



Jubilee
HOLDINGS

**Annual
Integrated Report**

For the year ended 31 December 2023

**INNOVATION
WITH INTEGRITY**

VISION

Enabling people to overcome uncertainty

MISSION

To provide solutions to protect the future of our customers

CORE VALUES

Integrity | Excellence | Passion | Teamwork



Jubilee
HOLDINGS



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*"All that is valuable in human society depends upon the opportunity
for the development accorded to the individual"*
Albert Einstein

Building trust

Jubilee Insurance is a brand that is trusted by customers, and we are committed to continued focus on strengthening the relationships with our clients and retaining their loyalty by providing sustainable solutions for their health and financial security.

We implemented in Q1 2024 a new Customer Relationship Management (CRM) system that will support the delivery of services more efficiently and effectively to both our customers and JHL distribution partners. Quarterly customer surveys and Key Performance Indicators (KPIs) are helping us achieve our Net Promoter Score (NPS) targets.

We have also implemented fundamental measures around sound operational processes and controls, data privacy and digital ethics, a safe cyber environment, and access to high-quality sustainability data. These measures and technologies aim to mitigate the risk of cyber-security attacks and ensure the confidentiality, integrity, and availability of information stored and processed on JHL systems.

Jubilee Health Insurance remains steadfast in its commitment to positively impacting the physical and mental health of its clients. There has been a steady increase in membership of the MaishaFiTi program during the year, which includes the Mum’s Club, the Elite Wellness Club, as well as a loyalty programme. The MaishaFiTi mobile app was launched in 2023 which allows members to develop, implement and track healthy habits.





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Group Information

	2023	Restated 2022
	Kes' 000	Kes' 000
Capital and reserves		
Authorised Capital	450,000	450,000
Issued and paid up Capital	362,365	362,365
Retained Earnings	39,798,253	37,144,122
Shareholders fund	51,719,381	44,701,387

Registered Office

Jubilee Insurance House
Wabera Street
P. O. Box 30376 - 00100 GPO, Nairobi, Kenya
Telephone: 3281000,
E-mail: jjc@jubileekeny.com
Website: www.jubileeinsurance.com

Jubilee Life Insurance Limited (100%)
Jubilee Health Insurance Limited (100%)
The Jubilee Health Company of Uganda Limited (65%)
Jubilee Life Insurance Company of Uganda Limited (65%)
The Jubilee Health Insurance Company of Tanzania Limited (51%)
Jubilee Life Insurance Corporation of Tanzania Limited (51%)
Jubilee Life Insurance Company of Burundi S.A (70%)
Jubilee Asset Management Limited (100%)
Jubilee Investments Company Limited (Uganda) (100%)
Jubilee Investments Tanzania Limited (100%)
Jubilee Investments Burundi S.U. (100%)
Jubilee Center Burundi S.P.R.L. (80%)
JHL Properties Limited (Kenya) (100%)

Associates

PDM (Holdings) Limited (37.1%)
IPS Cable Systems Limited (33.3%)
FCL Holdings Limited (30.0%)
IPS Power Investment Limited (27.0%)
Bujagali Holding Power Company Limited (40.90%)
Jubilee Allianz General Insurance (K) Limited (34%)
Jubilee Allianz General Insurance (U) Company Limited (34%)
Jubilee Allianz General Insurance Burundi (19%)
Jubilee Allianz General Insurance (T) Company Limited (15%)
Jubilee Allianz General Insurance (Mauritius) Limited (34%)

Auditor

PricewaterhouseCoopers LLP
PwC Tower
Waiyaki Way/Chiromo Road
Westlands
P. O. Box 43963 - 00100
Nairobi

Corporate Lawyers

Oraro & Company Advocates
ACK Garden Annex, 6th Floor, 1st Ngong Avenue
P. O. Box 51236 - 00200, Nairobi, Kenya.

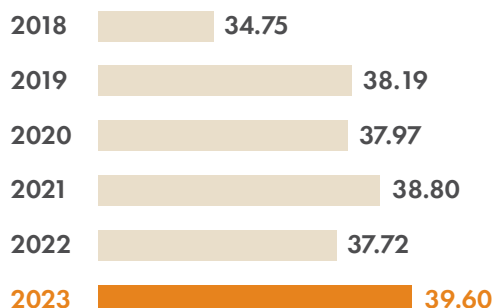
Share Registrar

Image Registrars
5th Floor, Barclays Plaza, Loita Street, Nairobi
P.O. Box 9287 - 00100
Nairobi

Group Principal Bankers

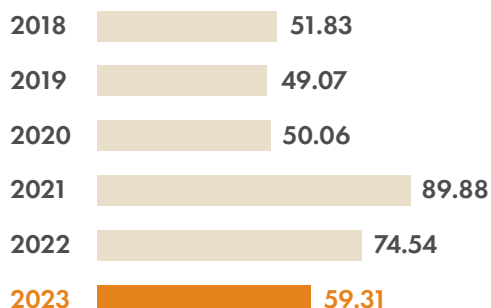
Diamond Trust Bank (Burundi, Kenya, Mauritius, Tanzania, Uganda,)
Standard Chartered Bank (Kenya, Tanzania, Uganda)
KCB (Burundi, Kenya, Tanzania, Uganda)
Citibank N.A (Kenya, Tanzania, Uganda)
Habib Bank Limited (Kenya, Mauritius, Tanzania, Uganda)
CRDB Bank (Burundi, Tanzania)
State Bank of Mauritius (Mauritius)
Stanbic Bank (Kenya, Tanzania, Uganda)
Absa Bank (Kenya, Mauritius, Tanzania, Uganda)

Gross Written Premiums and Deposit Administration Contributions (Kes Billion)



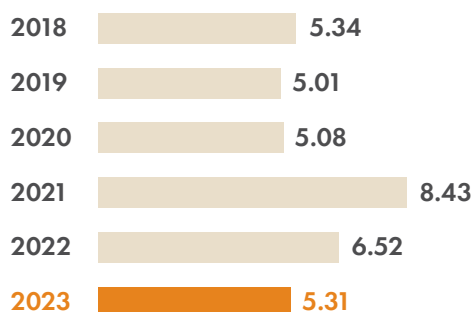
Gross Written Premiums and Deposit Administration Contributions grew by 5% to close at Kes 39.6 billion in 2023. The growth in overall GWP was mainly attributable to a 28% growth in the health business.

Earnings per Share (Kes per Share)



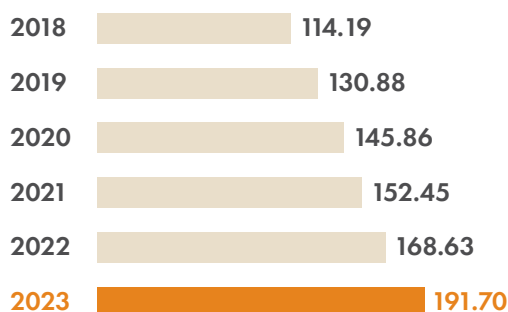
Based on the restated IFRS 17 profits, Earnings per share dropped marginally from Kes 74.54 to Kes 59.31. This was attributable to significant reduction in gain on sale of General business carried out in the previous 2 years.

Profit before Tax (Kes Billion)



Profit before tax decreased by 19% to close at Kes 5.31 billion in 2023 compared to Kes 6.52 billion in 2022 after factoring the impact of IFRS 17. A significant component of the profit was the gain on sale of General business to Jubilee Allianz was Kes 247Mn (2022: Kes 2.2 Bn)

Total Assets (Kes Billion)



Total assets grew by 13.7% to Kes 192 billion mainly as a result of increased funds generated from growth in Life and Health business.

Associate Companies



Jubilee Insurance New Headquarters in Upperhill (Artist Impression), Nairobi

Bujagali Holding Power Company Limited (BHPCL) - 40.9%

BHPCL is an investment company which through its subsidiary, has invested in the equity of Bujagali Energy Limited, an electricity generation company in Uganda. The 250 Mega Watts (MW) Bujagali Hydro Power Plant contributes up to 45% of Uganda's effective energy capacity. The project is Africa's largest privately financed hydropower project and currently the largest Clean Development Mechanism project registered in a Least Developed Country. The project was awarded Africa Deal of the Year 2007' by EuroMoney Project Finance Magazine in London.

Jubilee Allianz (Kenya - 34%, Uganda - 34%, Tanzania - 15%, Burundi - 19% and Mauritius - 34%)

The group entered into partnership with Allianz in 2021 for sale of a majority stake in its general businesses across the region. The handover process was concluded during the course of 2022.

IPS Cable Systems Limited (Seacom) - 33.3%

IPS Cable Systems Ltd has invested \$650 Million in the 17,000 Km Seacom submarine fiber optic cable project. This project links South Africa, Mozambique, Madagascar, Kenya, Tanzania, France and India with other international broadband cables, providing low cost and high quality broadband capacity.

FCL Holdings Limited (Farmers Choice Limited) - 30%

FCL Holdings Limited is an investment vehicle company which has invested in the equity of Farmers Choice Limited, a company whose main objective is the sale of fresh and processed meat products.

PDM (Holdings) Limited - 37.1%

PDM (Holdings) Limited is an East African real estate company that has pioneered innovative developments in Kenya for more than 50 years, shaping the direction of real estate trends in the country by pursuing a philosophy of developing properties that serve an economic purpose and also uplift the quality of life for the community.

PDM's landmark developments in Kenya include the IPS Building, which was the first high rise building in Nairobi, Nation Centre and the award winning Courtyard along General Mathenge Drive, Westlands.

SUBSTANTIAL SHAREHOLDING IN OTHER COMPANIES

Entity	% Shareholding
Industrial Promotion Services (IPS) (K) Ltd	18.30%
All-Pack	12.50%
Diamond Trust Bank	9.95%
TPS Serena	4.24%
Kenya-Re	2.75%

Associate Companies (Continued)



Bujagali Holding Power Company Limited



Jubilee Allianz



IPS Cable Systems Limited (Seacom)



FCL Holdings Limited (Farmer's Choice Limited)



PDM (Holdings) Limited (Vienna Court), Kenya

Notice of the Annual General Meeting

Notice is hereby given that pursuant to Articles 49, 49A, 133A & 133B of the Company's Articles of Association, the 86th Annual General Meeting of the Shareholders will be held by way of a Virtual Meeting on **Tuesday, 25 June 2024 at 11:00 a.m.** to conduct the following business:

ORDINARY BUSINESS

1. To consider and, if thought fit, adopt the audited consolidated financial statements for the year ended 31 December 2023 together with the reports of the Chairman, Directors and Auditor thereon.
2. To confirm the payment of the interim dividend for the year 2023 of Kes 2.00 per share paid on 11 October, 2023 and approve the payment of a final dividend for the year 2023 of Kes 10.00 per share and a special dividend of Kes 2.30 per share to be paid on 25 July 2024 to Shareholders registered as at 25 June 2024.
3. Election of Directors:
 - a. To elect Ms. Rosemin Bhanji who was appointed by the Board on 29 May 2024 as an Independent Non Executive Director in accordance with Article 90 of the Company's Articles of Association and who being eligible, offers herself for re-election.
 - b. To elect Mr. Amyn Lalji who was appointed by the Board on 29 May 2024 as a Non Executive Director in accordance with Article 90 of the Company's Articles of Association and who being eligible, offers himself for re-election.
 - c. To note that Mrs. Jane Mwangi retires by rotation in accordance with Articles 85 & 86 of the Company's Articles of Association and does not offer herself for re-election;
 - d. To note that Mr. Ashif Kassam retires by rotation in accordance with Articles 85 & 86 of the Company's Articles of Association and does not offer himself for re-election;
 - e. To note that Mr. Nizar Juma retires by rotation in accordance with Articles 85 & 86 of the Company's Articles of Association and does not offer himself for re-election;
 - f. To note the retirement of Mr. Shabir Abji from the Board.
4. In accordance with the provisions of Sec. 769 of the Companies Act, 2015, the following Directors being members of the Board Audit and Compliance Committee be confirmed to serve as members of the said Committee:
 - (i) Mr. Owen Koimburi
 - (ii) Mr. John Metcalf
 - (iii) Mr. Akbar Poonawala
5. To approve the Directors' Remuneration Report for the year ended 31 December 2023 and authorize the Board to set the Directors' remuneration.
6. To appoint KPMG Kenya as auditors in accordance with Section 721(2) of the Companies Act in place of PricewaterhouseCoopers LLP whose term of service has come to an end in line with the Company's policy on rotation of external auditors and to authorise the Directors to fix their remuneration for the ensuing financial year.

BY ORDER OF THE BOARD

Margaret Kipchumba
Company Secretary
29 May 2024

Notes:

Pursuant to the Companies Act, 2015 (as amended by The Business Laws (No.2) Act, 2021 and Article 49A of the Company's Article of Association, the AGM shall be conducted as a Virtual Meeting. The Annual Report and full financial statements are available on the Company's website and may be obtained from the Company Secretary at the registered office of the Company

1. Registration for AGM:

- (i) Any shareholder wishing to follow the Virtual meeting should register for the AGM by dialling *483*890# for all mobile networks and following the various prompts regarding the registration process. Any shareholder outside Kenya can send their request to jhlagm@image.co.ke.
- (ii) In order to complete the registration process, Shareholders will need to have their ID/Passport Numbers which they used to purchase their shares and/or their CDSC Account Number at hand. For assistance, please dial the following helpline number: **0709170000** from **9.00 a.m. to 4.00 p.m.** on any business day.
- (iii) Registration for the AGM opens on **31 May 2024 at 11:00 a.m.** and will close on **24 June 2024 at 10:00 a.m.**

2. Material for the AGM

The following documents may be viewed on the Company's website at www.jubileeinsurance.com:

- AGM Notice and the proxy form.
- Company's Annual Report and full financial statements for the year 2023.

3. Questions regarding the AGM and the financials:

- (i) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - sending their written questions by email to jhlagm@image.co.ke; or
 - physically delivering their written questions with an email address to the registered office of the Company at Jubilee Insurance Centre, Wabera Street or Image Registrars offices on 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.
 - Shareholders who will have registered to participate in the meeting shall be able to ask questions via sms by dialing the USSD code above and selecting the option "Ask Question" on the prompts.
 - During the AGM, shareholders can send their questions by using the "Questions" tab on their livestream link.
- (ii) Shareholders must provide their details (full names, ID or Passport Number/CDSC Account Number) when submitting their questions.
- (iii) All questions and clarification received by the Company by Wednesday 19 June 2024 at 11:00 a.m. will be responded to by 24 June 2024. A full list of all questions received and the answers thereto will be published on the Company's website.

4. Proxy Form:

- (i) In accordance with Sec. 298(1) of the Companies Act, 2015 Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf.
- (ii) A proxy need not be a member of the Company but if not the Chairman of the AGM, the proxy will need access to a mobile telephone.
- (iii) Physical copies of the proxy form are available at the Image Registrars Limited offices, at Jubilee Insurance Centre and on the Company's website.
- (iv) A proxy must be signed by the appointor or his/her attorney duly authorized in writing, or, if the appointor is a company, either under seal, or under the hand of an officer or attorney duly authorized by the company. A completed form of proxy should be emailed to jhlagm@image.co.ke or delivered to Image Registrars Limited at the address given above, so as to be received not later than 11:00 a.m. on 21 June 2024.
- (v) Any person appointed as a proxy should submit his/her mobile telephone number to the Company on the proxy form. Any proxy registration that is rejected will be communicated to the Shareholder concerned through the email address provided no later than 11:00 a.m. on 21 June, 2024.

5. Participation at AGM through Live Stream:

- (i) The AGM will be streamed live via a link which shall be provided to all Shareholders who will have registered to participate in the AGM. Duly registered Shareholders and proxies will receive a short message service SMS/USSD prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM.
- (ii) Duly registered Shareholders and proxies may follow the proceedings of the AGM using the livestream platform and may vote when prompted by the Chairman via the USSD prompts.
- (iii) Results of the AGM voting shall be published on the Company's website within 24 hours following the conclusion of the AGM.



“As a result of our continued success, I am pleased to state that Jubilee continues to cement its position as East Africa’s most stable and reliable insurance Group”

Nizar Juma - Chairman, Jubilee Holdings

Dear shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present Jubilee Holdings Limited’s (“JHL” / “Jubilee”) 2023 Annual Report and Financial Statements.

Our strong financial delivery in a year of continued macroeconomic challenges, demonstrates both the resilience of our business and sound strategic choices. We continue to demonstrate our ability to deliver profits consistently, thereby maintaining the financial strength to increase access to insurance protection, pay benefits and claims as well as provide value to our shareholders. In 2024, we further seek to take advantage of emerging opportunities by executing our strategy that is premised on digitization, delivering excellent customer service, sustainable operating profits, and consistent value growth.

As part of our continued strategy to be the most digitally advanced and innovative insurer in the region, we continue to focus on the implementation of our ambitious digital transformation agenda dubbed, Changamk@. To date, our Kes 450 million investment in new teams and technology has started to yield tangible results. Through our Robotics program, we have eliminated mundane and repetitive business processes equivalent to eighty headcounts. Implementation of phase I of our Intelli-Health program has improved efficiency in our claims adjudication process resulting in a Kes 400 million claims reduction and automation of forty headcounts. Our company is now fully Cloud based, with the security and agility that is required for emerging challenges. Lastly, through our Only Us platform, we pioneered East Africa’s first health telematic insurance with MaishaFiti app, allowing our customers to be rewarded for staying fit. In 2024, we will embark on the second phase of Changamk@, which will focus on customer experience and data analytics. This will enable Jubilee to make insurance even more accessible and support our goal of increasing financial inclusion across our markets.

Our customer base keeps growing: the number of lives insured grew by 17% up to 1.4 million lives. Tied to that, our Customer Net Promoter Score improved by 38%, from 39 to 54, which validates that our actions resonate with our customers.

As a result of our continued success, I am pleased to state that Jubilee continues to cement its position as East Africa’s most stable and reliable insurance Group and maintains its leadership position in Health Insurance and Retail Life Bancassurance.

Chairman's Statement (continued)

EAST AFRICA'S ECONOMY - 2023

According to IMF, East Africa's 2023 promising post-Covid 19 economic recovery was overshadowed by new shocks and vulnerabilities, which resulted in a slowed growth of 5% in 2023 against 5.2% in 2022. External risks included global economic slowdown and tightening monetary policy resulting into heightened inflationary pressures particularly on food and fuel. 2023 also witnessed a rise in the cost of living and an increase in credit risk driven by weakening national currencies.

Despite the region's slow 2023 growth, Kenya remained resilient posting a GDP growth of 5% compared to 4.8% in 2022. The improved growth performance was attributed to a strong rebound in the agricultural sector, which had faced a severe drought, and moderate growth in the services sector. In Tanzania, the GDP improved from 4.7% to 5.2% with growth largely driven by the services sector supported by activities in finance and insurance, transport and storage, and trade sector. On the other hand, Uganda's GDP slowed down to 4.6% from 6.4% in 2022 largely due to contraction in government consumption and deteriorating net exports. .

INSURANCE INDUSTRY

East Africa's low insurance penetration of 1.34% (Kenya: 2.3%, Tanzania: 0.6% and Uganda: 0.9%) continues to make the region increasingly attractive to international players. However, intense competition and undercutting, especially in the General (GI) and medical insurance segments, continue to cause a drag on underwriting; reinforcing Jubilee's strategy to reduce exposure in the GI segment.

Likewise, the rise in inflation (which has led to an increase in claim costs and reduction of spending power) and rising costs of doing business (implementation of new reporting standards (IFRS17) and an increase in taxation) have negatively impacted the industry's profitability.

In 2023, regional insurance Gross Written Premiums (GWP) increased by 16% and with our core business (Health and Life) growing by 20%. In Kenya, this translated to growth of 21% in both life and health; while in Uganda and Tanzania, life insurance grew by 23% and 10% respectively and Health by 12% and 16%. In 2024, we anticipate our markets will maintain a 15% growth.

FINANCIAL RESULTS

Our insurance revenues grew by 8% to close at Kes 22.8 billion. Excluding the transfer of our General Insurance business to Allianz Group, our insurance revenue grew by 13% largely driven by growth in the Health Insurance business, which enabled Jubilee to reinforce its position as the number 1 Health Insurer in the Region.

Total Group Net Profit reduced by 20% to Kes 4.4 billion from Kes 5.5 billion in 2022 impacted by a significant reduction in our exceptional gains from disposing our General Insurance business. Excluding this impact our Profit after tax grew by 15%.

The Group's Balance Sheet continues to remain solid and resilient as Total Assets increased by 14% to Kes 191.7 billion, the highest in the industry. Total shareholders' equity and reserves increased by 17% to Kes 51.9 billion.

Despite the increase in medical and life claims, our tight expense control measures (that led to Kes 380 Mn savings), technology adoption and improved return on investment continues to allow JHL to deliver a strong performance.

On the investment front, the NSE 20 share index decreased by -10% in 2023 negatively impacting fair value gains on our quoted securities portfolio. However, Jubilee's overall investment portfolio was cushioned due to our prudent strategy of holding a broadly diversified and conservative portfolio of investments. Our core investment holdings include quoted securities, government bonds, real estate, unquoted securities, and projects that generate US dollar returns.

SHORT TERM INSURANCE - MEDICAL

Medical insurance service revenues grew by 17% to Kes 15.1 billion (2022 – Kes 12.9 billion). Despite intense pricing competition, increased medical care costs, our health companies were resilient and delivered above market growth performance spearheaded by our Kenya business as we maintained our focus on delivering the greatest possible value through our customer service and our innovative product offerings.

LONG TERM INSURANCE - LIFE AND PENSION

Life insurance service revenues grew by 6% to Kes 7.7 billion (2022 - Kes 7.3 billion) on the back of a strong growth in sales, which saw regular new business increase by 22% over 2022 as distribution strategies in bancassurance and agency were successfully executed. Our life businesses continue to focus on supporting our clients through personalizing every aspect of the customer experience and re-investing into skills and capabilities.

ASSET MANAGEMENT

In line with our diversification strategy, our asset management division, Jubilee Asset Management Limited, launched its first wealth management solution. In an impressive performance, our assets under management soared past the Kes 1 billion mark in under one year of operation. Our industry ranking for Collective Investment Schemes (CIS) also improved from position 29 to position 15 at the end of 2023.

DIVIDEND

I am pleased to report that the Jubilee Holdings Board has recommended a total record dividend of Kes 1,036 million (Kes 14.3 per share) representing a payout of 24.4%. This dividend includes an ordinary dividend per share of Kes 12 (from Kes 9 in 2022) and a special dividend of Kes 2.3 per share coming from the remaining Allianz transaction gain.

JHL share price closed 2023 at Kes 185. Since listing in 1984, JHL has always declared dividends and, excluding special dividends, has never declared a lower dividend than the previous year.

CORPORATE SOCIAL RESPONSIBILITY

We remain steadfast in our commitment to driving societal good and playing a positive role in the communities we serve. Through the Jubilee Children's Fund, we have continued to promote access to education and health for children from vulnerable backgrounds. Our education scholarship fund continues to provide opportunities for vulnerable children to pursue their academic goals. We are particularly proud of our first cohort of nine students, who, last year, sat for their Kenya Certificate of Secondary Education (KCSE). 80% of the students achieved the minimum university grade of C+ and above, making the significant transition to higher education. Additionally, our health pillar initiatives have extended care, restored dignity, and improved the quality of life for children facing health challenges. By promoting education and health access, we strive to create a level playing field for the communities where we operate, fostering a brighter and more equitable future for all.

In 2023, we continued our sponsorship of the Jubilee Live Free Race powered by the Grand Nairobi Bike Race (GNBR). In the second edition of the cycling competition, we attracted a diverse group of cyclist from 20 different nationalities with a total of 2,000 participants. Our objective of the sponsorship continues to be about leveraging cycling as a sport to advocate for wellness and environmental conservation. With the launch of our MaishaFiti Wellness App and our cycling sponsorship, we continue to focus on the wellness agenda as the next frontier.

The Group will continue to support such initiatives across the country through its pillars, Education, Health, Environment and Social Action. Read the full report of the activities on page 209 of this Annual Report.

ENVIRONMENT, SOCIAL AND GOVERNANCE

With this integrated report, we are pleased to present our first sustainability report. Our aim is to increase transparency and accountability to all our various stakeholders, not only around financial performance but also around governance and societal matters. The report also reflects our continued commitment to our core goals of inclusive economic growth and regional excellence as we work to ensure that our business practices are aligned to corporate sustainability. While the report measure our progress on this new journey, we are cognizant that there is still work to be done as we continue to develop and improve the way we manage and address environment, social, governance and economic challenges. Read the full report of our activities on page 33-57.

MARKET PRESENCE AND RECOGNITION

In recognition of our unwavering commitment to excellence within the industry, the Group received numerous accolades from esteemed industry players. The company received a total of 18 awards in recognition of its reputation and authoritative position in the market including the prestigious FKE Employer of the Year Award, the Insurance Company of Year by Banking Awards Tanzanian, and the Best Life Insurance Company at the People's Choice Quality Awards 2023, among others. These honors reflect our dedication to maintaining the highest standards of service and innovation, solidifying our status as a leader in the industry. The list of our major awards can be found on page 38 of this Annual Report.

OUTLOOK

World Bank projects that East Africa is set to continue leading Africa's growth pulse, with growth projected to rise to 5.7% in 2024 from 5% in 2023. The projected growth acceleration reflects the anticipated strong economic performance of key countries in the region – Kenya (5.3%), Tanzania (6.1%), Uganda (5.7%), and Rwanda (6.9%). Growth is expected to be boosted by economic stimulus from various international organizations, renewed investor interest, infrastructure reforms, a growing services sector and positive agricultural output. However, increased debt service costs, exchange rate pressures, widening income inequality, and vulnerability to climate change are key domestic and external downside risk that will continue affecting the regions medium-term outlook.

East Africa's insurance industry is expected to continue with its upward growth trend. At the forefront of the insurance industry evolution is the adoption of rapid technological advancement that is expected to shift how insurance companies operate. Insurance companies that are preparing for the disruption poised by the rapidly evolving customer needs and adoption new technologies and ways of working will have significant first mover advantage in capitalizing on the opportunities that these trends present.

BOARD OF DIRECTORS

The Directors who held office in 2023 are listed on page 18 to 21 of this report. As we continue to expand our horizons, the Board continues to reflect the Company's regional outlook, while drawing from the Company's Vision, Mission and Values which continue to steer your Company.

APPRECIATION

I would like to acknowledge with appreciation my colleagues on the JHL Board and those on the Boards of the subsidiaries for their diligence, guidance and support that has ensured that we achieve superior results during the year. In particular, I would like to acknowledge Shabir Abji, who will be retiring this year. Shabir's invaluable contribution and unwavering dedication has been instrumental to our success. Additionally, I want to express my sincere thanks to Jane Mwangi and Ashif Kassam, who will not be offering themselves up for re-election. Their insights and leadership have significantly impacted our growth and strategic direction. We are immensely grateful for their service and commitment to the company. I also thank our staff across the region; it is their dedicated and loyal support that has enabled the company to remain the largest insurance Group in East Africa, whose sustained growth over the decades and reputation as the most trusted insurer in the region has been built on our solid values and unyielding ethical practices, a strong and growing balance sheet and a commitment to fair settlement of claims. We are indeed



very proud of these accomplishments and strive to continue to build on this solid foundation.

As I step down from my role as Chairman of Jubilee Holdings Limited, I reflect on the remarkable journey we have undertaken together over the past 20 years. During my tenure, we have witnessed tremendous growth and transformation within our company including the consistent dividend payout every year, with each payout surpassing the last. This steadfast commitment to rewarding our shareholders underscores our financial strength and growth trajectory.

Another highlight is the demerger of Jubilee Health Insurance, Jubilee Life Insurance, and Jubilee General Insurance into independent entities. This has driven further growth and significantly increased insurance penetration across the region, while allowing each entity to focus on its core strengths.

The acquisition of our General insurance business by Allianz, a world-class leader in the insurance sector, stands out as a pivotal moment. This partnership has enhanced service delivery, improved experiences for our customers and delivered value to our shareholders.

Additionally, the acquisition of the Upperhill office has been a noteworthy accomplishment. This modern facility will provide an enhanced working environment for our staff and a welcoming space for our stakeholders. As I retire, I am filled with immense pride for what we have accomplished together. I have full confidence that Jubilee Holdings Limited will continue to thrive and reach even greater heights. I would like to extend a special message to Zul Abdul, the incoming Chairman. Your leadership, vision, and dedication have been evident throughout your tenure with the company. I am confident that under your stewardship, the company will continue to prosper and achieve its ambitious goals. Congratulations, and I wish you every success in your new role.

Finally, I want to express my heartfelt gratitude to all of you once again. Thank you for the unwavering support and dedication you have shown over the years. It has been an honor to serve as your Chairman.

Nizar Juma
Chairman

29 May 2024

Our greatest asset

JHL continues to implement measures to create a culture of performance and inclusion and become the employer of choice.

Our employees remain our greatest asset and the cornerstone of our success. We are therefore committed to promoting equal opportunity to attract, develop and retain talented employees irrespective of gender, marital status, disability, age, race, nationality, tribe, health status, religion, colour, language, political affiliation, or any other opinion.

To attract the best talent, the Group offers excellent employee benefits including Group Life and Group Personal Accident while employed, Pension, Health Insurance benefits for family and self, as well as sponsorship for professional association membership. Parental leave of three months for female employees and two weeks for male employees is provided as outlined by the relevant Employment Acts. The salary harmonization process emanating from the 2022 Evaluation Process began in April 2023, which aims to eliminate disparities in pay.

The Jubilee Digital Academy e-learning platform offers over 10,000 courses, audio books, research papers and write-ups. It provides employees with a flexible and accessible means of enhancing their skills and knowledge.

In addition to the normal communication channels, the Slido platform was also rolled out to ensure that staff are able to articulate their issues without any fear of discrimination and/or victimization.

The Group's Employee Net Promoter Score (e-NPS) moved from +11 as at the end of 2022 to +24 at the end of 2023, with 615 employees participating.





Board of Directors



Akbar Poonawala
● ● ●

Shabir Abji
● ●

Zul Abdul
●

Nizar Juma
Chairman

Ashif Kassam
●

● Board Audit and Compliance Committee

● Board Finance Committee



Owen Koimburi



Sultan Allana

Jane Mwangi



John Metcalf



Board of Directors

Mr. Nizar Juma (80) Non-Executive Director & Chairman

Mr. Juma is a Non-Executive Director and Chairman of Jubilee Holdings Limited. He was appointed to the Board in 2004. He is also the regional Chairman of the Industrial Promotion Services group of companies and is a Chairman and Director in various other private entities in the industrial and commercial sectors. Mr. Juma holds a BSc. (Econ) Joint Hons in Economics, Law & Accountancy from the University of Wales – Cardiff. He is a recipient of a number of national awards including the Award of the Silver Star of Kenya by H.E. The President of Kenya for outstanding service to the nation (1982) and was awarded The Life Time Achievement Award in the 2011 Insurance Industry Awards.

Mr. Zul Abdul (72) Non-Executive Director & Vice Chairman

Mr. Abdul joined the Board in 2014. He is the Chairman and CEO, Trans-Orbit Kenya Limited. He has previously held key leadership voluntary positions having served as the President of Aga Khan National Council in Kenya, the Chairman of Aga Khan Education Services, Chairman of the Jubilee Fund Limited. He served as an Executive Director of Wiggins Teape Ltd. - an international company manufacturing and trading in paper and is currently a director of Anfield Holdings Ltd. - a Property Development company. Mr. Abdul is the Chairman of the Board Audit & Compliance Committee and is also a member the Board Nominating & Human Resources Committee. He was appointed the Vice Chairman of the Board in March 2020.

Mr. Sultan Ali Allana (64) Non-Executive Director

Mr. Sultan Ali Allana is a Director of the Aga Khan Fund for Economic Development (AKFED) and has the oversight responsibilities for AKFED's investments in Banking, Insurance and Microfinance. Mr. Allana is a career banking professional with about 40 years of experience in retail, corporate and investment banking. He is also the Chairman of Habib Bank Limited, which is the largest commercial bank in Pakistan with over 1,600 branches and with presence in several key international markets.

Mr. John Metcalf (64) Non-Executive Director

Mr. Metcalf was appointed to the Board in 2006. He has extensive international experience in the insurance industry and is the Head of Insurance for the Aga Khan Fund for Economic Development (AKFED). He is also a Director on the Boards of the Company's insurance subsidiaries. Before joining AKFED, he was the Executive Chairman of the Allianz Group Insurance subsidiaries in Egypt. Mr. Metcalf is a Fellow of the Chartered Insurance Institute and holds a BA (Hons) in Banking Insurance & Finance from Sheffield Hallam University. He is a member of the Board committees and Chairs the Board Finance Committee.

Mrs. Jane Mwangi (60) Independent Non-Executive Director

Mrs. Mwangi joined the Board in 2014 and chairs the Board Nominating & Remuneration Committee. She is a Corporate and Commercial Lawyer with over 25 years' experience, currently serving as the Managing Partner at Robson Harris Advocates LLP and member of the Board of Directors of the Chartered Institute of Arbitrators Kenya Limited. She has previously worked with the Central Bank of Kenya, Deposit Insurance Corporation and the United Nations Department of Oversight Services (OIOS). She is an Advocate of the High Court of Kenya, Commissioner for Oaths, Patent Agent and Notary Public. She is a Certified Mediator, accredited Legal & Governance Auditor and a Certified Public Secretary. She holds a Bachelors Degree in Law (LLB) from the University of Nairobi, a Diploma in Law from the Kenya School of Law and a Masters Degree in International Business Law (LLM) from the University of Hull, UK.

Mr. Shabir Abji (65) Non-Executive Director

Mr. Abji joined the Board in 2013 and chairs the Board IT Committee and is also a member of the Board Finance Committee. Mr. Abji is a businessman and the Director of A. J. Group of Companies which has a presence in many countries with businesses in chemical industries, IT, real estate, hospitality, amongst others. He is currently the Chairman of the Aga Khan Education Services, Tanzania, Trustee of the Automobile Association of Tanganyika and the Dar es Salaam Gymkhana Club and councillor of the Confederation of Tanzania Industries.

Mr. Ashif Kassam (55) Non-Executive Director

Mr. Kassam was appointed to the Board in 2019 and is a member of the Board Finance Committee. He is also the Chairman of Jubilee Asset Management Limited and Board member of Jubilee Health Insurance Limited. He is a Fellow Member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Association of Chartered Certified Accountants, UK (ACCA). He is a recipient of the Order of the Grand Warrior (O.G.W.), as well as ACCA Achievement Award in recognition of his contribution to the development of the accountancy profession both locally and globally. He has extensive experience in audit & assurance, tax, transaction & risk advisory and management consulting and is the founder and Executive Chairman of RSM Eastern Africa LLP. He is the Vice President of the Aga Khan Council for Kenya, Director of Kenya Electricity Transmission Company Limited, the President of the Entrepreneurs Organisation (EO), Kenya Chapter and a Board member of Kenya Revenue Authority.

Mr. Owen Koimburi (69) Independent Non-Executive Director

Mr. Owen Koimburi was appointed as an Independent Non-Executive Director in March, 2022. Mr. Koimburi has over 40 years of experience in audit, accounting, financial management, and capacity building to Private, Government and Public, sectors. He is the founding partner of Koimburi & Associates Certified Public Accountants Kenya (now Mazars Kenya LLP). His areas of specialization are Business Restructuring and Company Administration and, Consulting and Assurance. He is a FMKIM and holder of an MA from Leicester University UK and a Diploma in International Financial Reporting Standards from the ACCA. He is an FCPA(K) and a CPS (K). He is a trained director and certified governance auditor.

Mr. Akbar Poonawala (62) Independent Non-Executive Director

Co-Founder and Managing Partner of Pivot Investment Partners, New York, NY, an investment firm focused exclusively on Growth Equity-stage FinTech and InsurTech companies. Formerly a senior operating executive with a demonstrated record of building/transferring financial services businesses globally and skilled in Securities, Venture Capital, and Investment Advisory, Mr. Poonawala serves on the Boards of several FinTech and InsurTech companies in the US, Canada and the UK. Mr. Poonawala, a CFA charter holder, was appointed as an Independent Non-Executive Director in 2022.

