

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-2016	31-Dec-2015
	Shs'000	Shs'000
Gross earned premium	8,814,058	7,382,557
Less: reinsurance premium ceded	(348,876)	(284,746)
Net earned premium	8,465,182	7,097,811
Net income from investment property	612,935	971,921
Interest and dividend income	2,614,669	1,869,643
Net realised gains on financial assets	18,577	197,520
Net unrealised fair value losses	(1,194,566)	(1,860,067)
Commissions earned	122,828	103,002
Other income	20,794	24,046
Net income	10,660,419	8,403,876
Gross claims and policyholder benefits payable	2,904,176	1,986,804
Less: Reinsurers' share of claims and loss adjustment expenses	(88,723)	(13,110)
Change in actuarial value of policyholder benefits	(2,782,226)	2,769,604
Net benefits and claims payable	33,227	4,743,298
Interest payments and change in market linked investment contracts	1,742,978	495,774
Operating and other expenses	2,591,454	2,035,489
Commissions payable	2,018,840	1,711,521
Total expenses	6,386,499	8,986,082
Financing costs	-	125
Results of operating activities	4,273,920	(582,331)
Share of associate's profit	265,713	498,223
Profit/ (loss) before tax	4,539,633	(84,108)
Income tax expense	(1,412,553)	(11,611)
Profit/ (loss) for the year	3,127,080	(95,719)
Other comprehensive income		
Change in fair value of financial assets at fair value through other comprehensive income	(142,326)	(127,643)
Other	(65,875)	(12,444)
Total comprehensive income for the year	2,918,879	(235,806)

STATEMENT OF FINANCIAL POSITION

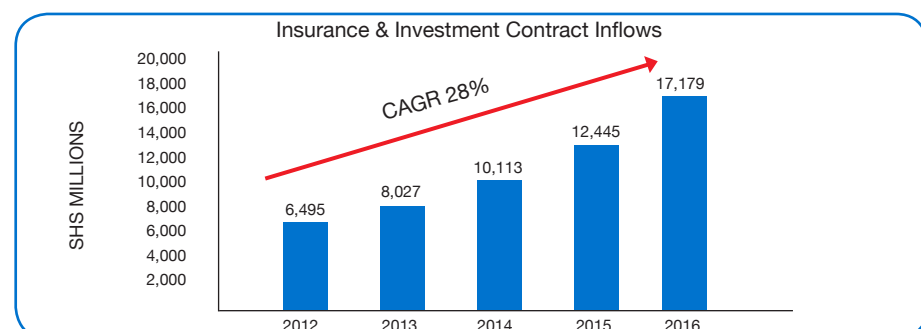
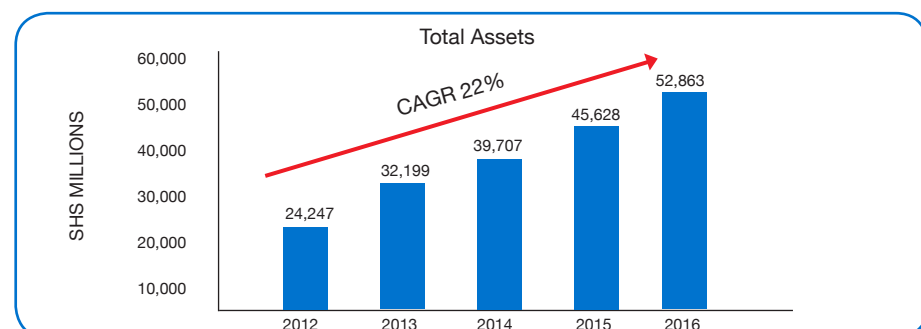
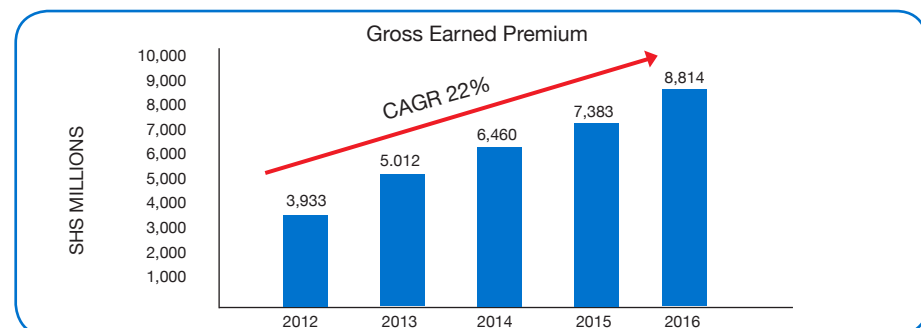
	31-Dec-2016	31-Dec-2015
	Shs'000	Shs'000
CAPITAL EMPLOYED		
Share capital	880,000	880,000
Proposed dividends	-	210,000
Other reserves	7,837,961	4,919,082
Shareholders' funds	8,717,961	6,009,082
REPRESENTED BY		
Assets		
Property and equipment	676,329	933,436
Intangible assets	896,064	1,010,131
Investment in associate	3,790,118	4,154,582
Investment properties	4,008,762	3,725,907
Investment in property funds	7,785,671	5,335,710
Equity investments at fair value through other comprehensive income	1,386,065	729,388
Investments at fair value through profit or loss:		
- equity investments	4,538,327	5,207,358
- unit trusts	6,263,619	5,529,049
- government securities	3,601,456	2,324,750
Government securities at amortised cost	12,935,601	9,573,505
Corporate bonds at amortised cost	930,539	1,008,375
Mortgage loans receivable	1,179,022	994,281
Loans to policyholders	834,382	614,663
Receivables arising out of reinsurance arrangements	47,120	78,198
Receivables arising out of direct insurance arrangements	425,994	336,631
Reinsurers' share of insurance liabilities	136,606	51,681
Loans and receivables from related parties	940,254	1,550,570
Deferred acquisition costs	111,702	97,106
Current income tax	137,896	215,012
Retirement benefit asset	168,841	174,593
Other receivables	636,943	628,297
Deposits with financial institutions	1,407,047	823,932
Cash and bank balances	24,728	531,206
Total assets	52,863,086	45,628,361
Liabilities		
Insurance contract liabilities	13,049,783	15,600,892
Payable under deposit administration contracts	21,839,735	14,964,027
Liabilities under investment contracts	4,910,059	5,486,194
Payables arising out of reinsurance arrangements	27,362	-
Payables to related parties	7,583	85,360
Deferred income tax	3,359,126	2,112,917
Other payables	951,477	1,369,889
Total liabilities	44,145,125	39,619,279
Net assets	8,717,961	6,009,082

Embedded Value

The Embedded Value (EV) is a measure of the economic worth of an insurance company, excluding the value attributable to future new business. The EV has been calculated for all in-force business and incorporates all expected cash flows generated within the company.

The company's Embedded Value is as detailed below:

Description	31-Dec-2016	31-Dec-2015
	Shs'000	Shs'000
Adjusted net worth	6,453,340	4,484,934
Value of in-force portfolio	4,640,037	6,056,059
Embedded Value :	11,093,377	10,540,993
Return on EV :	7.2%	11.4%
Value of New Business (VNB)	563,164	464,740



The above statements of comprehensive income, statement of financial position and other disclosures are extracts of the 2016 financial statements which were audited by Deloitte & Touche and received an unqualified opinion. The financial statements were approved by the Board of Directors on 21 March 2017 and signed on its behalf by;

Dr. Peter K. Munga, CBS
Chairman

Dr. Benson I. Wairegi, EBS
Group Managing Director

Ambrose Dabani
Chief Executive Officer & Principal Officer