay out dividends to the shareholders. The Board does not take for granted the support it has got from its committed shareholders who have chosen to stick around and keep the business growing even amidst the turbulent times of interest rate caps, geopolitical headwinds and currently the Covid 19 pandemic. The Board is cognizant of the impact the erosion of the purchasing power is having on the earnings and has put in place a robust five-year strategic plan aimed at driving up financial performance to grow up profits and positively impact the firm value to the benefit of the shareholders. The Corporation's ROE has averaged above the 7% inflation average and the Board is

	in 2012 is worth at most KES 0.40 (down 60%) after inflation but the Board seems happy to earn 60% less in real terms.	keen to sustain this.
6.	Why doesn't the Board follow its **What is Kenya Re's dividend policy ?** Kenya Re has a dividend policy that corresponds with its new status as a public listed Corp similar to those of companies in the related industry (insurance sector) own Dividend Policy? The extract is from Kenya Re's website.	The Corporation's dividend provides a paid-out ratio not exceeding 30% of the after-tax short-term business profits after non-cash adjustments and planned capital expenditures. The Board has paid dividend as per the dividend policy.
7.	Please explain in detail the Dividend Policy of the Kenya Re.	The Corporation's dividend policy provides a paid-out ratio not exceeding 30% of the after-tax short-term business profits after non-cash adjustments and planned capital expenditures. The Long-term business profit(surplus) is not distributable earnings. The non-cash items include unrealized fair gain/loss on revaluation of investment properties, share of associate profits.
8.	What do "Cash Earnings" refer to? Please provide the "Cash Earnings" for every year since FY2012	Cash earnings are residual profits after adjusting for non-cash items
9.	Why doesn't Kenya Re publish the Cash Earnings (and Cash Earnings per Share) as a component of the Financial Statements? Please include it for FY22 onwards.	Kenya Re reports according to the International Financial Standards. As per the requirements of IFRS and disclosures Kenya Re publishes its cash flows statement which shows its cash & cash equivalents for the period under review.
10	Why isn't the latest available AM Best Report posted on Kenya Re's website?	The Corporation's rating meeting by AM Best was held in April 2022 by the analysts. Thereafter, the press release of the rating outcome was officially released by AM Best on 15th June 2022, see the link below; https://news.ambest.com/PressContent.aspx?altsrc=2&refnum=32153

		AM Best has revised the Issuer Credit Rating Outlook to Stable and affirmed the Financial Strength Rating (FSR) of B (Fair) and the Long-Term ICR of "bb+" (Fair) The final Certificate will be received in due course, usually within four weeks.
11	Has Kenya Re responded to Dr. Minesh Shah's request, sent on 23rd May 2022, to the Chairperson asking for a copy of the AM Best Report? If yes, when? If not, why not?	No. AM Best was at that time conducting its annual review of the Corporation's rating and has not availed the report. The report was only released on 15th June 2022 by AM Best on its website. The Corporation's rating meeting by AM Best was held in April 2022 by the analysts. Thereafter, the press release of the rating outcome was officially released by AM Best on 15th June 2022, see the link below; https://news.ambest.com/PressContent.aspx?altsrc=2&refnum=32153 *AM Best has revised the Issuer Credit Rating Outlook to Stable and affirmed the Financial Strength Rating (FSR) of B (Fair) and the Long-Term ICR of "bb+" (Fair)* The final Certificate will be received in due course, usually within four weeks.
12	Will Kenya Re provide sufficient time for shareholders to ask questions during the AGM or will it cut short the Q&A using "lack of time" as an excuse? FYI, Berkshire Hathaway - which owns and controls Insurance and Reinsurance businesses - allows for multiple questions from shareholders which can run an entire afternoon.	Yes, Kenya Re will provide sufficient time for shareholders to ask questions within the time frame provided for the AGM. Shareholders have also been encouraged to send written questions by email to Questions.Agm@kenyare.co.ke or kenyareshares@image.co.ke or by letter and they will receive responses. The responses will also be posted on the Corporation's website.
13	"We delivered on our commitment to continue growing the shareholders' value." - Page 38	The Board is committed to continued impressive financial performance which is attested competitive EPS and ROE in the schedule attached below. The focus is to achieve inflation beating performance and this as can be seen from the

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<td>under Business Review

What is Kenya Re's Board commitment to Shareholders to grow shareholders' value? Does the Board aim to match inflation?
Does the Board feel Kenya Re's financial performance for FY2021 has been good? Can the Board explain why Kenya Re's RoE has been lower than what 10 year (GoK) Treasury Bonds yield?</td>
<td>schedule below has been achieved given inflation has on average been below 7% over the last ten years.

