

THE DIRECTORS OF CIC INSURANCE GROUP PLC ARE PLEASED TO ANNOUNCE THE ABRIDGED AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2018 KShs'000	2017 KShs'000
Gross written premiums	16,627,384	14,886,887
Gross earned premiums	16,945,301	14,336,192
Less: Reinsurance ceded	(2,683,815)	(2,241,195)
Net earned premiums	14,261,486	12,094,997
Fees and commission income	903,839	1,023,407
Investment income	1,517,464	1,543,581
Other gains	354,096	704,373
Foreign exchange gain	41,826	233,904
Total income	17,078,711	15,600,262
Claims and policyholders' benefits expense	(9,250,055)	(7,856,468)
Commissions expense	(2,384,012)	(2,122,470)
Operating and other expenses	(4,601,816)	(4,914,736)
Loss on net monetary position	-	(187,478)
Total expenses	(16,235,883)	(15,081,152)
Share of results of associate	8,793	46
Profit before taxation	851,621	519,156
Taxation charge	(226,258)	(40,683)
Profit for the year	625,363	478,473
OTHER COMPREHENSIVE INCOME		
Surplus on revaluation of buildings	28,316	21,914
Forex gain/(loss) on translation	14,462	(99,595)
Fair value gain/(loss) on financial assets	94,291	(47,722)
Total comprehensive income for the year	762,432	353,070
Earnings per share (KShs)	0.24	0.18

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018 KShs'000	2017 KShs'000
Net cash generated from operating activities	2,027,573	2,090,521
Net cash used in investing activities	397,974	(2,500,945)
Net cash used in financing investments	(998,472)	(909,073)
Effect of foreign exchange translations	634	(182,582)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,877,373	4,379,452
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2018	4,305,082	2,877,373

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM	STATUTORY RESERVES	RETAINED EARNINGS	Due to Equity holders	Non-controlling interest	TOTAL
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January 2018	2,615,578	162,179	1,102,608	3,682,175	7,562,540	74,568	7,637,108
Transfer to retained earnings	-	-	(115,000)	115,000	-	-	-
Tax on transfer to retained earnings	-	-	-	(34,500)	(34,500)	-	(34,500)
Dividends paid - 2018	-	-	-	(313,865)	(313,865)	-	(313,865)
Adjustment on adoption of IFRS 9	-	-	(53,046)	(115,643)	(168,689)	-	(168,689)
Profit for the year	-	-	166,369	448,825	615,194	10,169	625,363
Other comprehensive income	-	-	-	235,750	235,750	(98,681)	137,069
At 31 December 2018	2,615,578	162,179	1,100,931	4,017,742	7,896,430	(13,944)	7,882,486

The audited financial statements were approved by the Board of Directors on 13th March 2019.

FINANCIAL HIGHLIGHTS

- Gross written premiums increased by **11%** from **KShs.14.89 b** in 2017 to **KShs.16.63 b** in 2018
- Total assets increased by **8%** to **KShs.33 b**
- Profit before tax grew by **64%** to **KShs.852 m**

The company registered strong topline growth with improved quality of business in most of the lines of business. However, because of the prevailing market conditions, the valuation of our shares portfolio at the Nairobi Securities Exchange has significantly dropped. The group focused on cost control measures resulting in lower operating expenses in 2018 which benefited the bottom line. Property valuations remained fairly flat in Kenya. As pace setters in insurance financial reporting, we have adopted IFRS 9 and the impact of this is included in the financial statements.

DIVIDENDS

The directors recommend the payment of a first and final dividend of Ksh.0.13 per share totalling to Ksh 340 m (2017 - Ksh 313 m). The dividend is subject to shareholders' approval and payment will be subject to withholding tax. The payment will be made on or about 31st May 2019 to the shareholders registered at the close of business on 30th April 2019.

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of CIC Insurance Group PLC will be held on Wednesday 22nd May 2019.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2018 KShs'000	2017 KShs'000
ASSETS		
Property and equipment	1,128,384	1,204,738
Investment properties	7,231,475	6,686,483
Intangible assets	249,261	171,257
Deferred tax asset	741,133	639,615
Investment in associate	146,717	137,924
Financial assets	11,233,092	10,468,393
Deferred acquisition costs	527,710	592,713
Receivables arising out of direct insurance arrangements	1,627,426	1,527,331
Receivables arising out of reinsurance arrangements	1,902,239	1,429,216
Reinsurers share of liabilities and reserves	2,146,606	2,252,569
Other receivables	228,692	249,650
Due from related parties	102,998	45,886
Deposits with financial institutions	5,253,988	4,836,107
Cash and bank balances	456,012	263,494
Total assets	32,975,733	30,505,376
EQUITY AND LIABILITIES		
Share capital	2,615,578	2,615,578
Share premium	162,179	162,179
Statutory reserve	1,100,931	1,102,608
Retained earnings	4,017,742	3,682,175
Equity attributable the owners of the parent	7,896,430	7,562,540
Non-controlling interest	(13,944)	74,568
Total equity	7,882,486	7,637,108
LIABILITIES		
Deferred tax liability	495,824	473,809
Borrowings	5,129,914	5,106,529
Other payables	1,014,747	984,371
Tax payable	7,702	43,341
Payables arising from reinsurance arrangements and insurance bodies	245,047	132,403
Deposits administration contracts	3,124,116	2,113,915
Actuarial value of policyholder liabilities	5,166,952	4,268,880
Unit linked contracts	474,554	536,926
Provisions for unearned premiums reserve and unexpired risks	4,192,320	4,510,237
Insurance contracts liabilities	5,242,071	4,697,857
Total liabilities	25,093,247	22,868,268
Total equity and liabilities	32,975,733	30,505,376



WINNER 2018
Financial Reporting Award
INSURANCE CATEGORY

FUTURE OUTLOOK

The Group continues to focus on profitable growth, superior customer service and continued efficiency in terms of cost management and service delivery.

MESSAGE FROM THE DIRECTORS

These financial statements are extracts of the financial report of the Group which were audited by Ernst & Young LLP and have received an unqualified opinion. A full set of these financial statements will be available at our registered office at CIC Plaza and online at www.cic.co.ke for inspection after approval by members at the Annual General Meeting. The financial statements were approved by the Board of Directors on 13th March 2019 and were signed on its behalf by:

Japheth Magomere, OGW
Group Chairman

Tom Gitogo
Group Chief Executive Officer

Philip Lopokoiyit
Director



Overall Winner 2018
Group Life Company of the Year Award