

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	KShs '000	Restated KShs '000
Insurance revenue	19,568,740	23,130,507
Insurance service expenses	(18,212,246)	(22,320,540)
Net expenses from reinsurance contracts	(679,538)	(519,264)
Insurance service result	676,956	290,703
Interest revenue calculated using the effective interest method	3,654,035	2,911,026
Other investment income	908,073	834,838
Impairment loss on financial assets	(31,262)	57,239
Share of results of associate	399,063	761,492
Fair value gains on revaluation of investment properties	216,055	(92,153)
Net foreign exchange gain	1,437,511	138,365
Investment income	6,583,475	4,610,807
Finance income (expenses) from insurance contracts	912,032	867,579
Finance income (expenses) from reinsurance contracts	13,910	10,524
Net insurance finance income	925,942	878,103
Net insurance and investment result	8,186,373	5,779,613
Other income	127,892	123,420
Operating and other expenses	(1,279,278)	(1,310,663)
Profit before income tax	7,034,987	4,592,370
Income tax expense	(2,061,860)	(1,079,448)
Profit for the year	4,973,127	3,512,922
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Share of (loss)/gain on property revaluation of associate	(7,389)	4,705
Remeasurement gain/losses on defined benefit plans, net of tax	77,882	41,099
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gains/ (losses) on revaluation of quoted equity instruments instrument's classified as FVTOCI	(112,671)	(48,392)
Net gains/ (losses) on revaluation of held at FVTOCI government securities	(119,453)	(78,205)
Net gains/ (losses) on revaluation of unquoted equity instruments	45,947	(101,209)
Foreign exchange differences on translation of foreign operations	912,025	88,377
Share of movement in associate reserves:		
- currency translation	2,132,252	613,193
- fair value reserve	(159,750)	(106,452)
Total other comprehensive income	2,768,843	413,116
Total comprehensive income	7,741,970	3,926,038
Earnings per share - basic and diluted	1.78	1.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023	2022	2021
	KShs '000	Restated KShs '000	Restated KShs '000
Assets			
Intangible assets	41,235	57,663	112,803
Investment properties	12,702,500	12,405,000	12,250,000
Reinsurance contract assets	731,500	707,840	860,688
Investment in associate	10,407,449	8,043,274	6,770,334
Government securities	21,049,100	19,877,447	18,519,806
Quoted equity instruments	1,041,400	1,154,071	1,202,463
Unquoted equity instruments	355,505	307,966	401,800
Corporate bonds	44,747	44,747	44,933
Mortgage loans	871,472	816,944	843,847
Deferred tax asset	33,918	100,859	54,990
Defined benefit asset	44,511	-	-
Property and equipment	121,839	91,808	63,947
Inventory	17,981	21,616	19,734
Income tax receivable	61,778	88,831	104,007
Deposits with financial institutions	16,837,492	12,453,637	10,594,549
Cash and bank balances	1,248,996	849,961	972,970
Other receivables	366,592	430,079	452,865
Total assets	65,978,015	57,451,743	53,269,736
Equity			
Share capital	6,999,491	6,999,491	6,999,491
Revaluation reserve	26,308	33,697	28,992
Statutory reserve	8,584,946	8,139,745	7,431,476
Retained earnings	29,053,364	25,007,516	22,441,743
Fair value reserve	(965,598)	(619,671)	(285,413)
Translation reserve	4,476,274	1,431,996	730,426
Total equity	48,174,785	40,992,774	37,346,715
Liabilities			
Insurance contract liabilities	14,024,143	13,667,504	13,478,457
Reinsurance contract liabilities	2,484	-	-
Deferred tax liability	2,037,836	1,691,245	1,552,243
Other payables	966,143	709,735	703,828
Defined benefit liability	-	19,578	49,000
Income tax payable	772,624	370,907	139,493
Total liabilities	17,803,230	16,458,969	15,923,021
Net assets	48,174,785	40,992,774	37,346,715

