



KENYA RE

Kenya Reinsurance Corporation Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 30 JUNE 2023

	Unaudited Short term Business 2023 KShs '000	Unaudited Long term Business 2023 KShs '000	Unaudited Total 2023 KShs '000	Unaudited Total 2022 KShs '000
INCOME				
Gross premiums written	7,778,749	2,121,003	9,899,751	11,008,172
Less: change in unearned premiums	(2,117,642)	(431,018)	(2,548,659)	(473,116)
Less: retrocession premiums	(777,050)	(76,519)	(853,569)	(765,329)
NET EARNED PREMIUMS	4,884,057	1,613,466	6,497,523	9,769,726
Investment income	1,547,317	606,982	2,154,298	1,861,377
Acquisition costs recoveries	98,839	18,155	116,994	176,938
Other income	35,891	0	35,891	36,726
TOTAL INCOME	6,566,103	2,238,603	8,804,707	11,844,767
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(2,895,719)	(1,822,893)	(4,718,612)	(6,692,478)
Less: Re-insurers share of claims and policy holder benefits	519,273	24,907	544,180	178,200
NET CLAIMS AND BENEFITS	(2,376,446)	(1,797,986)	(4,174,432)	(6,514,279)
Cedant acquisition costs	(1,923,659)	(547,404)	(2,471,063)	(2,845,327)
Operating and other expenses	(216,356)	(58,993)	(275,349)	(997,383)
Provision for doubtful debts	(592,229)	-	(592,229)	(299,063)
TOTAL CLAIMS, BENEFITS, AND OTHER EXPENSES	(5,108,690)	(2,404,383)	(7,513,073)	(10,656,051)
PROFIT BEFORE TAX	1,457,414	(165,780)	1,291,634	1,188,716
INCOME TAX EXPENSE	(437,224)	49,734	(387,490)	(356,615)
PROFIT FOR THE YEAR	1,020,190	(116,046)	904,144	832,101
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Net gains / (losses) on revaluation of available-for-sale quoted equity instruments	(52,547)	-	(52,547)	(182,763)
Net gains on revaluation of available-for-sale government securities	(49,344)	-	(49,344)	0
TOTAL OTHER COMPREHENSIVE INCOME	(101,891)	-	(101,891)	(182,763)
TOTAL COMPREHENSIVE INCOME	918,298	(116,046)	802,252	649,338
EARNINGS PER SHARE - basic and diluted			0.32	0.30
Key Ratios				
Capital Adequacy Ratio			585%	539%
Claims Ratio			64%	67%
Expense Ratio			4%	10%

GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Unaudited Short term Business 2023 KShs '000	Unaudited Long term Business 2023 KShs '000	Unaudited Total 2023 KShs '000	Audited Total 2022 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	33,697	0	33,697	33,697
Fair value reserve	(736,635)	(91,269)	(827,904)	(726,013)
Translation reserve	1,347,425	0	1,347,425	1,347,425
Statutory reserve	0	8,028,923	8,028,923	8,145,000
Retained earnings	25,657,606	0	25,657,606	24,972,103
TOTAL EQUITY	32,801,583	8,437,653	41,239,237	40,771,702
ASSETS				
Property and equipment	78,307	0	78,307	93,426
Intangible assets	20,268	33,069	53,337	57,663
Mortgage loans	763,483	0	763,483	750,213
Investment properties	10,663,473	1,755,775	12,419,248	12,405,000
Investment in associate	7,823,043	0	7,823,043	7,823,043
Unquoted equity instruments	201,623	0	201,623	201,623
Corporate bonds	45,313	0	45,313	45,329
Reinsurance Receivables	2,931,213	269,864	3,201,077	2,142,273
Receivables arising out of reinsurance and retrocession arrangements-Pipeline	6,786,694	1,262,069	8,048,762	8,417,031
Premium and loss reserves	312,976	82,219	395,194	507,080
Other receivables	491,233	0	491,233	437,655
Quoted equity instruments	941,573	165,592	1,107,165	1,154,071
Government securities	13,015,323	7,156,654	20,171,977	19,933,069
Inventory	25,960	0	25,960	20,345
Deferred acquisition costs	1,684,759	272,091	1,956,850	1,439,733

