

CIC INSURANCE GROUP PLC

THE BOARD OF CIC INSURANCE GROUP PLC ANNOUNCES THE UNAUDITED RESULTS FOR THE GROUP FOR THE PERIOD 30 JUNE 2019.



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2019 June Ksh'000	2018 June Ksh'000
Income		
Gross written premium	9,594,819	8,980,946
Net earned premiums	7,111,682	7,082,902
Investment and other Income	1,623,551	1,640,640
Total income	8,735,233	8,723,542
Expenditure		
Net claims and policy holders benefits	(5,040,992)	(4,669,916)
Operating and other expenses	(3,214,160)	(3,075,124)
Total expenditure	(8,255,152)	(7,745,040)
Finance cost	(336,184)	(334,808)
Share of result of associate	2,942	-
Profit before Tax	146,839	643,694
Tax charge	(125,939)	(106,639)
Profit for the period	20,900	537,055
Earnings per share	0.01	0.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2019 June Ksh'000	2018 December Ksh'000
Equity		
Share capital	2,615,578	2,615,578
Share premium	162,179	162,179
Retained earnings and other reserves	4,931,215	5,118,673
Non-controlling interest	7,590	(13,944)
Total equity	7,716,562	7,882,486
Assets		
Property and equipment	1,342,424	1,377,645
Investment properties	7,426,673	7,231,475
Other investments	17,565,164	16,016,293
Other loans	628,388	617,504
Other receivables	8,310,800	7,276,804
Cash and bank balances	736,061	456,012
Total assets	36,009,510	32,975,733
Liabilities		
Insurance liabilities	20,648,342	18,200,013
Borrowings	5,141,098	5,129,914
Other payables	2,503,508	1,763,320
Total liabilities	28,292,948	25,093,247
Net assets	7,716,562	7,882,486

ABRIDGED CONSOLIDATED STATEMENT OF CASHFLOWS

	June 2018 Ksh'000	December 2017 Ksh'000
Net cash generated from operating activities	1,955,143	2,005,234
Net cash used in investing activities	(1,176,919)	438,031
Net cash used in financing activities	(653,970)	(998,472)
Effect of foreign exchange translations	181	634
Cash and cash equivalents at the beginning of the period	4,322,800	2,877,373
Cash and cash equivalents at 30 June 2019	4,447,235	4,322,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

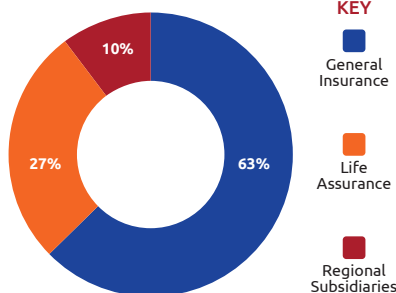
	SHARE CAPITAL KShs'000	SHARE PREMIUM KShs'000	OTHER RESERVES KShs'000	TOTAL EQUITY KShs'000
At 1 January 2019	2,615,578	162,179	5,104,729	7,882,486
Dividend payout	-	-	(328,970)	(328,970)
Income attributed to shareholders	-	-	20,900	20,900
Transfer (to)/from reserves	-	-	142,146	142,146
Balance as at 30 June 2019	2,615,578	162,179	4,938,805	7,716,562

These unaudited condensed financial statements are extracts from the books of accounts of the group. They were approved by the board of directors on 26th July 2019.

FINANCIAL HIGHLIGHTS

- Gross written premiums increased by **7%** from **KShs.9B** in 2018 to **KShs.9.5B** in 2019. Regional countries contributed **KShs.1B**
- Claims incurred increased from **KShs.4.7B** to **KShs.5B** driven mainly by adverse group life claims in Q1 that are not expected to recur. Subdued investment environment and yield curve deterioration has also resulted in high actuarial reserves.
- Operating expenses remain under control and only rose by **5%** to **KShs.3.2B**.
- Profit before tax declined from **KShs.644M** to **KShs.147M** mainly because of the loss in our life business occasioned by the adverse group life claims that are not expected to repeat. General business and CIC Asset Management had a profit before tax of **KShs.326M** and **KShs.104M** respectively, while the regional countries contributed a profit before tax of **KShs.50M**.
- Total assets increased by **9%** to **KShs.36B**
- We project a significantly improved performance for our life business in the second half of the year.

GROSS WRITTEN PREMIUM (GWP)



OUTLOOK

To serve our clients better, we implemented the Premia administration system for our General business at the beginning of the year. The business is now future proof and we project continued growth in its profitability especially as we introduce more motor assessment centres to contain fraudulent motor claims. Our life business will continue on its diversification strategy of growing ordinary life and pension business. We are pleased with our asset management business which now controls a market share of 34% of the unit trust segment. Our regional business are on a satisfactory growth trajectory and are contributing positively to the group's bottom line.

For and on behalf of the Board

J. Magomere, OGW - Group Chairman

T. Gitogo - Group CEO

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