Ms. Rosemin Bhanji (60) – Independent Non-Executive Director

Ms. Rosemin Bhanji was appointed to the Board on 29th May 2024. Rosemin has over 25 years of robust experience in legal, governance, risk and compliance, in financial services sector. Rosemin is a skilled global dispute resolution expert and actively practices as a court annexed mediator for the High Court of Kenya. She is currently an Independent Non-Executive Director for Fairtrade Africa (representing 33 African countries) and Chairs their Governance Committee. Additionally, she is an Independent Non-Executive Director of The Fred Hollows Foundation, a non-profit organisation with a presence in over 28 countries with the goal of eliminating avoidable blindness and restoring eyesight. Rosemin is an Advocate of the High Court of Kenya, holds a Bachelor of Laws from the University of Nairobi, as well as a certificate in International Financial Law from the University of Oxford (UK). She has accreditation in Environmental Social Governance (ESG) and holds a Certification on Company Direction from The Boardroom Africa -in collaboration with Institute of Directors, (UK). Rosemin is passionate about community service and serves as a volunteer in various leadership roles.

Mr. Aryn Lalji (61) Non-Executive Director

Mr. Aryn Lalji was appointed to the Board on 29th May 2024 as an Independent Non Executive Director. He is an alumni of Merchant Taylors' School (UK) and the University of Ulster (UK) where he obtained a B.Sc. first class honours degree in Pure Physics. He subsequently went on to earn an MBA at the University of Warwick. Mr Lalji is a businessman with over 35 years of experience and is the Managing Director of Kanji Lalji Limited, a privately owned company established in 1912 in Tanzania with businesses in the transportation, farming and real estate sectors. He serves on the Board of Aga Khan Health Services and is the chairman of Jubilee Life Insurance Company of Tanzania Limited. He is a Member of the Association of MBAs (UK) and a Member of the Institute Physics (UK).

Mrs. Margaret Kipchumba (50) Company Secretary

Mrs. Kipchumba was appointed Company Secretary of Jubilee Holdings Limited in 2014. She also serves in the same capacity in the insurance and fund management subsidiaries in Kenya and has oversight responsibility for the company secretarial function in the regional subsidiaries. Mrs. Kipchumba is an Advocate of the High Court of Kenya, a Certified Public Secretary and an accredited Governance Auditor. She is a Member of the Law Society of Kenya, the Institute of Certified Public Secretaries of Kenya and the Institute of Directors, Kenya.

Improving young lives

Jubilee Holdings is committed to engaging and positively impacting communities and actively contributing to supporting underprivileged children, reducing inequalities and making communities more sustainable.

Through staff and group donations, as well as numerous fund-raising initiatives and partnerships, JHL sponsored 83 children in 2023, helping them enrol in secondary education.

To improve children’s health, the Group has sponsored and been actively involved in several initiatives during the year. These include the Eye Project, the Prosthetic Limb Project, and Operation Ear Drop. Over 350 children were screened for visual impairments, 10 children received life-changing prosthetic limbs, and 20 children benefitted from corrective ear surgeries.



Corporate Governance Statement

The Company views the application of good corporate governance practices as fundamentally key to achieving a healthy and sustainable return on investment for its shareholders while fulfilling its social mandate of improving the quality of life for all stakeholders. The Directors therefore remain committed to maintaining the highest standards of good corporate governance in all jurisdictions the Company operates in for the benefit of all stakeholders.

The Company has adopted the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 ("CMA Code"). The Code sets out the principles of corporate governance and makes specific recommendations on structures and processes which companies should implement in making good corporate governance an integral part of their business dealings and culture. CMA requires listed companies to submit a self-assessment report on the status of application of the CMA Code. In 2023, after a comprehensive assessment by CMA based on the Company's self-assessment (for the financial year ended 2022) and publicly available information, the Company maintained its Leadership overall weighted score. There remains areas of improvement and the Board is committed to addressing the same as it takes progressive steps to strengthen governance structures and practices within the Company.

The 2023 reporting template disclosing the extent to which the Company has implemented the Code is available on the Company's website www.jubileeinsurance.com. The Company has undertaken a Governance Audit for the financial period ended 31st December 2023. The audit was undertaken by an independent accredited governance auditor and in their opinion, the Board has put in place a sound governance framework which is in compliance with the legal and regulatory framework and in line with global best governance practices for the interest of stakeholders. In this regard, they have issued an unqualified opinion. The full opinion is on the Company's website.

BOARD OF DIRECTORS

Composition of the Board

The Company is led by an effective Board that provides strategic direction, oversight over management and ensures that Management is creating value for all stakeholders.

The Code requires that a Board comprises of a majority of non-executive directors with at least one third independent non-executive directors. As of the date of this report, the Board comprises of 11 Directors all of whom are non-executive. Three out of eleven Directors are independent. In determining the independence status of the Directors, the Company has applied the criteria set out in the CMA Code including the criteria that Directors designated as independent should have served for a tenure less than 9 years. Each Director's profile is given on page 20 and 21 of this Annual Report and highlights, amongst others, the Director's qualifications, age, independence status and other key board memberships. Notwithstanding a Director's non-executive and/or independence status on the Board, all Directors recognize that they are collectively responsible to the shareholders and stakeholders for the viable long-term sustainability of the Company. Whilst the Articles of Association allow for the appointment of alternate directors on the Board there are currently no alternate or shadow directors on the Board.

Board membership

All appointments to and resignations from the Board are carried out in accordance with the Articles of Associations and are disclosed to the shareholders and to the public as prescribed by the Capital Markets Authority regulations and the CMA Code. During the year under review and to the date of this report two new Non Executive Directors were appointed to the Board. These are Ms. Rosemin Bhanji and Mr. Aryn Lalji. Their profiles are given on pages 21 of this Annual Report. The above appointments were made on the recommendation of the Board HR & Nominating Committee and were communicated to the public in the manner prescribed by CMA. In addition, and in accordance with the Company's Articles of Association, the new Directors will submit themselves for re-election at the forthcoming AGM.

Induction of New Board Members

Throughout the Group, newly appointed Directors undergo a comprehensive, formal and tailor-made induction programme to ensure their effective contribution on the Boards and committees. The induction amongst others, covers the nature of the Group's business, Group organizational structure, Board and Committee mandates, financial performance review over the previous financial periods as well as the role, duties and responsibilities expected of the Directors. The Directors receive an induction pack which comprises the Memorandum and Articles of Association, Board Charter and Directors' Code of Ethics, Committees Terms of Reference and minutes from previous Board and Committee meetings. The induction process is coordinated by the Chairman, the Group Chief Executive Officer and the Group Company Secretary.

Board Charter

The Board has put in place a Board Charter that defines the governance parameters within which the Board operates and sets out specific responsibilities to be discharged by the Board and Directors collectively, as well as certain roles and duties incumbent upon Directors as individuals. Each Director is called upon to subscribe to the Charter and in doing so, acknowledges the Company's values and commits to upholding them.

Role of the Board

The Board's primary responsibility is that of fostering the long-term business of the Company consistent with its fiduciary responsibility to the shareholders. The responsibilities of the Board are articulated in the Board Charter while the conduct of Board members is governed by the Directors' Code of Ethics and Conduct. Both documents are available on the Company's website, www.jubileeinsurance.com. The responsibilities outlined in these documents are in addition to those prescribed by legislation and regulations applicable to the Company.

During the year under review the Board met five times to monitor business performance against the business plan and budget. The record of attendance at the Board meetings is set out below:

Name	March	April	June	August	November
Nizar Juma	√	√	√	√	√
Zul Abdul	√	√	√	√	√
Sultan Allana	√	√	x	x	√
John Metcalf	√	√	x	√	√
Shabir Abji	√	√	√	√	√
Jane Mwangi	√	√	√	√	√
Ashif Kassam	√	√	√	x	√
Owen Koimburi	√	√	√	√	√
Akbar Poonawala	√	√	√	√	√

Key:

√ - Present x - Absent with apologies

Senior management including the Group Chief Executive Officer, the Group Chief Operating Officer, and any other officers as may be required, attend Board Meetings by invitation to ensure informed decision-making by the Board of Directors. The Company Secretary attends all the meetings of the Board to primarily advise on legal regulatory and governance issues and ensure accurate documentation of Board decisions and follow up on the same.

Board Evaluation

The Board undertakes an annual evaluation of its performance, the performance of the Chairman, individual Directors, the Group Chief Executive and Company Secretary. The evaluation exercise is conducted by an independent Board evaluation specialist and its primary purpose is to improve the effectiveness of the Board as a whole. The Board underwent a performance evaluation for the financial year ended 2023 and the results considered in determining areas for improvement, identify any skills gap in the composition of the Board and provide important input for appointments, re-appointments and specific training needs of Directors.

SEPARATION OF THE ROLE OF THE CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

The Board Charter stipulates a clear separation of the role and responsibilities of the Chairman and the Group Chief Executive Officer (GCEO). The Chairman is a non-executive Director and his primary role is to direct the Board's business and act as its facilitator and guide, ensuring the Board is effective in its task of setting and implementing the Company's direction and strategy. The GCEO is responsible for the day-to-day leadership of the Company's business affairs and ensures the execution of strategy as set by the Board. The separation of the roles is to promote accountability and facilitate division of responsibilities as well as to ensure a balance of power and authority such that no one individual has unfettered powers of decision making.

BOARD COMMITTEES

In order to effectively carry out its governance responsibilities, the Board has established four standing committees as listed below and delegated specific mandates to them. These committees operate under clearly articulated terms of reference which clarify their responsibilities and scope of authority. The committees have unrestricted access to any information within the Company and have unfettered access to any employee of the Company and independent professionals to enable them effectively discharge their functions. All committees report to the Board at each Board meeting highlighting key matters discussed at their respective meetings and recommended actions for Board approval in appropriate cases. Notwithstanding the delegated authority to these committees, the Board remains fully responsible for the areas overseen by the committees and activities of the committees.

The mandates of the committees and their membership are summarized as follows:

Corporate Governance Statement (Continued)

Board Audit & Compliance Committee (BACC):

The mandate of the BACC is broadly speaking to assist the Board in the following four areas where the key responsibilities include financial reporting and compliance with applicable financial reporting standards, oversight of Internal Audit function and review of financial and operational controls, liaising with external auditors including receiving and reviewing their reports and letters, monitor compliance with legal and regulatory requirements and reviewing the risk management issues within the Group. The Members of the BACC are Mr. Owen Koimburi (Chairman), Mr. John Metcalf, and Akbar Poonawala. Their profiles are highlighted on pages 20 & 21.

Board Nominating and Human Resource Committee:

This committee reviews all new nominees to the Board and is mandated to assess the performance and effectiveness of Directors. The Committee also reviews and approves the HR strategy in the Company. The Committee reviews the Company's policy on remuneration and advises on the specific remuneration packages of senior managers so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance. The members of this committee are Mrs. Jane Mwangi (Chairlady), Mr. Zul Abdul and Mr. John Metcalf. Their profiles are highlighted on pages 20.

Board Finance Committee:

This committee reviews and makes recommendations on the financial and investment business of the Company. The committee also provides guidelines and limits for investment of the Company's funds. The members of this committee are Mr. John Metcalf (Chairman), Mr. Shabir Abji, Mr. Ashif Kassam and Mr. Akbar Poonawala. Their profiles are highlighted on pages 20 & 21.

Board Information Technology Committee:

This committee is responsible for IT governance, overseeing and monitoring the IT strategy and roadmap formulation, IT investment proposals, review IT investments such as new systems recommendations from a technical and operational perspective. The members are Mr. Shabir Abji (Chairman); Mr. John Metcalf and Mr. Akbar Poonawala. Their profiles are highlighted on pages 20 & 21.

REMUNERATION POLICY

Directors:

The particulars of the Directors' remuneration are given in the Directors' Remuneration Report on page 28.

Senior Management:

All employees in the Company are eligible for an annual bonus which is determined by the overall performance of the Company and the individual's performance against a pre agreed Balanced Scorecard. The Company does not have any share options schemes for employees.

CONFLICT OF INTEREST

The Group ensures that the governance framework not only monitors compliance with legislation and regulations but also monitors the ethical climate within the organization. Towards this end, all employees' upon joining the Company and on an annual basis are required to sign up to the Code of Conduct and Ethics which aims to encourage honest and ethical business conduct. The Board has in place a Policy on Conflict of Interest and a Directors' Code of Ethics and Conduct. One of the key principles underlying ethical business conduct is the avoidance and disclosure of conflict of interest. Conflict of interest refers to a situation where an employee's or Director's private interest or that of a family member or associated institution interferes or appears to interfere with the interests of the Company as a whole. Directors are under statutory obligation to avoid a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or may conflict with the interests of the Company.

Where the conflict is inevitable, an employee is required to notify the Group Chief Executive Officer while a Director is required to notify the Chairman of the Board as promptly as practicable and absent himself/herself from any discussion or decision by the Board that relates to the matter giving rise to the conflict.

Disclosure on related party transactions:

The Board has approved the Related Party Transactions Policy. This policy is available in the Company's website on www.jubileeinsurance.com. Related party disclosures are made in line with the policy and International Financial Reporting Standard and can be found in note 36 on page 161 of this Annual Report.

INSIDER TRADING POLICY

The Capital Markets Authority Act has prescribed certain regulations that expressly prohibit the use of unpublished insider information. Insider information is generally information that:

- relates to the Company and the Company's securities;
- has not been made public;
- if it were made public, is likely to have a material effect on the price of the securities.

The Company has also adopted an Insider Trading Policy with the objective of promoting transparency and accountability by Directors, employees and members of their families including spouses, children, parents and siblings (collectively referred to as

“Insiders”). The Company’s Insider Trading Policy prohibits Insiders from trading in the securities of the Company at any time they are in possession of Insider Information. The policy also prescribes a Trading Window during which Insiders can trade in the securities of the Company subject to notifying the Group Company Secretary. This trading window opens twenty-four (24) hours after the release of any material or price sensitive information (including the interim and final financial results) and closes fourteen (14) calendar days later.

In the year under review and to the date of this report, there has been no known cases of insider trading.

FRAUD AWARENESS AND WHISTLE BLOWING POLICY

The Company has a zero tolerance approach to fraud and corruption and has put in place proactive and reactive measures to address both. Employees are continuously sensitized on fraud awareness and their role in identifying, preventing and reporting fraudulent, corrupt and unethical business conduct.

To encourage employee partnership in the fight against fraud and corruption, the Company has adopted a Whistle Blowing Policy that aims to have an effective internal mechanism that enables employees to freely, voluntarily, in good faith and without fear of victimization come forward and share any information they may have regarding any financial misconduct, misuse of Company resources, unethical or dishonest behaviour by co-workers (at all levels), service providers, suppliers or other stakeholders dealing with the Company. This policy is available on the Company’s Website at www.jubileeinsurance.com. Towards this end and to facilitate reporting, the Company has signed up for an external and internationally accredited whistle blowing facility which enables employees and other external stakeholders to make reports via multiple reporting channels including telephone (toll-free or call back facility), email and web. This facility guarantees anonymity and enhances the Company’s compliance with legislation on the protection of whistle blowers.

All reported fraud is investigated, the concerned individual given an opportunity to be heard and appropriate action taken. In 2023 a total of 109 cases, in Kenya were reported to the internal forensic team for further investigations, out of which 22 cases were escalated to the Kenya - Insurance Fraud Investigations Unit of the Directorate of Criminal Investigations for further investigation and prosecutions. A total of 3 individuals were formally charged in court, whereas 4 cases were resolved out of court. The bulk of the cases were resolved through other internal mechanisms including staff disciplinary cases, claim declines, rejected business and enhanced risk reviews before business on-boarding.

ENGAGEMENT WITH SHAREHOLDERS AND STAKEHOLDERS

The Company values its relationship with all shareholders and ensures timely communication with them through the channels prescribed by law and listing regulations. The Company holds an Annual General Meeting (AGM) in every year and invites all shareholders to attend either in person or by proxy. At the AGM, the shareholders are invited to comment or ask questions on the any issues tabled before the meeting and thereafter are given an opportunity to vote on the agenda items presented. The independent external auditor is also present at the AGM to present their audit opinion and respond to any questions from the shareholders. All resolutions passed at every AGM are published within ten (10) days of the meeting and uploaded on the Company’s website. Any decisions of the Board that require to be notified to the shareholders and public such as final and interim financial results, Board appointments and resignations and other corporate actions are issued through public announcements within the prescribed timeline - 24 hours from when the decision is made.

The Company is keen to ensure that there are open channels of communication not only with shareholders but all stakeholders including employees, customers, insurance intermediaries, tenants, business partners, regulators and the communities the Company operates in. In addition, and to facilitate feedback from customers, the insurance companies run quarterly customer satisfaction surveys to measure and monitor service delivery with the Net Promoter Score being one of the six main KPIs of the Group and each entity. Please refer to the ESG Report on page 40 on the stakeholder engagement and materiality assessments.

The Company is in the process of formalizing a Stakeholder Engagement policy and will be sharing the same on its website when approved by the Board.

DISPUTE RESOLUTION

Disputes are an inevitable part of life. In a business setting, disputes might arise from engagements with clients, service providers, employees and other stakeholders. The Company strives to mitigate the occurrence of disputes by ensuring all contractual engagements are documented and that the obligations and rights of the Company and its contracting partners are clearly articulated. All Company contracts are vetted by the Legal department and contain dispute resolution mechanisms which include escalation of disputes to senior individuals in the Company, mitigation or arbitration. As a last resort, where disputes cannot be amicably resolved, disputes are referred to the Courts of Law or relevant Tribunals, as may be appropriate, for resolution. Internally, any dispute relating to disciplinary action contemplated against an employee follows strict adherence to employment law with regard to giving the employee a chance to be heard. An employee who is aggrieved by a decision of the Company has, in the first instance, recourse to lodge an appeal against such decision with the Group Chief Executive Officer.

Directors Remuneration Report

The Directors' Remuneration Report for the year ended 31 December 2023 is in line with the Companies Act, 2015 and the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, issued by the Capital Markets Authority.

Director Remuneration Policy – Subject to Audit

The Board has established a policy to ensure that the remuneration of Directors is formal, transparent and approved by Shareholders in a General Meeting. The Board has mandated the Board Nominating & Human Resource Committee (BNHRC) to, inter alia, review the remuneration of Non-Executive Directors and recommend changes from time to time. In considering the remuneration of Non-Executive Directors, the BNHRC considers amongst others, the business strategy and long-term objectives of the Company. During the year under review, the rate of remuneration remained unchanged from the previous year.

During the year under review, all Directors served on a Non-Executive basis. In recognition of their service and time commitment to the Company, the Non-Executive Directors are paid fees on a quarterly basis. The Non-Executive Directors are not covered by the Company's incentive programs nor do they receive performance-based remuneration. No pension contributions are payable on their fees and no Director is entitled to any compensation at the end of their tenure as a member of the Board. The Company reimburses travel and accommodation expenses related to attendance at Board and Committee meetings. During the year under review, no loans were advanced to the Directors.

The aggregate amount of emoluments received by the Directors during the year under review was Kes 3,360,000 (2022: Kes 3,480,000) as disclosed below and under note 13 (iii).

The fees and sitting allowance paid to each Director for the year ended 31 December 2023 together with the comparative figures for 2022 are presented in the tables below:

Year ended 31 December 2023	Directors Fees Kes.	Sitting Allowance Kes.	Bonuses Kes.	Expense allowances Kes.	Total Kes.
Mr. Nizar Juma*	-	-	-	-	-
Mr. Sultan Allana*	-	-	-	-	-
Mr. John Metcalf*	-	-	-	-	-
Mr. Shabir Abji	-	-	-	-	-
Mrs. Jane Mwangi	960,000	-	-	-	960,000
Mr. Zul Abdul	1,440,000	-	-	-	1,440,000
Mr. Ashif Kassam*	-	-	-	-	-
Mr. Owen Koimburi	960,000	-	-	-	960,000
Mr. Akbar Poonawala*	-	-	-	-	-
	3,360,000	-	-	-	3,360,000

* Waived

Year ended 31 December 2022	Directors Fees Kes.	Sitting Allowance Kes.	Bonuses Kes.	Expense allowances Kes.	Total Kes.
Mr. Nizar Juma*	-	-	-	-	-
Mr. Sultan Allana*	-	-	-	-	-
Mr. Juma Kisaame	360,000	-	-	-	360,000
Mr. John Metcalf*	-	-	-	-	-
Mr. Shabir Abji	-	-	-	-	-
Mrs. Jane Mwangi	960,000	-	-	-	960,000
Mr. Zul Abdul	1,440,000	-	-	-	1,440,000
Mr. Ashif Kassam*	-	-	-	-	-
Mr. Owen Koimburi	720,000	-	-	-	720,000
Mr. Akbar Poonawala*	-	-	-	-	-
	3,480,000	-	-	-	3,480,000

* Waived

By Order of the Board

Jane Mwangi
Chairperson of the BNHR

Principal Shareholders and Share Distribution

Directors' interest in the shares of the company as at 31 December 2023

Name	Number of shares held	% Shareholding
Nizarali Nanji Juma	9,446	0.01%

Senior Management – interest in shares of the Company as at 31 December 2023

Nil

Distribution of Shareholders as at 31 December 2023 and 31 December 2022

Number of shares	2023			2022		
	Number of shareholders	Number of shares held	% Shareholding	Number of shareholders	Number of shares held	% Shareholding
Less than 500 shares	2,101	294,630	0.41	2,071	292,281	0.40%
500 – 5,000 shares	3,033	6,107,672	8.43	3091	6,227,846	8.59%
5,001 – 10,000 shares	660	4,575,957	6.31	677	4,705,294	6.49%
10,001 – 100,000 shares	514	12,905,770	17.81	518	13,199,749	18.21%
100,001 – 1,000,000 shares	30	6,324,767	8.72	32	6,195,656	8.55%
Over 1,000,000 shares	6	42,264,154	58.32	6	41,852,124	57.75%
Total	6,344	72,472,950	100	6,395	72,472,950	100%

List of 10 largest shareholders as at 31 December 2023

	Names	Number of shares held	% Shareholding
1	Aga Khan Fund for Economic Development	27,528,739	37.98%
2	Pyrus Investments Limited	7,682,480	10.60%
3	Stanbic Nominees Ltd. A/c NR3530153-1	2,405,923	3.32%
4	Freight Forwarders Limited	2,037,235	2.81%
5	United Housing Estates Limited	1,314,947	1.81%
6	Adam's Brown and Company Limited	1,294,830	1.79%
7	Standard Chartered Kenya Nominees Ltd A/c 133935500055	418,000	0.58%
8	Investments & Mortgages Nominees Limited A/c 003746	402,350	0.56%
9	Investments & Mortgages Nominees Limited A/c 003745	402,350	0.56%
10	Gulshan Noorali Sayani	362,507	0.50%
	Total top 10 largest shareholders	43,849,361	60.51%
	Others	28,623,589	39.49%
	TOTAL	72,472,950	100%

List of 10 largest shareholders as at 31 December 2022

	Names	Number of shares held	% Shareholding
1	Aga Khan Fund for Economic Development	27,528,739	37.98%
2	Pyrus Investments Limited	7,682,480	10.60%
3	Stanbic Nominees Ltd. A/c NR3530153-1	2,405,923	3.32%
4	Freight Forwarders Limited	1,625,205	2.24%
5	United Housing Estates Limited	1,314,947	1.81%
6	Adam's Brown and Company Limited	1,294,830	1.79%
7	Investments & Mortgages Nominees Limited A/c 003746	402,350	0.56%
8	Investments & Mortgages Nominees Limited A/c 003745	402,350	0.56%
9	Gulshan Noorali Sayani	362,507	0.50%
10	Standard Chartered Nominees Non-resd. A/c KE10085	346,437	0.48%
	Total top 10 largest shareholders	43,365,768	59.84%
	Others	29,107,182	40.16%
	TOTAL	72,472,950	100%

Report of the Directors

The Directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2023 which disclose the state of affairs of Jubilee Holdings Limited (the "Company") and its subsidiary companies (together the "Group").

COUNTRY OF INCORPORATION

The Company is incorporated in the Republic of Kenya under the Companies Act and is domiciled in Kenya. The Company is also registered as a foreign company in the Republic of Uganda and in the United Republic of Tanzania.

DIRECTORS

The directors who held office during the year and to the date of this report are as below:

Nizar N Juma (Chairman)
Zul Abdul (Vice-Chairman)
Sultan Allana *
John Metcalf **
Shabir Abji***
Jane Mwangi
Ashif Kassam
Owen Koimburi
Akbar Poonawala ****
Rosemin Bhanji (Appointed on 29 May 2024)
Amyl Lalji** (Appointed on 29 May 2024)

* Pakistani **British ***Tanzanian **** American

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company, through its subsidiaries and associates, provides Life insurance, Health insurance, and property and casualty insurance, retirement products, and broader financial related services to customers in Kenya, Uganda, Tanzania, Burundi and Mauritius. It also owns investment companies and financial advisory companies in Kenya, Uganda, Tanzania and Burundi.

DIVIDENDS

During the year, an interim dividend of Kes 144.95 million was paid (2022: Kes 72.47 million) or Kes 2.00 per share (2022: Kes 1.00 per share). A final dividend of Kes 724.73 million (2022: Kes 579.78 million) has been proposed, which is Kes 10.00 per share (2022: Kes 8.00 per share). Further a special dividend of Kes 166.69 million has been proposed, which is Kes 2.30 per share (2022: Kes 3.00 per share). The total dividend for the year 2023 is therefore Kes1,036.36 million (2022: Kes 869.68 million) or Kes 14.30 per share (2022: Kes 12.00 per share).

BUSINESS REVIEW

The following is the summary of the results for the year ended 31 December 2023

	2023	2022
	Kes '000	Kes '000
Profit analysis		
Group profit before income tax	5,310,661	6,519,054
Income tax expense	(894,748)	(1,010,172)
Group profit after income tax	4,415,913	5,508,882
Non-controlling interest	117,239	106,696
Profit attributable to equity holders of the Company	4,298,674	5,402,186

Additional details of the business overview are captured in the Chairman's Statement.

Risk Management

The Group has developed an Enterprise Risk Management (ERM) framework to realize opportunities, while reducing threats to an acceptable level through the implementation of adequate controls. Through the ERM process decision makers, better understand business situations and how the likely outcomes may affect the Group as a whole, enabling them options that are aligned with the Group's risk appetite or options that can be aligned through implementation of effective controls.

Each entity within the Group has risk champions whose mandate is to spearhead the implementation of risk management and reporting on risks. There also exist structures for reporting the risk so that the Group's Board is given assurance that risks are being defined and managed at acceptable levels.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITORS

With respect to each director at the time this report was approved:

- there is, so far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Terms of Appointment of the Auditor

The term of the audit engagement for PricewaterhouseCoopers is coming to an end after this year's audit work and hence they will cease to be the Group's auditor at the conclusion of the forthcoming Annual General Meeting of the Group. The Board will make a recommendation to the shareholders at the Annual General Meeting, to approve the appointment of the new auditor KPMG in accordance with the provisions of Section 721 of the Kenyan Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

By order of the Board

Nizar Juma
Chairman

29 May 2024

Statement of Directors' Responsibilities

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of its profit or loss for that year. The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Group and Company keeps proper accounting records that: (a) show and explain the transactions of the Group and Company; (b) disclose, with reasonable accuracy, the financial position of the Group and Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2015. The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Group and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group and Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

The financial statements were approved and authorised for issue by the Board of Directors on 29 May 2024 and were signed on its behalf by:

Nizar Juma
Chairman

Zul Abdul
Director



Environmental, Social and Governance Report 2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG)

About this report

This ESG report, is in accordance with the Global Reporting Initiatives (GRI) Standards - effective 1st January 2023 for the financial reporting period of 1st January 2023 to 31st December 2023.

Jubilee Holdings Limited is an investment holding company. The Company, through its subsidiaries and associates, provides Life insurance, Health insurance, and property and casualty insurance (General Insurance), retirement products, and broader financial related services to customers in Kenya, Uganda, Tanzania, Burundi and Mauritius. It also owns investment companies and financial advisory companies in Kenya, Uganda, Tanzania and Burundi. JHL is listed on the Nairobi Securities Exchange and is cross listed on the Uganda Securities Exchange and Dar es Salaam Stock Exchange.

The report has been reviewed and approved by Senior Executives of Jubilee Holdings Limited.

This sustainability report includes entities where JHL has controlling interests and that have embarked on the sustainability journey. These are as follows:

Kenya

- Jubilee Health Insurance Limited
- Jubilee Life Insurance Limited
- Jubilee Asset Management Limited

Uganda

- Jubilee Life Insurance Company of Uganda Limited
- The Jubilee Health Insurance Company of Uganda Limited

Tanzania

- Jubilee Life Insurance Corporation of Tanzania Limited
- The Jubilee Health Insurance Company of Tanzania Limited

Burundi

- Jubilee Life Insurance Company of Burundi

This being the first year of reporting against the GRI standards, there are no restatements.

No external assurances were carried out for the period reported on.

The GRI index is listed at the end of the report.

Jubilee Holdings is an affiliate of the Aga Khan Fund for Economic Development (AKFED) which is one of the nine Aga Khan Development Network (AKDN) agencies.

The Aga Khan Development Network embeds physical and social infrastructure, health and education services, business and finance facilities, environmental planning and more within the communities it works in, partnering with governments, businesses, civil society organisations and the communities themselves.

AKDN is committed to protecting the environment and mitigating climate change, generating clean energy, operating climate friendly hospitals and health centres, reducing the risk of climate-induced disasters, promoting environmentally conscious tourism, and undertaking climate research. AKDN and the entities comprising the network are committed to reducing their greenhouse gas emissions in line with the goals of the 2015 Paris Accord and aim to become net zero carbon by 2030.

The future of our business depends on us considering the long-term impact of our business activities



Dr Julius Kipng'etich, Group Chief Executive Officer

Message from the Group Chief Executive Officer

Jubilee Holdings Limited's (JHL) core value is to carry out its business ethically, responsibly and in a manner that delivers economic, social, and environmental benefits to all stakeholders.

Sustainability matters to us, our customers, employees, shareholders, partners and the communities we live and work in. The future of our business depends on us considering the long-term impact of our business activities on these stakeholders.

This report details the various initiatives JHL has worked on in the last 12 months. 2023 marked the official beginning of the ESG journey at JHL and the first step in our transformation towards becoming a sustainable business. This has been a year of formalising the foundations required towards achieving the sustainable growth. This includes continued investments in technology to support business growth and drive positive and lasting impact for our customer, employees, partners, shareholders, and all other stakeholders.

The JHL Board is committed to ensuring the development of a robust sustainability strategy that will be based on impact driven strategies aiming to address our most important ESG materiality topics and support the achievement of the following benefits:

- Support the improvement of the group's performance
- Reduction of operational costs
- Risk reduction
- Identification of opportunities
- Long term sustainability, visibility, and value

The JHL board is responsible for overseeing the implementation of the Group sustainability strategy which shall include a robust ESG framework that will identify, assess, mitigate, and monitor key metrics that showcase how the Group defines success and evaluates progress.

A dedicated resource at senior management level responsible for sustainability activities at Group level has been identified to support progress.

Internal and external stakeholders shall be provided with regular updates through an effective communications plan.

This report details the various ESG initiatives that have been focused on in 2023 which are also aligned to the Sustainable Development Goals adopted by JHL.

Dr Julius Kipng'etich
Group Chief Executive Officer

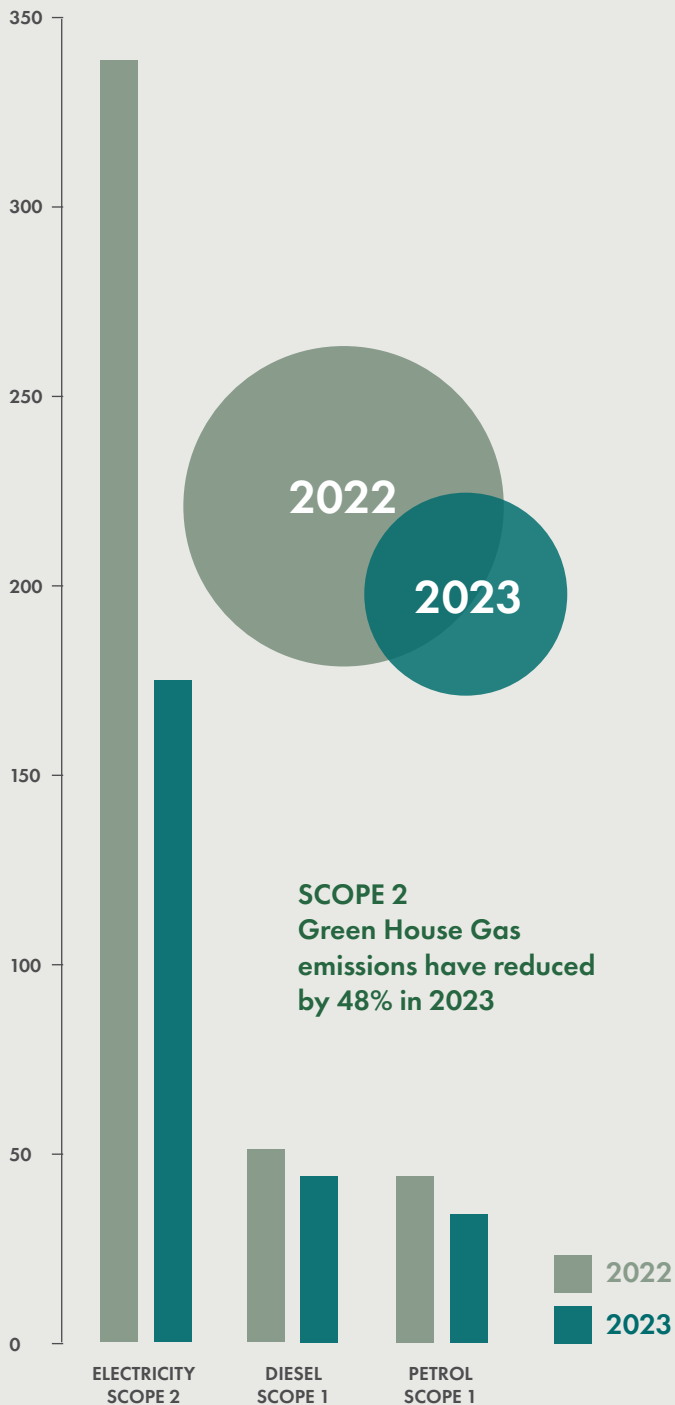
JHL is a member of the United Nation Global Impact Program and is committed to the Sustainable Development Goals it has adopted that align with its activities.

GOAL	AREA	ACTIVITY	2022	2023	
	SDG 1: No Poverty	Human Capital	Regional Employee Count	900	944
	Social	Customers covered under various policies regionally	1,190,025	1,420,955	
	SDG 8: Decent Work and Economic Growth	Human Capital	Salaries Paid	KES 1.87 Billion	KES 2.16 Billion
	SDG 4: Quality Education	Human Capital	Training Hours	8,210	30,949
	SDG 10: Reduced Inequalities	Social	High School Sponsorship	30 children	83 children
	SDG 5: Gender Equality	Human Capital	Gender	Male 48.56% Female 51.44%	Male 51.06% Female 48.94%
	SDG 3: Good Health and Well-being	Social	Afya Mashinani	Meru County 2,015 free consultations 1,560 individuals given free medicines	Nakuru County 2,042 free consultations 1,708 individuals given free medicines 1,357 individuals given Covid vaccinations
			MaishaFiTi App enrolments	N/A	602
			JCF Prosthetic limbs	10 children	10 children
	SDG 13: Climate Action	Environment	Investment in carbon minimal office premises	N/A	KES. 384,750,000/-
	SDG 11: Sustainable Cities and Communities				
	SDG 12: Responsible Consumption and Production	Environment	Monitored energy, water and paper usage	N/A	Initiated in 2023

Note: N/A indicates that there was no activity in that year in the particular area.

ESG PERFORMANCE AT A GLANCE

ENVIRONMENTAL IMPACT

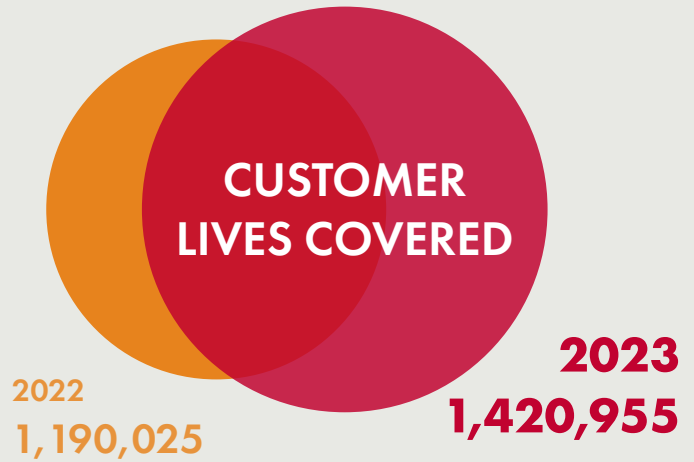


CARBON EMISSIONS (TONNES CO2)

Jubilee’s new office building in Upper Hill, Nairobi, Kenya is expected to have a very positive impact on the Scope 1 and 2 emissions of the Kenyan entities. Green strategies include: 280KWP solar panels that will provide all our electricity needs during the day; solar water heating for gyms; 60,000 litres underground tanks to hold rainwater which shall be used for landscaping; a 330m deep borehole to subsidize our water bills; and performance rated glass to cover our facade front and minimise on heat radiation and retention within the working space.