ROE FOR KENYA REINSURANCE CORI</td>
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<td>14</td>
<td>As at 31 December 2021, gross receivables stood at KShs 8.57 billion against provisions of KShs 3.89 billion as compared to 31 December 2020, where gross reinsurance receivables stood at KShs 5.865 billion against provisions of KShs 3.87 billion." - Page 39

a) Net Receivables are up 120% (from 2bn to a WHOPPING 4.8bn) over FY2021. Please explain why this is so?
b) Please let shareholders know what the current status of Gross Receivables, Provisions and Net Receivables is.
c) Is Kenya Re collecting</td>
<td>Gross receivable as at 31st December 2021 stood at Kshs 6.14 billion against provisions of Kshs 3.89 billion as compared to 31st December 2020 where gross receivables stood at 6.296 billion against provision of Kshs 3.32 billion.
See note 24 on page 133

a) Net Receivables are down by 47% (from 3.32bn to a 2.255.8bn) over FY2021.

See note 24 on page 133

b)
<table>
<tr><td></td><td>2021</td><td>2020</td></tr>
<tr><td></td><td>KShs '000</td><td>KShs '000</td></tr>
<tr><td>Local companies</td><td>1,468,210</td><td>1,126,529</td></tr>
<tr><td>International companies</td><td>4,672,807</td><td>5,169,960</td></tr>
<tr><td>Gross reinsurance receivable</td><td>6,141,017</td><td>6,296,489</td></tr>
<tr><td>Less: impairment provision</td><td>(3,885,204)</td><td>(2,975,834)</td></tr>
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<td>Receivables in good time? What is considered a reasonable period to collect Receivables?

d) What was the Board's response to the Auditor General flagging the Receivables by stating "We also considered there to be a risk that the disclosures in Note 2 and Note 24 on impairment of Receivables are not complete"? Were the disclosures completed? Will the auditor attest to this?

e) How much is Kenya Re owed by brokers? Do brokers who do not remit premiums soon after the policies are written get blacklisted?</td>
<td>
<table><tr><td>Net reinsurance receivable</td><td>2,255,813</td><td>3,320,655</td></tr></table>
c) Kenya Re is collecting Receivables in good time as stipulated in agreement with clients. Considered reasonable period to collect Receivables is follows;

d) The impairment of receivables was done in line with the existing credit policy. The external auditors issued a non-qualified audit opinion on the 2021 Annual Report.

e) Balances through Brokers is Kshs 4.6 billion out of the outstanding balance of Kshs 6.1 billion.
Some of the balances through Brokers have not been settled by the ceding companies to the Brokers. Therefore blacklisting the brokers may not be the solution.
Some of these balances are being pursued by the debt collectors at no cost to the Corporation.</td>
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<td>15</td>
<td>The Group's underwriting profit was Kshs 3.002 billion in year 2021 from a</td>
<td>The Group's technical profit in 2021 was Kshs 3.00 billion. This further decreases after taking into account the management expenses and provision for doubtful debts.</td>
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<td>compared to Kshs 2.074 billion for year 2020."

a) Despite an Underwriting Profit of 3bn and Investment Income of a similar amount why does the Board of Kenya Re still pay a miserly KES 280mn as a dividend to Shareholders?

b) Please provide Shareholders with details on the total executive remuneration for 2019, 2020 and 2021 juxtaposed with the Dividends (to Shareholders) and Profits.</td>
<td>The Corporation’s dividend payout provides a paid-out ratio not exceeding 30% of the after-tax company short-term business profits after non-cash adjustments (property revaluations, share of profits from associates) and planned capital expenditures for the following financial period.
The dividend payout of Kes 280 million to shareholders is as per the dividend policy.
<table>
<tr><th>Year</th><th>Profits</th><th>Dividend</th><th>Executive Remuneration</th></tr>
<tr><td>2019</td><td>4.18B</td><td>280M</td><td>28.97M</td></tr>
<tr><td>2020</td><td>3.98B</td><td>560M</td><td>36.69M</td></tr>
<tr><td>2021</td><td>4.00B</td><td>280M</td><td>57.24M</td></tr>
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<td>16</td>
<td>Has there been any progress in resolving matters of the “Properties In Dispute” - as highlighted by the Auditor General - since 31st Dec 2021?