Deposits with financial institutions

Cash and bank balances

Income Tax Receivable

Deferred tax asset

TOTAL ASSETS**LIABILITIES**

Long term reinsurance contract liabilities

Short term reinsurance contracts liabilities

Reinsurance payables

Payables arising out of reinsurance arrangements-Pipeline

Deferred tax liability

Other payables

Income tax payable

Unearned premiums

Defined benefit liability

TOTAL LIABILITIES**NET ASSETS**

9,081,883	4,463,193	13,545,076	12,357,741
893,335	98,273	991,608	888,316
0	0	0	0
1,452,394		1,452,394	1,452,394
57,212,853	15,558,799	72,771,652	70,126,006
0	1,801,496	1,801,496	1,309,997
10,319,096	0	10,319,096	10,273,510
2,253,162	251,108	2,504,270	1,718,197
4,582,654	1,001,415	5,584,069	6,944,203
0	3,043,712	3,043,712	3,160,311
442,364	0	442,364	626,306
6,228	0	6,228	39,276
6,788,187	1,023,415	7,811,602	5,262,927
19,578	0	19,578	19,578
24,411,270	7,121,145	31,532,415	29,354,304
32,801,584	8,437,653	41,239,237	40,771,702

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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 1 January 2022	6,999,491	28,992	(492,965)	821,958	7,433,393	22,304,615	37,095,484
Profit for the period 31.12.2022	-	-	-	-	711,607	2,906,368	3,617,975
Other comprehensive income (loss)/income	-	4,705	(233,048)	525,467	-	41,099	338,223
Total comprehensive income	-	4,705	(233,048)	525,467	711,607	2,947,467	3,956,198
Dividends declared - 2021	-	-	-	-	-	(279,979)	(279,979)
At 31 December 2022	6,999,491	33,697	(726,013)	1,347,425	8,145,000	24,972,103	40,771,703
At 1 January 2023	6,999,491	33,697	(726,013)	1,347,425	8,145,000	24,972,103	40,771,703
Profit for the period 30.06.2023	-	-	-	-	(116,046)	1,020,190	904,144
Prior year adjustment	-	-	-	-	-	(334,718)	(334,718)
Other comprehensive income (loss)/income	-	-	(101,891)	-	-	-	(101,891)
Total comprehensive income	-	-	(101,891)	-	(116,046)	685,472	467,534
Dividends declared - 2022	-	-	-	-	-	-	-
Bonus issues shares from retained earnings	-	-	-	-	-	-	-
At 30 June 2023	6,999,491	33,697	(827,904)	1,347,425	8,028,954	25,657,575	41,239,237

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Unaudited 30.06.2023	Audited 31.12.2022
Net cash generated from operations	583,826	1,381,556
Interest received on corporate bonds	2,938	5,884
Interest received on government securities	1,119,813	2,202,932
Interest received on staff mortgages and loans	14,576	27,435
Interest received on deposits with financial institutions	502,406	674,273
Interest received on commercial mortgages	18,008	26,842
Tax paid in the year	(630,497)	(774,507)
Net cash generated from operating activities	1,611,070	3,544,415
Cash flows used in investing activities		
Purchase of investment property	(14,248)	(247,154)
Purchase of property and equipment	(1,340)	(60,523)
Purchase of intangible assets	(1,897)	(47,128)
Purchase of government securities	(1,434,570)	(3,424,759)
Proceeds on maturity of government securities	1,152,141	2,059,573
Purchase of unquoted equity	-	(7,375)
Dividends received on quoted equity instruments	94,409	112,241
Net cash used in investing activities	(205,505)	(1,615,125)
Cash flows used in financing activities		
Dividends paid		(279,979)
Net decrease in cash and cash equivalents	1,405,565	1,649,311
Cash and cash equivalents at 1st January	13,131,120	11,481,809
Cash and cash equivalent at 31 December	14,536,684	13,131,120