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital Sh'000'	Revaluation reserve Sh'000'	Fair value reserve Sh'000'	Translation reserve Sh'000'	Statutory reserve Sh'000'	Retained earnings Sh'000'	Total Sh'000'
At 31 December 2021 -as previously reported	6,999,491	28,992	(492,965)	821,958	7,433,393	22,304,615	37,095,484
Impact of initial application of IFRS 17	-	-	-	(91,532)	(1,917)	246,656	153,207
Impact of initial application of IFRS 9	-	-	207,552	-	-	(109,528)	98,024
At 31 December 2021 - Restated	6,999,491	28,992	(285,413)	730,426	7,431,476	22,441,743	37,346,715
At 1 January 2022	6,999,491	28,992	(285,413)	730,426	7,431,476	22,441,743	37,346,715
Profit for the year	-	-	-	-	708,147	2,804,775	3,512,922
Other comprehensive income (loss)/income	-	4,705	(334,258)	701,570	-	41,099	413,116
Total comprehensive income (restated)	-	4,705	(334,258)	701,570	708,147	2,845,874	3,926,038
Dividends declared - 2022	-	-	-	-	-	(279,979)	(279,979)
At 31 December 2022 - Restated	6,999,491	33,697	(619,671)	1,431,996	8,139,623	25,007,638	40,992,774
At 1 January 2023	6,999,491	33,697	(619,671)	1,431,996	8,139,623	25,007,638	40,992,774
Profit for the year	-	-	-	-	445,202	4,527,925	4,973,127
Other comprehensive income (loss)/income	-	(7,389)	(345,927)	3,044,277	0	77,882	2,768,843
Total comprehensive income	-	(7,389)	(345,927)	3,044,277	445,202	4,605,807	7,741,970
Dividends declared - 2023	-	-	-	-	-	(559,959)	(559,959)
At 31 December 2023	6,999,491	26,308	(965,598)	4,476,273	8,584,825	29,053,486	48,174,785

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Ksh. '000	Ksh. '000
Net cash generated from operating activities	6,534,120	4,182,693
Net cash used in investing activities	(4,899,385)	(8,364,801)
Cash flows used in financing activities	(559,959)	(279,979)
Effects of Movements in exchange rate on cash and cash equivalents	(30,859)	(4,462,087)
	1,043,917	(4,462,087)
Cash and cash equivalents at 1 January	6,553,922	11,016,009
Cash and cash equivalent at 31 December	7,597,839	6,553,922

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	KShs '000	Restated KShs '000
Insurance revenue	17,039,132	20,327,935
Insurance service expenses	(16,511,357)	(19,859,194)
Net expenses from reinsurance contracts	(413,926)	(697,654)
Insurance service result	113,849	(228,913)
Interest revenue calculated using the effective interest method	3,378,040	2,817,944
Other investment income	908,073	778,696
Impairment loss on financial assets	(40)	57,239
Share of results of associate	399,063	761,492
Fair value gains on revaluation of investment properties	216,055	(92,153)
Net foreign exchange gain	1,268,921	141,287
Investment income	6,170,112	4,464,505
Finance income (expenses) from insurance contracts	879,725	819,979
Finance income (expenses) from reinsurance contracts	8,818	12,978
Net insurance finance income	888,543	832,957
Net insurance and investment result	7,172,504	5,068,549
Other income	127,892	123,420
Operating and other expenses	(1,052,319)	(1,105,304)
Profit before income tax	6,248,077	4,086,665
Income tax expense	(1,804,324)	(941,205)
Profit for the year	4,443,753	3,145,460
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Share of (loss)/gain on property revaluation of associate	(7,389)	4,705
Remeasurement gain/losses on defined benefit plans, net of tax	77,882	41,099
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gains/ (losses) on revaluation of quoted equity instruments instrument's classified as FVTOCI	(112,671)	(48,392)
Net gains/ (losses) on revaluation of held at FVTOCI government securities	(119,453)	(78,205)
Net gains/ (losses) on revaluation of unquoted equity instruments	45,947	(101,209)
Share of movement in associate reserves:		
- currency translation	2,132,252	613,193
- fair value reserve	(159,750)	(106,452)
Total other comprehensive income	1,856,818	324,739
Total comprehensive income	6,300,571	3,470,199
Earnings per share - basic and diluted	1.59	1.12



KENYA RE

Kenya Reinsurance Corporation Limited

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023	2022	2021
	Total	Restated	Restated
	KSh's '000	KSh's '000	KSh's '000
Assets			
Intangible assets	41,235	57,663	112,803
Investment properties	12,702,500	12,405,000	12,250,000
Reinsurance contract assets	611,491	385,661	661,984
Investment in associate	10,407,449	8,043,274	6,770,334
Investment in subsidiary	2,761,398	2,761,398	2,630,947
Government securities	20,230,436	19,225,789	18,224,503
Quoted equity instruments	1,041,400	1,154,071	1,202,463
Unquoted equity instruments	355,505	307,966	401,800
Corporate bonds	44,747	44,747	44,933
Mortgage loans	855,545	811,812	835,330
Defined benefit asset	44,511	-	-
Property and equipment	51,033	66,580	41,489
Inventory	12,055	18,912	18,406
Income tax receivable	-	88,831	104,007
Deposits with financial institutions	12,291,563	9,151,616	7,657,492
Cash and bank balances	267,110	93,863	143,143
Due from related party	109,913	69,943	20,344
Other receivables	317,329	360,942	408,973
Total assets	62,145,220	55,048,068	51,528,951
Equity			
Share capital	6,999,491	6,999,491	6,999,491
Revaluation reserve	26,308	33,697	28,992
Statutory reserve	8,569,566	8,082,586	7,388,524
Retained earnings	28,052,548	24,577,852	22,365,334
Fair value reserve	-965,598	-619,671	-285,413
Translation reserve	3,490,332	1,358,080	744,887
Total equity	46,172,647	40,432,035	37,241,815
Liabilities			
Insurance contract liabilities	12,414,897	12,072,688	11,984,174
Reinsurance contract liabilities	-	-	-
Deferred tax liability	2,037,836	1,691,245	1,552,243
Other payables	800,502	546,974	701,719
Defined benefit liability	-	19,578	49,000
Income tax payable	382,085	-	-
Due to related party	337,253	285,548	-
Total liabilities	15,972,573	14,616,033	14,287,136
Net Assets	46,172,647	40,432,035	37,241,815