Please provide an update on the Kiambu Rd property.

Is the Shanzu Property matter in court? If not, what steps have been taken to resolve the matter?</td>
<td>Management has continued to pursue resolution of the disputes touching on land. Where the dispute is with other government agencies management has adopted inter-ministerial approach through the Office of the Attorney General. Where we are in dispute with private entities, the matter is in court, specifically the Kiambu Road land.
Kiambu Road matter
This long outstanding matter is in court having been moved between the high court, National Land Commission and most recently matter has been transferred to the Land and Environment Court for hearing and determination. The matter is coming up for mention on 29th June 2022.
Disputes with Government agencies
1. JKIA Land
Using the intergovernmental approach, we have been able to engage the Kenya Airports Authority (KAA)on the JKIA land and discussed available options. The options include compulsory acquisition by KAA either in whole or part or swapping the land with an alternative parcel of land. We are awaiting a decision by</td>
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		KAA Board of Directors. **2. Ngong Road Land** On dispute with Kenya Forest Service we have engaged the National Land Commission who have proposed a joint survey to establish forest boundaries. **3. Shanzu Land** Regarding Shanzu property, there is no court case. We have asked the Attorney General to give a way forward on how the Corporation can resolve the dispute with the Ministry Of Interior And Coordination Of National Government.
17	The "Investment Property Not In Use" valued at 720mn - highlighted by the Auditor General a) Has it been included at the impaired value as an asset in the Balance Sheet? b) What steps is Kenya Re taking to resolve the matter? c) Can it be sold? d) Have potential buyers made offers? **e)** Is there any income derived from this property	a) The property valued at Kshs.720 million is the JKIA land. The property has not been impaired as we are in discussion with Kenya Airports Authority through the Office of the Attorney General on the available options including compulsory acquisition by KAA either in whole or part or swapping the land with an alternative parcel of land. b) The Corporation has engaged the Kenya Airports Authority (KAA) on the JKIA land and discussed available options. The options include compulsory acquisition by KAA either in whole or part or swapping the land with an alternative parcel of land. We are awaiting a decision by KAA Board of Directors. c) Yes, it can be sold. d) We have not offered it for sale. e) No income is derived from the property. The property has been acquiring value every year.
18	1) The Auditor also identified the matter below as a Key Audit Risk. Can the Auditor testify that this (manipulating revenue) was not the	Key audit matters are defined as those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current year. In most cases this matters have inherent risk of manipulation. This is just an area of concentration for the auditor to be able to express his/her opinion.

	case for FY21? We also considered there to be a risk is inappropriately reported to ach financial results. We assessed that th to manipulate revenue creates a heig the area of recording premium in improper period by not observing p procedures.	In the auditor's report it is clearly indicated how these matters were addressed in the context of the audit of the 2021 financial statements as whole, and in forming their opinion therein. For each matter a description of how the audit addressed the matter is given. See page 4 to 6 of the 2021 Annual report. After consideration of all the key audit matters this was the audit opinion "In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Reinsurance Corporation ltd as at 31st December 2021, and of its financial performance and its cashflows for the year then ended in accordance with IFRS and comply with the Kenya companies act 2015."
19	What is the status of the sale of the property in Kisumu? What was the best offer received?	a. The property has not yet been sold. b. We have not received any responsive bids.
20	1) The Investment Properties are valued at 12bn. a) Is the Board confident of the Valuations? b) Firms like Centum have taken substantial impairment losses since 2020 on some of their properties given the state of the economy, interest rates and market weakness. c) Does the Board think Kenya Re can realize the valuations as provided?	a) The Board is confident of the valuation having been undertaken by a qualified registered and licensed valuer. b) We have taken note. c) Kenya Re believes that the valuations can be realized.