The move to this new office site is expected to take place in the second half of 2024.

SOCIAL IMPACT



CUSTOMER DATA PROTECTION

KES 130m

invested in technological upgrades in 2023

GOVERNANCE IMPACT

Fraud (Kenya)

109 suspected fraud cases reported to the Forensics and Security team.

22 cases escalated to the Insurance Fraud Investigation Unit of the Directorate of Criminal Investigations.

3 individuals formally charged in court, and 4 cases resolved out of court.



Jubilee Holdings is committed to engaging and positively impacting communities and actively contributing to support underprivileged children, reduce inequalities and to make communities more sustainable.



ABOUT JUBILEE HOLDINGS LIMITED - AWARDS AND ACHIEVEMENTS



Best Life Insurance Services Provider. Tanzanian President Hon. Dr. Samia Suluhu Hassan presents the award to the CEO of Jubilee Life Insurance Tanzania, Helena Mzena.



MSK Awards 2023. Left - right: Ann Njoroge – Senior PR Officer Jubilee Insurance, Zuhura Odhiambo – MSK Chairperson, Monica Chege – Head of Marketing Jubilee Health Insurance, Hannah Karanja – Marketing Officer Jubilee Health Insurance.

KENYA

- Jubilee Health Insurance - Best Brand PR Campaign of the Year - MSK Awards 2023.
- Monica Chege - Marketer of the Year - MSK Awards 2023.
- Julius Orayo - CIO of the Year - Finnovex 2023 Awards.
- Winner – Green HRM Initiative of the Year IHRM Award.
- Best People-Focused CEO/MD of the Year – Dr. Julius Kipngetch IHRM Awards.
- Leadership & Governance - FKE Employer of the Year.
- Jonathan Gichohi - Business Top 40 Under 40 Men.



Best People-Focused CEO/MD of the Year
Dr. Julius Kipngetch IHRM Awards.



TANZANIA

- Most Reliable Life Insurance Company - Consumer Choice Awards 2023.
- Insurance Company of the Year - Tanzania Banking Awards 2023.
- On International Women's Day, Jubilee Life was awarded by The Citizen Rising Woman as the company that promotes gender equality and has substantial women representation in management and decision-making positions.
- Tanzania Banking Awards 2023 – under the Insurance category for our support and initiative of Corporate Social Responsibility (CSR).
- Africa Fintech and AI Awards 2023 as an Insurance Company that embraces technology in its processes.
- CEO of Jubilee Life Insurance, Ms Helena Mzena was awarded as the Best CEO of the Year 2023 by The Top 100 Executive Awards.



Njeri Njomo, CEO Jubilee Health
awarded 50 Most Influential
CEOs in Kenya

- Jubilee Life Insurance Corporation of Tanzania Limited won (National Board of Accountants and Auditors – Tanzania) NBAA Best Presented Financial Statements for the Year 2022 as the 1st Winner in the Insurance category.
- Best Life Insurance Services Provider at The President's Manufacturer of the Year Award presented by The President of the United Republic of Tanzania Hon. Dr. Samia Suluhu Hassan.

UGANDA

- Best Life Insurance Company - People's Choice quality Awards 2023.

KE, UG, TZ, BU

LIFE AND INVESTMENT PRODUCTS

KE, UG, TZ

HEALTH PRODUCTS

KE

FINANCIAL INVESTMENT PRODUCTS

KE, UG, BU

OTHER SERVICES

<p>Retail Life Products – Term Life, Whole Life, Endowment and Universal Life products available for Individuals</p>	<p>Individual Health plans – Comprehensive health insurance packages for children, individuals, families, and Senior Citizens</p>	<p>Money Market Fund – A low risk Unit Trust Fund providing access to a well-diversified portfolio of money market instruments</p>	<p>Lease of commercial space in investment buildings in:</p> <ul style="list-style-type: none"> • Nairobi & Mombasa, Kenya • Kampala, Uganda • Bujumbura, Burundi • Dar-es Salaam, Tanzania
<p>Personal pension – Retirement savings plan that individuals can set up independently throughout their working life</p>	<p>SME plan – Comprehensive health solutions for small and medium sized enterprises</p>	<p>Fixed Income Fund – A low to medium risk fund that invests in interest bearing securities denominated in KES.</p>	
<p>Individual Annuity – Provides fixed guaranteed income after retirement in exchange for a lump-sum payment or series of payments</p>	<p>Corporate Health – tailored made to suit health benefit and budget requirements of each organisation</p>	<p>Segregated Fund – Segregated Portfolio Management is an investment approach that provides a high level of customization for investors. Investment strategy can be tailored to align with the client’s specific financial objectives and risk appetite</p>	
<p>Income drawdown - Retirement option where individuals can withdraw funds from their pension pot up to a set limit while leaving the rest invested</p>	<p>Third party administration for corporates seeking to outsource claims processing and benefit management services</p>		
<p>Last Expense (individual/corporate) - Helps families cover funeral expenses on the passing of a loved one</p>			
<p>Corporate Life – provides financial support to families of employees in the unfortunate event of the employee’s death critical illness or disability</p>			
<p>Group Pension – retirement savings plan that employers set up for their employees (Occupational) or multiple employers and organised groups under one scheme (Umbrella)</p>	<p>Critical Illness* are available as riders to existing corporate and SME plans</p>		
<p>Credit Life/ Mortgage protection – Covers outstanding debts or loans in the event of the borrower’s death, ensuring that the debt is paid off, offered to lenders as a form of financial protection</p>	<p>International Health* through Henner Group and Allianz – provides and a comprehensive global health insurance solution for individuals and corporates</p>		

*Critical Illness and International Health only available in Kenya.

SUPPLY CHAIN

Through our internal technical teams, we develop health and life insurance products as well as saving and investment products. These are then approved by the insurance regulatory authorities in the respective markets before being marketed and distributed in the markets we have presence in.

To support the fulfilment of the promise of our insurance products and deliver on the investment returns made through the savings and financial products, we are supported by numerous business partners. These partners include but are not limited to, insurance intermediaries (brokers and agents) medical service providers, reinsurers, financial auditors, legal counsel, external actuarial professionals, training consultants and banks.

We also work with various other suppliers who provide us with the goods and services that we need for our day-to-day business activities such as IT software, hardware, office furniture and business tools, security, and cleaning services.

Apart from engagement with the service providers on the goods and services required we have not carried out in-depth materiality or sustainability assessments with our supply chain. Supplier sustainability risk assessment and engagement modalities will be determined as part of the framework to be put in place within the next 2 years.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

OUR STAKEHOLDERS

Each of these stakeholders has key a relationship with JHL and has concerns about important issues that may affect them. We seek to focus our attention on the areas where Jubilee Holdings can make the most impact and on which we have control. We engage regularly with our internal and external stakeholders for the reasons and in the ways outlined below.

STAKEHOLDER CATEGORIES	THEIR CONCERNS	HOW WE ENGAGE	ENGAGEMENT FREQUENCY AND WHY WE ENGAGE
Customers	<ul style="list-style-type: none"> To be treated fairly To be protected if the insured risk materialises To get the promised returns on investments For their concerns to be understood An insurer they can trust Support a better quality of life for them through health and financial wellbeing 	<ul style="list-style-type: none"> Customer surveys Customer visits (corporate clients) 24 hr call centre Email on the Talk2Us SMS & Direct phone calls Health Wellness programs Online wellness forums 	<ul style="list-style-type: none"> Quarterly – to assess level of satisfaction Annual – member education on products purchased and addressing of any concerns Clients call in for queries, service requests Call out to clients during various campaigns Customer welcome calls When there is a query or service request Ongoing depending on service request On sign up and depending on the management programme Health talks from professionals
Employees	<ul style="list-style-type: none"> Their concerns to be addressed Job security Fair pay and treatment Human rights Career growth 	<ul style="list-style-type: none"> Staff Surveys on various areas to identify concerns, get feedback on changes they would like to see Team Building Through meetings with HR business partners 	<ul style="list-style-type: none"> Monthly town halls per entity Quarterly town halls at group level 2 Surveys per year Ad hoc events Medical camps Performance evaluation Team Building - annual
Intermediaries – Agents, Brokers, and Bank Sales Officers	<ul style="list-style-type: none"> Timely commission payment Product and regulatory training Relevant tools to support business closure Addressing of concerns Growth and career progression. Customer service for client retention 	<ul style="list-style-type: none"> Agent Town Halls Physical and Virtual meetings Client meetings 	<ul style="list-style-type: none"> Monthly commission payment Annual Training Dedicated unit managers, management team to support and address queries.- ongoing engagement Weekly Agent Town halls Ad hoc as and when support is required
Tenants	<ul style="list-style-type: none"> Financial Stability Building support services 	<ul style="list-style-type: none"> At on-boarding Service issues Lease renewal 	<ul style="list-style-type: none"> Ongoing
Shareholders	<ul style="list-style-type: none"> Return on investment Appreciation of share value Corporate Governance Brand reputation and value 	<ul style="list-style-type: none"> During AGMs Annual Reports 	<ul style="list-style-type: none"> Annual Ad hoc – when there are concerns raised
Business Partners/Suppliers	<ul style="list-style-type: none"> Business support Fair value for goods and services Addressing concerns one party may have with the other 	<ul style="list-style-type: none"> As and when goods/services are required Concerns regarding goods/services purchased 	<ul style="list-style-type: none"> Engagement has been standard
Regulators	<ul style="list-style-type: none"> Guidance, Compliance Licensing Public and Private Partnerships 	<ul style="list-style-type: none"> Regulatory forums Meetings Reports Regulatory audits 	<ul style="list-style-type: none"> As held by the regulator As required As per the reporting frequency
Communities and Society	<ul style="list-style-type: none"> Environmental protection Human rights Economic empowerment Business continuity 	<ul style="list-style-type: none"> Focused Projects 	<ul style="list-style-type: none"> Annual
Media	<ul style="list-style-type: none"> Transparency on our activities Accurate market updates Increase awareness of industry Partnerships 	<ul style="list-style-type: none"> Media briefings Social Media Website Reports 	<ul style="list-style-type: none"> Continuously

Jubilee Insurance is a brand that is trusted by customers. We are committed to continued focus on strengthening the relationships with our clients - and inspiring loyalty - by providing sustainable solutions for their health and financial freedom concerns. All backed by industry-leading customer service.



PROCESS TO DETERMINE MATERIAL TOPICS

Materiality Assessment

Basic materiality assessments were conducted in 2023 and took into consideration key existing and emerging trends, internally and externally that would have high potential impact on JHL business operations and our stakeholders, as well as the commitments towards Net Zero through the Aga Khan Development Network. Through interviews, surveys, and other engagement channels across our business units we identified the material topics. These were then prioritised based on their importance and impact to the stakeholder and business as summarised in the Materiality Matrix.

We are committed to having increased and continuous dialogue and engagement with all other stakeholders to identify the risks and opportunities within sustainability development and expect to carry out a more in-depth materiality assessment in the next two years.



ENVIRONMENT



The Group's focus in 2023 has been on "behavioral change". By simply encouraging staff to adopt a desk plant to nurture, awareness of environmental issues and their impacts has increased.

Net Zero ambition

Jubilee Holdings has committed to a decarbonization pathway and setting of emission reduction targets for operations as guided under the Aga Khan Development Network (AKDN) Environment and Climate Commitment. The group's ambition is to reduce carbon emissions by 50% and be carbon neutral by 2030, and to achieve Net Zero Status by 2050.

The AKDN statement includes:

1. **Responsible Stewardship of the Environment** through ensuring business operations help restore and protect natural environment where possible and not contributing to its degradation.
2. **Focusing on Quality of Life of the Poorest and Most Vulnerable** by supporting vulnerable communities and improving their quality of life in a context of environmental degradation and climate change.
3. **Leading by Example.**
4. **Influencing Wider Change: Engaging with Partners and Value Chain.**
5. **Education and Research.**
6. **Implementation.**

For more details on AKDN, Environment and Climate change please visit: <https://the.akdn/en/what-we-do/building-resilient-communities/environment-climate-change>

Measures carried out in 2023 to align with the Carbon Neutral and Net Zero commitment.

1. A substantial investment was made in 2023 on the refurbishment of the new office building in Upper Hill, Nairobi, Kenya into a green building with 'Edge Certification'*. It is expected to have a great impact on the Scope 1 and 2 emissions for the Kenyan entities. The move to this new office site is expected to take place in the second half of 2024.
2. In 2023, the focus was on awareness and behavioural change starting with the Group's employees. We consider this to be an important step in laying the groundwork for sustainable change. This included:-

- Over 200 staff in the region adopting a desk plant to look after in the efforts to raise awareness.
 - Signing of the World Savers Creed by employees. The creed is detailed on page 56. By signing this each employee commits to: responsible stewardship, supporting sustainability, looking after wellbeing of the vulnerable, providing pro-active leadership and effecting societal transformation – as possible within their sphere of influence.
 - Participating in tree planting activities at Green Acorn Nursery School in Nairobi, Kenya where 400 trees were planted.
 - Identification of 204 World Savers (Net Zero Champions) across the Group. 93 in Kenya, 63 in Tanzania and 48 in Uganda.
 - Placement of 20 segregation bins in each office halls in Kenya. This was to initiate the separation of plastic waste from the general waste collected and embed this habit in the employees. This was also in preparation to facilitate the assessment of the quantity of plastic waste generated, determine the prevalent types of plastic waste, as a NEMA certified plastic waste handler is being identified to collect and recycle the generated plastic. This data will also form the basis for future training for employees and procurement decisions.
 - Redesigning of various types of forms and documents used in insurance business into digital versions to reduce paper usage and printing requirements (SDG 12).
3. Board and Senior Management commitment was demonstrated through the approval of a budget for Net Zero activities for 2024 and inclusion of targets to reduce Scope 1 and 2 emissions in the individual entity 2024 strategy.
 4. Monitoring of use of paper, water, energy, fuels for the company vehicles and generators continues as measures to reduce use further are considered for implementation next year.
 5. Plastic Recycling - Identification of Waste Management service providers who can sort the waste and recycle the plastic waste has been done in Tanzania and Kenya. The search of similar service providers continues for Uganda and Burundi. Service is expected to start in 2024.

In 2024, on approval of the overall ESG strategy, a more detailed framework, which shall include KPI's, measurement, reporting is expected to be developed around these Net Zero activities.

*EDGE stands for Excellence in Design for Greater Efficiencies. Being "EDGE certified" is a term that pertains to a building project that has been granted certification through a formal process led by a trained auditor. It is an international green building certification standard focused on making buildings more resource efficient. Certification has the goal of reducing the environmental impact of the building in three areas: direct energy consumption, water consumption and energy footprint of construction materials.



The installation of LED Lighting in our offices in 2022 has helped reduce our Scope 2 emissions by 48%.

Carbon emissions targets

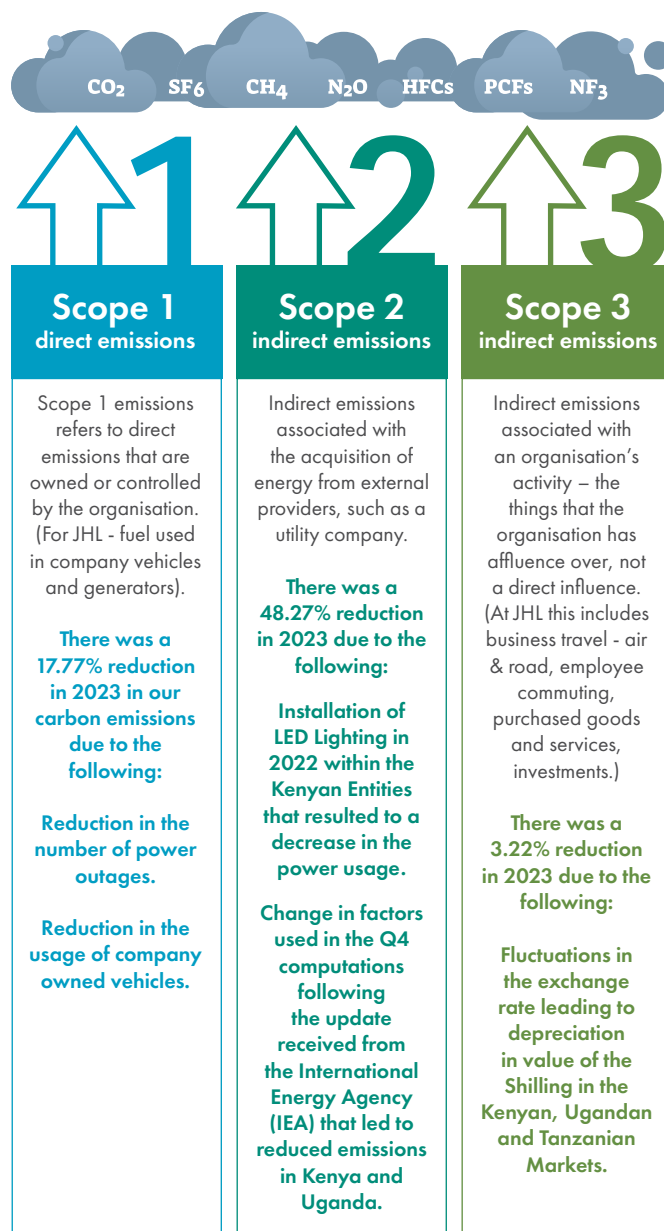
The Green House Gas (GHG) Protocol has been used as the framework to measure the Carbon Emissions under all 3 scopes.

Our operational business activities under Scope 1 and Scope 2 Green House Gas emissions amount to less than 1% of our total carbon emissions. Nevertheless, we will continue to implement further measures to achieve the internal target set to try and reduce carbon emission by 329 Co2 tonnes in 2024 which is mainly targeted to be met under Scope 2.

Over in 99% of the JHL emissions are Scope 3 emissions within investment activities. The emissions are measured using the GHG Protocol framework referred to as Environmentally Extended Input-Output (EEIO) and the General GHG Protocol Technical Guidance.

Scope	Indicator	2022 Tonnes CO2	2023 Tonnes CO2
Scope 1	Own Vehicles	70	67
	Generator & Heating	25	11
Scope 2	Grid Power /Electricity Consumption	339	175
Scope 3	Purchased Goods & Services	2,624	4,516
	Business Travel	840	1,083
	Employee Commuting	375	544
	Investments	346,682	333,090
Total		350,955	339,486

NB: These are JHL Group figures. The 2022 figures exclude Jubilee Life Burundi as the statistics required to measure Scope 1 and 2 were not available. However, Jubilee Life Burundi is included in the 2023 statistics.



SOCIAL



We believe in conducting business by respecting the universal and inalienable human rights across all our operations regardless of nationality, gender, race, religion, culture, or ethnic background.

JHL employs 944 employees (permanent and temporary) in the region thus contributing to the financial sustenance of these families.

We have over 4,000 insurance agents, brokers and bank sales offices distributing our products. In addition to income earned through commissions, agents are also taken through numerous trainings on various areas which support their career growth.

Employee Welfare

Our employees remain our greatest asset and the cornerstone of our success.

We are committed to promoting equal opportunity to attract, develop and retain talented employees irrespective of gender, marital status, disability, age, race, nationality, tribe, health status, religion, colour, language, political affiliation, or any other opinion.

The JHL Board Nomination and Human Resources Committee provides oversight on employee related issues across the region and has approved various HR policies that outline the JHL stand on equal opportunity, employee rights, formal complaint mechanisms and other related areas including sexual harassment.

A whistle-blowing policy is in place as one of the formal complaint mechanisms to address the aforesaid complaints.

As part of due diligence measures employees sign the Code of Conduct, Code of Ethics, Employee Confidentiality and Data Privacy Attestation in addition to declaring any conflicts of interest on an annual basis.

Remuneration and Benefits

The ratio of our standard entry level wage compared to the Kenyan minimum wage is 1.95 to 1 respectively. The proportion of senior management hired from the local community in Kenya is 92%, Tanzania 100% and Uganda 89%. In 2022, staff attrition was only being measured in Kenya which was 23%. This has now been adjusted to include the region. In 2023 the group employee turnover was 28%. In 2023 a total of 280 new employees were hired across the region – 193 Kenya, 51 Uganda, 34 Tanzania and 2 Burundi. In 2022, 210 new staff were hired in Kenya. The ratios of basic salary and remuneration between women and men across the region are currently under analysis.

Employee benefits include Group Life and Group Personal Accident while employed, Pension, Health Insurance benefits for family and self as well as sponsorship for professional association membership. JHL also sponsors the staff for external technical courses related to their roles and facilitate access to loans at competitive interest rates among others.

Group pension is at 7.5% contribution by employee and is matched by JHL at the same rate. The pension fund is managed by a board of 6 trustees. The returns on pension investments in 2022 and 2023 was at 9.5% and 10.45% respectively.

Maternity leave of 3 months for female employees and paternity leave of 2 weeks for male employees is provided as outlined by the relevant employment laws. .

In Kenya, contract staff do not have access to Group Life or Pension schemes, company loan facilities and the e-learning platform. Contract staff excluding dependents are covered under the company medical scheme. In Uganda, Tanzania and Burundi, the contract staff do not have access to Group Life, company facilitated Loans or to the e-learning platform. Measures to address the above differences are to be implemented.

In 2022 a Job Evaluation, Grading and Benchmarking exercise was carried out with external consultants. The salary harmonization process emanating from the exercise began in April 2023, which will help in addressing any identified disparities in pay.

In addition to the normal communications channels, the **Slido** platform was also rolled out to ensure that staff are able to articulate their issues without any fear of discrimination/victimization. Sensitization has also been done across the Group on the whistle-blowing policy and reporting channels.

JHL continues to implement measures to create a culture of performance and inclusion and to make it the employer of choice. Through the creation and promotion of career growth opportunities, recognition, and reward for achievement, these strategies help the Company to manage talent, harness the potential of its employees, empowers them, and fosters an environment of trust honesty and transparency.

To ensure we maintain a thriving work environment where employees feel valued and engaged, staff surveys are carried out twice a year out to identify areas of improvement and form the basis of further efforts and change. The surveys consider:

1. Leadership
2. Strategic Alignment
3. Employee Satisfaction
4. Organizational Culture
5. Emotional Intelligence
6. Brand Love

The survey results are communicated to employees through town halls to foster a culture of accountability and shared responsibility. The insights gathered from the survey data are translated into targeted initiatives aimed at addressing specific concerns raised.

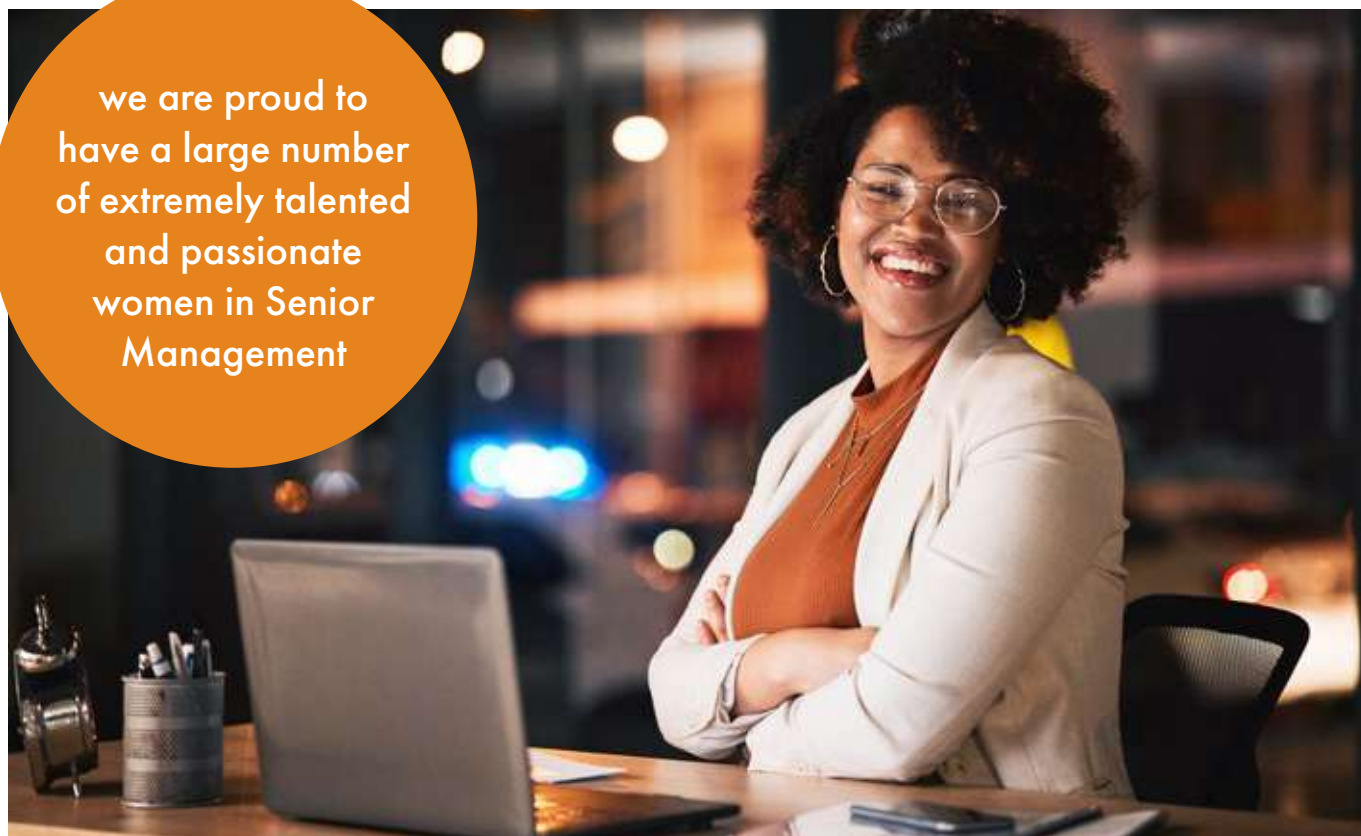
156 During the year, 156 employees were promoted based on merit across the region.

There was a significant positive shift in the employee engagement survey results, with the Employee Net Promoter Score (e-NPS) moving from +3 score as at the end of 2022 when 312 employees participated, to a +11 score in mid-2023 and finally ending the year 2023 with a +24 score with 615 employees participating.

Parental Leave Statistics

Kenya Only	Total	Male	Female
Total number of employees entitled to parental leave	605	316	289
Total number of employees that took parental leave	46	24	22
Total number of employees that returned to work in the reporting period after parental leave ended	46	24	22
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	41	23	18
Total Return to work rate	100%		
Retention rate	89%		

we are proud to have a large number of extremely talented and passionate women in Senior Management



Diversity and inclusion

	Data as at 31.12.22					Data as at 31.12.23				
	Overall	Male	% of overall	Female	% of overall	Overall	Male	% of overall	Female	% of overall
Total employees	900	437	48.56%	463	51.44%	944	482	51.06%	462	48.94%
Permanent employees	713	353	49.51%	360	50.49%	743	384	51.68%	359	48.32%
Contract employees	187	84	44.92%	103	55.08%	159	76	47.80%	83	52.20%
Employees under collective bargaining agreements	7	7	100%	0	0%	2	2	100%	0	0%



While JHL is always working towards achieving an inclusive and fair workplace environment, the gender balance has been reached without deliberate efforts purely through recruitment and maintenance of employees based on merit, performance, and alignment with the organization's values.

A number of staff who were under Collective Bargaining Agreements were promoted in 2023 due to their performance, and the change in their grades and benefit package was implemented which was above the union thresholds.

As part of our sustainability agenda, we prioritize gender diversity by ensuring women hold senior positions. This commitment not only fosters an inclusive workplace but also leverages diverse perspectives to drive sustainable growth and positive societal impact. Accordingly, we are proud to have a large number of extremely talented and passionate women in Senior Management positions including, but not limited to:

Senior Management positions held by women

REGIONAL	Group Head of Internal Audit Group Head of Actuarial – Life Business Group Head of Compliance Group Company Secretary & Head of Legal Services Head of Marketing and Communications Head of Human Resources
KENYA	Chief Executive Officer – Jubilee Health Kenya Chief Finance Officer – Jubilee Life Kenya Chief Operating Officer – Jubilee Life Kenya General Manager Corporate Business – Jubilee Life Kenya
TANZANIA	Chief Executive Officer – Jubilee Life Tanzania Chief Operating Officer – Jubilee Life Tanzania
UGANDA	Chief Finance Officer – Jubilee Life Uganda Chief Operating Officer – Jubilee Life Uganda
BURUNDI	General Manager – Jubilee Life Burundi

SOCIAL: EMPLOYEES

Employee Development

JHL's goal is to ensure that measures are in place to improve the existing competencies of its employees and help them develop new ones, not only to enhance productivity, support business goals, but to develop the employee's capabilities and skills in specific areas thus allowing them to advance their development and climb up the corporate ladder to achieve their career ambitions.

JHL entities have two formal employee reviews per year. Line Managers are also encouraged to have more frequent engagement with their teams to understand any areas that the employee may need support on, give commendations in areas that are being addressed well so as to motivate employees to perform well and succeed. 79% of employees received regular performance and career development reviews in 2023.

The Jubilee Digital Academy e-learning platform offers over 10,000 courses, audio books, research papers and write ups. It provides employees with a flexible and accessible means of enhancing their skills and knowledge. In today's rapidly evolving business landscape, continuous learning is not a luxury but a necessity for staying competitive and adapting to change. Staff are required to complete a minimum of 40 hours of training per year through the Academy.

	2022	2023
Number of learning hours completed on the platform	8,210	30,949
Number of employees who accessed the platform	466	606
Number of courses completed	3,084	5,226



79% of employees received regular performance and career development reviews in 2023

Sponsorships for Technical Courses

To support a culture of continuous learning and up-skilling of employees, in 2023 JHL sponsored 52 staff for various technical courses.

Course Type	Function	Qualification Type	No
Certified Fraud Examiner Papers	Security	US Fraud Examiner qualification	1
Chartered Insurance Institute Papers	Life Insurance	UK Insurance qualification	1
Data Science Program (Part time)	Life Insurance	Kenyan based – course on building models using programming language to deploy models into applications	1
Diploma in Insurance Papers	Life and Health	College of Insurance Kenya	16
E- Certificate of Proficiency Papers	Compliance	Basic Insurance qualification from College of Insurance - Kenya	4
Institute and Faculty of Actuaries Papers	Actuarial – Life and Health	UK Actuarial qualification	11
Life Office Management Association	Life and Health	Life Office Management	15
Trustee Development Program of Kenya	Life	College of Insurance Kenya	2
UiPath RPA Associate Exam	BTS – Shared Services	Building Robot software for process automation - Artificial Intelligence and Automation	1
Number of Employees Sponsored			52

Leadership Courses

The Leadership Competency Framework aimed at up-skilling the skills and capabilities of individuals in leadership positions was rolled out in 2023. A number of middle and senior management staff were enrolled on a 6-month leadership training initiated in 2023 and to be completed in 2024.

New Level Managers – 34
Middle Managers – 52
Senior Managers – 19

IT Related Training

Cyber Security Awareness - 599

Other Trainings

Pre-Retirement Training - 16

Employee Wellbeing

In addition to a comprehensive employee medical policy that is reviewed annually, health camps are also held annually to support staff health and fitness. The employees also have access to the MaishaFiTi wellness program.

- A health camp held in November 23 in Nairobi, Kenya provided staff with comprehensive health checks including cholesterol, pap smear, full hemogram, mental, dental, and optical.
- A Mental Health Webinar for staff was held on 6th June 23 in conjunction with Jubilee Health Kenya and Chiromo Hospital Group- Nairobi, Kenya.
- Live Instagram session dedicated to addressing on Mental Illness issues affecting men was held also in conjunction with Jubilee Health Kenya and Chiromo Hospital Group - Nairobi, Kenya on 16.6.23.

Financial Wellness initiatives

- Webinar held by Jubilee Asset Management on Introduction to Financial Planning – Jubilee Unit Trusts – 150 staff attended.
- Monthly Email shots providing updates on the performance of the different Kenyan financial investment options sent to all Kenyan staff.

Team Building initiatives

- Kenya Team building held at DNM Events Park in September 2023 was attended by 350 employees.
- Uganda Life held theirs in October 2023 and had 75 employees attend.

Other staff engagement activities

- International Women’s Day High Tea
- Roll out of the He Speaks and She Speaks Series that aims at tackling current issues affecting the “boy” and “girl” child
- Quiz Night and Thank God Its Friday (TGIF) Quarterly Initiatives
- Reward and Recognition
- Participation in Association of Kenya Insurers Sports Day
- Monthly entity specific Townhalls and quarterly group townhalls
- Roll out of the Choir and Dance Clubs

There were no discrimination complaints raised in 2023. Any discrimination issues are handled as outlined in the HR policy.

Workers who are not employees

We have 171 workers in Kenya, who are not employees but whose work is controlled by Jubilee Holdings and the Kenyan subsidiaries. These include the security staff, property cleaners and caterers but exclude insurance agents who distribute our products. The information for the rest of the subsidiaries was not available for 2023. Measures are being put in place to collect this information going forward.

We recognize the importance of providing a safe and healthy environment for our employees

Occupational Health and Safety (OSH)

We recognize the importance of providing a safe and healthy environment for our employees, clients, visitors, and contractors to achieve our overall business objectives. A safe and healthy workplace prevents injury and ill health that can lead to human suffering, economic losses, and legal proceedings.

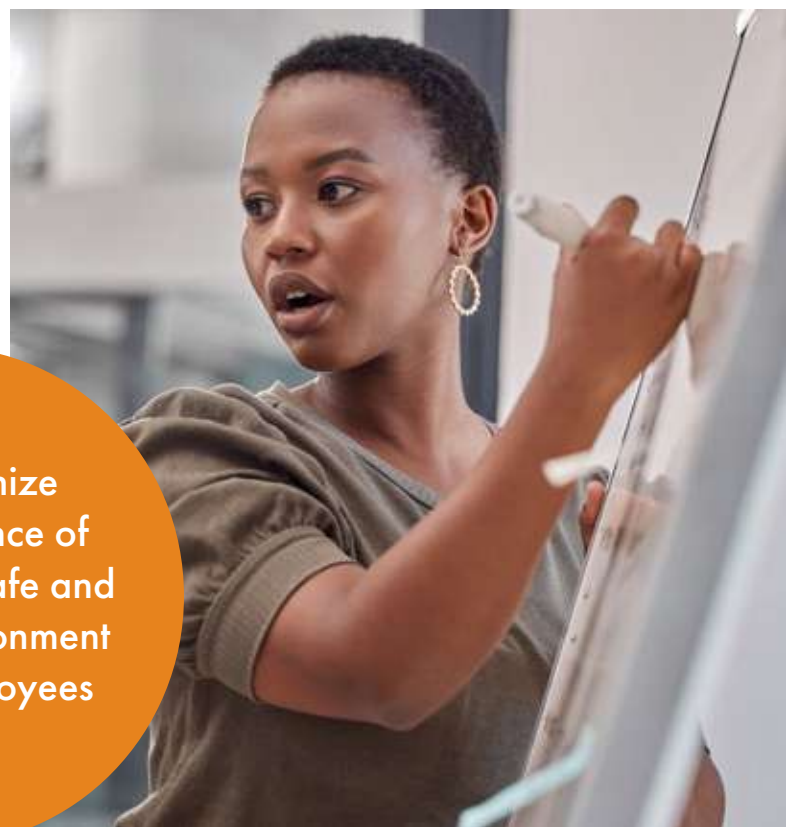
In Kenya and Tanzania, as required under the respective Occupational Safety and Health Acts we ensure annual Safety and Health Audits are carried out by government approved auditors. These reports, which also serve as the risk assessment are then submitted to the Directorate as records of compliance. The gaps noted in these reports also advise the course of action required in each entity.

The audits over the last two years did not identify any major gaps in Occupational Health and Safety and raised concerns about making policies more accessible to staff and housekeeping issues all of which have been addressed. The major concern raised in the September 2023 audit was around contractor safety and measures around this area are being worked on for closure in 2024.