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	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 31 December 2021 - as previously reported	6,999,491	28,992	(492,965)	744,887	7,408,085	21,988,223	36,676,713
Impact of initial application of IFRS 17	-	-	-	-	(19,561)	494,220	474,659
Impact of initial application of IFRS 9	-	-	207,552	-	-	(103,142)	104,410
At 31 December 2021 - Restated	6,999,491	28,992	(285,413)	744,887	7,388,524	22,365,334	37,241,815
At 1 January 2022	6,999,491	28,992	(285,413)	744,887	7,388,524	22,365,334	37,241,815
Profit for the year	-	-	-	-	694,062	2,451,398	3,145,460
Other comprehensive income (loss)/income	-	4,705	(334,258)	613,193	-	41,099	324,739
Total comprehensive income (restated)	-	4,705	(334,258)	613,193	694,062	2,492,497	3,470,199
Dividends declared - 2022	-	-	-	-	-	(279,979)	(279,979)
At 31 December 2022 - Restated	6,999,491	33,697	(619,671)	1,358,080	8,082,586	24,577,852	40,432,035
At 1 January 2023	6,999,491	33,697	(619,671)	1,358,080	8,082,586	24,577,852	40,432,035
Profit for the year	-	-	-	-	486,980	3,956,773	4,443,753
Other comprehensive income (loss)/income	-	(7,389)	(345,927)	2,132,252	-	77,882	1,856,818
Total comprehensive income	-	(7,389)	(345,927)	2,132,252	486,980	4,034,655	6,300,571
Dividends declared - 2023	-	-	-	-	-	(559,959)	(559,959)
At 31 December 2023	6,999,491	26,308	(965,598)	3,490,332	8,569,566	28,052,548	46,172,647

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	Restated
	Ksh. '000	Ksh. '000
Net cash generated from operating activities	4,791,457	3,702,349
Net cash used in investing activities	(1,775,945)	(7,828,474)
Cash flows used in financing activities	(559,959)	(279,979)
Effects of Movements in exchange rate on cash and cash equivalents	(30,859)	(4,406,104)
	2,424,694	(4,406,104)
Cash and cash equivalents at 1 January	2,833,689	7,239,793
Cash and cash equivalent at 31 December	5,258,383	2,833,689

RATIOS	2023	2022
Capital Adequacy Ratio	875%	875%
Return on Assets	11%	8%
Return on Equity	11%	9%
Current ratio	232%	199%

The audited financial statements were approved by the Board of Directors on 29th May 2024 and were signed on its behalf by:

Dr. Hillary M. Wachinga
Principal Officer

Dr. Hon. Catherine Ngima Kimura
Chairman

David Muthusi
Director

PERFORMANCE COMMENTARY
FINANCIAL HIGHLIGHTS

Insurance revenue decreased by 15% from Kshs 23.13 billion in 2022 to Kshs 19.57 billion in 2023
Insurance service expenses decreased by 18% from Kshs 22.32 billion in 2022 to Kshs 18.21 billion in 2023
Net Investment and insurance result increased by 42% to Kshs 8.19 billion in 2023 from Kshs 5.78 billion in 2022
Operating expenses decreased by 2% to Kshs 1.28 billion in 2023 from Kshs 1.31 billion in 2022
Profit before tax for the year 2023 stood at Kshs 7.03 billion, an increase of 53% from profit before tax of Kshs 4.59 billion in 2022
The asset base increased by 15% from Kshs 57.45 billion in 2022 to Kshs 65.98 billion in 2023.
The Shareholders funds increased by 18% from Kshs 40.9 billion in 2022 to Kshs 48.17 billion in 2023

DIVIDENDS

The Board of Directors recommend a payment of Kes 0.30 dividend per share

AUDIT OPINION

The Financial statements for Kenya Reinsurance Corporation Ltd for the year ending 31 December 2023 were audited by The Auditor General and gave an unqualified opinion.

KEY AUDIT MATTERS

Determination of insurance contract liabilities

By Order of the Board
Charles Kariuki
Company Secretary



kenyare@kenyare.co.ke



kenyare.co.ke



Kenya Reinsurance



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