



Overall Top

Life insurer of the year  
Think Business insurance awards 2019

#### Statement of financial position

KShs'000	2019	2018
<b>Shareholders' funds</b>		
Share capital	612,340	612,340
Statutory reserve	2,099,696	2,061,985
Revaluation reserve	384,903	384,883
Retained earnings	(304,170)	(315,548)
<b>Total shareholders' funds</b>	<b>2,792,769</b>	<b>2,743,660</b>
<b>Assets</b>		
Property and equipment	787,978	807,939
Right-of-use assets	28,314	-
Investment property	548,729	1,081,555
Intangible assets	120,455	117,048
Financial investments	20,686,204	18,446,952
Deferred acquisition costs	43,244	35,594
Insurance receivables	84,379	91,341
Reinsurance receivables	114	50,906
Reinsurers' share of technical provisions	30,175	76,172
Current income tax recoverable	7,441	-
Other assets	171,243	182,191
Deposits with financial institutions	962,523	2,454,944
Cash and cash equivalent	450,411	233,293
Non-current assets held for sale	660,000	125,000
<b>Total assets</b>	<b>24,581,210</b>	<b>23,702,935</b>
<b>Liabilities</b>		
Insurance contract liabilities	3,117,363	2,884,246
Policyholder liabilities under investment contracts	11,692,204	9,892,067
Investment contracts with discretionary participation features	4,889,658	5,860,977
Outstanding claims	256,502	306,745
Provision for unearned premiums	163,019	207,894
Lease liabilities	29,513	-
Deferred income tax	1,064,840	1,059,982
Creditors arising from reinsurance arrangements	20,113	47,032
Current income tax	-	151,430
Other payables	555,229	548,902
<b>Total liabilities</b>	<b>21,788,441</b>	<b>20,959,275</b>
<b>Net assets</b>	<b>2,792,769</b>	<b>2,743,660</b>

#### Statement of comprehensive income

KShs'000	2019	2018
Gross earned premium	2,828,216	2,794,292
Outward reinsurance premium	(205,070)	(192,952)
<b>Net earned premium</b>	<b>2,623,146</b>	<b>2,601,340</b>
Commissions earned	72,294	122,407
Investment income	1,675,709	1,824,470
Interest income on financial assets held at amortised cost	211,125	227,555
Investment gains/(losses)	1,039,227	(503,801)
Fee income	16,063	15,638
<b>Total income</b>	<b>5,637,564</b>	<b>4,287,609</b>
<b>Net claims and policyholders benefits</b>	<b>3,478,242</b>	<b>2,302,053</b>
Claims and policyholder benefits	3,532,364	2,290,612
Less: Reinsurers' share of claims	(54,122)	11,441
Commission payable	436,640	355,996
Finance cost	3,564	-
Operating and other expenses	1,240,505	1,155,623
<b>Profit before tax</b>	<b>478,613</b>	<b>473,937</b>
Income tax expense	158,524	165,468
<b>Profit after tax</b>	<b>320,089</b>	<b>308,469</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Gain on revaluation of owner-occupied property	2,826	14,879
Change in long term policyholder insurance liabilities (OCI) - effect of shadow accounting	(2,798)	(11,259)
Recognition of deferred income tax on revaluation of owner-occupied property	(8)	(1,086)
<b>Total items that will not be reclassified to profit or loss</b>	<b>20</b>	<b>2,534</b>
<b>Other comprehensive income net of taxation</b>	<b>20</b>	<b>2,534</b>
<b>Total comprehensive income</b>	<b>320,109</b>	<b>311,003</b>

#### Statement of movement in liabilities

KShs'000	2019	2018
<b>Movement in investment contracts with discretionary participation features</b>		
as at 1 January	5,860,977	7,833,598
Pension fund deposits received	395,740	503,268
Surrenders and annuities paid	(1,629,603)	(2,315,746)
Interest payable to policyholders	403,829	381,716
Decrease in actuarial liabilities	(141,285)	(541,859)
<b>As at 31 December</b>	<b>4,889,658</b>	<b>5,860,977</b>
<b>Movement in policyholder investment contract liabilities</b>		
as at 1 January	9,892,067	8,926,121
Premiums received	2,214,318	1,717,430
Maturities/payments to policyholders	(1,487,178)	(1,001,322)
Interest payable to policyholders	778,045	593,364
Decrease in actuarial liabilities	294,952	(343,526)
<b>As at 31 December</b>	<b>11,692,204</b>	<b>9,892,067</b>
<b>Movement in insurance contract liabilities</b>		
as at 1 January	2,884,245	3,037,878
Premiums received	2,454,630	2,098,072
Maturities/payments to policyholders	(1,519,208)	(1,857,328)
Interest payable to policyholders	118,748	175,028
Decrease in actuarial liabilities	(821,052)	(569,405)
<b>As at 31 December</b>	<b>3,117,363</b>	<b>2,884,245</b>

The Statement of Financial Position, Statement of Comprehensive Income and Statement of Movement in Liabilities are extracts from the company's financial statements as audited by KPMG Kenya and have received an unqualified audit opinion. The complete set of financial statements will be made available on the company's website ([www.liberty.co.ke](http://www.liberty.co.ke)) on or before 15 May 2020.

The financial statements were approved by the board on 26 March 2020 and signed on its behalf by

**P N Gethi** Chairman  
**G R May** Director  
**A A Munda** Principal Officer

#### Key company indicators

RETURN ON EQUITY

11.5%

(2018: 11.3%)

CLAIMS RATIO

40%

(2018: 55%)

CAPITAL ADEQUACY RATIO

212%

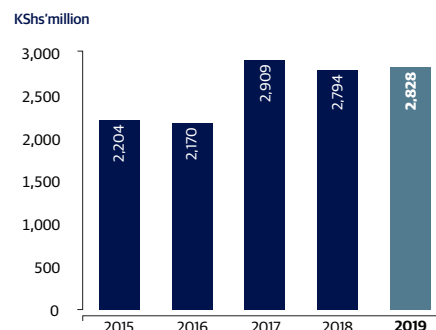
(2018: 213%)

EXPENSE RATIO

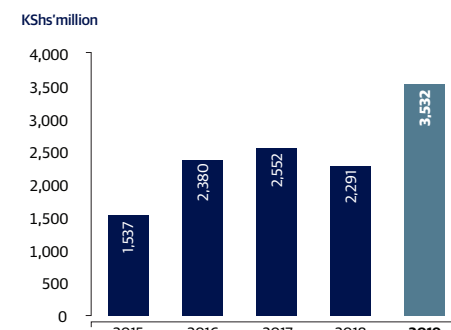
21%

(2018: 22%)

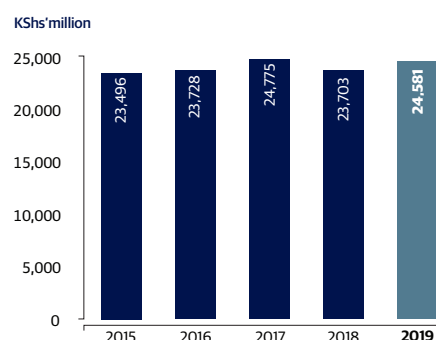
#### Gross earned premiums



#### Claims and policyholder benefits



#### Total assets



#### Shareholders' fund