A board approved Occupational Health and Safety policy is in place in the entities and provides guidance regarding working safely and preventing injury to self and other. The Fire Safety policy and Emergency Evacuation procedures are attached to the OSH policy.

Each entity has an OSH Committee, made up of nominated staff, which meets quarterly to discuss and oversee safety and health issues and ensure that they are addressed. This also ensures that employees are active participants in the implementation of relevant Health and Safety policies and procedures. Additionally, there are also Fire Marshalls and First Aiders appointed for each workplace. Employee concerns relating to occupational health services, or workplace risks and hazards are reported to the Committee members for the same to be addressed.

The Health and Safety policies and procedures include all relevant workplace for employees, clients, visitors, and contractors. These are available to staff on the intranet.



OSH trainings

In 2023 a number of Fire safety, First Aiders, Fire Marshalls trainings were held in Kenya, Uganda, and Tanzania for staff. In Kenya, Occupational Health and Safety Awareness and Emergency Evacuation Trainings were also held for both staff and agents. The induction training for all new employees also includes Occupational Health and Safety. No trainings were carried out in this area in 2022.

Medical treatment and first aid cases

	Jan 2023-December 2023				
	Facilities related	Staff	Contractors	Third Parties	Total
Fatalities	0	0	0	0	0
Lost Time Injuries	0	0	0	0	0
Medical Treatment Accidents	0	1	1	1	3
First Aid	0	0	1	1	2
Work Related Incidents	1	0	0	2	3

Notes to OSH incidents table

Contractor incidents typically involve individuals or companies hired by an organization to perform specific tasks or services. These may include cleaners, agents, tea stewards, as well as building/maintenance contractors carrying out various tasks on behalf of Jubilee Insurance, such as electrical, civil, optic fibre works etc.

Third-party incidents, on the other hand, involve entities or individuals who are not directly employed or contracted by the organization. This can encompass suppliers, customers, visitors, or any other external parties.

SOCIAL: CUSTOMER ENGAGEMENT



SDG 1- The savings and borrowing offered through life and investment policies help improve the quality of life as well as support the goal of poverty prevention in old age. These products prevent families from dropping further into poverty when the wage earner passes (life insurance benefits supports the family) or becomes ill or injured. Healthcare delivery, and decreasing of out-of-pocket expenditure, also helps reduce the risk of people falling into poverty.

Customer Service

Jubilee Insurance is a brand that is trusted by customers, and we are committed to continued focus on strengthening the relationships with our clients and loyalty by providing sustainable solutions for their health and financial freedom concerns.

The health and financial resilience provided through our products and services will support customer's health and financial needs and help prepare them for the future. This will also help us create new competitive advantage while enhancing our brand reputation and standing in the region.

Customer experience remains the main competitive differentiator and in today's digital world, customers increasingly expect personalized and frictionless experiences. In 2023 a number of initiatives were undertaken solely focused on creating an unmatched customer experience.

Investment in a new Customer Relationship Management (CRM) platform

During the year, we commissioned the installation and development of a new CRM to be deployed in Q1-2024. The new CRM system will give us direct access and wider reach to our customers. It will support the delivery of services more efficiently and effectively thus enhancing the experiences for not only the clients but the JHL distribution partners as well. Customers and distribution partners will be able to track their issues through the CRM.

We expect this to result in increased customer retention levels due to higher satisfaction levels, enhanced transparency and productivity, ability to carry of targeted marketing campaigns to enhance growth and increased intermediary retention levels.

Innovation and Automation

Through implementation of digital solutions, innovation, data analytics we are seeking to enhance and optimize service delivery at all customer touch points and deliver on our promise to them. The processes were also reviewed and enhanced to increase efficiency and decrease the service response times.

A number of personal product lines are now available through online platforms in Kenya, Uganda, and Tanzania. These include the individual J-Care Health plan, personal pension plans and the Fixed Income Fund.

Customer Satisfaction surveys

Quarterly customer satisfaction surveys are conducted across the region to measure and monitor service delivery. The surveys focus on customer experiences in 3 key areas:

- On-boarding
- Claims Management
- Products and Services

The NPS is one of the 6 main KPIs of the group and each entity.

The improvement was mainly due to the feedback received from the quarterly surveys. The feedback allowed the entities to address their customer's pain points and improve the specific areas.

Our aim is to increase the group NPS score between 3-5% each year to attain an international benchmark of over 70 for the insurance industry. The target for 2024 is 57.

Other Customer Service Initiatives

KENYA

Jubilee Health – focus – Driving customer service excellence.

Initiatives to support this were:

- The Claims and Retails Sales Department staff were awarded for excelling in customer service.
- Introduction of 10 Customer Experience Champions at departmental level to act as change champions within the department.
- Instituted an interdepartmental Service Level Agreement to hold all departments accountable on service delivery.
- Revised Customer Service Charter.

UGANDA AND TANZANIA – focus – scaling customer service

- Launch of the contact centre in Uganda.
- Introduction of outbound customer service calls in Tanzania to carry out customer welcome calls and surveys.

Our focus areas for 2024 will be to drive customer excellence across the Group by simplifying, automating critical processes to reduce inefficiencies that affect the customer experience, institute best practices, track, and monitor progress as we embed a customer centric culture supported with a digital future through the Changamka initiatives.

Data Protection

Protection of personal and sensitive personal data shared with us is a basic human right. To support this right, increase the resilience of our business and effectively implement our strategies, we have implemented fundamental measures around sound operational processes and controls, data privacy and digital ethics, a safe cyber environment and access to high-quality sustainability data.

With Kenya Uganda and Tanzania having enacted Data Protection and Privacy laws and supporting regulations, data privacy is a regulatory imperative.

Our data protection framework is based on the “privacy by design” concept to ensure that all new products, services, and systems worked on have data privacy in mind from inception.

We continue to work towards full implementation of laws/regulations in each country. Data Protection achievements of 2023 include:

- Registration of Kenya and Uganda entities with the respective regulatory bodies. Tanzania entities to register once the regulatory body overseeing Data Privacy matters is in place.
- Board approved Data Protection, Data Management, Data Classification policies are in place to ensure strict compliance.
- Transparency on the Data Subject rights as outlined in our Data Privacy Statements available on our websites.
- Data Protection Officers have been appointed in each entity and can be accessed through dedicated Data Privacy emails.
- Collection of Data Consents for all new retail policies on-boarded in part of the process.
- To safeguard and protect the personal and sensitive personal data collected in the course of business activities technical and organizational measures have been implemented to protect the data from accidental or unlawful destruction, loss, alteration, unauthorised disclosure, or access during the client’s life with JHL.
- Additional, substantial investment was made in 2023 to enhance the security measures around our IT systems and the data it holds are outlined under Cyber Security.
- The use of cloud for data storage has reduced the use of physical services, in turn reducing the need for space, hard and energy usage.
- A project to have all relevant service providers sign data processing agreements in accordance with the laws was initiated in 2023 and is ongoing.
- Training of staff on general requirements of the Data Protection and Privacy law as well as targeted – role-based training is done annually for staff and agents.

JHL has invested and implemented various measures and technologies to mitigate the risk of cyber security attacks



Cyber Security

In today’s digital age, the importance of cyber security for businesses cannot be overstated. With the increasing reliance on technology and the internet, cyber threats are becoming more sophisticated and frequent, posing a significant risk to businesses of all sizes. JHL has invested and proactively implemented various measures and technologies to mitigate the risk of cyber security attacks and ensure the confidentiality, integrity, and availability of information stored and processed on its systems. Some critical aspects of the enhanced cyber security measures implemented include:

Prevention

Technologies to prevent unauthorized access or breaches and protect databases from authorized changes have been deployed. These technologies have AI capabilities and automated response to ensure real time and continuous risk prevention.

Detection

To enhance Identification of potential threats and vulnerabilities in a system, JHL deployed threat intelligence tools that provide visibility of any impending risks against the organization’s defence system. The security solutions invested in include Extended Detection and Response features, or XDR - a new approach to threat detection and response that provides holistic protection against cyber attacks, unauthorized access, and misuse of company IT assets. This has allowed for a higher volume of cyber threats to be identified and mitigated more efficiently thus reducing the amount of time Security Operations Centre analysts spend in resolution of cyber incidents.

Response Time

The cyber threat landscape is evolving rapidly, and protection against potential cyber attacks requires rapid monitoring and response. The longer it takes to remediate a cyber security incident, the greater the potential damage and expense to the organization.

To strengthen the response mechanisms to cyber threats, the company has taken action to mitigate the impact of security incidents by investing in a 24/7/365 Security Operations Centre (SOC), the SOC is fully resourced with red team members (ethical hackers) and blue team members (defenders) who are further supplemented by an external outsourced SOC ensuring round the clock monitoring. The SOC has enabled centralized visibility of the organization’s network and associated risks and most importantly ensure that response is on a timely basis.

Training

Additionally, the Company has invested in a digital training platform that ensures continuous cyber security awareness programs for all employees to equip them the knowledge on how to identify and respond to cyber security threats. Regular phishing simulations are carried out to gauge employee understanding of training undertaken and help them recognize the signs of a fraudulent email, understand the steps to flag items to the Security and Fraud Department as well as increase their skills in this area. The Company has committed to invest a minimum of USD 1.7 million towards cyber security in 2024, an increase of USD 1m from 2023.



USD 1.7m committed to cyber security in 2024

SOCIAL: CUSTOMER WELLNESS

The Jubilee Health Insurance entities remain steadfast in its commitment to positively impacting the health of their clients, staff, and other members of society beyond provision of insurance services.

The Jubilee Health Insurance entities, who are amongst the leading health insurers in their respective countries, are going beyond traditional insurance by putting in place the **MaishaFiTi** program that help their clients, staff and other interested individuals take charge of their health, improve their overall physical, social, and mental wellbeing.

By offering customized benefits to members enrolled under the MaishaFiTi program, health is promoted through:

- easy access to health education materials and experts
- lifestyle and chronic disease control and treatment adherence through disease management programs
- offering convenience through a robust drug delivery program.

Benefits of MaishaFiTi program include:

- Disease intervention and ailment focused initiatives geared towards reducing healthcare costs.
- Reduction in the amount of time spent in hospitals seeking curative services.
- Lower risk of annual medical limits being breached which can result in out-of-pocket expenses for the members.
- Access to social community building platforms that create a sense of community and promote mental well-being.
- "Do anything for the Steps" campaign to promote a healthier lifestyle by encouraging more physical activity in daily routines with cash back rewards for members reaching 10K steps per day and the calorie target.
- Increased client retention for Jubilee Health entities.
- Increased wellness for clients and society.
- Partnerships with wellness related partners.

Mum's Club

This is another MaishaFiTi initiative designed specifically for aspiring mums, expecting women, new and experience mothers and seeks to bring together like-minded women who share their motherhood experiences and offer each other support under the guidance of medical professionals.

To cater for the pregnancy from Antenatal Care, Birth and Childcare, the ABC package has been launched. It provides a comprehensive, affordable, and negotiated plan which is open to both Jubilee Insurance members and non-members as well.

Elite Wellness Club

This was launched in 2023 for Top Executive clients. It offers extensive benefits including priority access to exclusive facilities, personalised care, concierge services, enhanced wellbeing program, networking opportunities and much more.

Loyalty Rewards Program

Through our loyalty program, members can save money and get rewarded for leading a healthy lifestyle. They earn redeemable points by:

- Tracking workouts with the MaishaFiTi app.
- Working out at the gym.
- Participating in MaishaFiTi community events and attending other MaishaFiTi events.
- Making frequent purchases with MaishaFiTi partners.

Mental Health Program

This is a promotive, protective, and preventive program aimed at increasing Mental Health awareness to reduce the stigma associated with mental illness and the discussions around it. Various initiatives are held under the Mental Wellness Program in a bid to offer a platform that supports those seeking assistance with their mental health challenges.

Some of the benefits include free online assessment tools on Anxiety, Depression, Burnout and Post Traumatic Stress Disorder, bi-monthly webinars on Mental Health and updates on mental health conditions.

Corporate Wellness

Through our corporate wellness program, we organize for and encourage employees under corporate medical plans to undergo health screening for early diagnosis and intervention of common diseases. Our Corporate Wellness Initiatives include onsite and offsite screening, webinars and health challenges and programs.

Through creation of awareness, screening to support early diagnosis and detection of life-threatening illnesses, diseases are prevented and managed to enhance quality of health and life and increase productivity at home and work.

The MaishaFiTi Application

In November 2023 the Jubilee Insurance MaishaFiTi application was launched. As of 31st December 2023, the total number of clients who have signed up were 602 (Kenya – 298, Uganda – 222, Tanzania – 82).

The **MaishaFiTi** app allows members to develop, implement and track healthy habits such as steps, distance, calories burned and active minutes, enabling further improvement of health. It also provides access to medical services through tele-consultation, drug delivery and the option of joining various communities that fit in the member's needs. Success and results are pegged on enrolment and participation and incentives, discounts or prizes are offered to members consistently meeting their wellness goals.

MaishaFiTi
Wellness · Lifestyle · Nurturing



+3,500 new members
have signed up
to-date



Jubilee Health CEO Njeri Jomo, Group COO Juan Cazcarra and Group Head of Marketing & Corporate Communications Caroline Ndungu during the launch of the telematics campaign.

Jubilee Holdings is committed to engaging and positively impacting communities and actively contribute to support underprivileged children, reduce inequalities and to make communities more sustainable.

CHILDREN’S EDUCATION AND WELLNESS

The key focus areas are:

- **Children’s Education** – education for children to help prepare them for the future.
- **Children’s Health** – improving the health and wellbeing of children.

The Jubilee Children’s Fund – a program where employees in Kenya personally contribute 1 day salary. To maximise and support this initiative, Jubilee Holdings contributes 1 day’s profit in addition to matching the employee’s contribution. The fund is managed by a trust and every year various deserving projects around children are invested in.

2023 – Jubilee Insurance staff contribution – Kes 3,464,690/- (2022: Kes 2,810,099/-)

We also involve our partners in some of these projects to enable us to create positive and meaningful impact together.

Children’s Education

Empowering Underprivileged Children Through Education - Kenya

The Jubilee Children’s fund (JCF) Secondary School Scholarship program is a transformative initiative symbolizing a commitment to education and community empowerment. It operates on an annual basis, offering scholarships to a selected number of children, based on their financial need and academic potential. The scholarships are specifically targeted at children facing economic challenges, ensuring that those who might otherwise be unable to continue their education have the opportunity to attend secondary school. The scholarship encompasses various educational necessities, such as tuition fees, uniforms, and additional resources.

By providing scholarships, the JCF actively contributes to the Kenyan Government’s commitment of achieving a 100% transition from primary to secondary schools, aiming to eliminate barriers to education for vulnerable children.

- **Children sponsored in 2022 – 96 children – Kes. 9,925,205/-**
- **Children sponsored in 2023 – 83 children – Kes. 9,125,422/-**

5% attrition rate noted due to the sponsored children getting other scholarships.

The 1st cohort of 9 JCF sponsored students completed their KCSE in 2023. All 9 beneficiaries successfully completed secondary education, showcasing a commendable 100% completion rate. Notably, 7 out of 9 students achieved a minimum university entry grade of C+, marking an impressive 80% transition rate to higher education.

Children’s Art Competition – Kenya and Uganda

Initially established in 2017 to commemorate Jubilee Insurance’s 80th Anniversary, the competition has evolved into an annual CSR project under Jubilee Life Kenya since 2022. The initiative continues to nurture creativity and self-expression among lower primary pupils in addition to making a lasting impact through provision of educational scholarships. In 2023, a total of 70 children received educational scholarships in recognition of their creativity and ingenuity from Jubilee Life Kenya and Jubilee Life Uganda.

The Art Competition will continue to enable children not only hone their artistic skills but also develop a deeper appreciation for self-expression and the beauty of diversity in artistic interpretation.



Children’s Art Competition – Kenya and Uganda

Kenya

- Received 10,000 entries from 300 schools across 19 counties.
- 10 students were awarded secondary school scholarship worth KES. 3m

Uganda

- 20,000 submissions from 31 schools.
- 60 students received free primary school scholarship valued at Ugx 55m

Desk Donation at Kisutu Primary School – Tanzania

Jubilee Health Insurance, Tanzania donated desks to Kisutu Primary School thus improving the learning environment. This supports the children in their efforts to gain education which will make them better equipped for success and also strengthens the community as a whole.

Mentorship Program for University Students - Kenya

A Mentorship Program was launched in partnership with USIU to supporting the professional development of university students. Through this program, experienced professionals from Jubilee Insurance Kenya provide guidance, support, and valuable industry insights to students, empowering them to navigate their career paths with confidence. 75 Jubilee Insurance (Kenya) employees from middle management to executive management mentored 100 university students.

You Be Virtual Mentorship Series - Kenya

The program was created to help bridge the gap between the universities and the workplace and empower students. Most students leave university and fail to fully integrate into the workplace as they have no prior background. This program allows students from universities all over Kenya to join these virtual sessions and meet Jubilee Insurance leaders who help them understand how to apply what they learnt at university in the workplace.

There were two sessions held in 2023 attended by over 400 students. The first session was on Exploring careers in project management and strategy and second session was on the current financial reporting standards and investments.

SOCIAL: COMMUNITY SUPPORT AND DEVELOPMENT



- 378 children screened.
- 115 children provided with eye medication to alleviate minor eye conditions.
- 68 children provided with quality glasses.
- 28 children referred to ophthalmologists for further evaluation/treatment.
- 1 child diagnosed as requiring cataract surgery.

Children's Wellness

Eye project - Kenya

In collaboration with Optica Ltd, JHL held eye screening camps in public primary schools within Nairobi, Kenya. The initiative aimed to provide comprehensive eye examinations to identify and rectify vision-related issues among schoolchildren, ensuring they have the necessary visual acuity for optimal learning and overall health.

The thorough screening process identified various visual impairments, ranging from common refractive errors to more serious conditions such as cataracts. This proactive approach helped in the early detection and management of eye-related issues. This intervention not only improved their vision, prevented potential complications but also positively impacted their academic performance and overall quality of life.

Prosthetic limbs - Kenya

In collaboration with Jaipur Foot, a successful initiative in 2023 brought forth life-changing prosthetic limb fittings for 10 Kenyan children from underprivileged backgrounds. This transformative effort aimed at restoring mobility and independence yielded positive outcomes, providing each child with a customized prosthetic limb.

Operation Ear Drop - Kenya

In 2023, JCF Operation Ear Drop enabled 20 children from underprivileged families in Kenya to undergo free ear surgeries at the Mama Lucy Hospital. Hearing disabilities has curtailed children's ability to live a productive life. The corrective ear treatment and surgeries provided have improved the quality of life for the affected children.

COMMUNITY WELLNESS

Afya Mashinani - Kenya

In 2023, Jubilee Health Insurance partnered with the Aga Khan University Hospital to deliver the Afya Mashinani initiative. This was a build up from the successful inaugural event in 2022 and aimed at closing the healthcare gaps and empower under-served communities by making essential health services accessible at no cost.

Through the Afya Mashinani initiative, a medical camp was held which included free health screenings, provision of healthcare services and medications to residents across the Nakuru County. The initiative also conducted health advocacy by encouraging the residents to proactively take care of their health. 1,700 individuals received free medical services and medication to cater for their healthcare needs while 1,300 individuals received vital Covid-19 vaccinations.

2023 International Women's Day celebrations- Tanzania Visit for women affected by Fistula

A team of 30 women from Jubilee Health - Tanzania visited women affected by fistula at CCBRT Hospital. This visit provided a platform to break the stigma associated with the disease by empowering the affected women with knowledge about the condition. Jubilee Health - Tanzania provided the doctor, who conducted the health talk and also donated sanitary towels and other personal items to support the women in their recovery journey.

The Jubilee Life - Tanzania team also visited Mother Theresa Orphanage and Elderly Center where they interacted with 100 children and the elderly at the center. Besides social bonding, the team donated personal and food supplies valued at TZs 2.3m.

JHL is committed to upholding the highest standards of corporate governance, ethics and compliance with applicable laws and regulations and conducts its business ethically, with utmost integrity and respect.

The Jubilee Holdings Limited Board of Directors shall be responsible for overseeing the management of the impact of JHL activities on the economy, environment, and people.

The Board would guide, review, and approve the sustainable development goals and strategies as well as the risk appetites and policies. The oversight role on implementation and effectiveness of the relevant measures shall be carried out through the Board Sub-Committees.

The board nomination, selection, and remuneration process and that of its committee's is guided by the Board Charter which also outlines the requirements in terms of board diversity, independence, and relevant competencies. Shareholders vote for the nominated directors at the annual general meeting.

Conflicts of interest that any Board Director may have, is disclosed prior to appointment and at each Board meeting.

The Board strategy and goals on ESG are expected to be formulated in 2024.

Regulatory compliance and ethics

In an environment with increasingly rigorous regulatory oversight, sustainability of our business ethics can only be achieved through compliance with all applicable laws and regulations. Measures are implemented to ensure that we have robust policies, procedures and programs that promote compliance.

We engage continuously with the regulators on constructive dialogue to build relationships, and ensure we meet all regulatory, licencing and reporting requirements. A rigorous system of internal controls and procedures are maintained to ensure that the operations are managed effectively, and risks are mitigated.

Some of the governance policies in Jubilee Insurance that support our ethics and regulatory compliance

<p>HR policy includes guidance on</p> <ul style="list-style-type: none"> • Human Rights • Sexual Harassment • Equal Opportunity statement and diversity 	<p>The policy outlines the responsibilities of both employer and employee. It provides guidance that outlines employee expectations, JHL's obligations and includes sections on:</p> <ul style="list-style-type: none"> • Clear employment terms and conditions. • Forming a basis for treating all employees fairly and equally. • Training, employee on-boarding and orientation programs. • Career growth in the organization. 	<ul style="list-style-type: none"> • Anti-Harassment and Non-Discrimination Policy • Sexual Harassment Policy • Employment Job Grades Policy • Leave Benefits Policy • Timekeeping and Remuneration Policy • Employee Conduct, Attendance, and Punctuality Policy • Equal Opportunity and Diversity policy.
<p>Code of Conduct includes guidance on</p> <ul style="list-style-type: none"> • Gifting • Anti-Fraud and Anti Bribery • Conflict of Interest 	<p>The Code of Conduct provides clear guidance on the obligations that employees and our agents should live by. It outlines the values that guide dealings with the various stakeholders, declaration of potential conflicts of interest, insider information, gifts, zero tolerance towards fraud, bribery and any malpractice, corruption and bribery practices, protection of company assets and so much more. It supports employees with information so they</p>	<p>can make the right decisions and uphold high standards of responsible business practices. The Code of Conduct is signed by the agents as part of their contract.</p> <p>All employees are required to read and sign the code of conduct and declare any conflict of interest annually.</p>
<p>Customer Experience Policy and Customer Experience Charter</p>	<p>A customer service policy sets clear expectations for how customers will be treated and how their concerns will be addressed.</p>	
<p>Whistle Blowing</p>	<p>This policy outlines the commitment ethics, honesty, integrity, and transparency and provides a clear and confidential process reporting concerns on non-compliance to laws, disclosure of malpractice, fraud, operational or regulatory risk that could</p>	<p>result in potential financial loss or reputational damage. It also seeks to reassure and protect those who speak up with no malice or potential for personal gain, so that report without fear of reprisals, victimisation, or disciplinary action.</p>
<p>Risk Management Framework</p>	<p>The Framework is in place to support identification, evaluation, and mitigating potential risks.</p>	
<p>Procurement Policy</p>	<p>This guides our operations toward achieving our corporate objectives through professional supply chain management. Our focus is on building strong relationships with customers and suppliers to optimise costs while delivering quality goods and services in a timely and sustainable manner.</p>	
<p>Data Protection Policy</p>	<p>This policy provides the principles, rules, and guidance to ensure on going compliance with data protection laws during the information life cycle.</p>	
<p>AML/CFT Policy</p>	<p>Outlines measures to be implemented to prevent and combat Money Laundering, Terrorist Financing and Arms Proliferation crimes and are essential to protect the integrity and stability of the national and global financial systems.</p>	
<p>Compliance policy</p>	<p>This Policy establishes that JHL will meet all its obligations under applicable laws, regulations, relevant codes of practice and other corporate compliance requirements.</p>	

GOVERNANCE

These governance policies are guided by the regional authoritative intergovernmental instruments such as:

- United Nations Declaration on Human Rights
- Constitution of each country
- Capital Markets Authority
- Insurance Regulatory Authority guidelines in each country
- Data Protection and Privacy Laws in each country
- Occupational Health and Safety Act in each country
- Anti Money Laundering and Counter Terrorism Financing Laws of each country
- Labour and Employment laws of each country

The countries referred to are Kenya, Uganda, and Tanzania.

Anti corruption - Blue Company Project

JHL is a founding member in the Blue Company initiative and plays a major role in enrolling new members to this initiative. The Blue Company Project and The UN Office on Drugs and Crime, Regional Office for East Africa have partnered to engage the Kenyan private sector in the fight against corruption. The Blue Company Project supports companies to put in place Anti-bribery and Whistle-blowing policy guidelines.

Blue Company Objectives

- To promote a culture of integrity in the private sector.
- To equip members with appropriate knowledge, skills, and attitude to combat corruption and unethical conduct.
- To enhance the capacity of agencies, institutions, and practitioners to combat and prevent corruption and unethical practices.
- To forge partnerships, networks and coalitions with enforcement agencies, training institutions, international bodies, and other sectors.
- To promote evidence based anti-corruption interventions.
- To promote best practice in governance, leadership, integrity, and anti-corruption.
- To enhance the capacity of companies to properly implement anti-bribery and whistle-blowing policy guidelines.

Our growing membership of 470 plus members and 435 prospective members comprises of prominent leaders from volunteer corporations and institutions across the region. .

Regulatory compliance - regulatory awareness

Regulatory compliance training is essential in order to ensure that all employees and agents are aware of the requirements of specific and applicable laws, regulations, and policies that apply to their job functions.

Trainings on the relevant regulations and company policies ensures that the employees understand how to carry out their responsibilities ethically, while avoiding costly legal and financial consequences. Regulatory trainings are compulsory and held annually for employees and agents.



582

members of staff
in Kenya took part
in Anti Money
Laundering training
in 2023

Fraud

JHL is committed to ensuring that high ethical standards are upheld across the group. Its Fraud Risk Framework covers all aspects of internal and external fraud is geared towards JHL's values of Integrity, Teamwork, Passion, and Excellence. As a result, the Group has a "Zero Tolerance" approach to fraud and corrupt practices.

The fraud management systems include automated prevention of fraudulent transactions based on business rules embedded in the core applications, detection of unusual suspicious transactions through use of AI, all which boost the efforts of the investigations teams.

Regular employee and business partner sensitization sessions are held geared towards inculcating a zero-tolerance fraud culture. A total of 15 awareness sessions were conducted for employees and agents in 2023.

To encourage employee partnership in the fight against fraud and corruption, JHL has in place a Whistle-blowing Policy that aims to have an effective reporting mechanism that empowers employees to freely, voluntarily, in good faith and without fear of victimization, share information regarding any financial misconduct, misuse of company resources, unethical or dishonest behaviour by co-workers (at all levels), service providers, suppliers or other stakeholders dealing with the Company.

A management level disciplinary committee is in place to deal with reported fraud cases. It reviews fraud reports and applies the consequence management framework as guided by the Human Resources policy and the applicable labour law.

In 2023 a total of 109 cases in Kenya were reported to the internal forensic team for further investigations, out of which 22 cases were escalated to the Kenya - Insurance Fraud Investigations Unit of the Directorate of Criminal Investigations for further investigation and prosecutions. A total of 3 individuals were formally charged in court, whereas 4 cases were resolved out of court. The bulk of the cases were resolved through other internal mechanisms including staff disciplinary cases, claim declines, rejected business and enhanced risk reviews before business on-boarding.

The key fraud thematic areas observed across the Group in 2023 were:

- Fraudulent claims.
- Premium misappropriation.
- Forgery.
- Medical card fraud/ impersonations.
- Billing for services not provided.
- Exaggerations on medical procedures.
- Collusion between employees and service providers.
- Identity theft.
- Non-disclosure of material facts at the point of taking insurance cover.
- Product mis-selling.

To respond to the increasing need to manage the fraud risk, the Group has implemented the following initiatives:

- Enhanced the fraud policy to respond to emerging fraud risks.
- Quarterly webinars between the senior leadership and employees where the topic of fraud is exhaustively discussed.
- An international whistle-blowing platform through Deloitte for reporting fraud and misconduct by employees and other external stakeholders.
- Enhanced transaction monitoring by deploying robotics and AI in the review of transactions and trend analysis.
- Enhanced due diligence during employee and vendor on-boarding, part of which is externally done by third party providers.
- Updating and enhancing the existing procedures that guide the day-to-day operations of the company.
- Annual conflict of interest declaration by all employees and signing of the employee code of conduct.
- Implemented a fraud response plan including a comprehensive post fraud control review for all discovered fraud cases.

Regulatory compliance training



**THE BLUE
COMPANY
PROJECT**

DOING BUSINESS THE RIGHT WAY

2022	No. of sessions	Topic	No. of Attendees	Audience
KENYA	3	Anti Money Laundering	459	Agents
	3	Anti Money Laundering	310	Staff
	2	AML - Ultimate Beneficial Owner	116	Staff
	2	Customer Acceptance	232	Staff
	1	Customer Service	152	Staff
	5	Data Protection	262	Staff
	2	Data Protection	127	Agents
	1	Data Protection	56	Medical Service Providers
	1	Data Protection	29	Bancassurance Sales Offices
	1	Market Conduct	432	Agents
	1	Treating Customers Fairly	83	Staff
	1	Anti Money Laundering/ Anti-Fraud	55	Bancassurance Sales Offices
UGANDA	1	AML	40	Staff
	1	Data Protection	107	Staff
TANZANIA	3	Anti Money Laundering	203	Staff

470 To-date, over 470 private organizations have subscribed to the Blue Company Project

2023	No. of sessions	Topic	No. of Attendees	Audience
KENYA	10	Anti Money Laundering	582	Staff
	4	Data Protection	421	Staff
	9	Anti Money Laundering	817	Agents
	4	Data Protection	713	Agents
	1	Anti Money Laundering	72	Bancassurance Sales Officers
	1	Data Protection	49	Medical Service Providers
	1	Fire Safety	40	Fire Marshalls
	1	First Aid	40	First Aiders
	1	Occupational Health and Safety	150	Staff
	1	Occupational Health and Safety	289	Agents
	1	Data Protection	49	Medical Service Providers
UGANDA	2	Anti Money Laundering	155	Agents
	2	Data Protection	144	Agents
	1	Data Protection	63	Bancassurance Sales Officers
	3	Anti Money Laundering	62	Staff
	3	Data Protection	144	Staff
	2	Fire Safety	135	Staff
	1	First Aid	7	Staff
TANZANIA	1	Data Protection	71	Staff
	1	Data Protection	88	Bancassurance Sales Officers/Agents
	1	Data Protection Committee - TOR	10	Staff
	1	Anti Money Laundering	88	Staff
	1	First Aid	1	Staff
	1	Safety and Health Representative	1	Staff



Winners of the Jubilee Live Free Race 2023, powered by the Grand Nairobi Bike Race

“The Jubilee Live Free Race has given our stakeholders an opportunity to exercise and destress. Promoting wellness and mental health will continue to be our key priority.”

Nizar Juma, Chairman, Jubilee Holdings Ltd

Sponsorships

Jubilee Live Free Race

In 2023, Jubilee Insurance was the title sponsor for the Jubilee Live Free Race powered by the Grand Nairobi Bike Race – Nairobi, Kenya. The title sponsorship valued at Kes. 20 million enabled Jubilee Insurance and the Grand Nairobi Bike Race to promote the sport of cycling while advocating for physical exercise, mental wellness, and environment stewardship.

As a follow up to the event, Jubilee Insurance joined Grand Nairobi Bike Race, Miti Alliance and the cycling community in a tree planting initiative at Kanjeru Primary School. The initiative included planting indigenous trees and fruits such as guavas, oranges, and avocados within the school compound. Additionally, over 1,000 seedlings were donated to the Kanjeru Community.

The World Savers Creed

“We, as members of Jubilee Insurance we are committed to the principles and values of Sustainability. Therefore, in pursuit of a sustainable future, we declare that:

We will recognize our duty as custodians of the environment and adopt practices that minimize our ecological footprint. Through sustainable operations, we shall do our utmost to protect and preserve our planet for current and future generations.

We acknowledge the Earth’s finite but invaluable resources and pledge to ensure its ability to support her ability to support future generations.

We will prioritize the quality of life and well-being of the poorest and most vulnerable in society. We will uplift communities, providing them with equitable opportunities, resilient infrastructure, and access to essential resources required for a dignified and sustainable life.

We embrace our responsibility as socially conscious leaders. Recognizing that climate change is the most urgent issue of our time, we pledge to take proactive steps, beyond compliance, to address its challenges.

We understand that our individual actions can only go so far. Therefore, we strive to scale up our impact by collaborating with like-minded partners, stakeholders, and communities. By fostering alliances and leveraging collective strengths, we seek to amplify our positive influence on the journey towards a sustainable future.

We believe that achieving a net-zero future requires comprehensive societal transformation. We commit to being change agents, actively working towards the adoption of sustainable practices at individual, organizational, and societal levels.

We pledge to uphold this creed, integrating its principles into our work and personal lives. With unwavering dedication and a collaborative spirit, we shall contribute to the collective effort towards a sustainable, just, and resilient future.”



The event hosted 1,500 cyclists from various countries and families for a day of fun, social bonding and cycling competition. 50 cyclists from Jubilee Insurance also participated.

				Page
ENVIRONMENT	Net Zero Ambition	Carbon Emissions	GRI 305-1 GRI 305-2 GRI 305-3	42
SOCIAL	Employee Welfare	Employee Welfare, Development and Wellbeing	GRI 401-1 GRI 401-2 GRI 401-3	44
		Occupational Health and Safety	GRI 403-1 GRI 403-2 GRI 403-5	47
		Training and Education	GRI 404-1 GRI 404-2 GRI 404-3	46
		Diversity and Equal Opportunity	GRI 405-1	45
		Freedom of Association and Collective Bargaining	GRI 407-1	45
	Customer	Customer Service		48
		Customer Protection – Data Protection and Cyber Security	GRI 418	49
		Customer wellness	GRI 416	50
	Community Support and Development	Children’s Education and wellness		51
		Community wellness	GRI 413	52
GOVERNANCE	Corporate Governance	Regulatory Compliance and Ethics	GRI 2-27	53
		Anti-Corruption	GRI 205-23	54

A commitment to Net Zero by 2050

Jubilee Holdings has committed to a decarbonization pathway in line with the Aga Khan Development Network (AKDN) Environment and Climate Commitment. The Group aims to achieve Net Zero Status by 2050. As well as reducing GHG emissions across all three Scopes, the Group has undergone an intensive programme of promoting awareness and behavioural change among its staff.

Initiatives implemented in 2023 include: identifying 204 World Savers (Net Zero Champions) across the Group; increasing recycling in the office; waste-reduction strategies; and engaging in tree-planting activities in Nairobi.

The Group's new HQ in Nairobi's Upper Hill will be EDGE Certified - a green building certification focused on making buildings more resource-efficient.