	d) If No, then why not impair the values to realistic levels? e) If yes, then why not sell one of the properties at the valuation as provided to realize cash? f) The impairment (Note 18) was for KES 117mn is less than 1% of the KES 12bn valuation despite "The effect of Covid-19 Pandemic has been incorporated in input of valuation of land and Building." Is the Board confident that despite all the issues in 2021 that less than a 1% impairment is adequate? g) During the AGM, Shareholders would like the auditor's view on her comfort with the valuation and impairment for FY21.	d) Kenya Re does not therefore have a reason to impair the values as they are considered to be realistic. e) Currently one of the properties, Reinsurance Plaza Kisumu, is up for sale. f) It is true that the impairment was for Kshs.117 million. The Board is confident that the impairment is adequate considering that the opinion was given by an independent valuer based on assumptions and acceptable valuation methodologies. g) On page 5 of the financial statements, the Auditor has given a view on the objectivity and independence of the external valuers as well as the underlying assumptions and valuation methodologies adopted. The auditor has also given a view on the determined values and adequacy of Corporation's disclosures on the above.
21	In prior years, some shareholders have asked if the Receivables have been properly provisioned and the response was generally "Yes, we have adequately provisioned for bad debts" so why is there such a	The increase of 909m was due to change in our Credit Management Policy in line with IFRS 9. The provisioning period was reduced from 540 days to 360 days.

	huge (909mn) provision in FY21? a) What are the components of the provisions? b) Who is responsible for collections? c) Is Kenya Re not collecting insurance premium receivables ahead of or soon after initiating cover? d) Is there an estimate of Provision for Doubtful Debts for FY22?	a)The components of the provisions is all outstanding reinsurance premiums. Gross receivable as at 31st December 2021 stood at Kshs 6.14 billion against provisions of Kshs 3.89 billion as compared to 31st December 2020 where gross receivables stood at 6.296 billion against provision of Kshs 3.32 billion. See note 24 on page 133 b) Finance and Reinsurance Divisions are responsible for collection. c) Kenya RE is collecting premiums soonest possible, despite the many challenges of collections characteristic of reinsurance markets. d) Yes, we have an estimate for provisions for doubtful debts in the Strategic document, which is 3% of net earned premiums. Our objective is to collect all outstanding premiums as much as possible. e) Net Receivables are down by 47% (from 3.32bn to a 2.255.8bn) over FY2021. *See note 24 on page 133*
22	Zep-Re (Note 19) What is the mysterious 604mn for? There is no indication what it is. We would like the auditor's comment on this mysterious 604mn.	The Kshs 604 million is the sum of the following items in the investment of associate account. • Share of revaluation reserve- 8.5m • Share of fair value reserve – 11m • Currency translation adjustment – 81.2m Capitalization of dividends (paid in cash)-503.4m

	At 1 January Share of profit for the year Less: dividends - received in cash - receipt of additional shares Share of revaluation reserve Share of fair value reserve Currency translation adjustment Investment in the year -capitalization of dividends -Paid in cash **Net carrying amount of the investment**	
23	Why does Kenya Re keep investing "new" cash (KES 503mn) into Zep Re? Are there any investment or financial advantages for Kenya Re to being considered an associate? If yes, what are they?	The Corporation has since resolved to divest and take profits from the Zep-Re investment, but there are some bottlenecks being addressed before the sale can take place. As the engagement with the key stakeholders progress with a view to unlock the aforementioned situation, the Corporation is compelled to occasionally acquire more shares in Zep Re in order to sustain the associate status for accounting reasons. The Corporation was granted dispensation from article 6(11) of the agreement establishing Zep – Re for a period of 5 years effective 8th May 2019, which limits shareholding to 15%. This exemption allows the Corporation room to keep protecting its turf from dilution. The Corporation will not acquire any more stake in Zep-Re effective 8th May 2024.
24	Why does Kenya Re write "Motor Commercial" business since it consistently has a high Loss Ratio?	In most cases, business under this class is written as a bouquet with other more profitable classes. The class's net loss ratio in FY21 stood at 88.3%. This was a significant improved from a loss position in FY20. With the enforcement of minimum rates going forward, we project to post good results under this class.

