

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2018

LONGTERM INSURANCE BUSINESS

	2018 Shs	2017 Shs
INCOME		
Gross Written Premium	5,227,889,615	4,983,630,075
Outward reinsurance premium	2,001,815,938	1,016,972,495
Net written premium (1-2)	3,226,073,677	3,966,657,580
Gross earned premiums	5,227,889,615	4,983,630,075
Net earned premiums (4-2)	3,226,073,677	3,966,657,580
Investment income	242,510,193	202,918,796
Commissions income	417,387,531	208,797,699
Other income	118,931	870,379
Total Income (5+6+7+8)	3,886,090,332	4,379,244,454
OUTGO		
Claims & policy holder benefits	3,630,986,867	4,549,702,042
Less: Reinsurance share of claims	1,226,560,058	1,150,426,948
Net claims payable (10-11)	2,404,426,809	3,399,275,094
Commissions payable	425,362,159	457,648,308
Operating and other expenses	1,091,559,165	465,889,570
Total Outgo (12+13+14)	3,921,348,133	4,322,812,972
Profit/(Loss) before tax	(35,257,801)	56,431,482
Income tax expense	22,536,296	21,836,634
Profit for the year(9-15)	(57,794,097)	34,594,848
Other comprehensive income	0	0
Total profit & other comprehensive income	(57,794,097)	34,594,848
Earnings per share	(38.53)	23.06

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

SHAREHOLDERS FUNDS		
Share capital	150,000,000	150,000,000
Retained earnings	259,388,891	259,257,996
Statutory reserve	506,829,994	564,754,986
TOTAL SHAREHOLDERS FUNDS	916,218,885	974,012,982
ASSETS		
Property & Equipment	44,703,688	35,702,060
Intangible assets	6,324,941	9,630,418
Investment property	1,411,500,000	1,241,847,000
Investments in Equities	21,350,048	23,991,533
Investments in Unit trusts	129,958,093	99,131,558
Policy loans receivable	69,831,252	58,317,207
Government securities held to maturity	466,877,594	285,135,467
Corporate bond	-	1,000,000
Receivables arising from reinsurance arrangements	740,086,851	797,083,892
Receivables arising out of direct insurance arrangements	2,911,823,484	1,075,914,664
Other receivables	324,786,662	255,912,564
Deposits with financial institutions	395,769,303	684,975,148
Cash and cash equivalents	533,059,123	702,926,451
Tax recoverable	-	17,386,200
TOTAL ASSETS	7,056,071,039	5,288,954,162
LIABILITIES		
Insurance contract liabilities	3,735,176,576	3,439,306,666
Payables under deposit administration contracts	527,381,602	272,667,249
Payables under Investment contracts	166,145,396	109,099,232
Creditors arising from reinsurance arrangements	1,368,264,237	122,253,520
Other payables	82,259,357	114,083,940
Deferred tax	238,763,226	257,530,573
Current tax	21,861,760	-
Total liabilities	6,139,852,154	4,314,941,180
Net Assets	916,218,885	974,012,983

STATEMENT OF MOVEMENT IN DEPOSIT ADMINISTRATION AND INVESTMENT CONTRACTS FOR THE YEAR ENDING 31 DECEMBER 2018

Amounts Payable under Deposit Administration Contracts		
	2018 Shs	2017 Shs
As at 1st January	272,667,249	145,366,185
Pension Fund Deposits Received	242,662,044	121,136,367
Surrenders & Annuities paid	(28,518,260)	(15,374,645)
Management charges	(1,232,100)	(596,801)
Interest Payable to policyholders	41,802,669	22,136,143
As at 31 December	527,381,602	272,667,249
Investment Contract Liabilities		
As at 1st January	109,099,232	77,348,102
Received during the year	98,436,876	109,157,886
Maturities/payments to policyholders	(47,856,150)	(79,535,953)
Interest Payable to policyholders	6,465,438	2,129,197
As at 31 December	166,145,396	109,099,232
KEY RATIOS		
Capital Adequacy ratio	100%	110%
Claims ratio	69%	91%
Expense ratio	29%	19%

The above are extracts from the financial statements for the year ended 31 December 2018 which were audited by PKF Kenya and received an unqualified opinion. The financial statements were approved by the board of directors for issue on 25 March 2019 and signed on its behalf by:

Amal Olubayi
Chairman

Moses N Kimani
Director

David K Ronoh
Principal Officer

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2018

GENERAL INSURANCE BUSINESS

	2018 Shs	2017 Shs
INCOME		
Gross written premium	591,857,066	326,297,347
Outward Reinsurance Premium	136,017,753	146,161,816
Net written premium (1-2)	455,839,313	180,135,531
Gross Earned premium	455,527,187	230,307,009
Net earned premium (4-2)	319,509,434	84,145,193
Investment income	63,619,341	58,535,813
Commission Income	61,835,586	28,238,656
Other income	-	108,934
Total Income (5+6+7+8)	444,964,361	171,028,598
OUTGO		
Claims & policyholder benefits	272,967,140	53,230,517
Less: Reinsurers' share of claims	73,333,446	13,936,581
Net claims (10-11)	199,633,694	39,293,936
Commission payable	80,582,454	28,039,517
Operating & other expenses	176,443,834	98,651,232
Total outgo (12+13+14)	456,659,982	165,984,685
Profit before tax (9-15)	(11,695,621)	5,043,913
Income tax expense	(3,036,206)	1,900,681
Profit for the year (16-17)	(8,659,415)	3,143,232
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year (18+19)	(8,659,415)	3,143,232
Earnings per share.	(14.43)	5.24

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

SHAREHOLDERS FUNDS		
Share capital	600,000,000	600,000,000
Retained earnings	(5,516,181)	3,143,232
TOTAL SHAREHOLDERS FUNDS	594,483,819	603,143,232
ASSETS		
Property & equipment	7,635,287	3,366,814
Intangible assets	23,329,481	18,074,613
Receivables arising out of reinsurance arrangements	26,817,527	25,612,426
Receivables arising out of direct insurance arrangements	149,883,448	108,636,264
Reinsurers' share of technical provisions and reserves	42,360,382	47,512,638
Deferred acquisition costs	31,156,639	18,123,305
Deferred tax asset	3,417,682	381,476
Other receivables	89,106,515	24,371,864
Government securities held to maturity	69,376,427	38,008,041
Deposits with financial institutions held to maturity	685,948,918	723,505,807
Cash & Bank Balances	59,194,629	38,761,514
Tax Recoverable	10,556,713	-
TOTAL ASSETS	1,198,783,648	1,046,354,762
LIABILITIES		
Insurance contract liabilities	119,994,148	47,589,498
Provision for unearned premium	274,680,598	155,650,105
Payables arising out of reinsurance arrangements	9,132,447	76,235,461
Tax payable	-	1,576,073
Other payables	200,492,636	162,160,393
Total liabilities	604,299,829	443,211,530
Net assets	594,483,819	603,143,232
KEY RATIOS		
Capital Adequacy Ratio	100%	100%
Claims Ratio	62%	47%
Expense Ratio	43%	39%

Key Highlights

This was the second year of operations for Pioneer General Insurance Limited
Gross written premium grew by 82% while total assets grew by 14%

The above are extracts from the financial statements for the year ended 31 December 2018 which were audited by PKF Kenya and received an unqualified opinion. The financial statements were approved by the board of directors for issue on 25 March 2019 and signed on its behalf by:

Shiraz A Jeraj
Chairman

Moses N Kimani
Director

Milcah N Kinyua
Principal Officer



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