Independent Auditor’s Report to the Shareholders of Jubilee Holdings Limited



Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Jubilee Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 63 to 203, which comprise the consolidated statement of financial position at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 31 December 2023, and the Company statements of profit or loss, other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Adoption of IFRS 17 and restatement of comparatives</p> <p>The Group adopted IFRS 17 for insurance contracts as of 1 January 2023. This has led to changes in the valuation of insurance contract liabilities, recognition of insurance revenue and expenses, and the presentation of the financial statements. We have determined the implementation of IFRS 17 to be a key audit matter in the current year due to the significance of the changes brought about by the new Standard.</p> <p>The contracts within the Health, Group Life and Investment contracts with DPF portfolios have a coverage period of 12 months or less. They have therefore been measured using the Premium Allocation Approach (“PAA”).</p> <p>Contracts within the Individual Life, Individual Life Investment-Linked, Annuities and Group Credit Life portfolios have been measured using the General Measurement Model (“GMM”).</p> <p>We consider the following as the key risks in relation to the adoption of IFRS 17 and restatement of comparatives:</p> <ul style="list-style-type: none"> • The judgments involved in the determination of the measurement model to apply under the standard; • The methodology and assumptions in respect of determining the risk adjustment; • The methodology used by management to determine discount rates; • The implementation of new models to produce the IFRS 17 results; and • The appropriateness of methodologies, assumptions and significant judgements applied in the calculation of relevant balances. 	<p>We performed the following procedures over the Group’s accounting for the transition from IFRS 4 to IFRS 17:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the transition approach adopted for each group of insurance contracts; • Assessed whether the judgements, methodology and assumptions applied by management in determining their accounting policies are in accordance with IFRS 17; • Assessed the appropriateness of the judgements and supporting estimates used to determine use of the two measurement models; • Tested on a sample basis the reliability of the data used as the basis for making estimates; • Performed validation of certain new models by evaluating the testing performed by management to assess its appropriateness and performed independent validation testing using sample scenarios and comparing the output between our calculations and those produced by management’s models; • Evaluated the appropriateness of methodologies and assumptions used in determining loss components recognised, and tested the accuracy of the loss component calculation through reperformance; • Tested the appropriateness of the split of expenses between attributable and non-attributable; • Tested the mathematical accuracy and completeness of the supporting calculations and adjustments used to determine comparatives; • Performed testing over key data flows within the IFRS 17 business processes; and • Performed review of the disclosures within the financial statements for appropriateness with regard to meeting the requirements of IFRS 17.

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Independent Auditor's Report to the Shareholders of Jubilee Holdings Limited (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Insurance Contract Liabilities</p> <p>Insurance contract liabilities comprises liability for remaining coverage and liability for incurred claims.</p> <p>We considered insurance contract liabilities as a key audit matter because:</p> <ul style="list-style-type: none"> • The estimation of the liability for incurred claims involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. In addition, the liabilities are adjusted for the time value of money based on historical settlement patterns. Judgement is applied in estimating this future settlement pattern and in determination of the discount rate. • Determination of liability for incurred claims requires calculation of risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns. • For onerous contracts, calculation of loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of insurance contracts. • The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience and involve engagement of internal and external actuarial experts. • The determination of the liability for remaining coverage requires the estimation of the expected future cashflows, valuation of the contractual service margin and the determination of the coverage units that shall be used to accrete the contractual service margin, for the contracts measured using the GMM measurement model. 	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Evaluated and tested controls around claims handling, settling, and reserving; • Tested a sample of claim payments and reserves to confirm the amounts recorded in the claims systems agree to the source data; • Tested the appropriateness of the methodology and assumptions used by the external actuary and management in estimation of reserves as at 31 December 2023 and performed rejections for a sample of reserves to validate estimates; • Tested management's calculation of the discount rate used to compute the present value of liability for incurred claims; • Tested the methodology and assumptions used by management in estimating the risk adjustment; • Reconciled the claims data used by management to calculate reserves to the audited claims data; • Assessed the adequacy of disclosures in the financial statements; and • Reviewed the CSM calculation and loss component for long-term contracts and measured under GMM and the simplification taken under PAA for all the short-term contracts and the estimation of the additional liability for onerous contracts.
<p>Valuation of unquoted equity investments</p> <p>The Group holds significant unquoted equity investments measured at fair value through profit or loss.</p> <p>As explained under Note 19 of the financial statements, the Group uses a variety of approaches in estimating the fair value of these investments. The methods used in determining the fair value of the unquoted investments involve significant estimates and assumptions of unobservable inputs such as comparable market multiples, appropriate discounting rates and incorporation of illiquidity and marketability discounts.</p> <p>Changes in these assumptions could result in material variations to the carrying amounts of the investments in the statement of financial position and the recorded gains/losses in the statement of profit or loss.</p> <p>We have considered the valuation of unquoted equity investments as a key audit matter because of the sensitivity of the assumptions, the change in the measurement methodology during the year and significance of the balances to the financial statements.</p>	<ul style="list-style-type: none"> • We assessed management's processes and controls for determination of the fair values of investments. • We assessed the valuation method used and the underlying assumptions such as the selected comparable entities, liquidity discounts, and any other adjustments. • We tested the accuracy of the computations. • We evaluated the adequacy and appropriateness of disclosures in the financial statements.

Independent Auditor's Report to the Shareholders of Jubilee Holdings Limited (continued)

Other information

The other information comprises Financial Highlights, Group Information, Notice of Annual General Meeting, Board of Directors, Corporate Governance Statement, Director's Remuneration Report, Principal Shareholders and Share Distribution, Report of the Directors and Statement of Director's Responsibilities which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but

not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable taken actions to eliminate threats or applied safeguards, where applicable.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Companies Act, 2015

Report of the directors

In our opinion the information given in the report of the directors on pages 30 - 31 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on page 28 has been properly prepared in accordance with the Companies Act, 2015.

FCPA Kang'e Saiti, Practicing Certificate Number 1652
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

29 May 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 Kes '000	Restated 2022 Kes '000
Insurance Revenue	6	22,777,897	21,090,871
Insurance Service expense	7	(21,825,894)	(19,644,329)
Insurance service result from insurance contracts issued		952,003	1,446,542
Allocation of reinsurance premiums paid	8(i)	(1,782,865)	(1,691,403)
Amounts recovered from reinsurance contracts	8(ii)	1,507,280	1,660,570
Net expenses from reinsurance contracts held		(275,585)	(30,833)
Insurance Service results		676,418	1,415,709
Interest revenue from financial assets not measured at FVTPL	9	14,035,911	12,119,145
Net losses on FVTPL investments	14	(1,807,415)	(675,248)
Net gains from fair value adjustments to investment properties	16	107,784	(277,989)
Investment income	10	822,099	851,758
Gain on sale of investments at FVTPL	10	293,223	145,743
Foreign exchange gain	10	828,385	828,424
Allowance for expected credit losses		(4,290)	(100,103)
Net Investment Income		14,275,697	12,891,730
Finance expenses from insurance contracts issued	12	(11,053,104)	(10,935,096)
Net Insurance Finance expenses		(11,053,104)	(10,935,096)
Net insurance and investment result		3,899,011	3,372,343
Gain on disposal of subsidiaries	39	246,866	2,157,498
Other Income	11	119,918	22,844
Other operating expenses (non-attributable)	13	(1,609,495)	(1,258,271)
Total expenses and other Income		(1,242,711)	922,071
Share of associates profit	17 (i)	2,793,114	2,487,666
Other Finance cost	38 (ii)	(138,753)	(263,026)
Group profit before income tax		5,310,661	6,519,054
Income tax expense	18 (i)	(894,748)	(1,010,172)
Net Profit		4,415,913	5,508,882
Profit for the year			
Attributable to:			
Equity holders of the company		4,298,674	5,402,186
Non-controlling interest	17 (iii)	117,239	106,696
Total		4,415,913	5,508,882
Earnings Per Share (Kes)			
Basic and diluted	13(iv)	59	75

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 Kes '000	2022 Kes '000
Profit for the year		4,415,913	5,508,882
Other comprehensive income			
Items that will not be reclassified subsequently to profit			
Revaluation reserves on PPE	14 (ii)	176,253	393,865
Deferred tax on other comprehensive income	18 (iii)	200,158	(107,535)
Items that may be reclassified subsequently to profit or loss			
Fair value gain/loss on investments in equity instruments designated as at FVTOCI	14 (ii)	(154,144)	73,112
Associate share of other comprehensive income	17 (i)	(435,342)	126,066
Net translation gain	32 (c)	3,846,593	1,049,107
Total other comprehensive income, net of tax		3,633,518	1,534,615
Total comprehensive income for the year		8,049,431	7,043,497
Attributable to:			
Equity holders of the Company		7,960,143	6,880,307
Non-controlling interest		89,288	163,190
Total comprehensive income for the year		8,049,431	7,043,497

**COMPANY STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Note	Kes '000	Kes '000
Income			
Investment income	10	601,481	944,926
Interest Income	9	712,753	749,357
Fair value gains/ (losses)	14	(177,953)	282,501
Other Income	11	109,779	1,093
Gain on disposal of subsidiaries	39	246,866	2,110,511
Total income		1,492,926	4,088,388
Expenses			
Operating and other expenses	13	(394,684)	(141,640)
Total expenses		(394,684)	(141,640)
Finance costs	38 (ii)	(10,509)	(10,034)
Company Profit before income tax		1,087,733	3,936,714
Income tax expense	18 (i)	(92,842)	(442,768)
Profit for the year		994,891	3,493,946
Earnings Per Share (Kes)			
Basic and diluted	13 (iv)	14	48

**COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Note	Kes '000	Kes '000
Profit for the year		994,891	3,493,946
Items that will not be reclassified to profit or loss			
Net fair value gains (loss) on equity investments valued at fair value through other comprehensive income	14 (ii)	(29,303)	(58,564)
Deferred tax on other comprehensive income	18 (iii)	13,785	17,572
Total other comprehensive income, net of tax		(15,518)	(40,992)
Total comprehensive income for the year		979,373	3,452,954

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		2023	Restated 2022	Restated 2021
	Note	Kes '000	Kes '000	Kes '000
ASSETS				
Investment in associates	17	25,205,100	20,716,446	17,736,622
Investment properties	16	7,587,756	6,854,995	6,916,284
Property, plant and equipment	15 (i)	2,451,352	1,675,857	1,105,587
Right of use asset	37 (i)	415,640	379,459	423,152
Intangible assets	15 (ii)	194,422	114,801	43,234
Deferred tax asset	18 (iii)	973,682	697,059	722,382
Unquoted equity investments	19	7,579,146	7,154,682	6,962,646
Mortgage loans	22	23,105	26,275	40,799
Quoted equity investments	23	4,292,865	5,418,166	5,067,350
Government Securities	20 (i)	122,278,318	108,166,074	92,316,666
Commercial Bonds	20 (ii)	8,078	8,978	-
Reinsurance Contract assets	27	4,262,764	3,331,723	2,914,490
Other receivables	24	2,426,140	3,824,004	3,142,436
Current income tax asset	18 (ii)	898,140	933,526	479,236
Loan receivable at fair value through profit or loss	21	3,903,505	3,172,707	1,712,789
Assets classified as held for sale	39	-	-	5,956,995
Deposits with financial institutions	25 (i)	7,035,221	4,002,632	4,566,014
Cash and Bank balances	25 (ii)	2,161,408	2,147,889	2,339,737
Total assets		191,696,642	168,625,273	152,446,419
LIABILITIES				
Lease Liability	37 (ii)	422,377	393,618	415,785
Deferred tax liability	18 (iii)	1,365,953	1,067,495	1,099,680
Insurance contract liabilities	27	129,445,987	114,395,062	97,914,521
Reinsurance contract liabilities	27	276,778	154,489	259,303
Dividend payables	34 (ii)	501,690	492,038	444,003
Current Income tax liability	18 (ii)	78,950	106,625	162,709
Other payables	26	5,330,004	3,613,612	3,241,364
Borrowings	38 (i)	-	1,234,713	1,836,937
Liabilities directly associated with assets classified as held for sale	39	-	-	4,525,079
Total liabilities		137,421,739	121,457,652	109,899,381
EQUITY				
Share Capital	31	362,365	362,365	362,365
Retained earnings	33	39,798,253	37,144,122	33,364,095
Reserves	32	10,667,346	6,397,697	4,970,816
Proposed dividends	34 (i)	891,417	797,203	942,148
Equity attributable to owners of the company		51,719,381	44,701,387	39,639,424
Non-controlling interest	17 (iii)	2,555,522	2,466,234	2,907,614
Total equity		54,274,903	47,167,621	42,547,038
Total liabilities and equity		191,696,642	168,625,273	152,446,419

The financial statements on pages 63 to 203 were approved by the Board of Directors on 29 May 2024 and signed on its behalf by:

Nizar N Juma
Chairman

Zul Abdul
Director

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		2023	2022
	Note	Kes '000	Kes '000
ASSETS			
Property, plant and equipment	15 (i)	54,890	10,630
Right of use asset	37 (i)	34,906	52,359
Intangible assets	15 (ii)	1,433	1,898
Investment in subsidiaries	17 (ii)	4,585,328	4,585,328
Investment in associates	17	3,301,721	3,301,721
Deferred tax asset	18 (iii)	40,325	26,180
Unquoted equity investments	19	109,025	92,377
Quoted equity investments	23	580,889	324,457
Government Securities	20 (i)	3,914,809	4,905,233
Loan receivable at fair value through profit or loss	21	1,325,609	1,116,482
Other receivables	24	551,292	1,605,973
Current income tax asset	18 (ii)	77,396	93,001
Due from related parties	36	929,519	245,907
Deposits with financial institutions	25 (i)	809,369	440,856
Cash and Bank balances	25 (ii)	429,378	189,907
Total assets		16,745,889	16,992,309
LIABILITIES			
Lease Liability	37 (ii)	45,516	63,096
Dividend payables	34 (ii)	501,690	492,038
Due to related parties	36	150,834	220,449
Other payables	26	206,620	412,721
Total liabilities		904,660	1,188,304
EQUITY			
Share Capital	31	362,365	362,365
Retained earnings	33	14,726,197	14,767,669
Reserves	32	(138,750)	(123,232)
Proposed dividends	34 (i)	891,417	797,203
Total equity		15,841,229	15,804,005
Total liabilities and equity		16,745,889	16,992,309

The financial statements on pages 63 to 203 were approved by the Board of Directors on 29 May 2024 and signed on its behalf by:

Nizar N Juma
Chairman

Zul Abdul
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Fair Value Reserves		Revaluation reserve	General Reserves		Translation Reserves		Contingency Reserves		Statutory Reserve		Retained Earnings		Proposed dividend		Equity Attributable to Owners		Non-Controlling Interest		Total Equity		
		Kes '000	Kes '000		Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Year ended 31 December 2023																							
At start of year	362,365	(65,275)	275,705	70,000	2,284,837	1,789,792	2,042,638	37,144,122	797,203	44,701,387	2,466,234	47,167,621											
Profit for the year	-	-	-	-	-	-	-	4,298,674	-	4,298,674	117,239	4,415,913											
Total other comprehensive income	-	(308,501)	123,377	-	3,846,593	-	-	-	-	3,661,469	(27,951)	3,633,518											
Transfer to contingency	-	-	-	-	-	45,390	-	(45,390)	-	-	-	-											
Transfer to statutory	-	-	-	-	-	-	562,790	(562,790)	-	-	-	-											
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-											
Total transfers	-	-	-	-	-	45,390	562,790	(608,180)	-	-	-	-											
Transactions with owners:																							
Dividends: Final for 2022 paid	-	-	-	-	-	-	-	-	(797,203)	(797,203)	-	(797,203)											
Interim for 2023 paid	-	-	-	-	-	-	-	(144,946)	-	(144,946)	-	(144,946)											
Proposed final for 2023	-	-	-	-	-	-	-	(891,417)	891,417	-	-	-											
Total transactions with owners	-	-	-	-	-	-	-	(1,036,363)	94,214	(942,149)	-	(942,149)											
At end of year	362,365	(373,776)	399,082	70,000	6,131,430	1,835,182	2,605,428	39,798,253	891,417	51,719,381	2,555,522	54,274,903											

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital	Reserves							Retained Earnings	Proposed dividend	Equity Attributable to Owners	Non-Con-trolling Interest	Total Equity
		Fair Value Reserves	Revaluation reserve	General Reserves	Translation Reserves	Contingen-cy Reserves	Statutory Reserve	Kes '000					
Year ended 31 December 2022													
At start of year (01/01/2022) –(as previously reported)	362,365	(218,584)	-	70,000	1,374,269	1,702,493	2,042,638	33,181,864	942,148	39,457,193	2,821,332	42,278,525	
Impact of initial application of IFRS 17													
Restatement (Net of tax)	40	-	-	-	-	-	-	288,251	-	288,251	86,282	374,533	
								(106,020)	-	(106,020)	-	(106,020)	
At start of year (01/01/2022)- Restated	362,365	(218,584)	-	70,000	1,374,269	1,702,493	2,042,638	33,364,095	942,148	39,639,424	2,907,614	42,547,038	
Profit for the year	-	-	-	-	-	-	-	5,598,401	-	5,598,401	106,696	5,705,097	
Restatement (Net of tax)	40	-	-	-	-	-	-	(196,215)	-	(196,215)	-	(196,215)	
Profit for the period after restatement								5,402,186	-	5,402,186	106,696	5,508,882	
Total other comprehensive income		153,309	275,705	-	1,049,107	-	-	-	-	1,478,121	56,494	1,534,615	
Transfer to contingency	33	-	-	-	-	87,299	-	(87,299)	-	-	-	-	
Disposal of subsidiaries	33	-	-	-	(138,539)	-	-	(665,184)	-	(803,723)	(604,570)	(1,408,293)	
Total transfers		-	-	-	(138,539)	87,299	-	(752,483)	-	(803,723)	(604,570)	(1,408,293)	
Dividend: Final for 2021 paid		-	-	-	-	-	-	-	(942,148)	(942,148)	-	(942,148)	
Interim for 2022 paid	34 (i)	-	-	-	-	-	-	(72,473)	-	(72,473)	-	(72,473)	
Proposed final for 2022		-	-	-	-	-	-	(797,203)	797,203	-	-	-	
Total transactions with owners		-	-	-	-	-	-	(869,676)	(144,945)	(1,014,621)	-	(1,014,621)	
Restated as at 31 December 2022	362,365	(65,275)	275,705	70,000	2,284,837	1,789,792	2,042,638	37,144,122	797,203	44,701,387	2,466,234	47,167,621	

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share Capital Kes '000	Reserves		Retained Earnings Kes '000	Proposed Dividends Kes '000	Total Equity Kes '000
		Fair Value Re- serves Kes '000	General Reserves Kes '000			
Year ended 31 December 2023						
At start of year	362,365	(193,232)	70,000	14,767,669	797,203	15,804,005
Profit for the year	-	-	-	994,891	-	994,891
Other comprehensive Income	-	(15,518)	-	-	-	(15,518)
Total comprehensive income for the year	-	(15,518)	-	994,891	-	979,373
Transactions with owners:						
Dividends: Final for 2022 paid	-	-	-	-	(797,203)	(797,203)
Interim for 2023 paid	-	-	-	(144,946)	-	(144,946)
Proposed dividends	-	-	-	(891,417)	891,417	-
Total transactions with owners	-	-	-	(1,036,363)	94,214	(942,149)
At end of year	362,365	(208,750)	70,000	14,726,197	891,417	15,841,229
Year ended 31 December 2022						
At start of year	362,365	(152,240)	70,000	12,143,399	942,148	13,365,672
Profit for the year	-	-	-	3,493,946	-	3,493,946
Other comprehensive Income	-	(40,992)	-	-	-	(40,992)
Total comprehensive income for the year	-	(40,992)	-	3,493,946	-	3,452,954
Transactions with owners:						
Dividends: Final for 2021 paid	-	-	-	-	(942,148)	(942,148)
Interim for 2022 paid	-	-	-	(72,473)	-	(72,473)
Proposed dividends	-	-	-	(797,203)	797,203	-
Total transactions with owners	-	-	-	(869,676)	(144,945)	(1,014,621)
At end of year	362,365	(193,232)	70,000	14,767,669	797,203	15,804,005

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		GROUP	
		2023	2022
	Note	Kes '000	Kes '000
Cash flow from operating activities			
Cash generated from operations	25 (iii)	6,754,326	721,815
Income tax paid	18 (ii)	(436,766)	(784,355)
Net cash inflow/(outflow) from operating activities		6,317,560	(62,540)
Cash flow from investing activities			
Proceeds from disposal of property and equipment	15(i)	3,029	1,655
Net proceeds from part redemptions of shares in associate	17(i)	115	319
Purchase of property and equipment and intangible assets	15(i) & (ii)	(797,190)	(322,649)
Net additions of investment properties	16	(6,201)	(114,593)
Purchase of unquoted equity investments	19	(25,370)	(55,227)
Mortgage loans advanced	22	-	(57,783)
Mortgage loans repaid	22	3,695	6,662
Proceeds from sale of subsidiary	39	991,968	1,747,992
Net cash inflow from investing activities		170,046	1,206,376
Cash flow from financing activities			
Dividends paid	34	(932,497)	(966,587)
Repayments under lease liabilities	37	(176,875)	(129,568)
Repayment of borrowings	38(i)	(1,234,713)	(602,224)
Net cash outflow from financing activities		(2,344,085)	(1,698,379)
Cash and cash equivalents at start of year	25 (ii)	6,150,521	6,905,751
Increase/(decrease) in cash and cash equivalents		4,143,521	(554,543)
Exchange (loss) on translation of cash and cash equivalents		(1,097,413)	(200,687)
Cash and cash equivalents at end of year	25	9,196,629	6,150,521

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		COMPANY	
		2023	2022
		Kes '000	Kes '000
	Note		
Cash flow from operating activities			
Profit before income tax		1,087,373	3,936,714
Adjustments for: -			
Depreciation and amortisation	15 & 37 (i)	26,903	22,628
Investment income		(1,492,927)	(4,088,389)
Interest expense on Lease liabilities	37 (ii)	7,573	9,105
Operating cash (outflow) before changes to receivables and payables		(371,078)	(119,942)
Change in receivables		371,070	(420,238)
Change in payables		(275,716)	(713,132)
Cash (used in) operations		(275,724)	(1,253,312)
Income tax paid	18	(77,237)	(429,083)
Net cash (outflow) from operating activities		(352,961)	(1,682,395)
Cash flow from investing activities			
Rent, interest and other income received		160,359	801,871
Dividends received from Subsidiaries and associates	10	558,536	927,560
Sales Proceeds from sale of subsidiaries	39	991,968	1,747,992
Purchase of property and equipment and intangible assets	15	(53,245)	(8,228)
Additional investments in Associate	17	-	(331,918)
Net increase/(decrease) of government securities	20 (i)	566,298	(1,083,810)
Purchase of quoted equities	23	(302,384)	-
Net cash inflow from investing activities		1,921,532	2,053,467
Cash flow from financing activities			
Repayments under lease liabilities	37 (ii)	(25,153)	(21,873)
Dividends paid		(932,497)	(966,587)
Net cash (outflow) from financing activities		(957,650)	(988,460)
Cash and cash equivalents at start of year	25 (ii)	630,763	1,248,467
(Decrease)/ Increase in cash and cash equivalents		610,921	(617,388)
Exchange (loss) on translation of cash and cash equivalents		(2,937)	(316)
Cash and cash equivalents at end of year		1,238,747	630,763

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Jubilee Holdings Limited is a limited liability company incorporated and domiciled in Kenya. The address of its registered office is Jubilee Insurance House, Wabera Street, Nairobi, Kenya. The Company has a primary listing on the Nairobi Securities Exchange and is cross listed on the Uganda Securities Exchange and Dar Es Salaam Stock Exchange.

The Company through its subsidiaries and associates (together forming the Group) underwrites Life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Group also issues a diversified portfolio of investment contracts liabilities to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. It has operations in Kenya, Uganda, Tanzania and Burundi and employs over 902 (2022: 850) people through its subsidiaries. It also has significant stake in companies in Mauritius.

The insurance business of the Group is organized into two segments, Health Business and Life Business. Life business relates to the underwriting of life risks relating to insured persons, the issue of investment contracts liabilities and the administration of pension funds. Health business relates to underwriting of medical insurance business.

Within these financial statements and the notes to the financial statements the words “consolidated” and “Group” have been used inter-changeably to mean the Company and its subsidiaries.

For purposes of the Kenya Companies Act, 2015 reporting purposes, the balance sheet is represented by statement of financial position while the profit and loss account is represented by the statements of profit or loss and other comprehensive income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the manner required by the Kenyan Companies Act, 2015. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements have been prepared using the accrual basis of accounting and on a going concern basis and are presented in Kenya Shillings (Kes), rounded to the nearest thousand, unless otherwise indicated.

In the current year, the group has applied several amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) New standards and amendments to published standards effective for the year ended 31 December 2023

The following were new and revised IFRSs that have been effective in the current year.

Standards / Amendments	Changes or Amendments	Effective Date
<i>Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates</i>	<p>The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.</p> <p>The Group’s application of the new and revised standards did not have significant impact to these financial statements.</p>	1 January 2023
<i>Amendment to IAS 1 ‘Presentation of Financial Statements’ on Classification of Liabilities as Current or Non-current</i>	<p>The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).</p> <p>The Group’s application of the new and revised standards did not have significant impact to these financial statements.</p>	1 January 2023
<i>IFRS 17 Insurance Contracts</i>	<p>The group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.</p> <p>Refer to Note 2.2 Insurance Contracts,</p>	1 January 2023
<i>Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	<p>The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p> <p>The Group’s application of the new and revised standards did not have significant impact to these financial statements.</p>	1 January 2023

2.2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

a) New standards and amendments and interpretation in issue but not effective for the year ended 31 December 2023

Standards/ Amendments	Changes or Amendments	Effective Date
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions	1 January 2024
Amendment to IFRS 16 – Leases on sale and leaseback	Lease Liability in a Sale and Leaseback	1 January 2024

These standards are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The following table sets out the accounting policy choices adopted by the Group:

	IFRS 17 options	Adopted approach
Insurance acquisition cash flows	Provided that the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortizing them over the contract's coverage period.	The Group expenses its insurance acquisition cash flows for its Group Life insurance product line immediately upon payment. The Group capitalizes insurance acquisition cash flows for all other product lines. The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis.
Liability for remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.
Liability for Incurred Claims ("LIC") adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For claims within Group Life, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LIC is adjusted for the time value of money since these typically have a settlement period of over one year.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the PL or OCI option) is applied on a portfolio basis.	The Group has included all insurance finance income or expenses for the period in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Group has disaggregated the change in the risk adjustment for non-financial risk between a financial and non-financial portion which has been presented in insurance finance income or expenses and in insurance service result respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 INSURANCE CONTRACTS

a) Key types of insurance contracts issued and reinsurance contracts held

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

- Long term insurance Business

Long term insurance business includes insurance business of all or any of the following classes: life assurance business, superannuation business and business incidental to any such class of business.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for a term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life.

Superannuation business means life assurance business, being business of, or in relation to, the issuing of or the undertaking of liability under superannuation, group life and permanent health insurance policy.

The life insurance includes Individual life, Annuities, Group life, Group credit and Investment contracts with DPF which are measured using the General Model except for Group life (which is inclusive of premium debtors) and Investment contracts with DPF which are measured using PAA.

- Health

Health insurance business means insurance business of any class or classes not being long term insurance business.

Medical insurance means the business of affecting and carrying out contracts of insurance against costs of otherwise non-recoverable medical and surgical expenses necessarily and reasonably incurred by a member as a direct result of sustaining accidental bodily injury and/or illness and/or disease within the period of insurance subject to the policy provisions/ terms, exclusions, and conditions.

The health insurance includes Corporate, Small Enterprise insurances and Personal lines which are measured using PAA.

b) Definitions and classifications

Products sold by The Group are classified as insurance contracts when The Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, The Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group issues certain insurance contracts that allow policyholders to participate in investment returns in addition to compensation for losses from insured risk. Participating contracts meet the definition of insurance contracts with direct participating features if the following three criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items
- A substantial proportion of the cash flows that the group expects to pay to the policyholder is expected to vary with the change in the fair value of the underlying items

c) Separating Investment Component

The Group issues certain life insurance policies. These include an investment component applicable for Maturity, death and surrender claims for Individual Life policy and Annuity under which The Group is required to repay to a policyholder in all circumstances, regardless of an insured event occurring.

In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, The Group considers if the investment and insurance components are highly interrelated or not.

In determining whether investment and insurance components are highly interrelated The Group assesses whether The Group is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, The Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Some products issued by different entities within The Group are considered as being managed at the issuing entity level. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ringfenced within these entities.

The Group may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

Health insurance business shall have three portfolios for each of the health companies. The requirements to group products with "similar risks" and "managed together" was considered to come up with the below portfolios:

1. Corporates

Comprising of group contracts issued to corporations, government agencies, and any other organised groups with a population of more than 30 principal members.

2. SME

Comprising of group contracts issued to small and medium enterprises or any other organised groups with a population of between 4 to 29 principal members.

3. Personal lines

Comprising of all contracts issued directly to individual who are the final beneficiaries of the contract. i.e., not benefiting as part of a member of an organized group, or company or an enterprise.

Life insurance business shall the below portfolios for each of the life companies:

1. Individual Traditional

2. Annuities

3. Group Life

4. Group credit

5. Investment contracts with DPF

At initial recognition, The Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity The Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, The Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or The Group of contracts has become onerous, The Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of The Group of contracts
- The date when the first payment from a policyholder in The Group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

f) Contract Boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in The Group. In determining which cash flows fall within a contract boundary, The Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which The Group can compel the policyholder to pay the premiums or The Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when The Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, The Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, The Group considers all risks that policyholders would transfer had The Group issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, The Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on The Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, The Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Group exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

When the option is not a separate contract and the terms are not guaranteed by The Group, the cash flows arising from the option might be either within or outside the contract boundary. This depends on whether The Group has the practical ability to set a price that fully reflects the reassessed risks of the whole contract. If The Group does not have the practical ability to reprice the whole contract when the policyholder exercises the option to add coverage, the expected cash flows arising from the additional premiums after the option exercise date would be within the original contract boundary.

In estimating expected future cash flows of a group of contracts, The Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

g) Measurement of insurance contracts issued

g.1 Measurement on initial recognition for contracts other than PAA

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, The Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to The Groups in that portfolio in a systematic and rational way.

When estimating future cash flows, The Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts

- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs
- Claim handling costs
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- Transaction-based taxes relates to premium tax and policy holder compensation tax
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract for fulfilment cash flows of reinsurance contracts held

The cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk). Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability.

In determining discount rates for cash flows that do not vary based on the returns of underlying items, The Group uses the 'top-down approach' to estimate discount rates starting from the yield curve implied in the fair value of a reference portfolio that closely reflects the duration, currency and liquidity characteristics of the insurance cash flows. The yield curve from the reference portfolio is adjusted to exclude the effects of risks present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance contracts cash flows.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The IRA Kenya issued guidelines (CONF/IRA/00/001/03) that insurance companies should adopt an approach that results to a confidence level of at least 75%. As a starting point, the Group has adopted the regulatory margins as follows: Mortality 10%, Longevity 10%, Expenses 10%, Expense Inflation and Lapses 25%. Tanzania applies tail value at risk (VaR) for liability for incurred claims and regulatory risk margins known to be 90th percentile for liability for remaining coverage and has applied confidence level is 75% and this guideline is in line with the adopted position of the Group's IFRS17 implementation. In Uganda, risk adjustment for non-financial risk is determined by the Company using a confidence level approach. This is implemented using provisions for adverse deviations (PADs) calibrated using non-financial risk distributions and correlation assumptions. The PADs are applied to best estimate assumptions. The Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows. The confidence level is calibrated over a one-year period.

The Group performed stress tests on its liabilities as at December 2023 and 2022. This was done by shocking the liabilities by each factor independent of the other factors and recording the different outcomes. The Group confidence interval is at 90%.

Risk adjustment does not include the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts as reinsurance is short term hence measured using PAA.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that The Group will recognise as it provides insurance contract services over the coverage period. At initial recognition, The Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of The Group
- The amount of any derecognised asset for insurance acquisition cash flows allocated to The Group
- Any other asset or liability previously recognised for cash flows related to The Group
- Any cash flows that have already arisen on the contracts as of that date

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

If a group of contracts is onerous, The Group recognises a loss on initial recognition. This results in the carrying amount of the liability for The Group being equal to the fulfilment cash flows, and the CSM of The Group being nil. A loss component is recognised for any loss on initial recognition of The Group of insurance contracts. The Group determines at initial recognition The Group's coverage units. The Group then allocates The Group's CSM based on the coverage units provided in the period.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, The Group itself or the portfolio of insurance contracts to which The Group belongs. The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to The Group but directly attributable to the portfolio. The Group then allocates them to The Group of newly written and renewed contracts on a systematic and rational basis.

The Group recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of The Group of insurance contracts to which these costs relate. The Group recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when The Group is initially recognised. When only some of the insurance contracts expected to be included within The Group are recognised as at the end of the reporting period, The Group determines the related portion of the asset that is derecognised and included in The Group's fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in The Group.

At each reporting date, The Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, The Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

g.1 Subsequent measurement under the General Measurement Model

In estimating the total future fulfilment cash flows, The Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of The Group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents The Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes The Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes The Group's liability to pay amounts The Group is obliged to pay the policyholder under the contract. This includes repayment of investment components when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to The Group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, The Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing, and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Experience adjustments are the difference between:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition.
- The expected cash inflow estimates at the beginning of the period and the actual cash flows for premiums received in the period
- The expected cash outflow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (including insurance acquisition expenses and insurance commissions)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, The Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

For insurance contracts without direct participating features, the following changes in fulfilment cash flows are related to future service and adjust (or 'unlock') the CSM of The Group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in The Group were initially recognised
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in The Group were initially recognised. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof
- Changes in the fulfilment cash flows relating to the LIC
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of The Group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of The Group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to The Group
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition
- The changes in fulfilment cash flows related to future service, except: – Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in The Group of contracts becoming onerous or more onerous – Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, The Group follows three steps:

- Determine the total number of coverage units in The Group. The amount of coverage units in The Group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to The Group. The total number of coverage units depends on the expected duration of the obligations that The Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. By determining a number of coverage units, The Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in The Group, the different levels of service offered across periods (e.g., policyholder exercising an option and adding an additional coverage for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, The Group applies the following methods:

- For term life (with level or decreasing sum assured) and fixed annuity policies, a method based on the expected coverage period and maximum contractual cover in each period is applied.

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to the coverage units provided in the period and the remaining coverage units relating to future periods.

g.3 Insurance contracts measured under the premium allocation approach

On initial recognition, The Group measures the LRC at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, The Group applies a policy of expensing all insurance acquisition cash flows as they are incurred. Premiums due to The Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done based on the passage of time. The Group applies judgement in determining the basis of allocation. When facts and circumstances indicate that a group of contracts has become onerous, The Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, The Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

h) Onerous Contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow. On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Onerous Contracts (continued)

On initial recognition, the CSM of The Group of onerous contracts is nil and The Group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is The Group's 'loss component'. It is initially calculated when The Group is first considered to be onerous and is recognised at that date in profit or loss. The amount of The Group's loss component is tracked for the purposes of presentation and subsequent measurement. After the loss component is recognised, The Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non-financial risk, excluding any investment component amount. The Group disaggregates the total finance income or expenses between profit or loss. For any subsequent changes in the fulfilment cash flows of the LRC, the total of insurance finance income or expenses is disaggregated between profit and allocated on a systematic basis between the loss component and the 'LRC excluding the loss component'.

i) Reinsurance contracts held

1.1 Recognition

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, The Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts as Contracts that on initial recognition have a net gain, group of contracts on which at initial recognition there is no significant possibility of a net gain arising subsequently, if any; and group of remaining contracts in the portfolio, if any.

In determining the timing of initial recognition of a reinsurance contract held, The Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance contracts held that provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by The Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

1.2 Reinsurance contracts held measured under the PAA

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid. The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of The Group.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, The Group adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

j) Modification and derecognition

The Group derecognizes the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

The Group derecognize the contracts under the following circumstances:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met

When the Group derecognizes an insurance contract from within a group of contracts, it:

- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number

k) Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another subtotal: net insurance and investment result, which also includes the income from all the assets backing The Group's insurance liabilities. The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued. The Group disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion.

k.1 Insurance revenue

As The Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration The Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component
 - Repayments of investment components
 - Amounts that relate to transaction-based taxes collected on behalf of third parties
 - Insurance acquisition expenses
 - Amounts relating to risk adjustment for non-financial risk
- The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM
 - Amounts allocated to the loss component
- The amount of CSM for the services provided in the period
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, The Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, The Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

k.2 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts

k.3 Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of The Group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of The Group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses

k.4 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Group has an accounting policy choice to present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, The Group examines the assets held for that portfolio and how they are accounted for. The accounting policy choice to disaggregate insurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

The Group may reassess its accounting policy choice during the duration of a group of direct participating contracts when there is a change in whether The Group holds the underlying items or no longer holds the underlying items. When such change occurs, The Group includes the amount accumulated in OCI by the date of change as a reclassification adjustment to profit or loss spread across the period of change and future periods based on the method and on assumptions that applied immediately before the date of change. Comparatives are not restated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

For PAA contracts

When applying the PAA, For those claims that The Group expects to be paid within one year or less from the date of incurrence, The Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognised. The Group disaggregates insurance finance income or expenses between profit or loss and OCI based on the systematic allocation method over the duration of the contracts in The Group.

For GMM

For non-participating contracts whose cash flows are not affected by underlying items, The Group has elected to present all insurance finance income or expenses in profit or loss.

