

**THE DIRECTORS OF CIC INSURANCE GROUP LIMITED ARE PLEASED TO ANNOUNCE  
THE AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016**



**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	2016 KShs'000	2015 KShs'000
<b>Gross Written Premiums</b>	<b>12,334,289</b>	<b>11,439,541</b>
Gross earned premiums	11,745,036	12,638,444
Less: Reinsurance ceded	(1,713,735)	(1,909,518)
Net earned premiums	10,031,301	10,728,926
Fees and commission income	649,682	650,516
Investment income	1,287,790	1,537,813
Other gains	566,785	722,932
Foreign exchange gain	525,321	186,365
<b>Total Income</b>	<b>13,060,879</b>	<b>13,826,552</b>
Claims and policyholders' benefits expense	(6,469,473)	(7,283,698)
Commissions expense	(1,538,723)	(1,379,772)
Operating and other expenses	(4,649,528)	(3,823,833)
Loss on net monetary position (Hyper-inflation)	(297,479)	-
<b>Total Expenses</b>	<b>(12,955,203)</b>	<b>(12,487,303)</b>
Share of results of associate	8,712	(163)
Profit before taxation	114,388	1,339,086
Taxation credit/(charge)	73,797	(202,482)
<b>Profit for the Year</b>	<b>188,185</b>	<b>1,136,604</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Surplus on revaluation of buildings	38,824	80,075
Forex loss on translation	(256,411)	(282,179)
Fair value loss on available-for-sale investments	(11,968)	(152,393)
<b>Total comprehensive income for the year</b>	<b>(41,370)</b>	<b>782,107</b>
<b>Earnings per share (KShs.)</b>	<b>0.07</b>	<b>0.43</b>

**ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS**

	2016 KShs'000	2015 KShs'000
Net cash generated from operating activities	(193,933)	(1,093,403)
Net cash used in investing activities	517,818	3,603,027
Net cash used in financing investments	(255,915)	(101,578)
Effect of foreign exchange translations	(256,411)	(282,179)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,567,893	2,442,026
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2016</b>	<b>4,379,452</b>	<b>4,567,893</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	SHARE CAPITAL KShs'000	SHARE PREMIUM KShs'000	STATUTORY RESERVES KShs'000	OTHER RESERVES KShs'000	Due to Equity holders of the parent KShs'000	Non-controlling interest KShs'000	TOTAL KShs'000
<b>At 1 January 2016</b>	<b>2,615,578</b>	<b>162,179</b>	<b>1,039,810</b>	<b>3,848,533</b>	<b>7,666,100</b>	<b>164,383</b>	<b>7,830,483</b>
Transfer to retained earnings	-	-	(115,000)	115,000	-	-	-
Funds awaiting allotment – refund	-	-	-	(512)	(512)	-	(512)
Tax on transfer to retained earnings	-	-	-	(34,500)	(34,500)	-	(34,500)
Dividends paid - 2015	-	-	-	(274,636)	(274,636)	-	(274,636)
Elimination on South Sudan restatement	-	-	-	29,028	29,028	(29,028)	-
Profit for the year	-	-	116,410	1,650	118,060	70,125	188,185
Other comprehensive income	-	-	-	(163,037)	(163,037)	(66,518)	(229,555)
<b>At 31 December 2016</b>	<b>2,615,578</b>	<b>162,179</b>	<b>1,041,220</b>	<b>3,521,526</b>	<b>7,340,503</b>	<b>138,958</b>	<b>7,479,465</b>

The audited financial statements were approved by the Board of Directors on 9th March 2017.

**FINANCIAL HIGHLIGHTS**

- Gross written premiums increased by 8% from KShs.11.4b in 2015 to KShs.12.3b in 2016
- Total assets increased by 8% to KShs.26.8b
- Profit after tax dropped to Kshs.188m

The company registered strong topline growth with improved quality of business in most of the lines of business. However, the profit of the group was adversely impacted by:-

- Continued depressed NSE prices resulting in further unrealised losses of Kshs. 143m.
- Change in reserving methodology by IRA which increased our Life Business reserves by KShs. 704m.
- Aggressive provisioning of debtors in our General Insurance Business resulting in an additional KShs. 326m provision.
- Loss of KShs. 297.5m following the hyper-inflation reporting in South Sudan as a result of SSP devaluation.
- As the biggest insurer of schools in the country, we experienced a loss of KShs. 89m following the uncharacteristic school fires in 2016.

The strong topline growth is expected to continue and the relentless pursuit of quality business over volume will continue as we sweat the investments we have made in technology and people.

**DIVIDENDS**

Notwithstanding the lower profits, directors recommend to retain a dividend payment of KShs. 0.105 per share totalling to KShs. 274,635,699 (2015 – 274,635,699). The dividend is subject to shareholders' approval and payment will be subject to withholding tax. The payment will be made on or about 23rd June 2017 to the shareholders registered at the close of business on 31st May 2017.

**ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of CIC Insurance Group Limited will be held on Friday 16th June 2017.

**MESSAGE FROM THE DIRECTORS**

These financial statements are extracts of the financial report of the Group which were audited by Ernst & Young 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](http://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 9th March 2017 and were signed on its behalf by:

Japheth Magomere – Group Chairman

Tom Gitogo – Group Chief Executive Officer

Philip Lopokoijit - Director

**CIC INSURANCE GROUP LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	2016 KShs'000	2015 KShs'000
<b>ASSETS</b>		
Property and equipment	1,271,171	1,344,707
Intangible assets	68,246	93,461
Investment properties	6,051,288	5,420,742
Investment in associate	182,610	129,166
Government securities	4,912,497	3,213,601
Loans receivables	977,738	986,919
Deferred taxation	385,939	239,143
Equity investments	927,515	1,075,779
Deposits and commercial paper	2,273,562	2,806,980
Deferred acquisition costs	473,033	416,220
Receivables arising out of reinsurance arrangements	944,172	622,989
Receivables arising out of direct insurance arrangements	1,421,193	1,372,319
Reinsurers share of liabilities and reserves	2,040,889	1,365,386
Taxation recoverable	148,808	-
Other receivables	244,264	371,890
Due from related parties	103,300	93,889
Deposits with financial institutions	3,788,999	4,842,340
Cash and bank balances	611,463	524,704
<b>TOTAL ASSETS</b>	<b>26,826,687</b>	<b>24,920,235</b>
<b>EQUITY</b>		
Share capital	2,615,578	2,615,578
Share premium	162,179	162,179
Shares awaiting allotment	-	512
Statutory reserve	1,041,220	1,039,810
Revaluation surplus	109,368	138,877
Translation - Fair value revaluation	(378,372)	(195,091)
Fair value reserve	(215,738)	(205,922)
Retained earnings	4,006,268	4,110,157
Non - Controlling interest	138,960	164,383
<b>TOTAL EQUITY</b>	<b>7,479,463</b>	<b>7,830,483</b>
<b>LIABILITIES</b>		
Insurance contracts liabilities	3,751,563	3,024,952
Unearned premiums reserve	3,959,542	3,407,235
Actuarial value of policyholder liabilities	3,563,995	2,962,122
Deposit administration contracts	1,279,674	756,097
Unit linked contracts	458,536	403,049
Payables arising from reinsurance arrangements and insurance bodies	116,575	25,631
Other payables	672,445	782,974
Dividend payable	12,636	34,607
Taxation payable	-	97,579
Deferred taxation	446,237	527,469
Borrowings	5,086,021	5,068,037
<b>TOTAL LIABILITIES</b>	<b>19,347,224</b>	<b>17,089,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,826,687</b>	<b>24,920,235</b>