KENYA RE

Kenya Reinsurance Corporation Limited

COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 30 JUNE 2023

	Unaudited Short term Business 2023 KShs '000	Unaudited Long term Business 2023 KShs '000	Unaudited Total 2023 KShs '000	Unaudited Total 2022 KShs '000
INCOME				
Gross premiums written	6,532,294	2,089,448	8,621,742	9,541,226
Less: change in unearned premiums	(1,472,920)	(430,559)	(1,903,478)	(210,128)
Less: retrocession premiums	(654,885)	(76,519)	(731,403)	(361,975)
NET EARNED PREMIUMS	4,404,490	1,582,370	5,986,860	8,969,122
Investment income	1,371,366	645,313	2,016,679	1,788,148
Acquisition costs recoveries	91,452	16,798	108,250	5,420
Other income	84,135	0	84,135	35,941
TOTAL INCOME	5,951,443	2,244,482	8,195,924	10,798,632
CLAIMS AND BENEFITS				
Gross claims incurred and policy holder benefits	(2,474,449)	(1,812,751)	(4,287,200)	(6,204,747)
Less: Re-insurers share of claims and policy holder benefits	397,468	24,907	422,375	65,631
NET CLAIMS AND BENEFITS	(2,076,981)	(1,787,844)	(3,864,825)	(6,139,116)
Cedant acquisition costs	(1,747,164)	(535,611)	(2,282,775)	(2,506,193)
Operating and other expenses	(108,526)	(34,714)	(143,240)	(879,417)
Provision for doubtful debts	(602,053)	-	(602,053)	(256,555)
TOTAL CLAIMS, BENEFITS AND OTHER EXPENSES	(4,534,724)	(2,358,168)	(6,892,893)	(9,781,281)
PROFIT BEFORE TAX	1,416,718	(113,687)	1,303,032	1,017,351
INCOME TAX EXPENSE	(479,841)	34,106	(445,735)	(305,205)
PROFIT FOR THE YEAR	936,878	(79,581)	857,297	712,146
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Net (losses) / gains on revaluation of available-for-sale quoted equity instruments	(52,547.38)	-	(52,547)	(182,763)
Net gains on revaluation of available-for-sale government securities	(49,343.99)	-	(49,344)	0
TOTAL OTHER COMPREHENSIVE INCOME	(101,891.38)	-	(101,891)	(182,763)
TOTAL COMPREHENSIVE INCOME	834,986	(79,581)	755,406	529,383
EARNINGS PER SHARE - basic and diluted			0.31	0.25
Key Ratios				
Capital Adequacy Ratio			633%	539%
Claims Ratio			65%	68%
Expense Ratio			2%	10%

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Unaudited Short term Business 2023 KShs '000	Unaudited Long term Business 2023 KShs '000	Unaudited Total 2023 KShs '000	Audited Total 2022 KShs '000
EQUITY				
Share capital	6,499,491	500,000	6,999,491	6,999,491
Revaluation reserve	33,697	-	33,697	33,697
Fair value reserve	(736,832)	(91,072)	(827,904)	(726,013)
Translation reserve	1,348,236	-	1,348,236	1,348,236
Statutory reserve	-	8,049,384	8,049,384	8,131,318
Retained earnings	24,990,179	-	24,990,179	24,042,509
TOTAL EQUITY	32,134,770	8,458,312	40,593,082	39,829,237
ASSETS				
Property and equipment	55,498	-	55,498	66,580
Intangible assets	20,268	33,069	53,337	57,663
Mortgage loans	757,574	-	757,574	743,491
Investment properties	10,663,473	1,755,775	12,419,248	12,405,000
Investment in associate	7,823,043	-	7,823,043	7,823,043
Investment in Subsidiary	2,761,398	-	2,761,398	2,761,398
Employee defined benefit asset	-	-	-	-
Unquoted equity instruments	201,623	-	201,623	201,623
Corporate bonds	45,313	-	45,313	45,329
Reinsurance Receivables	2,179,036	247,743	2,426,780	1,633,185
Receivables arising out of reinsurance and retrocession arrangements-Pipeline	6,107,891	1,236,998	7,344,890	7,526,524
Premium and loss reserves	170,536	-	170,536	310,500
Due from related party	167,297	-	167,297	104,168
Other receivables	379,547	-	379,547	479,542
Quoted equity instruments	941,573	165,592	1,107,165	1,154,071

The unaudited financial statements were approved by the Board of Directors on 24th August 2023 and were signed on its behalf by:
 Dr. Hillary Wachinga
 Principal Officer

Catherine Kimura
 Chairman

David Muthusi
 Director

PERFORMANCE COMMENTARY

FINANCIAL HIGHLIGHTS

Gross written premiums decreased by 10% from KShs 11 billion in June 2022 to KShs 9.9 billion in June 2023. Net earned premium decreased by 33% from KShs 9.8 billion in June 2022 to KShs 6.5 billion in June 2023.
 Investment income increased by 16% from KShs 1.9 billion in June 2022 to KShs 2.2 billion in June 2023.
 Net claims incurred as at June 2023 decreased by 36% to KShs 4.2 billion from KShs 6.5 billion in June 2022.
 Net cedant acquisition costs decreased by 12% from KShs 2.7 billion in June 2022 to KShs 2.4 billion in June 2023.
 Operating expenses decreased by 72% from KShs 0.99 billion as at June 2022 to KShs 0.3 billion as at June 2023.
 Profit before tax as at June 2023 stood at KShs 1.29 billion, an increase of 8.7% from profit before tax of KShs 1.19 billion as at June 2022.
 The asset base increased from KShs 70.13 billion as at December 2022 to KShs 72.77 billion as at June 2023, a growth of 4%.
 The Shareholders funds increased from KShs 40.8 billion as at December 2022 to KShs 41.2 billion as at June 2023 a growth of 1%.