For reinsurance contracts held

For facultative reinsurance contracts held measured applying the Premium Allocation Approach, The Group has elected to present all insurance finance income or expenses in profit or loss.

The Group will have 3 Portfolios i.e. Individual Life, Group Life & Credit Life and Catastrophe according to the Treaties Reinsurance results have been calculated separately for Individual Life Treaty, Group/Credit Life Treaty and the Catastrophe Treaty. The amounts have then been disaggregated proportionately among the portfolios using the sum at risk reassured for each portfolio.

For reinsurance contracts held measured applying the Premium Allocation Approach because Reinsurance cover is provided for a period of 1 yr.

The Group results has been presented in the revenue account as one figure, the 'net reinsurance result'

Exchange differences

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise The Group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency. Accordingly, the risk adjustment for non-financial risks and the CSM of The Group of insurance contracts are determined in the currency of The Group of contracts.

At the end of each reporting period, the carrying amount of The Group of insurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the cash flows and the currency of The Group of contracts are considered as changes in financial risk and are accounted for as insurance finance income or expenses. The amounts arising from changes in exchange rates between the currency of The Group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise.

1) Contracts existing at transition date

L.1 Contracts measured under the Fair Value approach

The Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of insurance contracts issued between 1952 to 2018 years prior to the transition date. The Group elected to apply the Fair value Approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information while The Group concluded that reasonable and supportable information for application of the modified retrospective approach was not available for all insurance contracts issued more than 2018 years prior to the date of transition and therefore applied the fair value approach for those contracts. The Group applied Fair Value approach for insurance contracts issued before 1 January 2019. The Group has used the Value of In-force from embedded value calculations which is the present value of future profits on in-force business. The value would be proportionately allocated among the policies that are in-force.

Level of aggregation

To the extent that reasonable and supportable information was not available at the date of initial recognition, The Group applied the annual grouping exemption and identified groups of insurance contracts based on profitability as at transition date.

The Group assessed the CSM on the date of transition and grouped all the contracts into one cohort and the CSM calculated for the entire cohort. The Group has not split into the three profitability groups but has assumed that all will be profitable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Measurement at the transition date

In applying the fair value approach at the transition date, the CSM or loss component of the LRC was estimated as the difference between the fair value and the fulfilment cash flows of The Group of contracts as of that date. In determining fair value, The Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

To the extent that The Group did not have reasonable and supportable information to determine discount rates applicable on the date of initial recognition of The Group of contracts, The Group estimated the discount rates using an observable yield curve that for at least three years prior to the transition approximated the current yield curve used for subsequent measurement applying IFRS 17.

Where such an observable yield curve did not exist, The Group estimated the discount rates by identifying the average spread between the observable yield curve and discount rates determined by applying the measurement requirements of IFRS 17 and applying the spread to the observable yield curve in order to determine the discount rates for the relevant prior periods.

Risk adjustment for non-financial risk

The Group estimated the amount of risk adjustment for non-financial risk by adjusting the risk adjustment at the date of transition by the expected release of risk before the transition date. The expected release of risk was determined by reference to similar insurance contracts issued by The Group at the transition date.

CSM

For contracts measured under the General Model, if the amount determined at the date of initial recognition results in a CSM, the amount of the CSM remaining at the date of transition was determined by comparing the remaining coverage units with the coverage units provided before the transition date. If there was a loss component identified at the date of initial recognition, then The Group determined the amounts allocated to the loss component before the date of transition using a systematic basis of allocation.

The calculated amount is used as a proxy for the total CSM for all services to be provided under The Group of contracts. The allocation of the total CSM was determined by comparing the remaining coverage units at the date of transition to the new standard.

L.2 Contracts measured applying the Full retrospective approach

The Group applied full retrospective approach for contracts issued after 1 January 2019. The Group also applied modified retrospective approach for contracts issued before 1 January 2019 due to lack of valuation assumptions for periods earlier than 2019.

Level of aggregation

The Group has grouped the contracts into their relevant portfolios and cohorts depending on the recognition year. Each cohort has been split into the three profitability groups.

Discount rates

The Group used the observable yield curve over the last 3 years before transition date.

2.4 CONSOLIDATION

a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value over any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

b) Investment in Associates

Associates are all entities over which the Group has significant influence, but not control, or joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition net of all accumulated impaired losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution of gains and losses arising from investment in associates are recognised in the profit or loss.

c) Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenya Shillings, which is the Group's functional and presentation currency.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate when the fair value was determined.

(ii) Consolidation of group entities

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date
- Income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognized in the statement of other comprehensive income and accumulated in shareholders' equity (translation reserve). When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its investment in a subsidiary but retains control, then the relative proportion of the cumulative reserve is re attributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relative proportion of the cumulative amount is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Board of directors, to make decisions about resources allocated to each segment and assess its performance, and for which discrete information is available.

Group costs are allocated to segments on a reasonable and consistent basis. Transactions between segments are generally accounted for in accordance with Group policies as if the segment were a stand-alone business with intra segment revenue and cost being eliminated in head office.

The Chief Operating Decision Maker within the Group is the Jubilee Holdings Limited Board of Directors. The group results are analyzed across 9 operating segments based on a combination of geographical areas and products and services. There are five geographical segments: Kenya, Uganda, Tanzania, Burundi and Mauritius within which there are three segments classified according to products and services: Health business, Life business, which includes Individual Life, Group Life, and Investments. This is consistent with the way the Group manages the business.

Medical insurance means the business of affecting and carrying out contracts of insurance against costs of otherwise non-recoverable medical and surgical expenses necessarily and reasonably incurred by a member as a direct result of sustaining accidental bodily injury and/or illness and/or disease within the period of insurance subject to the policy provisions/ terms, exclusions and conditions.

Ordinary & Group Life: Includes insurance business of all or any of the following classes, namely, life assurance business, superannuation business and business incidental to any such class of business; Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life; Superannuation business means life assurance business, being business of, or in relation to, the issuing of or the undertaking of liability under superannuation, group life and permanent health insurance policy.

The segments are individually considered by management when making decisions and they are the basis for resource allocation and performance measurement by the Board of Directors. There are no reconciling differences between the primary financial statements of the Group and the reported segmental information.

The Group accounts for inter-segmental transactions as if the transactions were to third parties. Any outstanding amounts owing within the Group companies most of which constitutes dividends payable are included under group eliminations.

Results of activities considered incidental to Jubilee Holdings main operations as well as unallocated revenues and expenses, liabilities and assets have been categorized under investments segment. There are no reconciling differences between the primary financial statements of the Group and the reported segmental information.

The Group has a widely diversified policy holder base and is therefore not reliant on any individual major customers.

2.6 INVESTMENT CONTRACTS

The Group issues investment contracts with fixed and guaranteed terms (fixed interest rate). The investment contracts include funds administered for a number of retirement benefit schemes.

For investment contracts with fixed and guaranteed terms, the amortized cost basis is used. In this case, the liability is initially measured at its fair value less transaction costs that are incremental and directly attributable to the acquisition or issue of the contract.

Subsequent measurement of investment contracts at amortized cost uses the effective interest method. This method requires the determination of an interest rate (the effective interest rate) that exactly discounts to the net carrying amount of the financial liability, the estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period if the holder has the option to redeem the instrument earlier than maturity.

The Group re-estimates at each reporting date the expected future cash flows and recalculates the carrying amount of the financial liability by computing the present value of estimated future cash flows using the financial liability's original effective interest rate. Any adjustment is immediately recognized as income or expense in profit or loss. For investment contracts with discretionary participation in profits, the liability is set approximately equal to the value of the underlying asset of the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 REVENUE RECOGNITION

(i) Non interest income from financial investments

The revenue recognition policy for non-interest income from financial investments is disclosed under note 2.10.

(ii) Interest income and expenses

Interest income and expense for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, are recognized within 'investment income' and 'finance costs' in the profit or loss using the effective interest rate method.

(iii) Dividend income

Dividend income for equity investments is recognized when the right to receive payment is established – this is the ex-dividend date for equity securities.

(iv) Rental income from investment properties

Rental income is recognised in the period it is earned.

(v) Commission earned

The revenue recognition policy on commission is disclosed in note 2.4 (b) (iii).

2.8 PROPERTY AND EQUIPMENT

All categories of property and equipment are initially recorded at cost, except for the Upperhill building which is currently under construction. This is valued at fair value on an annual basis.

The remainder of the property and equipment are subsequently measured at historical cost less depreciation and impairment losses. Valuation of the building is done yearly. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives, as follows:

Computers	3 years
Office equipment	4 years
Motor vehicles	5 years
Furniture, fixtures and fittings	10 years

These rates have been applied consistently over the years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

2.9 INVESTMENT PROPERTY

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation are classified as investment property.

Investment property is measured at cost on initial recognition and subsequently measured at fair value. Directors monitor the investment property market and economic conditions, including general and property inflation, on a regular basis to identify changes in market conditions that may lead to significant change in fair value. Changes in fair values are included in investment income in the statement of profit or loss.

On disposal of the investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 INTANGIBLE ASSETS

(i) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (three to five years). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as

intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

2.11 FINANCIAL ASSETS AND LIABILITIES

The Group initially classified financial instruments in accordance with IFRS 9 (2009) which was early adopted in the year 2009. The classifications have been updated based on full adoption in 2018.

All financial assets are initially recognized in the statement of financial position when the entity becomes party to the contractual provisions of the instrument. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL) which are initially measured at fair value.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Fair values of quoted investments in active markets are based on quoted bid prices. Fair values for unquoted investments are estimated using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Classification of financial assets

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments at amortised cost and the effective interest method

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depends on:

- (i) the Group's business model for managing the financial assets; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses). Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income. Interest income from these financial assets is included in investment income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Business model: the business model reflected how the Group manages the assets in order to generate cash flows i.e. whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel and how risks are assessed and managed.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ('SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as part of current liabilities on the statement of financial position. The reported cash and cash equivalents are amounts cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Foreign denominated balances are measured using the foreign exchange rates prevailing at the reporting date.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to the statement of profit or loss, but is reclassified to retained earnings.

Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments at the Nairobi Securities Exchange. The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

Impairment

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group, including:
 - An adverse changes in the payment status of issuers or debtors in the Group; or
 - National or local economic conditions that correlate with defaults on the assets in the Group.

IFRS 9 impairment model applies to the following financial instruments that are not measured at FVTPL or FVTOCI:

- Government securities measured at amortised cost
- Receivables arising from direct insurance arrangements
- Rent and other receivables;
- Loan receivable
- Corporate bonds and commercial paper;
- Deposits with financial institutions; and
- Cash and bank balances.

No impairment loss is recognised on equity investments and financial assets measured at FVPL.

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date. The Group will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
- Other financial instruments (other than trade and lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for premium and rent receivables will always be measured at an amount equal to lifetime ECLs. The impairment requirements of IFRS 9 require management judgement, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- incorporating forward-looking information into the measurement of ECLs.

Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses and will be measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Expected credit losses.

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD}$$

In applying the IFRS 9 impairment requirements, the Group follows one of the approaches below:

- The general approach
- The simplified approach

The Group will apply the approaches below to each of its assets subject to impairment under IFRS 9:

Financial Asset	Impairment approach
Loans receivable	General Approach
Lease and other receivables	Simplified Approach
Government securities at amortised cost	General Approach
Corporate bonds and commercial paper	General Approach
Deposits with financial institutions	General approach
Cash and bank balances	General Approach

(i) The General Approach

Under the general approach, at each reporting date, the Group determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- **Stage 1** - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group will recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- **Stage 2** - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Group will recognise lifetime ECL but interest income will continue to be recognised on a gross basis.
- **Stage 3** - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Group will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

(ii) The Simplified approach

Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Definition of default

The Group will consider a financial asset to be in default when:

- the counterparty or borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the counterparty or borrower is more than 90 days past due on any material credit obligation to the Group. This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Group; or

In assessing whether the counterparty or borrower is in default, the Group considers indicators that are:

- Qualitative: e.g. Breach of covenant and other indicators of financial distress;
- Quantitative: e.g. Overdue status and non-payment of another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Significant increase in credit risk (SIICR)

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information. The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Group risk committee and economic experts and consideration of a variety of external actual and forecast information. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group also periodically carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The predicted relationships between the key indicators and the default and loss rates on various portfolios of financial assets have been developed by analysing historical data over the past 10 to 15 years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of Default;
- Loss given default (LGD); and
- Exposure at default (EAD).

To determine lifetime and 12-month PDs, the Group uses the PD tables supplied by [Rating Agency X based on the default history of obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings (see (i)). The PDs are recalibrated based on current bond yields and CDS prices, and adjusted to reflect forward-looking information as described above. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, loan-to-value ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Incorporation of forward-looking information (continued)

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include:

- instrument type;
- credit risk grading;
- collateral type;
- date of initial recognition; remaining term to maturity; industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios. This includes the PDs provided in the [Rating Agency N] default study and the LGDs provided in the [Rating Agency II] recovery studies.

Operating lease receivables

The ECL of operating lease receivables are determined at country level using a provision matrix. Loss rates are calculated with reference to days past due and actual credit loss experience over the past five years and are multiplied by scalar factors to incorporate forward-looking information.

Modification of contracts

The Group rarely renegotiates or otherwise modifies the contractual cash flows of securities. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the counterparty is in financial difficulty
- Whether any substantial new terms are introduced that affect the risk profile of the instrument
- Significant extension of the contract term when the borrower is not in financial difficulty
- Significant change in interest rate
- Change in the currency the security is denominated in
- Inclusion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan

If the terms are substantially different, the Group derecognises the original financial asset and recognised a 'new' asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered the date of initial recognition for impairment calculation purposes, including the purpose of determining whether a SICR has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

Write off policy

The Group writes off financial assets, in whole or in part when it has exhausted all practical recovery effort and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity; and (ii) the Group is foreclosing on collateral and the value of the collateral is such as there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. There were no write offs such assets during the year ended 31 December 2023 (2022 – nil). The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

2.12 ACCOUNTING FOR LEASES

The Group assesses whether a contract is or contains a lease based on the definition of a lease, as required by IFRS 16. The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

The Group as lessor

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. Amounts due from lessees under leases are recorded as receivables at the amount of the Group's net investment in the leases. Income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Rental income from leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

The Group leases many assets including property, motor vehicles and equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee
- any cost to dismantle

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Depreciation is calculated using the straight-line method over period of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments are not included in the initial measurement of the lease liability and are expensed.

The lease payments are discounted using the Group's incremental borrowing rate. The incremental borrowing rate is determined as the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The lease term determined by the Group comprises:

- non-cancellable period of lease contracts,
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option,
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and

re-measuring the carrying amount to reflect any reassessment or lease modifications.

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.14 EMPLOYEE BENEFITS

(i) Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ii) Retirement benefit obligations

The Group operates defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Group and employees. The Group and all its employees also contribute to the appropriate Social Security Fund, which are defined contribution schemes. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year to which they relate.

(iii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognized as an expense accrual.

2.15 CURRENT AND DEFERRED TAX

Income tax expense is the aggregate of the charge to profit or loss in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred income tax is provided in full on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would flow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.16 DIVIDENDS

Dividends payable to the Group's shareholders are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

2.17 SHARE CAPITAL

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

2.18 EARNING PER SHARE

Basic earnings per share are calculated by dividing profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

2.19 COMPARATIVES

Where necessary, comparative figures have been adjusted or extended to conform to changes in presentation in the current year.

2.20 DISCONTINUED OPERATIONS

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.21 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are tested annually for impairment and additionally whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realization of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest levels for which there are separately identifiable cash inflows from continuing use (CGUs). Impairment test also can be performed on a single asset when the fair value less costs to sell or the value in use can be determined reliably. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised costs; the difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of The Group's accounting policies, described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying The Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

- *Assessment of significance of insurance risk:* The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause The Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided.
- *Combination of insurance contracts:* Determining whether it is necessary to treat a set or series of insurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, The Group determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether The Group is unable to measure one contract without considering the other.
- *Separation of non-insurance components from insurance contracts:* The Group issues some insurance contracts that have several elements in addition to the provision of the insurance coverage service, such as a deposit component. Some of these elements need to be separated and accounted for by applying other Standards, while other elements remain within the insurance measurement model. In assessing whether components meet the separation criteria and should be separated, The Group applies significant judgement.
- *Separation of insurance components of an insurance contract:* The Group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, The Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

• *Determination of the contract boundary:* The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, The Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if The Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

• *Identification of portfolios:* The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at The Group level, The Group determines that these contracts are managed at the local issuing entity level. For some product lines, The Group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

• *Level of aggregation:* The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts.

• *Assessment of directly attributable cash flows:* The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to The Group itself, or the portfolio of insurance contracts to which The Group belongs. When estimating fulfilment cash flows, The Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

• *Level of aggregation for determining the risk adjustment for non-financial risk:* IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts 36 Illustrative disclosures for insurers applying IFRS 17 Source International GAAP Insurer Limited for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of The Group's expected fulfilment cash flows to the total expected fulfilment cash flows.

Valuation of insurance contract liabilities: Insurance contract liabilities comprises liability for remaining coverage and liability for incurred claims. The estimation of the liability for incurred claims involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. In addition, the liabilities are adjusted for the time value of money based on historical settlement patterns. Judgement is applied in estimating this future settlement pattern and in determination of the discount rate. Determination of liability for incurred claims requires calculation of risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns. For onerous contracts, calculation of loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of insurance contracts. The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience and involve engagement of internal and external actuarial experts. The determination of the liability for remaining coverage requires the estimation of the expected future cashflows, valuation of the contractual service margin and the determination of the coverage units that shall be used to accrete the contractual service margin, for the contracts measured using the GMM measurement model.

Valuation of unquoted investments: The Group holds significant unquoted equity investments measured at fair value through profit or loss. As explained under Note 19 of the financial statements, the Group uses a variety of approaches in estimating the fair value of these investments. The methods used in determining the fair value of the unquoted investments involve significant estimates and assumptions of unobservable inputs such as comparable market multiples, appropriate discounting rates and incorporation of illiquidity and marketability discounts. Changes in these assumptions could result in material variations to the carrying amounts of the investments in the statement of financial position and the recorded gains/losses in the statement of profit or loss. We have considered the valuation of unquoted equity investments as a key audit matter because of the sensitivity of the assumptions, the change in the measurement methodology during the year and significance of the balances to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

B. Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying The Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF) and reinsurance contracts held, The Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below.

Sensitivity analysis

The following table presents the sensitivity of the value of life insurance liabilities to movements in key assumptions used in the estimation process. For liabilities under insurance contracts with fixed and guaranteed terms, key assumptions are unchanged for the duration of the contract.

For life insurance contracts without fixed terms and with discretionary participation in profits, the liability is set approximately equal to the value of the underlying asset of the contract. Hence, there is no sensitivity analysis for these types of contracts. The following table presents the sensitivity of these contracts to movements in key assumptions used in the estimation of liabilities and assets:

2023	Change in assumption	Insurance contract liabilities	Insurance contract assets
		Kes '000	Kes '000
Expenses	10%	34,518,444	(155,126)
Mortality	10%	34,457,974	(164,418)
Withdrawal Up	25%	34,474,623	(168,267)
Withdrawal Down	-25%	34,594,158	(160,082)
Longevity	-10%	25,541,088	-
Adopted	All	34,716,391	(153,139)

2022	Change in assumption	Insurance contract liabilities	Insurance contract assets
		Kes '000	Kes '000
Expenses	10%	30,456,144	(195,239)
Mortality	10%	30,410,740	(202,522)
Withdrawal Up	25%	30,424,058	(205,661)
Withdrawal Down	-25%	30,544,204	(190,867)
Longevity	-10%	24,776,809	(35,833)
Adopted	All	30,667,056	(185,336)

Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, The Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, The Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Technique for estimation of future cash flows(continued)

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims, policy surrender rates. The Group maximises the use of observable inputs for market variables and utilises internally generated group-specific data. For life insurance contracts, The Group uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.

Method of estimating discount rates

In determining discount rates for different products, The Group uses the top-down approach for cash flows of nonparticipating contracts that do not depend on underlying items. Applying this approach, The Group uses the yield curve created by market rates of return implied in the fair value of a reference portfolio of assets and adjusts it to exclude the effects of risks present in the assets, but not in the insurance cash flows, except for the differences in liquidity, which need not be eliminated. One of the key sources of estimation uncertainty is estimating the market risk premiums for credit risk of the underlying items that are only relevant to assets included in the reference portfolio, but not to the non-participating contracts (and are accordingly excluded).

To derive the yield curve from the reference portfolio of items, The Group uses observable market inputs such as market prices in an active market. The Group exercises judgement to assess similarities between the characteristics of a reference portfolio of assets for which observable market information is available and the characteristics of the insurance contracts being measured.

Estimation of allocation rate for insurance finance income or expenses

The Group uses a constant rate in the systematic allocation of insurance finance expenses. The insurance finance expenses is derived using a constant rate for the period by applying it to the estimate of future cash flows to the end of the reporting period and the present value of future cash flows brought forward discounted by the constant rate used in the previous period.

For direct participating contracts for which The Group does not hold the underlying items, The Group uses the crediting rate for the systematic allocation of insurance finance income or expenses. In determining the crediting rate, The Group estimates the constant factor.

Risk adjustment for non-financial risk

The Group has used the IRA Kenya issued guidelines (CONF/IRA/00/001/03) that insurance companies should adopt an approach that results to a confidence level of at least 75%. This guideline is in line with the adopted position of the Group in IFRS17 implementation. The Group's confidence interval is at 90% above the minimum prescribed rate of 75%

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, The Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

a) Income tax

The Group is subject to income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. From the analysis of tax issues and assessments across the Group the impact of the issues raised by the regulators, it is management's judgement that the impacts result in contingent liabilities. And it is in Group's view that under any scenario these do not crystallize into tax liabilities.

b) Valuation of unquoted equity investments

The Group estimates the value of unquoted equity investments using techniques that include the use of observable inputs. Changes in these estimates could result in material changes in the fair value of the investments. See further disclosures and sensitivities done under Note 15.

c) Valuation of investment property

Investment property comprises leasehold land and buildings and is measured at fair value. Fair value is based on valuations performed every year by an independent valuation expert. In performing the valuation, the valuer obtains the market value of similar properties and compares with the carrying value of the investment property. Given that the valuer uses actual sales data obtained from the market in performing the valuation, any changes in the market interest rates or rental income would not result in any significant change in the carrying value of investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(e) Accounting for leases

In establishing the lease term for each lease contract that has an option to extend, judgement has been applied to determine the extension period. When it is concluded that it is reasonably certain that the extension option will be utilised, the lease term is extended to include the reasonably certain period of five years. The lease agreements have the option to extend the leases and the option to terminate the leases. The extension options in different contracts vary from lease to lease.

The Group assumed that all of the existing leases expiring within the following five years, that have an extension option, will be extended, when determining the lease term.

In addition, IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. In case the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate should be used. That is the rate of interest that a lessee would have to pay to borrow over a similar value to the right-of-use asset in a similar economic environment. Accordingly, the Group elected to use the local borrowing rates for each operating unit at the commencement date. That is the rate at which local operating units would need to borrow to acquire the asset. For additional details relating to leases refer to note 37.

ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made judgement in determining:

- The classification of financial assets and liabilities;
- Whether the insurance and financial assets are impaired and provision thereof; and
- Recoverability of deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Group's activities expose it to a variety of risks, including insurance risk, financial risk, credit risk, and the effects of changes in property values, debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity and seek to maximize return within an acceptable level of interest rate risk.

Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Group's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

For life insurance policies where death or disability is the insured risk, the most significant factors that could increase the amount and frequency of claims are epidemics or widespread changes in lifestyle, resulting in earlier or more claims than expected.

For annuity contracts where longevity is the main insurance risk, the most significant factor which could increase the amount and frequency of claims is improvement in medical science.

For health insurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake.

The Group is exposed to reserve risk and premium risk arising on all insurance contracts issued.

The Group mitigates its exposure by applying its underwriting strategy to diversify the type of insurance risks accepted and the level of insured benefit.

The Group is also exposed to the following two risks which are not insurance risks but related to insurance contracts:

- Lapse or persistency risk – the risk that the counterparty will cancel the contract earlier or later than the Group had expected in pricing the contract
- Expense risk – the risk of unexpected increases in the administrative costs associated with the servicing of a contract, rather than in costs associated with insured events

These risks arise from all insurance contracts and investment contracts. A sensitivity analysis to changes in lapse and expense rates is presented later in the note.

The Group manages persistency risk based on the underwriting policy and guidelines on persistency management which are reviewed by the Reserving Committee regularly. The Group frequently monitors the expense level of each business unit to address expense risk.

The Group's Reserving Committee is responsible for managing the Group's insurance and reinsurance risk by:

- Ensuring that the Group has appropriate underwriting and reinsurance strategy within an overall risk management framework, including an effective system of internal control
- Identifying, assessing and measuring insurance risk across the Group, from an individual policy to a portfolio level
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of insurance and reinsurance policies
- Ensuring that risk management policies and procedures are reviewed regularly to reflect changes in the Group's activities and market conditions
- Monitoring that individual and aggregate claims reserves are reviewed regularly by internal actuaries using a variety of actuarial techniques
- Ensuring reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital
- Monitoring that reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis
- Limiting concentrations of exposure by class of business, counterparties, geographic location etc.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Group's objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(a) Concentration of risk

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration per class of business and by region is provided in the following tables.

Concentration by class of business	2023			2022		
	Insurance contract liabilities	Insurance contract assets	Net	Insurance contract liabilities	Insurance contract assets	Net
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Life insurance	232,755,963	(966,121)	231,789,843	207,685,694	(1,218,538)	206,467,156
Health	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	232,755,963	(966,121)	231,789,843	207,685,694	(1,218,538)	206,467,156

Concentration by region	2023			2022		
	Insurance contract liabilities	Insurance contract assets	Net	Insurance contract liabilities	Insurance contract assets	Net
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Kenya	178,987,518	-	178,987,518	173,547,856	(227,101)	173,320,755
Tanzania	7,930,297	(95,484)	7,834,814	3,914,676	(25,734)	3,888,942
Uganda	45,838,148	(870,637)	44,967,511	30,223,162	(965,703)	29,257,459
Total	232,755,963	(966,121)	231,789,843	207,685,694	(1,218,538)	206,467,156

(b) Sensitivities

The following table details the impact of changes in key assumptions on the Group's CSM before and after risk mitigation. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

	Change in assumption	Gross CSM	
		2023	2022
		Kes '000	Kes '000
Base	No Shock	3,308,709,095	2,956,839,709
Expenses	+10%	3,199,942,788	2,856,726,422
Mortality	+10%	3,299,158,702	2,947,867,486
Withdrawal Up	+25%	3,259,107,126	2,914,901,879
Withdrawal Down	-25%	3,085,632,532	2,728,759,855
Longevity	-10%	2,024,636,848	1,940,931,027
Adopted	All	2,766,040,480	2,446,480,158
Total		20,943,227,571	18,792,506,536

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(b) Sensitivities (continued)

2023	FCF as at 31 December	CSM as at 31 December	Total	Impact on FCF	Impact on CSM	Total increase (decrease) in insurance contract liabilities	Remaining CSM	Impact on PBT	Impact on equity
Individual life									
Insurance contract liabilities as at 31 December	(978,947)	542,906	(436,041)						
Mortality rate – 1% increase				302,201	(100,383)	201,818	442,523	(201,818)	(141,272)
Lapse/surrender rates – 10% decrease				30,122	(10,402)	19,720	532,504	(19,720)	(13,804)
Expenses – 5% increase				155,163	(49,133)	106,030	493,773	(106,030)	(74,221)
Group credit									
Insurance contract liabilities as at 31 December	(639,593)	106,237	(533,356)						
Mortality rate – 1% increase				197,442	(19,643)	177,799	523,263	(177,799)	(124,459)
Lapse/surrender rates – 10% decrease				19,680	(2,036)	17,645	540,870	(17,645)	(12,351)
Expenses – 5% increase				101,375	(9,614)	91,761	533,292	(91,761)	(64,233)
Annuity									
Insurance contract liabilities as at 31 December	(947,754)	815,805	(131,949)						
Mortality rate – 1% increase				292,572	(150,842)	141,729	392,064	(141,729)	(99,211)
Lapse/surrender rates – 10% decrease				29,162	(15,631)	13,532	527,275	(13,532)	(9,472)
Expenses – 5% increase				150,219	(73,830)	76,389	469,076	(76,389)	(53,472)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(b) Sensitivities (continued)

2023	FCF as at 31 December	CSM as at 31 December	Total	Impact on FCF	Impact on CSM	Total increase (decrease) in insurance contract liabilities	Remaining CSM	Impact on PBT	Impact on equity
Individual life									
<i>Insurance contract liabilities as at 31 December</i>	(978,947)	542,906	(436,041)						
Mortality rate – 1% increase				302,201	(100,383)	201,818	442,523	(201,818)	(141,272)
Lapse/surrender rates – 10% decrease				30,122	(10,402)	19,720	532,504	(19,720)	(13,804)
Expenses – 5% increase				155,163	(49,133)	106,030	493,773	(106,030)	(74,221)
Group credit									
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Mortality rate – 1% increase				197,442	(19,643)	177,799	523,263	(177,799)	(124,459)
Lapse/surrender rates – 10% decrease				19,680	(2,036)	17,645	540,870	(17,645)	(12,351)
Expenses – 5% increase				101,375	(9,614)	91,761	533,292	(91,761)	(64,233)
Annuity									
<i>Insurance contract liabilities as at 31 December</i>	(947,754)	815,805	(131,949)						
Mortality rate – 1% increase				292,572	(150,842)	141,729	392,064	(141,729)	(99,211)
Lapse/surrender rates – 10% decrease				29,162	(15,631)	13,532	527,275	(13,532)	(9,472)
Expenses – 5% increase				150,219	(73,830)	76,389	469,076	(76,389)	(53,472)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(b) Sensitivities (continued)

2022	FCF as at 31 December	CSM as at 31 December	Total	Impact on FCF	Impact on CSM	Total increase (decrease) in insurance contract liabilities	Remaining CSM	Impact on PBT	Impact on equity
Individual life									
<u>Insurance contract liabilities as at 31 December</u>	148,189	(2,465,350)	(2,317,161)						
Mortality rate – 1% increase				(45,746)	455,843	410,097	998,749	(410,097)	(287,068)
Lapse/surrender rates – 10% decrease				(4,560)	47,236	42,676	590,142	(42,676)	(29,873)
Expenses – 5% increase				(23,488)	223,114	199,626	766,020	(199,626)	(139,738)
Group credit									
<u>Insurance contract liabilities as at 31 December</u>	(202,759)	1,033,182	830,423						
Mortality rate – 1% increase				62,592	(191,035)	(128,444)	351,871	128,444	89,911
Lapse/surrender rates – 10% decrease				6,239	(19,796)	(13,557)	523,110	13,557	9,490
Expenses – 5% increase				32,137	(93,503)	(61,366)	449,403	61,366	42,956
Annuity									
<u>Insurance contract liabilities as at 31 December</u>	(185,589)	854,243	668,654						
Mortality rate – 1% increase				57,291	(157,950)	(100,658)	384,956	100,658	70,461
Lapse/surrender rates – 10% decrease				5,711	(16,367)	(10,657)	526,539	10,657	7,460
Expenses – 5% increase				29,416	(77,309)	(47,893)	465,597	47,893	33,525

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(b) Sensitivities (continued)

	2023				2022			
	LIC as at 31 December	Impact on LIC	Impact on PBT	Impact on equity	LIC as at 31 December	Impact on LIC	Impact on PBT	Impact on equity
Group life								
<u>Insurance contract liabilities as at 31 December</u>	(3,453,373)				(3,182,852)			
Unpaid claims and expenses – 5% increase		(172,669)	172,669	120,868		(159,143)	159,143	111,400
Investment contracts with DPF								
<u>Insurance contract liabilities as at 31 December</u>	(107,517,847)				(77,276,620)			
Unpaid claims and expenses – 5% increase		(5,375,892)	5,375,892	3,763,125		(3,863,831)	3,863,831	2,704,682
Medical								
<u>Insurance contract liabilities as at 31 December</u>	26,067,712				23,553,738			
Unpaid claims and expenses – 5% increase		1,303,386	(1,303,386)	(912,370)		1,177,687	(1,177,687)	(824,381)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(a) Claims development

The table below summarizes actual claims compared with previous estimates of the undiscounted amount of the claims. The Group presents information on the gross and net claims development for claims incurred 10 years before the reporting period. The Group reconciles the LIC presented in the table with the aggregate carrying amount of the groups of insurance contracts.

(b) Gross claims development

	Accident year										Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		Kes '000
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
<i>Estimates of undiscounted ultimate gross claims</i>												
At end of accident year	-	-	-	-	-	3,524,444	3,758,618	6,710,568	6,232,237	7,599,601		27,825,468
One year later	-	-	-	-	-	3,727,916	3,981,340	7,133,482	7,040,477			21,883,215
Two years later	-	-	-	-	-	3,734,499	3,994,106	7,200,217				14,928,822
Three years later	-	-	-	-	-	3,736,080	4,002,793					7,738,873
Four years later	-	-	-	-	-	3,729,044						3,729,044
Five years later	-	-	-	-	-							-
Six years later	-	-	-	-	-							-
Seven years later	-	-	-	-	-							-
Eight years later	-	-	-	-	-							-
Nine years later	-	-	-	-	-							-
Cumulative gross claims paid	-	-	-	-	-	18,451,983	15,736,857	21,044,267	13,272,714	7,599,601		76,105,423
Gross liabilities for accident years from 2014-2023	-	-	-	-	-	36,903,966	31,473,715	42,088,535	26,545,428	15,199,202		152,210,846
Gross liabilities for prior accident years	-	-	-	-	-	-	-	-	-	-		-
Effect of discounting	-	-	-	-	-	-	-	-	-	-		-
Gross liabilities for incurred claims	-	-	-	-	-	36,903,966	31,473,715	42,088,535	26,545,428	15,199,202		152,210,846

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

Net claims development

	Accident year											Total Kes '000
	2014 Kes '000	2015 Kes '000	2016 Kes '000	2017 Kes '000	2018 Kes '000	2019 Kes '000	2020 Kes '000	2021 Kes '000	2022 Kes '000	2023 Kes '000		
Estimates of undiscounted ultimate gross claims												
At end of accident year	-	-	-	-	-	3,524,444	3,758,618	6,710,568	6,232,237	7,599,601	27,825,468	
One year later	-	-	-	-	-	3,727,916	3,981,340	7,133,482	7,040,477	-	21,883,215	
Two years later	-	-	-	-	-	3,734,499	3,994,106	7,200,217	-	-	14,928,822	
Three years later	-	-	-	-	-	3,736,080	4,002,793	-	-	-	7,738,873	
Four years later	-	-	-	-	-	3,729,044	-	-	-	-	3,729,044	
Five years later	-	-	-	-	-	-	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	-	-	-	
Seven years later	-	-	-	-	-	-	-	-	-	-	-	
Eight years later	-	-	-	-	-	-	-	-	-	-	-	
Nine years later	-	-	-	-	-	-	-	-	-	-	-	
Cumulative gross claims paid	-	-	-	-	-	18,451,983	15,736,857	21,044,267	13,272,714	7,599,601	76,105,422	
Net liabilities for accident years from 2014-2023	-	-	-	-	-	36,903,966	31,473,715	42,088,535	26,545,428	15,199,202	152,210,846	
Net liabilities for prior accident years	-	-	-	-	-	-	-	-	-	-	-	
Effect of discounting	-	-	-	-	-	-	-	-	-	-	-	
Net liabilities for incurred claims	-	-	-	-	-	36,903,966	31,473,715	42,088,535	26,545,428	15,199,202	152,210,846	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For contracts without fixed terms, it is assumed that the Group will be able to increase mortality risk charges in future years in line with emerging mortality experience.

Estimates are also made as to future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

The following tables illustrate the Group's concentration of insurance risk. The tables disclose the range of individual insured risk (sums assured) for the principal classes of business underwritten by the Group.

