



Overall top

General insurer of the year

The Heritage Insurance Company Kenya Limited

Overall top

Life insurer of the year

Liberty Life Assurance Kenya Limited

Summary consolidated statement of comprehensive income

KShs'000	31 December 2019	31 December 2018
Income		
Gross earned premium revenue	10,771,164	10,217,603
Less: Outward reinsurance	(4,048,265)	(3,908,377)
Net insurance premium revenue	6,722,899	6,309,226
Commissions earned	829,724	844,015
Investment income	1,998,250	2,207,107
Interest income on financial assets held at amortised cost	350,840	415,752
Fair value gain on financial investments	1,155,068	(522,459)
Other income	29,212	58,409
Total income	11,085,993	9,312,050
Claims and policyholder benefits payable	(8,045,879)	(5,306,021)
Change in insurance contract liabilities	1,157,747	(689,723)
Amounts recoverable from reinsurers	1,676,359	1,802,243
Commissions payable	(1,386,268)	(1,166,084)
Other operating expenses	(3,275,308)	(3,027,509)
Interest expense on lease liability	(13,272)	-
Claims and expenses	(9,886,621)	(8,387,094)
Profit before income tax	1,199,372	924,956
Income tax expense	(458,979)	(375,430)
Profit for the year	740,393	549,526
Other comprehensive income for the year, net of tax	(5,618)	(32,116)
Total comprehensive income for the year	734,775	517,410
Total comprehensive income attributable to		
Owners of parent	698,029	461,595
Non-controlling interest	36,746	55,815
Total comprehensive income for the year	734,775	517,410
Basic and diluted earnings per share (KShs)	1.31	0.92

Summary consolidated statement of financial position

KShs'000	31 December 2019	31 December 2018
Capital and reserves		
Share capital	535,707	535,707
Share premium	1,490,480	1,490,480
Other reserves	5,742,081	5,311,906
Equity attributable to equity holders	7,768,268	7,338,093
Non-controlling interests	264,624	281,046
Total equity	8,032,892	7,619,139
Assets		
Property and equipment	1,189,086	1,218,612
Intangible assets	1,432,035	1,423,572
Right-of-use assets	112,158	-
Investment property	226,729	760,855
Financial investments	25,634,927	22,456,803
Receivable arising from reinsurance	320,487	161,224
Receivable arising from direct insurance	577,646	824,923
Reinsurer's share of insurance liabilities	2,739,289	2,701,761
Deferred acquisition costs	128,529	72,268
Other receivables	445,639	276,682
Deferred income tax	230,766	221,494
Current income tax	30,882	94,922
Non-current assets held for sale	660,000	125,000
Cash and cash equivalents	4,493,680	6,240,923
Total assets	38,221,853	36,579,039
Liabilities		
Insurance contracts liabilities	6,971,906	6,643,294
Investment contracts liabilities	11,692,204	9,892,067
Investment contracts with discretionary participation features	4,889,658	5,860,977
Unearned premium reserve	3,158,674	3,054,112
Finance liabilities	109,792	-
Liabilities arising from direct insurance	493,243	552,382
Liabilities arising from reinsurance	531,432	673,564
Other liabilities	1,212,114	1,070,375
Deferred income tax	1,064,840	1,059,984
Current income tax	65,098	153,145
Total liabilities	30,188,961	28,959,900
Net assets	8,032,892	7,619,139

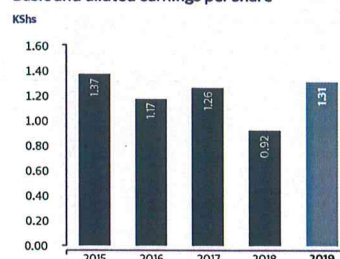
Summary consolidated statement of cash flows

KShs'000	31 December 2019	31 December 2018
Cash used from operations	946,402	1,007,047
Net interest received	435,752	276,105
Income tax paid	(487,402)	(318,374)
Net cash generated by operating activities	894,752	964,778
Cash earned/(used in) investing activities	(2,320,973)	1,909,825
Cash flows used in financing activities	(321,022)	(323,186)
Net (decrease) increase in cash equivalents	(1,747,243)	2,551,417
Cash and cash equivalents at the beginning of the year	6,240,923	3,689,506
Cash and cash equivalents at the end of the year	4,493,680	6,240,923

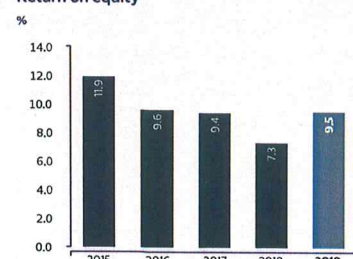
Summary consolidated statement of changes in equity

KShs'000	Share capital	Share premium	Revenue and other reserves	Non controlling interest	Total
At 1 January 2019	535,707	1,490,480	5,311,906	281,046	7,619,139
Profit for the year			701,203	39,190	740,393
Gain on revaluation of owner-occupied property			28		28
Recognition of deferred income tax on revaluation of owner-occupied property			(8)		(8)
Foreign currency translation			(3,194)	(2,444)	(5,638)
Dividends paid to ordinary shareholders			(267,854)		(267,854)
Dividends paid to non-controlling interests				(53,168)	(53,168)
At 31 December 2019	535,707	1,490,480	5,742,081	264,624	8,032,892

Basic and diluted earnings per share



Return on equity



Message from the Board of Directors

The Board of Directors is pleased to announce the results for the year ended 31 December 2019.

The Summary Consolidated Statement of Financial Position, Summary Consolidated Statement of Comprehensive Income and Summary Consolidated Statement of Cash Flows are extracts from the financial statements as audited by KPMG Kenya which received an unqualified opinion.

The Board and management are actively monitoring the COVID-19 situation as it unfolds, working with regulators and the broader Liberty group to do our best to continue to service our customers and meet other stakeholder obligations, whilst responsibly looking after our staff and playing our part in contributing to society needs as we all navigate this world wide crisis.

Accounting policies

The accounting policies applied in the preparation of the annual financial statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the prior year group annual financial statements except for the mandatory adoption of IFRS 16 Leases. The group applied IFRS 16 Leases retrospectively from 1 January 2019, using the modified retrospective approach. Comparatives, as permitted by IFRS 16, are not

restated under this approach. There was no impact to opening retained earnings on adoption of IFRS 16.

Various amendments issued by the International Accounting Standards Board as well as IFRIC 23 Uncertainty over Income Tax Treatments were also adopted for the year commencing 1 January 2019. There is no impact on the group's current financial results, disclosures or comparative information as a result of these amendments.

Dividends

The Directors, having taken note of the potential impact of the prevailing market and economic conditions on the capital and liquidity of the operating subsidiaries, do not recommend payment of a dividend for 2019 (2018: KSh0.50).

Annual general meeting

The date for the 2020 Annual General Meeting will be advised in a notice to be published in due course.

The above extracts of the financial statements were approved by the Board on 30 March 2020.

The complete set of the annual financial statements will be made available on the company's website (www.libertykenya.co.ke) on or before 17 May 2020.

P. Odera
Chairman

G. R May
Director

M.L du Toit
Managing Director

C. Kioni
Company Secretary