Government securities	12,272,202	7,156,654	19,428,856	19,271,575
Inventory	23,454	-	23,454	18,912
Deferred acquisition costs	1,452,150	180,420	1,632,570	1,231,407
Deposits with financial institutions	5,269,954	4,887,665	10,157,618	9,195,296
Cash and bank balances	480,838	10,350	491,189	95,096
Income Tax Receivable	534,415	-	534,415	-
Deferred tax asset	1,452,394.36	-	1,452,394	1,452,394.36
TOTAL ASSETS	53,759,477	15,674,267	69,433,744	66,576,798
LIABILITIES				
Long term reinsurance contract liabilities	-	1,785,213	1,785,213	1,298,214
Short term reinsurance contracts liabilities	9,445,264	-	9,445,264	9,454,900
Reinsurance payables	1,561,841	288,795	1,850,636	1,043,139
Payables arising out of reinsurance arrangements-Pipeline	4,472,966	994,653	5,467,619	6,357,092
Deferred tax liability	-	3,143,639	3,143,639	3,143,639
Other payables	374,267	-	374,267	546,212
Income tax payable	(0)	-	(0)	29,525
Unearned premiums	5,502,198	1,003,655	6,505,853	4,602,375
Defined benefit liability	19,578	-	19,578	19,578
Due to related Party	248,594	-	248,594	252,887
TOTAL LIABILITIES	21,624,708	7,215,955	28,840,662	26,747,562
NET ASSETS	32,134,770	8,458,312	40,593,082	39,829,237

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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 1 January 2022	6,999,491	28,992	(492,965)	744,887	7,408,085	21,988,223	36,676,713
Profit for the period 31.12.2022	-	-	-	-	723,234	2,293,166	3,016,400
Other comprehensive income (loss)/income	-	4,705	(233,048)	603,349	-	41,099	416,105
Total comprehensive income	-	4,705	(233,048)	603,349	723,234	2,334,265	3,432,505
Dividends declared - 2021	-	-	-	-	-	(279,979)	(279,979)
At 31 December 2022	6,999,491	33,697	(726,013)	1,348,236	8,131,319	24,042,509	39,829,239
At 1 January 2023	6,999,491	33,697	(726,013)	1,348,236	8,131,319	24,042,509	39,829,239
Profit for the period 30.06.2023	-	-	-	-	(81,934)	939,231	857,297
Prior years adjustments	-	-	-	-	-	8,439	8,439
Other comprehensive income (loss)/income	-	-	(101,891)	-	-	-	(101,891)
Total comprehensive income	-	-	(101,891)	-	(81,934)	947,670	763,845
Dividends declared - 2022	-	-	-	-	-	-	-
At 30 June 2023	6,999,491	33,697	(827,904)	1,348,236	8,049,385	24,990,179	40,593,082

COMPANY STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Unaudited 30.06.2023	Audited 31.12.2022
Net cash generated from operations	660,380	1,088,999
Interest received on corporate bonds	2,938	5,884
Interest received on government securities	1,090,163	2,179,297
Interest received on staff mortgages and loans	14,144	27,075
Interest received on deposits with financial institutions	416,805	584,300
Interest received on commercial mortgages	18,008	26,842
Tax paid in the year	(625,772)	(747,379)
Net cash generated from operating activities	1,576,667	3,165,018
Cash flows used in investing activities		
Purchase of investment property	(14,248)	(247,154)
Purchase of property and equipment	(1,340)	(52,664)
Purchase of intangible assets	(1,897)	(47,128)
Purchase of government securities	(1,374,879)	(2,969,986)
Proceeds on maturity of government securities	1,194,641	1,925,832
Purchase of quoted equity instruments	-	(7,375)
Dividends received on quoted equity instruments	94,409	112,241
Investment in subsidiary	0	(130,450)
Net cash used in investing activities	(103,314)	(1,416,685)
Cash flows used in financing activities		
Dividends paid		(279,979)
Net decrease in cash and cash equivalents	1,473,352	1,468,354
Cash and cash equivalents at 1st January	9,175,455	7,707,101
Cash and cash equivalent at 31 December	10,648,807	9,175,455



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Kenya Reinsurance



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