Year ended 31 December 2023		Maximum insured loss				
Class of business		Kes 0 m - Kes 15m	Kes 15m - Kes 250m	Kes 250m - Kes 1000m	Kes 1000m +	Total
Short-term business		Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Corporate	Gross	436,387	30,112,414	39,125,775	110,282,070	179,956,646
	Net	436,387	28,949,442	39,125,775	110,282,070	178,793,674
SME	Gross	3,926,089	17,351,538	2,317,470	-	23,595,097
	Net	3,875,025	17,351,538	2,317,470	-	23,544,033
Personal	Gross	38,601,448	245,910	-	-	38,847,358
	Net	38,596,091	245,910	-	-	38,842,001
Long-term business						
Ordinary life	Gross	37,832,274	2,000,050	180,435	105,758	40,118,518
	Net	31,439,781	865,058	14,931	3,733	32,323,503
Group life	Gross	624,326,748	446,335,266	17,389,919	1,854,805	1,089,906,738
	Net	428,410,367	98,561,545	1,173,543	46,409	528,191,864
Total	Gross	705,122,946	496,045,178	59,013,600	112,242,633	1,372,424,356
	Net	502,757,651	145,973,492	42,631,719	110,332,212	801,695,074

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

Year ended 31 December 2022		Maximum insured loss				
Class of business						
Short-term business		Kes 0 m - Kes 15m	Kes 15m - Kes 250m	Kes 250m - Kes 1000m	Kes 1000m +	Total
		Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Corporate	Gross	432,230	28,869,381	38,753,040	109,231,458	177,286,109
	Net	432,230	28,052,145	38,753,040	109,231,458	176,468,873
SME	Gross	3,757,615	17,186,237	2,295,392	-	23,239,244
	Net	3,752,913	17,186,237	2,295,392	-	23,234,542
Personal	Gross	38,318,142	243,567	-	-	38,561,709
	Net	38,283,947	243,567	-	-	38,527,514
Long-term business						
Ordinary life	Gross	29,103,575	21,260,241	91,467	89,861	50,545,144
	Net	28,771,997	21,068,031	6,343	3,172	49,849,543
Group life	Gross	674,241,979	519,482,769	5,914,715	992,431	1,200,631,894
	Net	445,486,301	135,564,152	3,650,147	26,747	584,727,347
Total	Gross	745,853,541	587,042,195	47,054,614	110,313,750	1,490,264,099
	Net	516,727,388	202,114,132	44,704,922	109,261,377	872,807,819

(i) Financial risk

The Group is exposed to financial risk through its financial assets, financial liabilities (investment contract), reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. These risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an asset liability management (ALM) framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained. The Group has exposure to the following risks arising from financial instruments:

(a) Market risk

Market risk will apply to quoted equity investments valued through profit or loss as well as those through equity, balances and investments carried in currencies other than reporting currency and investments in associates and investments that are translated to the Group reporting currency.

(i) Foreign exchange risk

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Uganda shilling and Tanzania Shilling, Mauritius Rupee and Burundi Francs. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Group manages foreign exchange risk arising from future commercial transactions and recognized assets and liabilities by maintaining Dollar currency deposits to reduce loss against fluctuation in currency. Currency exposure arising from the net assets of foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Risk arises from the Group's investments in its overseas operations. The Group's structural foreign currency exposure is represented by the net asset value of the foreign currency. Gains or losses on structural foreign currency exposures are taken to reserves.

The Group had the following significant foreign currency exposures (all amounts expressed in Kenya Shillings thousands):

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

Group

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Burundi Francs	Total
As at 31 December 2023:	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS					
Deposit with financial institutions	664,441	1,102,156	494,208	672,872	2,933,677
Cash and bank balances	49,955	751,170	336,447	60,595	1,198,167
Total assets	714,396	1,853,326	830,655	733,467	4,131,844
LIABILITIES					
Insurance contract liabilities	-	8,956,388	3,355,322	731,603	13,043,313
Reinsurance contract liabilities	-	232,134	-	-	232,134
Total liabilities	-	9,188,522	3,355,322	731,603	13,275,447
Net position	714,396	(7,335,196)	(2,524,667)	1,864	(9,143,604)

	US Dollar	Uganda Shillings	Tanzania Shillings	Burundi Francs	Total
As at 31 December 2022	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS					
Deposit with financial institutions	415,217	1,062,444	320,375	684,966	2,483,002
Cash and bank balances	31,054	362,993	184,192	64,068	642,307
Total assets	446,271	1,425,437	504,567	749,034	3,125,309
LIABILITIES					
Insurance contract liabilities	-	6,231,874	2,286,849	644,304	9,163,027
Reinsurance contract liabilities	37,914	130,684	-	-	168,598
Total liabilities	37,914	6,362,558	2,286,849	644,304	9,331,625
Net position	408,357	(4,937,121)	(1,782,282)	104,730	(6,206,316)

At 31 December 2023, if the Shilling had weakened/strengthened by 10% against the US dollar/Ugx/Tzs/Mrp/BIF with all other variables held constant, the post-tax profit for the year would have been Kes 914 million (2022: Kes 621 million) higher/lower.

Company

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Burundi Francs	Total
As at 31 December 2023:	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS					
Due from related parties	-	59,428	360,651	122	420,201
Deposit with financial institutions	116,022	-	-	-	116,022
Cash and bank balances	-	69,942	-	-	69,942
Total assets	116,022	129,370	360,651	122	606,165
LIABILITIES					
Due to related parties	-	94,243	17,544	39,047	150,834
Total liabilities	-	94,243	17,544	39,047	150,834
Net position	116,022	35,127	343,107	-38,925	455,331

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(a) Market Risk (continued)

(i) Foreign exchange risk (continued)

At 31 December 2022, if the Shilling had weakened/strengthened by 10% against the US dollar/Ugx/Tzs/Mrp/BIF with all other variables held constant, the post-tax profit for the year would have been Kes 45 million (2022: Kes 55 million) higher/lower, mainly as a result of US dollar receivables and bank balances in the Kenyan entity.

Company

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Mauritius Rupees	Burundi Francs	Total
As at 31 December 2022:	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS						
Due from related parties	-	27,603	91,606	20,094	-	139,303
Deposit with financial institutions	2,722	-	-	-	-	2,722
Cash and bank balances	-	10,514	-	-	-	10,514
Total assets	2,722	38,117	91,606	20,094	-	152,539
LIABILITIES						
Due to related parties	-	650,025	17,729	-	40,181	707,935
Total liabilities	-	650,025	17,729	-	40,181	707,935
Net position	2,722	(611,908)	73,877	20,094	(40,181)	(555,396)

The Group's exposure to the foreign currency risk of its subsidiaries and associated companies (where the entity's reporting currency is not Kenya Shilling linked) is summarized in the tables below by country and reporting currency:

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Burundi Francs
As at 31 December 2023:	Kes '000	Kes '000	Kes '000	Kes '000
Subsidiaries				
Jubilee Uganda	-	27,633,907	-	-
Jubilee Tanzania	-	-	5,879,121	-
Jubilee Burundi	-	-	-	1,310,811
Associates				
Bujagali Holdings Power Company Limited	11,565,106	-	-	-
IPS Cable Systems Limited	4,582,313	-	-	-
Jubilee Allianz General (U) Insurance Company Limited	-	1,018,148	-	-
Jubilee Allianz Insurance Company Tanzania	-	-	186,814	-
Jubilee Allianz Insurance Company Burundi	-	-	-	66,116
Group gross foreign currency exposure	16,147,419	28,268,985	6,065,935	1,376,927
Non-controlling interest foreign currency exposure	-	153,410	(26,040)	(10,128)
Net foreign currency exposure	16,147,419	28,422,395	6,039,895	1,366,799
Exchange Rates				
Closing rate at 31 December 2023	156.4618	24.1915	16.0744	18.2065
Average rate during the year 2023	139.9177	26.8290	17.3807	17.4750

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(a) Market Risk (continued)

(i) Foreign exchange risk (continued)

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Burundi Francs
As at 31 December 2022:	Kes '000	Kes '000	Kes '000	Kes '000
Subsidiaries				
Jubilee Uganda	-	21,943,949	-	-
Jubilee Tanzania	-	-	4,366,444	-
Jubilee Burundi	-	-	-	1,184,159
Associates	-	-	-	-
Bujagali Holdings Power Company Limited	9,428,428	-	-	-
IPS Cable Systems Limited	3,151,206	-	-	-
Jubilee Allianz General (U) Insurance Company Limited	-	954,201	-	-
Group gross foreign currency exposure	12,579,634	22,898,150	4,366,444	1,184,159
Non-controlling interest foreign currency exposure		122,798	(83,513)	6,892
Net foreign currency exposure	12,579,634	23,020,949	4,282,931	1,191,051
Exchange Rates				
Closing rate at 31 December 2022	123.3735	30.1119	18.9182	16.8000
Average rate during the year 2022	118.2559	30.6974	19.6186	17.2147

The Group undertakes transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters using forward foreign exchange contracts and cross-currency interest rate swaps. The carrying amounts of the Group's foreign currency denominated insurance contracts issued and reinsurance contracts held are as follow:

	Insurance contracts issued		Reinsurance contracts held	
	In asset position	In liability position	In asset position	In liability position
2023	Kes '000	Kes '000	Kes '000	Kes '000
US Dollar	-	-	-	-
Uganda Shillings	9,581	(9,318,831)	2,995,489	(232,134)
Tanzania Shillings	-	(2,438,374)	594,934	(107,725)
Burundi Francs	(257)	(61,318)	1,033	(31,168)
Total	9,324	(11,818,522)	3,591,456	(371,027)

	Insurance contracts issued		Reinsurance contracts held	
	In asset position	In liability position	In asset position	In liability position
2022	Kes '000	Kes '000	Kes '000	Kes '000
US Dollar	-	-	-	-
Uganda Shillings	55,718	(6,415,165)	2,065,829	(130,684)
Tanzania Shillings	11,505	(1,441,673)	510,469	(29,103)
Burundi Francs	(20,861)	(85,288)	3,078	(18,337)
Total	46,362	(7,942,126)	2,579,376	(178,124)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in quoted shares classified either as financial assets at fair value through other comprehensive income or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group. All quoted shares held by the Group are traded on the Nairobi Securities Exchange (NSE), the Uganda Securities Exchange (USE) and Dar es Salaam Stock Exchange (DSE). The following group and company assets were subject to price risk at the end of the year:

	Group		Company	
	Kes '000 2023	Kes '000 2022	Kes '000 2023	Kes '000 2022
Government securities at fair value through profit or loss	6,559,247	7,424,563	3,914,809	4,905,233
Quoted equity investments at fair value through profit or loss	3,429,567	4,725,101	-	-
Quoted equity investments at fair value through other comprehensive income	863,299	693,065	580,889	324,457
Total Exposure	10,852,113	12,842,729	4,495,698	5,229,690

Group

At 31 December 2023, if the NSE, USE and DSE, indices had increased/decreased by 10% (2022:10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation to the index, the post-tax profit would have been Kes 240 million (2022: Kes 303 million) higher/lower, while post-tax other comprehensive income would have been Kes 60 million (2022: Kes. 49 million) higher/lower.

Company

At 31 December 2023 the securities held by the Company are traded on the Nairobi Securities Exchange and Uganda Securities Exchange (USE). If the NSE and USE indices had increased/decreased by 10% with all other variables held constant, all the company's equity instruments would move according to the historical correlation to the index, the post-tax other comprehensive income would have been Kes 40 million (2022: Kes. 23 million) higher/lower.

(b) Cash flow and fair value interest rate risk

Fixed interest rate financial instruments expose the Group to fair value interest rate risk. Variable interest rate financial instruments expose the Group to cash flow interest rate risk. The Group's fixed interest rate financial instruments are government securities, deposits with financial institutions and corporate bonds. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

The following assets were subject to fair value interest risk at the end of the year:

	Group		Company	
	Kes '000 2023	Kes '000 2022	Kes '000 2023	Kes '000 2022
Government securities at amortised cost	115,719,071	100,741,511	-	-
Government securities at fair value through profit or loss	6,559,247	7,424,563	3,914,809	4,905,233
Deposits with financial institutions	7,035,221	4,002,632	809,369	440,856
Corporate bonds at amortised cost	8,078	8,978	-	-
Total Exposure	129,321,617	112,177,684	4,724,178	5,346,089

At 31 December 2023, if the interest rates applicable to the above-mentioned financial instruments had increased/decreased by 10% (2022:10%) with all other variables held constant, the change in the post-tax profit would not have been significant as the call deposits are held in the interim and placed in fixed interest rate instruments.

The group considers the interest paying floating rate borrowing to be relatively immaterial compared to the total assets held and furthermore this will be run down in a few years. Thus, the shock due to the fluctuations is not considered to represent a significant financial risk to the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets. Key areas where the Group is exposed to credit risk are:

- insurance contract assets arrangements;
- reinsurance contract assets arrangements;
- corporate bonds;
- deposits with banks;
- government securities;
- mortgage receivables;
- Other receivables; and

The Group structures the levels of credit risk it accepts by dealing with institutions with good credit ratings and placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to annual or more frequent reviews. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and the credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

Management information reported to the Group includes details of provisions for impairment on financial assets at amortized cost and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the Company procedures on credit.

Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company risk department.

The credit quality of financial assets is assessed by reference to external credit ratings if available. Where external credit ratings are not available the counterparty is assessed based on historical information available relating to the counterparty default rates.

The Group classifies counterparties as follows, based on their internal credit ratings where available.

The maximum exposure of the Group to credit risk (financial instruments subject to impairment) as at the balance sheet date is as follows:

	Stage 1	Stage 2	Stage 3	Total
	Kes '000	Kes '000	Kes '000	Kes '000
31 December 2023				
Government Securities at amortised cost	115,719,071	-	-	115,719,071
Mortgage loans	23,105	-	-	23,105
Other receivables	2,426,140	-	-	2,426,140
Loan	3,903,505	-	-	3,903,505
Deposits with financial institutions	7,035,221	-	-	7,035,221
Cash at Bank	2,161,408	-	-	2,161,408
Exposure to Credit Risk	131,268,450	-	-	131,268,450
	Stage 1	Stage 2	Stage 3	Total
	Kes '000	Kes '000	Kes '000	Kes '000
31 December 2022				
Government Securities at amortised cost	100,741,511	-	-	100,741,511
Mortgage loans	26,275	-	-	26,275
Other receivables	3,824,004	-	-	3,824,004
Loan	3,172,707	-	-	3,172,707
Deposits with financial institutions	4,002,631	-	-	4,002,631
Cash at Bank	2,147,888	-	-	2,147,888
Exposure to Credit Risk	113,915,016	-	-	113,915,016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(c) Credit risk (continued)

No collateral is held for any of the above assets other than the staff mortgage loans and car loans included under the other receivables. Properties in relation to staff mortgage loans are charged to the group as collateral and in relation to staff motor vehicle loans the motor vehicle log books/registration documents are registered in joint names noting Jubilee as the financier and deposited with the Company.

The surrender value of the life insurance policies and title documents are held as collateral for loans on life policies and mortgage loans respectively. All receivables that are neither past due nor impaired are within their approved credit limit, and no receivables have had their terms negotiated.

The following table provides the amounts representing the maximum exposure to credit risk at the end of the reporting period:

Reinsurance contract assets	2023	2022
Concentration by region	Kes '000	Kes '000
Kenya	779,032	781,451
Tanzania	487,209	510,469
Uganda	2,995,489	2,065,829
Other	1,033	3,078
Total	4,262,763	3,360,826

Insurance contracts issued and reinsurance contracts held

The following table provides the amounts representing the maximum exposure to credit risk at the end of the reporting period:

	2023	2022
	Kes '000	Kes '000
Insurance contracts issued	(129,445,987)	(114,395,062)
Reinsurance contracts held	3,985,986	3,177,234
Total	(125,460,001)	(111,217,828)

Loss Allowance

The loss allowance recognised in the period is impacted by a variety of factors, such as:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit impaired in the period, and the consequent 'step-up' (or 'step-down') between 12 month and Lifetime ECL;
- Additional allowance for new financial instruments recognised in the period, as well as releases for financial instruments;
- Impact on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind with ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;
- Financial assets de-recognised during the period and write off of allowances related to assets that were written off during the period.

The table below explains the changes in the loss allowance between the beginning and the end of the annual period due to these factors

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

iii) Financial risk (continued)

(c) Credit risk (continued)

Group

	Government Securities	Deposits with financial institutions	Cash and Bank balances	Corporate bonds	Insurance receivables	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
As at 1 January 2023	22,876	(3,619)	(517)	9	(407,480)	(388,731)
Movement in provisions	(4,623)	(7,302)	-	-	7,635	(4,290)
As at 31 December 2023	18,253	(10,921)	(517)	9	(399,845)	(393,021)
As at 1 January 2022	30,503	(2,376)	1,443	-	(318,198)	(288,628)
Movement in provisions	(7,627)	(1,243)	(1,960)	9	(89,282)	(100,103)
As at 31 December 2022	22,876	(3,619)	(517)	9	(407,480)	(388,731)

Maximum exposure to credit risk - financial instruments not subject to impairment

Maximum Exposure to credit risk	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Government securities at fair value through profit or loss	6,559,247	7,424,563	3,914,809	4,905,233
Total	6,559,247	7,424,563	3,914,809	4,905,233

There was no loss allowance recognized in the financial statements of the Company.

(d) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.

The Group is exposed to daily calls on its available cash for claims settlement and other administration expenses. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum level of bank overdraft facilities that should be in place to cover expenditure at unexpected levels of demand.

The table below presents the undiscounted cash flows payable by the Group under financial and other liabilities by remaining contractual maturities at the reporting date except for insurance contract liabilities and investment contracts liabilities. Cash flows payable by the Group under insurance contract liabilities and Investment contracts with DPf are presented based on expected maturities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)
(ii) Financial risk (continued)
(d) Liquidity risk (continued)
Group

Year ended 31 December 2023	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Assets					
Mortgage loans	-	-	3,465	19,638	23,103
Government securities	395,877	4,294	4,833,696	117,044,451	122,278,318
Other receivables	360,613	277,853	979,254	808,421	2,426,140
Loan receivables through profit and loss	1,327,192	2,576,313	-	-	3,903,505
Insurance and reinsurance receivables	682,042	2,600,286	980,436	-	4,262,764
Deposits with financial institutions and cash and bank balances	1,082,518	2,118,227	3,834,476	-	7,035,221
Total assets	3,848,242	7,576,973	9,631,327	114,883,798	135,940,341
Liabilities					
Lease liabilities	63,357	84,475	42,238	288,807	478,877
Dividend and other payables	1,125,346	1,375,423	3,751,153	-	6,251,922
Insurance contract liabilities	1,712,797	1,451,315	10,786,862	115,495,013	129,445,987
Reinsurance contract liabilities	-	-	276,778	-	276,778
Total liabilities	2,901,500	2,911,213	14,857,031	115,783,820	136,453,564
Excess/ (shortfall) of assets over liabilities	946,742	4,665,760	(5,225,704)	(900,022)	(513,223)

Year ended 31 December 2022	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Assets					
Mortgage loans	-	-	3,943	22,332	26,275
Government securities	-	336,432	2,842,400	104,987,241	108,166,073
Other receivables	-	1,123,628	1,214,389	1,485,987	3,824,004
Loan receivables through profit and loss	-	-	-	3,172,707	3,172,707
Reinsurance contract assets	-	1,101,125	2,140,571	90,027	3,331,723
Deposits with financial institutions and cash and bank balances	-	828,915	3,143,036	30,681	4,002,632
Total assets	-	3,390,100	9,344,339	109,788,975	122,523,414
Liabilities					
Lease liabilities	6,328	43,848	213,409	186,533	450,118
Dividend and other payables	5,068	16,691	3,322,725	913,731	4,258,216
Insurance contract liabilities	309,980	1,031,178	7,758,595	105,295,309	114,395,062
Reinsurance contract liabilities	39,047	65,639	49,803	-	154,489
Total liabilities	360,423	1,157,356	11,344,532	106,395,573	119,257,884
Excess/ (shortfall) of assets over liabilities	(360,423)	2,232,744	(2,000,193)	3,393,402	3,265,530

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(d) Liquidity risk (continued)

Company

Year ended 31 December 2023	Up to 1 month Kes '000	1 to 3 months Kes '000	3 to 12 months Kes '000	Over 1 year Kes '000	Total Kes '000
Assets					
Due from related parties	929,518	-	-	-	929,518
Other receivables	-	551,293	-	-	551,293
Deposits with financial institutions	-	809,369	-	-	809,369
Cash and bank balances	-	429,378	-	-	429,378
Debt instrument at Fair value through profit or loss	-	-	1,325,609	-	1,325,609
Total assets	929,518	1,790,040	1,325,609	-	4,045,167
Liabilities					
Due to related parties	150,834	-	-	-	150,834
Dividend and other payables	501,690	253,570	-	-	755,260
Total liabilities	652,524	253,570	-	-	906,094
(shortfall)/ excess of assets over liabilities	276,994	1,536,470	1,325,609	-	3,139,073

Year ended 31 December 2022	Up to 1 month Kes '000	1 to 3 months Kes '000	3 to 12 months Kes '000	Over 1 year Kes '000	Total Kes '000
Assets					
Due from related parties	245,907	-	-	-	245,907
Other receivables	-	1,605,973	-	-	1,605,973
Deposits with financial institutions	-	440,856	-	-	440,856
Cash and bank balances	-	189,907	-	-	189,907
Debt instrument at Fair value through profit or loss	-	-	1,116,482	-	1,116,482
Total assets	245,907	2,236,736	1,116,482	-	3,599,125
Liabilities					
Due to related parties	220,449	-	-	-	220,449
Dividend and other payables	492,038	412,720	-	-	904,758
Total liabilities	712,487	412,720	-	-	1,125,207
(shortfall)/ excess of assets over liabilities	(466,580)	1,824,016	1,116,482	-	2,473,918

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as fair value through profit or loss and fair value through other comprehensive income. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group

As at 31 December 2023	Note	Carrying Amount					Fair value and hierarchy					
		Designated at fair value through P&L Kes '000	Amortised cost Kes '000	Designated at fair value through OCI Kes '000	Other financial liabilities Kes '000	Total Kes '000	Level 1 Kes '000	Level 2 Kes '000	Level 3 Kes '000	Total Kes '000		
Financial assets												
Equity securities	19 & 23	10,312,829	-	1,559,182	-	11,872,011	4,292,865	-	7,579,146	-	-	-
Mortgage loans	22 (i)	-	23,105	-	-	23,105	-	23,105	-	-	23,105	23,105
Government securities	20	6,559,247	115,719,071	-	-	122,278,318	122,278,318	-	-	-	122,278,318	122,278,318
Other receivables	24	-	2,426,140	-	-	2,426,140	-	2,426,140	-	-	2,426,140	2,426,140
Debt instrument at Fair value through profit or loss	20	3,903,505	-	-	-	3,903,505	-	3,903,505	-	-	3,903,505	3,903,505
Deposits with financial institutions Cash and bank balances	25	-	9,196,629	-	-	9,196,629	-	9,196,629	-	-	9,196,629	9,196,629
		20,775,581	127,364,945	1,559,182	-	149,699,708	124,571,183	15,549,379	7,579,146	149,699,708	149,699,708	149,699,708
Financial liabilities not measured at fair value												
Other payables	27	-	-	-	(5,750,232)	(5,750,232)	-	-	(5,750,232)	-	(5,750,232)	(5,750,232)
Dividend payable	34 (ii)	-	-	-	(501,690)	(501,690)	-	-	(501,690)	-	(501,690)	(501,690)
Insurance contract liabilities	28	-	(129,445,987)	-	-	(129,445,987)	-	-	(129,445,987)	-	(129,445,987)	(129,445,987)
Reinsurance contract liabilities	28	-	276,778	-	-	276,778	-	-	276,778	-	276,778	276,778
		-	(129,169,209)	-	(6,251,922)	(135,421,131)	-	-	(135,421,131)	-	(135,421,131)	(135,421,131)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) **Financial risk (continued)**

(e) **Fair value estimation (continued)**

Group

	Note	Carrying Amount					Fair value and hierarchy			
		Designated at fair value through P&L Kes '000	Amortised cost Kes '000	Designated at fair value through OCI Kes '000	Other financial liabilities Kes '000	Total Kes '000	Level 1 Kes '000	Level 2 Kes '000	Level 3 Kes '000	Total Kes '000
Financial assets										
Equity securities	19 & 23	10,828,707	-	1,744,141	-	12,572,848	754,371	-	11,818,477	12,572,848
Mortgage loans	22 (i)	-	26,275	-	-	26,275	-	26,275	-	26,275
Government securities	20	9,480,788	100,741,511	-	-	110,222,299	110,222,299	-	-	110,222,299
Other receivables	24	-	3,824,004	-	-	3,824,004	-	3,824,004	-	3,824,004
Debt instrument at Fair value through profit or loss	20	1,116,482	-	-	-	1,116,482	-	1,116,482	-	1,116,482
Deposits with financial institutions	25	-	6,150,521	-	-	6,150,521	-	6,150,521	-	6,150,521
Deposits with bank balances		21,425,977	110,742,311	1,744,141	-	133,912,429	110,976,670	11,117,282	11,818,477	133,912,429
Financial liabilities not measured at fair value										
Other payables	27	-	-	-	(3,766,178)	(3,766,178)	-	-	(3,766,178)	(3,766,178)
Dividend payable	34 (ii)	-	-	-	(492,038)	(492,038)	-	-	(492,038)	(492,038)
Insurance contract liabilities	28	-	(114,395,062)	-	-	(114,395,062)	-	-	(114,395,062)	(114,395,062)
Reinsurance contract liabilities	28	-	(154,489)	-	-	(154,489)	-	-	(154,489)	(154,489)
		-	(114,549,551)	-	(4,258,216)	(118,807,767)	-	-	(118,807,767)	(118,807,767)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(e) Fair value estimation (continued)

Company

	Note	Carrying Amount					Fair value and hierarchy			
		Designated at fair value through profit or loss	Amortised cost	Designated at fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2023		Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Financial assets										
Equity securities	18 & 22	-	-	689,914	-	689,914	580,889	-	109,025	689,914
Other receivables	24	-	551,291	-	-	551,291	-	551,291	-	551,291
Government securities	19	3,914,809	-	-	-	3,914,809	3,914,809	-	-	3,914,809
Loans receivable	20	1,325,609	-	-	-	1,325,609	-	1,325,609	-	1,325,609
Deposits and Cash and bank balances	23 (i)	-	1,238,747	-	-	1,238,747	-	1,238,747	-	1,238,747
		5,240,418	1,790,038	689,914	-	7,720,370	4,495,698	3,115,647	109,025	7,720,370
Financial liabilities										
Other payables	27	-	-	-	(253,568)	(253,568)	-	-	(253,568)	(253,568)
Dividend payable	32 (ii)	-	-	-	(501,690)	(501,690)	-	-	(501,690)	(501,690)
		-	-	-	(755,258)	(755,258)	-	-	(755,258)	(755,258)
31 December 2022		Designated at fair value through profit or loss	Amortised cost	Designated at fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets	Note	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Equity securities	18 & 22	-	-	416,833	-	416,833	324,456	-	92,377	416,833
Other receivables	24	-	1,605,973	-	-	1,605,973	-	1,605,973	-	1,605,973
Government securities	19	4,905,233	-	-	-	4,905,233	4,905,233	-	-	4,905,233
Loans receivable	20	1,116,482	-	-	-	1,116,482	-	1,116,482	-	1,116,482
Deposits and Cash and bank balances	23 (i)	-	630,763	-	-	630,763	-	630,763	-	630,763
		6,021,715	2,236,736	416,833	-	8,675,284	5,229,689	3,353,218	92,377	8,675,284
Financial liabilities										
Other payables	27	-	-	-	(412,720)	(412,720)	-	-	(412,720)	(412,720)
Dividend payable	32 (ii)	-	-	-	(492,038)	(492,038)	-	-	(492,038)	(492,038)
		-	-	-	(904,758)	(904,758)	-	-	(904,758)	(904,758)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(e) Fair value estimation (continued)

The fair value of Government securities at amortised cost and corporate bonds at amortised cost has been computed by reference to the market prices prevailing at the end of the year for the same or similar asset. For the other assets, the fair value approximates the amortised cost.

The movements for the various financial assets are disclosed in the respective notes as indicated.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.
- Valuation of unquoted shares.

The Company uses valuation techniques for valuing unquoted shares that are not based on observable market data. The Company reviewed several valuation techniques and selected a value that is based on discounted cash flow. The critical management judgment is in the selection of the discount rate and the growth rate applied and the determination of normalized earnings for the underlying investments.

(f) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the statement of financial position, are to:

- Comply with the capital requirements as set out in the regulations of the jurisdictions in which the Group entities operate;
- Comply with regulatory solvency requirements as set out in the Insurance Act;
- Safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- Provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The table below summarises the minimum required capital across the Group and the capital held against each of them as at **31 December 2023**. These figures are an aggregate number, being the sum of the statutory share capital in each country subject to local regulatory requirements, which may differ from jurisdiction to jurisdiction.

	2023				
	Kenya	Uganda	Tanzania	Burundi	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Amount of issued and paid up capital	4,846,085	2,951,688	337,398	29,182	8,164,353
Regulatory capital requirements	1,600,000	228,947	117,442	26,430	1,972,819

	2022				
	Kenya	Uganda	Tanzania	Burundi	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Amount of issued and paid up capital	4,846,085	2,951,688	337,398	29,182	8,164,353
Regulatory capital requirements	1,600,000	228,947	117,442	26,430	1,972,819

The Group has different requirements depending on the country in which it operates. The three main countries of operations based on the respective sizes of the businesses are Kenya, Uganda and Tanzania.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

ii) Financial risk (continued)

(f) Capital risk management (continued)

Kenya

In Kenya the Insurance Act requires each insurance Company to hold the minimum level of paid up capital as follows;

- Composite insurance companies Kes 1 billion;
- Short term insurance business companies Kes 600 million; and
- Long term insurance business companies Kes 400 million

Under the Risk Based Solvency requirements, solvency is determined based on the volume of business or implied risk of the asset as determined by the regulator. Insurance companies are required to hold capital equal to 100% of the higher of absolute minimum capital, volume of business or risk based capital minimum. During the year Jubilee Life Insurance Limited (formerly the Jubilee Insurance Company of Kenya Limited) and Jubilee Health Insurance Limited held more than the minimum required capital to stand at 151% (2022: 159%) and 166% (2022: 168%) respectively.

Uganda

In Uganda, statutory capital is based on Section 6 of the Insurance Act, 2011. The two insurance companies in Uganda complied with this requirement during the year.

The Insurance Act, 2011 further requires that 2% of the gross written premium or 15% of the net profit, whichever is greater, be transferred to the contingency reserve until it equals the minimum paid up capital or 50% of the current year's net written premium, whichever is higher.

Additional, for short-term company, the Insurance Act, 2011 requires that 5% of the net profit for the year be transferred to the capital reserve.

The two Ugandan insurance entities were in compliance with the regulatory requirements.

Tanzania

In Tanzania, capital requirement is regulated by regulations 27 (2) (a) of the Insurance Regulations and 27 (2) (b) on contingency reserve.

General insurance businesses are required to transfer 20% of their net profit to the capital reserve and 3% on the net premium or 20% of net profit, whichever is higher, to the contingency reserve.

Long term insurance businesses are required to transfer 1% on premium to the contingency reserve.

The two Tanzanian insurance entities were in compliance with the regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. SEGMENT INFORMATION

(i) OPERATING SEGMENTS

Management has determined operating segments based on the way the Board of Directors who are the Chief operating decision maker, receives reports about business performance and makes strategic decisions. In line with the composite split carried out in the year, management classify the business into health business, life business and investment business. In previous years, the business was classified into health business, life business and investment business. The balance sheet however continues to be reviewed using the health business, life business and investment business. Segment information is set out in the following tables:

Operating Segments	GROUP			
	Kes '000			
For the year ended 31 December 2023	Life	Health	Investments	Total
Insurance revenue	7,676,108	15,101,789	-	22,777,897
Insurance Service Expense	(6,402,000)	(15,423,894)	-	(21,825,894)
Insurance service results from insurance contracts issued	1,274,108	(322,105)	-	952,003
Allocation of reinsurance premiums paid	(955,381)	(827,484)	-	(1,782,865)
Amounts recovered from reinsurance contracts	650,843	856,437	-	1,507,280
Net expenses from reinsurance contracts held	(304,538)	28,953	-	(275,585)
Insurance service results	969,570	(293,152)	-	676,418
Interest revenue from financial assets not measured at FVTPL	12,361,144	896,740	778,027	14,035,911
Net losses on FVTPL investments	(787,795)	(658,137)	(361,483)	(1,807,415)
Net gains from fair value adjustments to investment properties	46,980	39,248	21,556	107,784
Investment income	358,327	299,352	164,420	822,099
Gain on sale of investments at FVTPL	127,807	106,772	58,644	293,223
Foreign exchange gain	361,067	301,641	165,677	828,385
Allowance for expected credit losses	(1,716)	(1,716)	(858)	(4,290)
Total Investment Income	12,465,814	983,900	825,983	14,275,697
Insurance finance income/expenses from insurance contracts issued	(11,053,104)	-	-	(11,053,104)
Finance income/expenses result	(11,053,104)	-	-	(11,053,104)
Net insurance and investment result	2,382,280	690,748	825,983	3,899,011
Gain on disposal of subsidiaries	-	-	246,866	246,866
Other Income	6,830	2,087	111,001	119,918
Other Expenses	(564,696)	(502,316)	(542,483)	(1,609,495)
Total Expenses and other Income	(557,866)	(500,229)	(184,616)	(1,242,711)
Share of results of associate	471,638	286,626	2,034,850	2,793,114
Finance Costs	-	36,399	(175,152)	(138,753)
Group profit before income tax	2,296,052	513,544	2,501,065	5,310,661
Income tax expense	(750,692)	(111,732)	(32,324)	(894,748)
Profit for the year	1,545,360	401,812	2,468,741	4,415,913

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
5. SEGMENT INFORMATION
(i) OPERATING SEGMENTS (CONTINUED)

Operating Segments	GROUP				
	Kes '000				
For the year ended 31 December 2022	Life	Health	Investments	General	Total
Insurance revenue	7,271,621	12,867,507	-	951,743	21,090,871
Insurance Service Expense	(5,734,331)	(13,372,883)	-	(537,115)	(19,644,329)
Insurance service results from insurance contracts issued	1,537,290	(505,376)	-	414,628	1,446,542
Allocation of reinsurance premiums paid	(812,975)	(878,428)	-	-	(1,691,403)
Amounts recovered from reinsurance contracts	586,513	1,074,057	-	-	1,660,570
Net expenses from reinsurance contracts held	(226,462)	195,629	-	-	(30,833)
Insurance service results	1,310,828	(309,747)	-	414,628	1,415,709
Interest revenue from financial assets not measured at FVTPL	10,325,279	765,179	790,399	238,288	12,119,145
Net losses on FVTPL investments	(294,319)	(245,879)	(135,050)	-	(675,248)
Net gains from fair value adjustments to investment properties	(121,167)	(101,225)	(55,597)	-	(277,989)
Investment income	371,254	310,152	170,352	-	851,758
Gain on sale of investments at FVTPL	63,525	53,070	29,148	-	145,743
Foreign exchange gain	361,084	301,655	165,685	-	828,424
Allowance for expected credit losses	(43,632)	(36,451)	(20,020)	-	(100,103)
Total Investment Income	10,662,024	1,046,501	944,917	238,288	12,891,730
Insurance finance income/expenses from insurance contracts issued	(10,935,096)	-	-	-	(10,935,096)
Finance income/expenses result	(10,935,096)	-	-	-	(10,935,096)
Net insurance and investment result	1,037,756	736,754	944,917	652,916	3,372,343
Gain on disposal of subsidiaries	-	-	2,157,498	-	2,157,498
Other Income	89,946	3,459	(99,517)	28,956	22,844
Other Expenses	(159,446)	(161,891)	(195,497)	(741,437)	(1,258,271)
Total Expenses and other Income	(69,500)	(158,432)	1,862,484	(712,481)	922,071
Share of results of associate	197,538	145,738	2,144,390	-	2,487,666
Finance Costs	-	(113,543)	(149,483)	-	(263,026)
Group profit before income tax	1,165,794	610,517	4,802,308	(59,565)	6,519,054
Income tax expense	(373,344)	(118,202)	(504,315)	(14,311)	(1,010,172)
Profit for the year	792,450	492,315	4,297,993	(73,876)	5,508,882

	Kes '000			
As at 31 December 2023	Life	Health	Investments	Total
Total assets	139,566,312	18,633,442	33,496,888	191,696,642
Total liabilities	126,134,826	10,458,051	828,862	137,421,739
Investment in associates	2,606,386	1,832,857	20,765,857	25,205,100

	Kes '000			
As at 31 December 2022	Life	Health	Investments	Total
Total assets	124,662,046	15,992,197	27,971,030	168,625,273
Total liabilities	112,425,540	7,883,112	1,149,000	121,457,652
Investment in associates	2,314,201	1,578,975	16,823,270	20,716,446

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. SEGMENT INFORMATION

(ii) GEOGRAPHICAL SEGMENTS

The Group's geographical segments are Kenya, Uganda, Tanzania, and Burundi. Kenya is the home country of the parent Company. The Group has investments in these geographical segments as per the below table:

For the year ended	Group Kes '000				
	Kenya	Uganda	Tanzania	Burundi	Total
31 December 2023					
Insurance Service results	998,958	135,892	(435,586)	(22,846)	676,418
Net Investment Income	10,000,459	3,768,914	498,507	7,817	14,275,697
Share of associate profit	2,793,114	-	-	-	2,793,114
Group profit before income tax	2,844,926	2,581,162	(82,159)	(33,268)	5,310,661
Total assets	56,872,804	27,633,907	5,879,121	1,310,810	191,696,642
Total liabilities	121,075,805	11,306,833	4,326,515	712,586	137,421,739

For the year ended	Group Kes '000					
	Kenya	Uganda	Tanzania	Burundi	Mauritius	Total
31 December 2022						
Total Insurance service results	1,471,293	(208,477)	108,447	31,042	13,404	1,415,709
Total income from investments	9,730,774	2,467,523	572,959	46,795	73,679	12,891,730
Share of associate profit	2,487,666	-	-	-	-	2,487,666
Group profit before income tax	4,825,032	1,717,508	(99,082)	34,782	40,814	6,519,054
Total assets	141,604,095	21,533,180	4,270,997	1,217,001	-	168,625,273
Total liabilities	108,503,674	9,187,500	2,798,168	968,310	-	121,457,652

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INSURANCE REVENUE

Group

The following tables present an analysis of the insurance revenue recognized in the period.

