

THE DIRECTORS OF CIC INSURANCE GROUP PLC ARE PLEASED TO ANNOUNCE THE ABRIDGED AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 KShs'000	2018 Restated KShs'000
Gross written premiums	17,695,928	16,627,384
Gross earned premiums	17,296,700	16,945,301
Less: Reinsurance ceded	(2,899,813)	(2,683,815)
Net earned premiums	14,396,887	14,261,486
Fees and commission income	1,281,654	903,839
Investment income	1,486,740	1,517,464
Other gains	406,840	354,096
Foreign exchange gain	67,394	41,826
Total income	17,639,515	17,078,711
Claims and policyholders' benefits expense	(10,040,469)	(9,456,369)
Commissions expense	(2,241,097)	(2,384,012)
Operating and other expenses	(4,952,635)	(4,601,816)
Total expenses	(17,234,201)	(16,442,197)
Share of results of associate	(19,725)	8,793
Profit before taxation	385,589	645,307
Taxation charge	(63,998)	(164,364)
Profit for the year	321,591	480,943
OTHER COMPREHENSIVE INCOME		
Surplus on revaluation of buildings	40,655	28,316
Forex gain/(loss) on translation	228	14,462
Fair value gain/(loss) on financial assets	92,419	94,291
	133,302	137,069
Total comprehensive income for the year	454,893	618,012
Earnings per share (KShs)	0.12	0.18

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019 KShs'000	2018 Restated KShs'000
Net cash generated from operating activities	2,056,543	2,005,234
Net cash used in investing activities	(2,052,892)	438,031
Net cash used in financing investments	(2,378,970)	(998,472)
Effect of foreign exchange translations	228	634
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,322,800	2,877,373
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2019	1,947,709	4,322,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL KShs'000	SHARE PREMIUM KShs'000	RETAINED EARNINGS AND OTHER RESERVES KShs'000	Due to Equity holders KShs'000	Non-controlling interest KShs'000	TOTAL KShs'000
At 1 January 2019	2,615,578	162,179	4,974,253	7,752,010	(13,944)	7,738,066
Dividends paid - 2019	-	-	(340,025)	(340,025)	-	(340,025)
Profit for the year	-	-	309,330	309,330	12,260	321,590
Other comprehensive income	-	-	125,232	125,232	8,070	133,302
At 31 December 2019	2,615,578	162,179	5,068,790	7,846,547	6,386	7,852,933

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2019 KShs'000	2018 Restated KShs'000
ASSETS		
Property and equipment	1,058,320	1,128,384
Investment properties	7,442,205	7,231,475
Intangible assets	246,445	249,261
Right of use-Leases	165,229	-
Deferred tax asset	920,004	741,133
Investment in associate	127,468	146,717
Financial assets	13,253,098	11,233,092
Deferred acquisition costs	572,515	527,710
Receivables arising out of direct insurance arrangements	1,583,066	1,627,426
Receivables arising out of reinsurance arrangements	2,347,976	1,933,652
Reinsurers share of liabilities and reserves	2,183,104	2,185,879
Taxation recoverable	179,156	-
Other receivables	339,353	228,692
Due from related parties	126,293	102,998
Deposits with financial institutions	3,945,655	5,253,988
Cash and bank balances	813,183	456,012
Total assets	35,303,070	33,046,419
EQUITY AND LIABILITIES		
Share capital	2,615,578	2,615,578
Share premium	162,179	162,179
Statutory reserve	1,157,636	956,511
Retained earnings	3,911,154	4,017,742
Equity attributable the owners of the parent	7,846,547	7,752,010
Non-controlling interest	6,386	(13,944)
Total equity	7,852,933	7,738,066
LIABILITIES		
Deferred tax liability	487,991	433,930
Borrowings	3,748,531	5,129,914
Other payables	1,208,561	1,014,747
Tax payable	-	7,702
Lease Liability	193,194	-
Payables arising from reinsurance arrangements and insurance bodies	451,699	245,047
Deposits administration contracts	4,370,396	3,124,116
Actuarial value of policyholder liabilities	6,362,664	5,344,535
Unit linked contracts	514,972	474,554
Provisions for unearned premiums reserve and unexpired risks	4,591,886	4,192,320
Insurance contracts liabilities	5,520,243	5,341,488
Total liabilities	27,450,137	25,308,353
Total equity and liabilities	35,303,070	33,046,419



Overall Winner AKI Awards 2019
Group Life Company of the Year Award

The audited financial statements were approved by the Board of Directors on **17th March 2020**.

FINANCIAL HIGHLIGHTS

- Gross written premiums increased by **7%** from **16.6b** in 2018 to **KShs.17.7b** in 2019
- Total assets increased by **7%** to **Kshs.35.3 b**
- Profit before tax dropped from **Kshs 645m** in 2018 to **Kshs 386m** in 2019

The Group registered a decline in PBT in 2019 due to higher year-on-year ("YoY") growth in claims expenses by 6% due to adverse experience in key business lines, drop in investment due to the poor performance of the equities market coupled with a slump in revaluation gains on property investments.

DIVIDENDS

The directors do not recommend the payment of dividends for the year ended 2019 (2018 Kshs 0.13 per share totalling to Kshs340Mn).

FUTURE OUTLOOK

The Group's key areas of focus shall include improved customer experience, reliable and user friendly systems and prudent cost management by focusing on innovation and continuous improvement.

Japheth Magomere, OGW
Group Chairman

Elijah Wachira
Ag. Group Chief Executive Officer

Jyoti Patel
Director



2nd Runners AKI Awards 2019
Insurance Motor Data System Award