

The Heritage Insurance Company Kenya Limited

Audited results of the group and company

for the year ended 31 December 2021

Heritage

Insurance Company

A member of  LIBERTY

Regulated by the Insurance Regulatory Authority

Think Business Insurance 2019 & 2020 Awards
General Insurer of the year



Statement of financial position as at 31 December 2021

KShs'000	Group		Company	
	2021	2020	2021	2020
Assets				
Property and equipment	113 677	106 128	102 032	91 469
Right-of-use assets	110 272	149 912	102 307	130 683
Intangible assets	33 941	43 380	19 799	24 439
Other investments	-	-	146 557	146 557
Financial investments	5 929 543	5 440 402	5 799 316	5 197 531
Equity investments at fair value through profit or loss (quoted)	1 002	6 768	1 002	6 768
Equity investments at fair value through profit or loss (unquoted)	52 132	49 231	-	-
Government securities and corporate bonds	5 640 727	5 134 557	5 562 632	4 940 917
Loans receivable	235 682	249 846	235 682	249 846
Receivable arising out of reinsurance arrangements	183 769	169 558	63 243	20 601
Receivable arising out of direct insurance arrangements	458 305	550 109	458 305	550 109
Reinsurer's share of insurance contract liabilities	3 226 301	3 162 100	1 888 581	2 391 129
Deferred acquisition costs	99 799	79 498	87 964	59 796
Deferred income tax	187 820	219 764	125 310	182 812
Other receivables	321 917	328 649	228 671	221 413
Current tax receivable	107 321	55 023	63 938	9 029
Cash and cash equivalents	3 229 024	3 341 485	1 685 242	1 955 951
Total assets	14 001 689	13 646 008	10 771 265	10 981 519
Liabilities				
Insurance contract liabilities	4 277 873	4 176 699	3 206 747	3 686 883
Unearned premium reserve	3 337 586	2 934 932	2 478 976	2 230 392
Lease liabilities	144 779	181 203	136 403	160 728
Creditors arising from reinsurance arrangements	618 514	462 147	189 130	85 903
Creditors arising from direct insurance arrangements	396 877	479 128	384 258	463 297
Employee benefits	83 894	95 639	83 894	94 866
Other payables	341 445	771 175	126 636	317 977
Total liabilities	9 200 968	9 100 923	6 606 044	7 040 046
Net assets	4 800 721	4 545 085	4 165 221	3 941 473
Share capital	1 000 000	1 000 000	1 000 000	1 000 000
Retained earnings	3 322 496	3 120 341	3 165 221	2 941 473
Other reserves	165 401	124 677	-	-
Equity attributable to equity holders	4 487 897	4 245 018	4 165 221	3 941 473
Non-controlling interests	312 824	300 067	-	-
Total equity	4 800 721	4 545 085	4 165 221	3 941 473

Group and company statement of comprehensive income for the year ended 31 December 2021

KShs'000	Group		Company	
	2021	2020	2021	2020
Profit for the year	427 923	696 102	423 748	654 574
Other Comprehensive income				
Items that may be classified to profit or loss				
Exchange differences on translating foreign operations	27 900	46 780	-	-
Total other comprehensive income for the period	27 900	46 780	-	-
Total comprehensive income	455 823	742 882	423 748	654 574
Total comprehensive income attributable to:				
Owners of the parent	442 998	707 439	423 748	654 574
Non controlling interests	12 825	35 443	-	-
	455 823	742 882	423 748	654 574