25	Under Note 20, the investment in each subsidiary is provided but please provide the profitability of each subsidiary	For the FY 2021 the subsidiaries reported the profit before tax as follows. • Uganda - Kes 118.69 million, • Zambia – Kes 87.86 million • West Africa- Kes5.93million
26	This schedule was provided to some shareholders in response to questions posed. I sincerely hope it is not used to justify the drop in the price of Kenya Re shares vis-a-vis other counters. - I&M has had 2x 1:1 bonus issues just as Kenya Re had a bonus issue. The decline therefore is not 85%. - I believe other firms have had bonuses and/or splits so the prices for May 2016 need to be adjusted. - Some firms eg BAT and SCBK have high Dividend Payout Ratios (unlike the extremely miserable one that Kenya Re has - see #5 above) so the Total Return is much better than what has been presented.	Market values of listed financial instruments are affected by systematic/non diversifiable risk factors and unsystematic/diversifiable risk factors. Non-diversifiable risk factors like freight of capital to safety, the co-relations of the fixed income values vis a vis the values of quoted equities, the per-capita income movements discrepancies, inflation, the global pandemics, government regulations like the interest rate caps have had adverse effects on across majority of the counters. As for the diversifiable risk variables/ firm specific, the Corporation continues to consistently address them through a robust five-year strategic plan targeted at enhancing underwriting profits, maximizing investment returns, embedding the risk culture, revamping liquidity and key financial ratios and elevating credit rating to more competitive levels. And this is well supported by the NAV/Share and other keys ratios. It is fair enough to state that because of the systematic risk variable, most listed counters are currently trading at huge discounts as the bear run persists and this has affected the Kenya Re share price as well. Different firms have different financial needs and objectives and are executing strategic objectives that are unique and shaped by their industry and firm specific circumstances. The insurance industry across the globe has experienced subdued growth and strained combined ratios. The tough operating circumstances have led to most players in the industry preferring to focus more on enhancing the liquidity positions and enhancing capital positions in order to support businesses for enhanced Insurance penetration for future prospects. The Funds retained have been competitively invested in fixed income instruments and

		liquid financial instruments to cater for the firm's urgent liquidity needs like settlement of claims, statutory and supplier payments and in meeting regulatory ratios. Those invested in liquid financial assets are yielding returns above the inflation adjusted benchmarks. The Board has put in place robust strategic programs targeted at creating value and growing profits for more attractive dividends to the shareholders. The Board is keen on sustaining the stability of the business and guaranteed delivery of value to all its stakeholders. The Board has also put in place very clear guidelines/policies and procedures to safeguard the various stakeholder interests and strengthen the governance framework. The dividend payout is governed by a very well thought out policy which is reviewed and duly adjusted to the business circumstances. The Board appreciates and respects all the shareholders and is committed to the implementation of robust programs that are geared towards running the business sustainably and responsibly to the benefit of all the stakeholders. The Board is responsive to the shareholder needs and concerns and any views raised and shared will be duly considered going forward. NSE Share Prices.xlsx The Schedule above details the share price movements for the listed counters and how the have been affected by the bear run. The effects have been felt across majority of the counters
27	Has the Board considered that retaining excess Capital has been destructive to	The Board consistently reviews the capital needs of the business and has put controls in place to ensure stability of the Corporation to meet the needs of all the stakeholders. In the medium term the Corporation is enhancing its capital needs through retention of

	Shareholders? Please provide a table that shows the RoE from 2012 to 2021 so shareholders can compare against a similar 10-year GoK IFB.	profits in order to support the business growth programs and to also support enhanced credit rating by A.M Best which is critical on attracting and retaining quality business portfolios. It is expected that as the aforementioned needs are meet and the business environment improves, the dividend payouts will be adjusted to more generous levels. ROE FOR KENYA REINSURANCE CORI
28	Is the Board aware that Kenya Re's capital retention policy has yielded LESS than the T-Bonds have for the retained capital? Shareholders can calculate the "Cash Earnings Return on Equity" after we are provided with the information requested in #8 and #9	The Board is committed to the preservation of the retained capital by investing it in fixed income instruments and other liquid assets to support the needs of the business. Majority of the retained capital is invested in fixed income instruments whose yield averages above 12% p.a. ROE FOR KENYA REINSURANCE CORI
29	Does the Board think that a dividend KES 0.10 on an NAV/Share of 13.52 (0.74% per annum) is adequate, let alone generous?	The dividend of KES. 0.10 on a NAV/Share of 13.52 (0.74% per annum) has been recommended on the backdrop of the Corporation's dividend policy and the short-term business performance for the period ended 31st December 2021. The Board is committed and has put strategies in place for enhanced performance as the business environment improves to guarantee competitive dividend payout to shareholders going forward.
30	Many minority shareholders feel that those Board Members who think the payout of 0.74-1.25% (of NAV/Share between FY2012 - FY2021) as a dividend is adequate	The agenda does not have this item therefore it will not be possible at this time. The Board takes decisions as a body on majority basis, having taken views of individual directors.

