

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 KShs	2018 KShs
Gross written premium	2,810,253,425	2,602,359,380
Net decrease in unearned premium reserves	12,355,717	31,589,230
Gross earned premiums	2,822,609,142	2,633,948,610
Less: reinsurance premium ceded	(725,737,548)	(640,612,513)
Net earned premiums	2,096,871,594	1,993,336,097
Investment and other income	340,211,386	327,962,007
Gain on revaluation of investment properties	40,000,000	30,000,000
Commissions earned	206,232,647	180,324,530
Net income	2,683,315,627	2,531,622,634
Claims payable	1,718,219,803	1,700,077,921
Less: amounts recoverable from reinsurers	(390,597,368)	(475,760,472)
Net claims payable	1,327,622,435	1,224,317,449
Operating and other expenses	(650,014,880)	(643,350,965)
Commissions payable	(398,595,549)	(373,248,696)
Profit before tax	307,082,763	290,705,524
Income tax expense	(58,963,976)	(45,826,942)
Profit for the year after tax	248,118,787	244,878,582
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Change in fair value of quoted shares	64,378,103	(39,757,223)
Items that are or may be reclassified subsequently to profit or loss		
Change in fair value of government securities (FVOCI)	8,405,991	-
Deferred tax on fair value (gain)/loss	(2,521,797)	5,836,096
Total other comprehensive income	70,262,297	(33,921,127)
Total comprehensive income for the year attributable to shareholders of the Company	318,381,084	210,957,455
Earnings per share	358.04	353.36
Interim dividend proposed for the year	-	6,029,100
Final dividend proposed for the year	85,010,310	51,975,000

STATEMENT OF FINANCIAL POSITION

	2019 KShs	2018 KShs
CAPITAL EMPLOYED		
Share capital	693,000,000	693,000,000
Retained earnings	730,430,017	588,632,649
Revaluation reserve	51,465,032	(18,797,265)
Proposed dividend	85,010,310	58,004,100
Shareholders' funds	1,559,905,359	1,320,839,484
REPRESENTED BY:		
Assets		
Vehicles and equipment	69,257,088	79,476,974
Investment properties	410,000,000	540,000,000
Intangible assets	39,199,334	39,199,334
Deferred acquisition cost	130,791,946	126,752,444
Kenya Motor Insurance Pool	9,074,691	11,599,648
Reinsurers' share of technical provisions and reserves	427,939,228	369,089,497
Other receivables and prepayments	206,204,171	30,096,715
Right of use assets	173,173,887	-
Current tax recoverable	-	3,247,319
Government securities at amortised cost	569,667,662	1,376,750,506
Government securities at FVOCI	915,980,670	-
Corporate bonds at amortised cost	7,250,700	10,962,922
Equity investments at FVOCI:-		
- Listed securities	262,421,436	176,676,531
- Unlisted securities	824,875	824,875
Receivables arising out of reinsurance arrangements	184,122,068	245,233,004
Receivables arising out of direct insurance arrangements	555,211,786	738,478,979
Deferred tax asset	5,900,781	-
Deposits with financial institutions	238,943,231	112,780,687
Cash and cash equivalents	108,790,361	81,847,714
TOTAL ASSETS	4,314,753,915	3,943,017,149
Liabilities		
Deferred tax liability	-	6,462,672
Current tax payable	43,913,086	-
Insurance contract liabilities	1,355,006,089	1,449,888,441
Unearned premium reserve	942,821,362	919,037,227
Creditors arising from reinsurance arrangements	165,023,820	159,220,657
Lease liabilities	188,279,539	-
Other payables	59,804,660	87,568,668
Total liabilities	2,754,848,556	2,622,177,665
NET ASSETS	1,559,905,359	1,320,839,484
KEY RATIOS		
	2019	2018
1) Capital Adequacy	158%	108%
2) Claims Ratio	61%	65%
3) Expense Ratio	37%	39%

The above are extracts from the Financial Statements which were audited by KPMG Kenya and have received an unqualified opinion. The Financial Statements were approved by the Board of Directors on 26 March 2020 and signed on its behalf by:-

Mike Eldon
Chairman

Mayank Patel
Director

Asok Ghosh
Principal Officer



Our credit rating affirms our strong financial metrics and ability to settle claims promptly.

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