Statement of comprehensive income for the year ended 31 December 2021

KShs'000	Group		Company	
	2021	2020	2021	2020
Gross written premium	9 127 707	8 359 712	6 331 467	5 765 208
Outward reinsurance premium	(4 535 145)	(4 194 938)	(2 571 385)	(2 349 984)
Net written premium	4 592 562	4 164 774	3 760 082	3 415 224
Gross earned premiums	8 751 070	8 469 729	6 082 882	5 846 390
Less: reinsurance premium ceded	(4 340 304)	(4 290 068)	(2 485 096)	(2 376 386)
Net earned premiums	4 410 766	4 179 661	3 597 786	3 470 004
Commissions earned	842 641	855 942	563 366	548 490
Investment income	1 648	1 550	-	-
Interest income on financial assets held at amortised cost	273 477	242 265	149 380	150 277
Fair value gain/(loss) on financial investments	416 946	426 335	410 821	401 334
Other income	30 439	3 155	21 706	689
Total income	5 975 917	5 708 908	4 743 059	4 570 794
Claims and policy holder benefits	(4 141 208)	(3 702 021)	(2 809 756)	(3 378 184)
Less: reinsurers' share of claims	1 702 639	1 831 435	898 161	1 767 221
Net claims and policyholders benefits	(2 438 569)	(1 870 586)	(1 911 595)	(1 610 963)
Commissions payable	(1 090 566)	(1 058 423)	(737 123)	(691 387)
Finance costs	(20 660)	(24 053)	(19 979)	(22 659)
Operating and other expenses	(1 727 313)	(1 790 713)	(1 382 833)	(1 354 731)
Profit before tax	698 809	965 133	691 529	891 054
Income tax expense	(270 886)	(269 031)	(267 781)	(236 480)
Profit after tax	427 923	696 102	423 748	654 574
Profit attributable to:				
Owners of the parent	426 253	679 491	423 748	654 574
Non-controlling interests	1 670	16 611	-	-
	427 923	696 102	423 748	654 574

Key company indicators

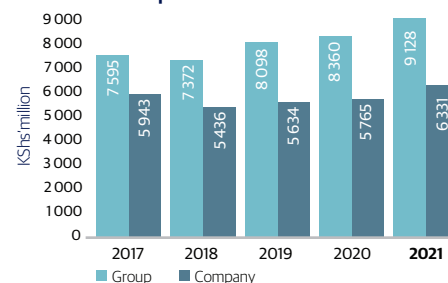
Return on equity
10%
(2020: 17%)

Claims ratio
53%
(2020: 46%)

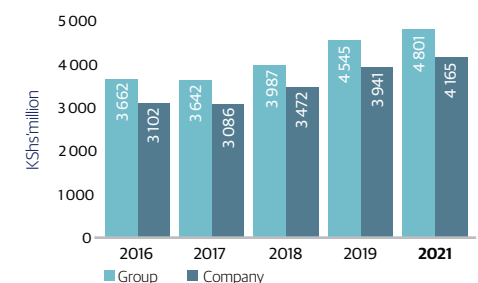
Capital adequacy ratio
353%
(2020: 357%)

Expense ratio
39%
(2020: 40%)

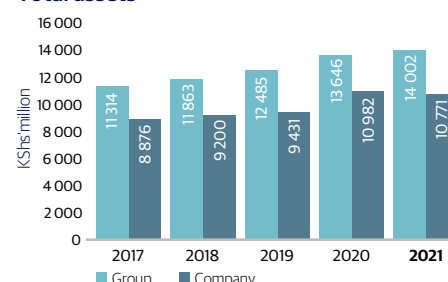
Gross written premium



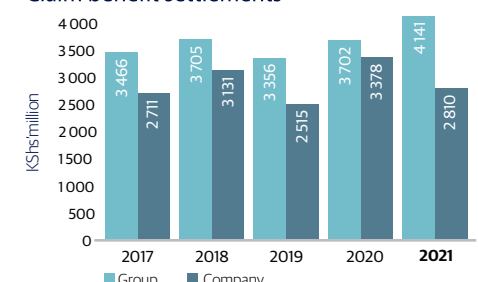
Shareholders' fund



Total assets



Claim benefit settlements



The Group and Company Statement of Financial Position together with the Group and Company Statement of comprehensive income are extracts from the Group's financial statement as audited by PriceWaterhouseCoopers LLP and have received an unqualified opinion.

The financial statements were approved by the Board on 11 March 2022 and signed on its behalf by

Peter Gethi
Chairman

Rajesh Shah
Director

Godfrey Kioi
Principal Officer

The Heritage Insurance Co. Kenya Ltd, Liberty House, Mamlaka Road, PO Box 30390 - 00100, Nairobi
Tel: 0711 039 000/0734 101 000. E-mail: info@heritage.co.ke | Website: www.heritageinsurance.co.ke
Regulated by the Insurance Regulatory Authority