	are doing themselves and shareholders a disservice, therefore it is better they resign and run non-profits and charities. Will the Chairperson take a poll of what each director's views are?	
31	Mr. Warren Buffett explains the 3 main tasks for a board of directors. Please share this YouTube link with all the directors. Please share your thoughts and views with shareholders on what this brilliant and wise gentleman is saying. https://www.youtube.com/watch?v=nVWDUOi44OI	Thank you for sharing this information, which has been received by the Corporation.
32	How is the financial performance of the subsidiaries in Zambia,Uganda and Ivory Coast? Revenues,expenditures,profit/loss,balance sheet sizes When will the corporation start including the breakdown in the annual report?	For the FY 2021 the subsidiaries reported the profit before tax as follows. • Uganda - Kes 118.69 million, • Zambia – Kes 87.86 million • West Africa – Kes 5.93 million The Subsidiaries reports their separate financials in the Countries where they are domiciled. The requirements as per the International financial reporting standards (IFRS) is for the parent Company to prepare & publish the consolidated accounts (Group) and its own performance (Company).

33	The level of vacancy in the commercial properties Kenya Re owns is increasing, a major reason is that Kenya Re rent is very expensive in terms of per square feet. Kenya Re also charges rent on the common unit areas like corridors. This puts off a segment of the potential customers. Can the corporation review this by removing rent for the common areas so as to increase uptake that will boost it's rental income.	The occupancy level in Kenya Re buildings is currently at an average of 87%. Reinsurance Plaza Nairobi is at 99%, Anniversary Towers Nairobi is at 93%, Kenya Re Towers Upperhill is at 73% while Reinsurance Plaza Kisumu is at 64%. In July 2021, Kenya Re adjusted its rental rates downward across the properties after undertaking an independent professional market survey and so the rates are currently fair and in line with the market. The practice in the market is to charge full rate for the common areas as part of the lettable space. Kenya Re charges half rate for the common area hence making our rates more competitive.
34	Why did the corporation reduce dividend in spite of growth in underwriting profit?	Dividend payment is guided by the Corporation dividend payout which considers all the performance metrics. The Underwriting profit will further decrease after management expenses, provisions & tax are factored in. The Corporation's dividend payout provides a paid-out ratio not exceeding 30% of the after-tax Company short-term business profits after non-cash adjustments (property revaluations, share of profits from associate) and planned capital expenditures for the following FY. In FY 2021 the after-tax profit for Company short-term business was Kshs 1.579b. After adjusting for non-cash earnings and planned capital expenditure, the distributable earnings are Kshs 1.028b.
35	The figure for receivables, bad debts, provisionings is growing at a much faster rate than even growth in profitability. What is the management doing to reverse the trend?	The increase in provisions in FY21 is attributed to change of accounting treatment for reinsurance receivables by reducing collectable days from 540 days to 360 days in the year 2021. The change was to comply with the requirement of accounting standard (IFRS 9) on accounting for trade receivables.
36	Kenya Re a few years ago wanted to put a commercial building in Upper Hill which was then shelved. The detailed plans of what the corporation	The Corporation undertook a feasibility study to develop the commercial property in Upperhill in the year 2020. However, the Corporation did not proceed with the development. The proposed development therefore did not proceed to design of detailed development

	wanted to put weren't shared to shareholders. Can the corporation share the plans of what was put on hold?	plans.
37	What is the corporation doing to keep up with competition locally. Some insurance companies are even owning stakes in reinsurance companies so as to lock in the reinsurance premiums. How is the corporation countering this?	As set out in the Corporation's 2022-2026 strategy, We are implementing initiatives that would keep us up with increased competition. Some of these include the following; a) Conduct and implement results of an annual customer satisfaction survey b) Process and settle claims timely, within 10 days c) Inculcate positive culture for service delivery d) Gather market intelligence on emerging effective technologies in analytics e) Promote collaborative linkages with key stakeholders f) Sponsor promotional events g) Seek collaboration and partnerships with strategic business partners in our key markets Increase product market shares.