	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
2023							
Contracts measured under PAA	15,101,789	-	1,706,398	-	-	1,425,743	18,233,930
Expected incurred claims and expenses	-	2,515,762	-	341,751	745,573	-	3,603,086
Change in risk adjustment for nonfinancial risk for risk expired	-	500,974	-	128,171	100,000	-	729,145
CSM recognized for services provided	-	63,000	-	14,293	3,278	-	80,571
Recovery of insurance acquisition cashflows	-	103,944	-	27,221	-	-	131,165
Contracts not measured under the PAA	-	3,183,680	-	511,436	848,851	-	4,543,967
Total Insurance revenue	15,101,789	3,183,680	1,706,398	511,436	848,851	1,425,743	22,777,897

	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	General	Total
2022								
Contracts measured under PAA	12,867,506	-	1,573,222	-	-	1,237,903	951,743	16,630,374
Expected incurred claims and expenses	-	2,220,634	-	344,958	657,217	-	-	3,222,809
Change in risk adjustment for nonfinancial risk for risk expired	-	781,276	-	123,875	90,700	-	-	995,851
CSM recognized for services provided	-	10,582	-	18,813	4,037	-	-	33,432
Recovery of insurance acquisition cashflows	-	172,425	-	16,450	19,530	-	-	208,405
Contracts not measured under the PAA	-	3,184,917	-	504,096	771,484	-	-	4,460,497
Total Insurance revenue	12,867,506	3,184,917	1,573,222	504,096	771,484	1,237,903	951,743	21,090,871

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INSURANCE SERVICE EXPENSE

The tables below show an analysis of insurance service expenses recognised in the period.

2023	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Incurrd claims and other incurred attributable insurance service expenses	(12,027,195)	(2,620,130)	(1,346,755)	(405,378)	(730,325)	(546,233)	(17,676,016)
Changes that relate to future service – losses on onerous groups of contracts and reversal of such losses	(6,556)	(225,252)	31,621	(112,095)	(53,029)	-	(365,311)
Amortisation of insurance acquisition cashflows	-	(103,944)	-	(27,220)	-	-	(131,164)
Other directly attributable expenses	(3,390,144)	(226,486)	(226,486)	(1,717)	(1,717)	(35,056)	(3,653,403)
Total Insurance Expense	(15,423,895)	(2,949,326)	(1,541,620)	(544,693)	(785,071)	(581,289)	(21,825,894)

2022	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	General	Total
Incurrd claims and other incurred attributable insurance service expenses	(10,416,891)	(2,454,214)	(924,905)	(328,920)	(582,634)	(496,938)	(359,868)	(15,564,370)
Changes that relate to future service – losses on onerous groups of contracts and reversal of such losses	(16,337)	(140,688)	(31,864)	(115,571)	13,269	(17,558)	-	(308,749)
Amortisation of insurance acquisition cashflows	-	(172,531)	(172,531)	(16,450)	(19,530)	-	(208,511)	(208,511)
Other directly attributable expenses	(2,970,180)	(379,428)	(379,428)	(35,842)	(177,249)	-	(3,562,699)	(3,562,699)
Total Insurance Expense	(13,403,408)	(2,767,433)	(1,336,197)	(496,783)	(588,895)	(514,496)	(537,117)	(19,644,329)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
8. EXPENSES FROM REINSURANCE CONTRACT HELD

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers, are presented in the tables below.

i) Allocation of reinsurance premiums paid

2023 Kes '000					
<i>Amounts relating to changes in the remaining coverage</i>	Medical	Individual Life	Group Life	Group Credit	Total
Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	(74,690)	-	(136,290)	(210,980)
Contracts not measured under PAA	-	(74,690)	-	(136,290)	(210,980)
Contracts measured under the PAA	(827,484)	-	(744,401)	-	(1,571,885)
Allocation of reinsurance premiums paid	(827,484)	(74,690)	(744,401)	(136,290)	(1,782,865)
2022 Kes '000					
<i>Amounts relating to changes in the remaining coverage</i>	Medical	Individual Life	Group Life	Group Credit	Total
Expected amount recoverable for claims and other insurance service expenses incurred in the period	-	(49,080)	-	(74,868)	(123,948)
Contracts not measured under PAA	-	(49,080)	-	(74,868)	(123,948)
Contracts measured under the PAA	(719,425)	-	(689,028)	-	(1,567,455)
Allocation of reinsurance premiums paid	(719,425)	(49,080)	(689,028)	(74,868)	(1,691,403)

ii) Amounts recovered from reinsurance

2023 Kes '000					
<i>Amounts recoverable for incurred claims and other incurred insurance service expenses</i>	Medical	Individual Life	Group Life	Group Credit	Total
	-	17,234	-	50,216	67,450
Contracts not measured under PAA	-	17,234	-	50,216	67,450
Contracts measured under the PAA	856,436	-	583,394	-	1,439,830
Amounts recovered from reinsurance	856,436	17,234	583,394	50,216	1,507,280
2022 Kes '000					
<i>Amounts recoverable for incurred claims and other incurred insurance service expenses</i>	Medical	Individual Life	Group Life	Group Credit	Total
	-	10,205	-	53,926	64,131
Contracts not measured under PAA	-	10,205	-	53,926	64,131
Contracts measured under the PAA	1,074,056	-	522,383	-	1,596,439
Amounts recovered from reinsurance	1,074,056	10,205	522,383	53,926	1,660,570

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST INCOME

2023 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Loans and advances	16,323	29,926	24,485	5,441	10,882	21,765	108,822
Interest from deposits with financial Institutions	351,373	644,184	527,060	117,124	234,249	468,498	2,342,488
Financial debt securities at amortized cost	1,737,690	3,185,765	2,606,535	579,230	1,158,460	2,316,921	11,584,601
Total	2,105,386	3,859,875	3,158,080	701,795	1,403,591	2,807,184	14,035,911

2022 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Loans and advances	17,016	31,195	25,523	5,672	11,344	22,687	113,437
Interest from deposits with financial Institutions	305,689	560,430	458,534	101,896	203,793	407,586	2,037,928
Financial debt securities at amortized cost	1,495,167	2,741,139	2,242,750	498,389	996,778	1,993,557	9,967,780
Total	1,817,872	3,332,764	2,726,807	605,957	1,211,915	2,423,830	12,119,145

	Company	
	2023	2022
	Kes '000	Kes '000
Loans and advances	-	-
Interest from deposits with financial Institutions	130,078	183,408
Financial debt securities at amortized cost	582,675	565,949
Total	712,753	749,357

10. INVESTMENT INCOME

2023 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Rental income from investment properties	55,465	101,685	83,197	18,488	36,976	73,953	369,764
Dividends from equity investments	67,850	124,392	101,775	22,617	45,234	90,467	452,335
	123,315	226,077	184,972	41,105	82,210	164,420	822,099
Gain on sale of quoted equities	1,294	2,372	1,941	431	863	1,724	8,625
Gain on sale of financial debt securities at fair value	42,690	78,264	64,035	14,230	28,460	56,919	284,598
	43,984	80,636	65,976	14,661	29,323	58,643	293,223
Exchange Gain	124,258	227,806	186,387	41,420	82,838	165,676	828,385

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. INVESTMENT INCOME (CONTINUED)

2022 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Rental income from investment properties	55,896	102,475	83,843	18,632	37,264	74,527	372,637
Dividends from equity investments	71,868	131,758	107,802	23,956	47,912	95,825	479,121
	127,764	234,233	191,645	42,588	85,176	170,352	851,758

Gain on sale of quoted equities	12,539	22,989	18,809	4,180	8,360	16,719	83,596
Gain on sale of financial debt securities at fair value	9,322	17,090	13,983	3,107	6,215	12,430	62,147
	21,861	40,079	32,792	7,287	14,575	29,149	145,743

Exchange Gain	124,264	227,817	186,396	41,421	82,843	165,683	828,424
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	Company	
	2023 Kes '000	2022 Kes '000
Dividends from equity investments	42,945	17,366
Dividends received from subsidiaries	502,282	761,766
Dividends received from associates	56,254	165,794
Total	601,481	944,926

Direct operating expenses arising on investment properties that generated rental income amounted to Kes 136 million (2022: Kes 140 million). There are no investment properties that did not generate rental income.

11. OTHER INCOME

	Group		Company	
	2023 Kes '000	2022 Kes '000	2023 Kes '000	2022 Kes '000
Miscellaneous income	119,918	22,844	109,779	1,093
Total	119,918	22,844	109,779	1,093

Miscellaneous income is made up of administration charges and policy charges.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. NET INSURANCE FINANCE EXPENSE

Finance expenses from insurance contracts issued

2023							
<i>Insurance finance expenses from insurance contracts issued</i>	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Interest accreted	-	(2,369,307)	(770,761)	(78,148)	(21,171)	-	(3,239,387)
Effect of changes in interest rates and other financial assumptions		176,945	250,939		(1,163)	-	426,721
Changes in fair value of underlying items of direct participating contracts		-	-	-	-	(8,240,438)	(8,240,438)
Total	-	(2,192,362)	(519,822)	(78,148)	(22,334)	(8,240,438)	(11,053,104)

2022							
<i>Insurance finance expenses from insurance contracts issued</i>	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Interest accreted	-	(2,146,397)	-	(393,644)	(2,336,128)	-	(4,876,169)
Effect of changes in interest rates and other financial assumptions	-	135,053		612,835	556	-	748,444
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	-	(6,807,371)	(6,807,371)
Total	-	(2,011,344)	-	219,191	(2,335,572)	(6,807,371)	(10,935,096)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. (I) OPERATING EXPENSE

The breakdown of operating expenses for both attributable and non-attributable is given below:

OPERATING EXPENSES	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Employee benefits expense (note 13 (ii))	2,585,757	2,209,402	11,321	9,065
Premium tax and policy holder compensation fund	448,735	413,130	-	-
Depreciation and Amortization	230,180	176,516	26,902	5,175
Marketing costs	402,959	400,766	28,839	15,286
Professional fees	465,431	132,727	253,598	43,867
Travelling costs	81,560	53,012	9,270	8,398
Communication costs	36,786	49,926	11,717	5,390
Auditor's' remuneration	54,331	30,662	1,011	3,908
Administrative costs*	1,628,114	1,260,412	39,776	48,123
Repairs and maintenance expenditure	42,756	94,764	12,250	2,428
Total	5,976,609	4,821,317	394,684	141,640

* Administrative costs comprise motor vehicles maintenance, security, professional subscriptions, newspapers, trade license, and insurance.

The below table comprises of all the non-attributable/ other expenses that are not directly impacting insurance business. It is inclusive of the subsidiary's expenses.

OTHER EXPENSES	Group	
	2023	2022
	Kes '000	Kes '000
Employee benefits expense	550,027	465,274
Depreciation and Amortization	77,948	21,776
Marketing costs	54,158	18,613
Professional fees	240,225	194,047
Travelling costs	9,745	12,653
Communication costs	11,717	13,212
Auditor's' remuneration	5,720	10,897
Administrative costs	647,705	463,225
Repairs and maintenance expenditure	12,250	58,574
Total	1,609,495	1,258,271

13 (ii) EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Salaries and wages	2,249,013	1,941,979	-	-
Social security costs	35,638	55,630	-	-
Retirement benefit costs – defined contribution plan	35,264	23,112	-	-
Other benefits	265,842	188,681	11,321	9,065
Total	2,585,757	2,209,402	11,321	9,065

* Other benefits include staff training, staff medical cover expenses, club subscriptions, staff relocation and other staff welfare expenses.

As at 31 December 2023, 902 (2022: 867) staff were employed within the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. (iii) KEY MANAGEMENT COMPENSATION AND DIRECTORS' REMUNERATION

Key management compensation & directors fees	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Salaries and other employment benefits	202,746	682,300	294	-
Fees for services as directors	13,005	3,221	3,360	3,480
Total	215,751	685,521	3,654	3,480

There were no loans given to Directors in the year ended 31 December 2023 (2022: Nil).

13. (iv) EARNINGS PER SHARE

Earnings per ordinary share is calculated by dividing the net profit attributable to Shareholders by the number of shares outstanding at the end of the year.

	Group		Company	
	2023	Restated 2022	2023	2022
Net profit attributable to Shareholders (Kes '000)	4,298,674	5,402,186	994,891	3,493,946
Number of ordinary shares in issue ('000)	72,473	72,473	72,473	72,473
Earnings per share (Kes)-Basic and diluted	59	75	14	48

There were no potentially dilutive shares in issue at 31 December 2023 and 31 December 2022. Diluted earnings per share are therefore the same as basic earnings per share.

14. FAIR VALUE MOVEMENTS ON FINANCIAL ASSETS

(i) Through profit or loss

2023 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Fair value (losses) on quoted equity investments (Note 23)	(182,942)	(335,393)	(274,413)	(60,981)	(121,961)	(243,922)	(1,219,612)
Fair value gains on unquoted equity investments (Note 19)	(11,208)	(20,547)	(16,811)	(3,736)	(7,472)	(14,943)	(74,717)
Fair value (losses) on government securities (Note 20)	(72,493)	(132,903)	(108,739)	(24,164)	(48,329)	(96,657)	(483,285)
Fair value gains on debt securities at FVTPL	(4,470)	(8,195)	(6,705)	(1,490)	(2,980)	(5,961)	(29,801)
Total	(271,113)	(497,038)	(406,668)	(90,371)	(180,742)	(361,483)	(1,807,415)

2022 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Fair value (losses) on quoted equity investments (Note 23)	(159,641)	(292,675)	(239,461)	(53,214)	(106,427)	(212,853)	(1,064,271)
Fair value gains on unquoted equity investments (Note 19)	22,402	41,070	33,602	7,467	14,934	29,869	149,344
Fair value (losses) on government securities (Note 20)	(39,036)	(71,566)	(58,554)	(13,012)	(26,024)	(52,047)	(260,239)
Fair value gains on debt securities at FVTPL	74,988	137,477	112,482	24,996	49,992	99,983	499,918
Total	(101,287)	(185,694)	(151,931)	(33,763)	(67,525)	(135,048)	(675,248)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. (A) FAIR VALUE MOVEMENTS ON FINANCIAL ASSETS (CONTINUED)

(i) Through profit or loss

	Company	
	2023	2022
	Kes '000	Kes '000
Fair value gains on unquoted equity investments (Note 19)	(387,080)	-
Fair value (losses) on government securities (Note 20)	-	(252,477)
Fair value gains on debt securities at FVTPL	-	534,978
Exchange differences	209,127	-
Total	(177,953)	282,501

(ii) Through other comprehensive income

2023 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Fair value (loss) on financial asset (Note 23)	(25,619)	(46,968)	(38,428)	(8,540)	(17,079)	(34,158)	(170,792)
Fair value gain on financial asset (Note 19)	2,497	4,578	3,746	832	1,665	3,330	16,648
Fair value gain on PPE	26,438	48,470	39,657	8,813	17,625	35,250	176,253
Total	3,316	6,080	4,975	1,105	2,211	4,422	22,109

2022 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Fair value (loss) on financial asset (Note 23)	(12,723)	(23,326)	(19,085)	(4,241)	(8,482)	(16,966)	(84,823)
Fair value gain on financial asset (Note 19)	(5,041)	(9,242)	(7,561)	(1,680)	(3,361)	(6,721)	(33,606)
Fair value gain on PPE	59,080	108,313	88,620	19,693	39,387	78,772	393,865
Loss on disposal	28,731	52,674	43,097	9,577	19,154	38,308	191,541
Total	70,047	128,419	105,071	23,349	46,698	93,393	466,977

	Company	
	2023	2022
	Kes '000	Kes '000
Fair value (loss) on financial asset (Note 23)	(45,951)	(41,512)
Fair value gain on financial asset (Note 19)	16,648	9
Loss on disposal	-	(17,061)
Total	(29,303)	(58,564)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. (B) DISCLOSURE AND EXPLANATION OF INSURANCE FINANCE INCOME AND EXPENSES

An analysis of net investment income and net insurance finance expenses by product line is presented below:

2023 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Loans and advances	16,323	29,926	24,485	5,441	10,882	21,765	108,822
Interest from deposits with financial Institutions	351,373	644,184	527,060	117,124	234,249	468,498	2,342,488
Financial debt securities at amortized cost	1,737,690	3,185,765	2,606,535	579,230	1,158,460	2,316,921	11,584,601
Total Interest Income	2,105,386	3,859,875	3,158,080	701,795	1,403,591	2,807,184	14,035,911
Rental income from investment properties	55,465	101,685	83,197	18,488	36,976	73,953	369,764
Dividends from equity investments	67,850	124,392	101,775	22,617	45,234	90,467	452,335
Gain on sale of quoted equities	1,294	2,372	1,941	431	863	1,724	8,625
Gain on sale of financial debt securities at fair value	42,690	78,264	64,035	14,230	28,460	56,919	284,598
Exchange Gain	164,612	301,789	246,918	54,871	109,741	219,482	1,097,413
Total Investment Income	331,911	608,502	497,866	110,637	221,274	442,545	2,212,735
Fair value (losses) on quoted equity investments (Note 23)	(182,942)	(335,393)	(274,413)	(60,981)	(121,961)	(243,922)	(1,219,612)
Fair value gains on unquoted equity investments (Note 19)	(11,208)	(20,547)	(16,811)	(3,736)	(7,472)	(14,943)	(74,717)
Fair value (losses) on government securities (Note 20)	(72,493)	(132,903)	(108,739)	(24,164)	(48,329)	(96,657)	(483,285)
Fair value gains on debt securities at FVTPL	(4,470)	(8,195)	(6,705)	(1,490)	(2,980)	(5,961)	(29,801)
Exchange differences	(40,354)	(73,983)	(60,531)	(13,451)	(26,903)	(53,806)	(269,028)
Net gains from fair value adjustments to investment properties	16,168	29,641	24,251	5,389	10,778	21,557	107,784
Allowance for expected credit losses	(644)	(1,180)	(965)	(215)	(429)	(857)	(4,290)
Total fair value movements	(295,943)	(542,560)	(443,913)	(98,648)	(197,296)	(394,589)	(1,972,949)
Net investment income	2,141,354	3,925,817	3,212,033	713,784	1,427,569	2,855,140	14,275,697
Interest accreted	-	(2,369,307)	(770,761)	(78,148)	(21,171)	-	(3,239,387)
Effect of changes in interest rates and other financial assumptions	-	176,945	250,939	-	(1,163)	-	426,721
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	-	(8,240,438)	(8,240,438)
Net insurance finance expenses	-	(2,192,362)	(519,822)	(78,148)	(22,334)	(8,240,438)	(11,053,104)
Summary of the amounts recognised in profit or loss							
Total Interest Income	2,105,386	3,859,875	3,158,080	701,795	1,403,591	2,807,184	14,035,911
Total Investment Income	331,911	608,502	497,866	110,637	221,274	442,545	2,212,735
Total fair value movements	(295,943)	(542,560)	(443,913)	(98,648)	(197,296)	(394,589)	(1,972,949)
Net insurance finance expenses	-	(2,192,362)	(519,822)	(78,148)	(22,334)	(8,240,438)	(11,053,104)
	2,141,354	1,733,455	2,692,211	635,636	1,405,235	(5,385,298)	3,222,593
Summary of the amounts recognised in OCI							
Total fair value movements through OCI	3,316	6,080	4,975	1,105	2,211	4,422	22,109
Summary of the amounts recognised							
Insurance service result	(293,154)	176,898	3,771	(119,331)	63,780	844,454	676,418
Net investment income	2,141,354	3,925,817	3,212,033	713,784	1,427,569	2,855,140	14,275,697
Net insurance finance expenses	-	(2,192,362)	(519,822)	(78,148)	(22,334)	(8,240,438)	(11,053,104)
Net insurance and investment result	1,848,200	1,910,353	2,695,982	516,305	1,469,015	(4,540,844)	3,899,011

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. (B) DISCLOSURE AND EXPLANATION OF INSURANCE FINANCE INCOME AND EXPENSES (CONTINUED)

2022 Kes '000	Medical	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	General	Total
Loans and advances	17,016	31,195	25,523	5,672	11,344	22,687	-	113,437
Interest from deposits with financial Institutions	305,689	560,430	458,534	101,896	203,793	407,586	-	2,037,928
Financial debt securities at amortized cost	1,495,167	2,741,139	2,242,750	498,389	996,778	1,993,557	-	9,967,780
Total Interest Income	1,817,872	3,332,764	2,726,807	605,957	1,211,915	2,423,830	-	12,119,145
Rental income from investment properties	55,896	102,475	83,843	18,632	37,264	74,527	-	372,637
Dividends from equity investments	71,868	131,758	107,802	23,956	47,912	95,825	-	479,121
Gain on sale of quoted equities	12,539	22,989	18,809	4,180	8,360	16,719	-	83,596
Gain on sale of financial debt securities at fair value	9,322	17,090	13,983	3,107	6,215	12,430	-	62,147
Exchange Gain	30,103	55,189	45,155	10,034	20,069	40,137	-	200,687
Total Investment Income	179,728	329,501	269,592	59,909	119,820	239,638	-	1,198,188
Fair value (losses) on quoted equity investments (Note 23)	(159,641)	(292,675)	(239,461)	(53,214)	(106,427)	(212,853)	-	(1,064,271)
Fair value gains on unquoted equity investments (Note 19)	22,402	41,070	33,602	7,467	14,934	29,869	-	149,344
Fair value (losses) on government securities (Note 20)	(39,036)	(71,566)	(58,554)	(13,012)	(26,024)	(52,047)	-	(260,239)
Fair value gains on debt securities at FVTPL	74,988	137,477	112,482	24,996	49,992	99,983	-	499,918
Exchange differences	94,161	172,628	141,241	31,387	62,774	125,546	-	627,737
Net gains from fair value adjustments to investment properties	(41,698)	(76,447)	(62,548)	(13,899)	(27,799)	(55,598)	-	(277,989)
Allowance for expected credit losses	(15,015)	(27,528)	(22,523)	(5,005)	(10,010)	(20,022)	-	(100,103)
Total fair value movements	(63,839)	(117,041)	(95,761)	(21,280)	(42,560)	(85,122)	-	(425,603)
Net investment income	1,933,761	3,545,224	2,900,638	644,586	1,289,175	2,578,346	-	12,891,730
Interest accreted	-	(2,146,397)	-	(393,644)	(2,336,128)	-	-	(4,876,169)
Effect of changes in interest rates and other financial assumptions	-	135,053	-	612,835	556	-	-	748,444
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	-	(6,807,371)	-	(6,807,371)
Net insurance finance expenses	-	(2,011,344)	-	219,191	(2,335,572)	(6,807,371)	-	(10,935,096)
Summary of the amounts recognised in profit or loss								
Total Interest Income	1,817,872	3,332,764	2,726,807	605,957	1,211,915	2,423,830	-	12,119,145
Total Investment Income	179,728	329,501	269,592	59,909	119,820	239,638	-	1,198,188
Total fair value movements	(63,839)	(117,041)	(95,761)	(21,280)	(42,560)	(85,122)	-	(425,603)
Net insurance finance expenses	-	(2,011,344)	-	219,191	(2,335,572)	(6,807,371)	-	(10,935,096)
	1,933,761	1,533,880	2,900,638	863,777	(1,046,397)	(4,229,025)	-	1,956,634
Summary of the amounts recognised in OCI								
Total fair value movements through OCI	70,047	128,419	105,071	23,349	46,698	93,393	-	466,977
Summary of the amounts recognised								
Insurance service result	(181,271)	378,609	(88,622)	(13,629)	182,589	723,407	414,626	1,415,709
Net investment income	1,933,761	3,545,224	2,900,638	644,586	1,289,175	2,578,346	-	12,891,730
Net insurance finance expenses	-	(2,011,344)	-	219,191	(2,335,572)	(6,807,371)	-	(10,935,096)
Net insurance and investment result	1,752,490	1,912,489	2,812,016	850,148	(863,808)	(3,505,618)	414,626	3,372,343

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

(i) PROPERTY AND EQUIPMENT

Group

Year ended 31 December 2023	Assets under construction*	Computer equipment	Motor vehicles	Furniture, fixtures, fittings & office equipment	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Cost					
At start of year	1,475,000	409,979	55,475	384,126	2,324,580
Additions	348,747	147,947	16,411	175,188	688,293
Gain on revaluation	176,253	-	-	-	176,253
Disposals	-	(29)	(3,000)	-	(3,029)
Exchange differences	-	67,688	18,525	88,475	174,688
At end of year	2,000,000	625,585	87,411	647,789	3,360,785
Accumulated depreciation					
At start of year	-	330,405	33,885	284,434	648,724
Charge for the year	-	42,382	10,826	25,115	78,323
Disposals	-	(9)	(3,000)	-	(3,009)
Exchange differences	-	90,477	13,822	81,096	185,395
At end of year	-	463,256	55,533	390,645	909,433
Net book value	2,000,000	162,330	31,878	257,144	2,451,352

Year ended 31 December 2022	Assets under construction*	Computer equipment	Motor vehicles	Furniture, fixtures, fittings & office equipment	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Cost					
At start of year	943,550	346,691	42,299	356,037	1,688,577
Additions	137,585	56,803	13,099	17,941	225,428
Gain on revaluation	393,865	-	-	-	393,865
Disposals	-	(18)	(1,374)	(263)	(1,655)
Exchange differences	-	6,504	1,450	10,412	18,366
At end of year	1,475,000	409,980	55,474	384,127	2,324,581
Accumulated depreciation					
At start of year	-	294,722	27,029	261,239	582,990
Charge for the year	-	28,584	6,071	21,062	55,718
Disposals	-	-	(1,325)	-	(1,325)
Exchange differences	-	7,099	2,110	2,132	11,341
At end of year	-	330,405	33,885	284,433	648,724
Net book value	1,475,000	79,574	21,589	99,694	1,675,857

*This was previously named Land and Buildings, and relates to the Upperhill property purchased by the Group, which is currently undergoing development in order to bring it into condition as intended by management.

Company

	Computer equipment	Motor vehicles	Furniture, fixtures, fittings & office equipment	Total
	Kes '000	Kes '000	Kes '000	Kes '000
Year ended 31 December 2023				
Cost				
At start of year	9,196	3,260	38,190	50,646
Additions	7,134	12,800	33,311	53,245
At end of year	16,330	16,060	71,501	103,891
Accumulated depreciation				
At start of year	4,237	1,956	33,823	40,016
Charge for the year	3,425	2,795	2,765	8,985
At end of year	7,662	4,751	36,588	49,001
Net book value	8,668	11,309	34,913	54,890

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

(i) PROPERTY AND EQUIPMENT (CONTINUED)

Company

	Computer equipment	Motor vehicles	Furniture, fixtures, fittings & office equipment	Total
Year ended 31 December 2022	Kes '000	Kes '000	Kes '000	Kes '000
Cost				
At start of year	4,195	3,260	37,288	44,743
Additions	5,001	-	902	5,903
At end of year	9,196	3,260	38,190	50,646
Accumulated depreciation				
At start of year	2,928	1,304	31,036	35,268
Charge for the year	1,309	652	2,787	4,748
At end of year	4,237	1,956	33,823	40,016
Net book value	4,959	1,304	4,367	10,630

All Property and equipment are all non-current assets.

(ii) INTANGIBLE ASSETS

Group			Company		
	Kes '000	Kes '000	Cost	Kes '000	Kes '000
Cost	2023	2022		2023	2022
At start of year	323,357	225,531	At start of year	2,325	-
Additions	108,897	97,221	Additions	-	2,325
Disposal	-	-	Disposal	-	-
Exchange differences	16,437	605	Exchange differences	-	-
At end of year	448,691	323,357	At end of year	2,325	2,325
Accumulated amortisation			Accumulated amortisation		
At start of year	208,556	182,297	At start of year	427	-
Disposal	13,219	-	Disposal	-	-
Charge for the year	30,821	24,138	Charge for the year	465	427
Exchange differences	1,673	2,121	Exchange differences	-	-
At end of year	254,269	208,556	At end of year	892	427
Net carrying amount	194,422	114,801	Net carrying amount	1,433	1,898

Intangible assets relate to computer software. All intangible assets all non-current.

16 INVESTMENT PROPERTIES

	Group	
	2023	2022
	Kes '000	Kes '000
At start of year	6,854,995	6,432,702
Net additions	6,201	114,593
Fair value gain/(loss) in investment property	107,784	(277,989)
Exchange gain	618,776	585,689
At end of year	7,587,756	6,854,995

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. INVESTMENT PROPERTIES (CONTINUED)

Investment property comprises a number of commercial properties that are leased to third parties. Investment property for the Group was valued by Redfearn International Limited and Property Mark Company Limited on the basis of open market value. The valuer is registered with Kenya institute of valuers and have reasonable experience in valuation of investment properties held by the group across the jurisdictions that the group operates. Investment properties include properties situated within Kenya valued at Kes 4,286 million (2022: Kes 4,209 million) and those outside Kenya valued at Kes 3,296 million (2022: Kes 2,646 million). The Group applies fair value model in the valuation of investment property.

Kenya

In arriving at the open market value of the lettable properties, the valuer obtains the realized value of recent property sales of similar properties and compares with the carrying value of the investment property.

Given that the valuer uses market value of comparable properties in performing the valuation, any changes in the market interest rates or rental income would not result in any significant change in the carrying value of investment property.

The fair value measurement of the investment property has been categorized as a level 2.

Tanzania

The valuer used Replacement Cost Approach which entails cost needed to reinstate or provide an equivalent substitute. The Replacement cost is then depreciated to get the Depreciated Replacement Cost which is equivalent to the Market Value.

Valuation Technique	Significant unobservable inputs	Sensitivity analysis
Replacement Cost Approach	Cost of construction of 801 per square meter square meter.	A change of this by 5% would change the fair value by Kes 14 million.
	Sale of a developed property at USD 56 per square meter	A change of this by 5% would change by fair value by Kes 949 thousand.

The fair value measurement of the investment property has been categorized as a level 3.

Uganda

The fair value of the investment property as at 31 December 2023 was determined by Redfearn International Limited, an external, independent property valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement of the investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

The valuation was done in accordance with The Royal Institution of Chartered Surveyors (RICS) Statement of Asset Valuation Practice and Guidance Notes (The Red Book).

For the Commercial property, the valuer factored in the fact that the property has prime offices in Kampala and that their values remained level during the year 2023. An 8% capitalization rate on the property's rentals was maintained since the billings for the property are US Dollars with the exception of two government related tenants (Inspector General and CMA) whose billings are spotted on the exchange rate ruling on the payment date.

The residential property, Shimoni is a two-storey building in a landscaped plot of 1.2 acres offering accommodation of an adequate standard. The land on which the flats are located is presently valuable and the redevelopment value of the land has outstripped the existing use value. There have been many serious and top-level inquiries for this land from multinationals, namely Standard chartered bank, Stanbic bank and Total E&P Uganda. However, given the property requires extensive redevelopment the valuer maintained the value of the property at Shs 4.2 million (2022: Shs 4.2 million). The depreciation of the Uganda shilling led to a fair value gain of Kes 542m.

All investment properties are non-current.

The table below analyses investment properties carried at fair value by level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kes '000	Kes '000	Kes '000	Kes '000
As at 31 December 2023				
Investment properties held at FVTPL	-	4,286,000	3,301,756	7,587,756
As at 31 December 2022				
Investment properties held at FVTPL	-	4,209,000	2,645,995	6,854,995

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARIES

In determining the Group's and Company's significant influence over the investments in associates it considered that they have:

- power over the associates and subsidiaries based on the shareholding.
- exposure, or rights, to variable returns from their involvement with the associates and subsidiaries; and
- the ability to use their power over the associates and subsidiaries to affect the amount of its returns, based on representation with the various entity Boards

(i) INVESTMENT IN ASSOCIATES

The Group has invested in nine associate companies whose information is as follows:

Bujagali Holding Power Company Limited - an investment vehicle company which through its subsidiary has invested in the equity of Bujagali Energy Limited an electricity generating company in Uganda.

PDM (Holding) Limited - an investment vehicle company which has invested in the equity of Property Development and Management (K) Limited which conducts property investment, development and management.

FCL Holdings Limited - an investment vehicle company which has invested in the equity of Farmers Choice Limited with its main objective being sale of fresh and processed meat products.

IPS Cable Systems Limited - an investment vehicle company which has invested in the 15,000 km Seacom submarine fiber optic cable project.

Jubilee Allianz General Insurance (Ke) Limited - The Company underwrites all classes of non-life insurance risks with the exception of Medical insurance in Kenya. The company became an associate effective 1 May 2021.

Jubilee Allianz Insurance Company (U) Limited - The Company underwrites all classes of non-life insurance risks with the exception of Medical insurance in Uganda. The company became an associate effective 1 October 2021.

Jubilee Allianz General Insurance (B) Limited - The Company underwrites all classes of non-life insurance risks insurance in Burundi. The company became an associate effective 1 March 2022.

Jubilee Allianz Insurance Company (T) Limited - The Company underwrites all classes of non-life insurance risks with the exception of Medical insurance in Tanzania. The company became an associate effective 1 May 2022.

Jubilee Allianz General Insurance (MU) Limited - The Company underwrites all classes of non-life insurance risks insurance in Mauritius. The company became an associate effective 1 September 2022.

All of the above entities have been accounted for as associates based on the percentage holding the Group has in the companies that gives the Group significant influence through voting rights and representation in the respective Boards.

Movement in Net Assets (continued)

Group

Group	Opening Balance	Net additions/ (redemptions)	Dividends received	Share of profit	Share of OCI	Translation gain/(loss)	Closing Balance
Year 2023	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
PDM (Holding) Limited	2,703,508	-	(225,016)	516,728	118,724	-	3,113,944
Bujagali Holding Power Company Limited	9,428,428	(115)	(1,377,434)	1,573,672	(390,578)	2,528,669	11,762,642
FCL Holding Ltd	3,737,428	-	(70,470)	622,400	42,226	-	4,331,584
IPS Cable Systems Ltd	3,151,206	-	-	(5,177)	591,143	845,141	4,582,313
Jubilee Allianz Insurance Limited Kenya	448,711	-	-	(45,465)	-	-	403,246
Jubilee Allianz Insurance Company Uganda	954,200	-	-	45,106	(653,784)	289,555	635,077
Jubilee Allianz Insurance Company Tanzania	123,877	-	-	25,896	(122,111)	159,153	186,815
Jubilee Allianz Insurance Company Burundi	80,783	-	-	24,898	(20,962)	(18,602)	66,117
Jubilee Allianz Mauritius Limited	88,306	-	-	35,056	-	-	123,362
Total	20,716,447	(115)	(1,672,920)	2,793,114	(435,342)	3,803,916	25,205,100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)

Group	Opening Balance	Net additions/ (redemptions)	Dividends received	Share of profit	Share of OCI	Translation gain/(loss)	Closing Balance
Year 2022	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
PDM (Holding) Limited	2,719,270	-	(99,424)	73,552	10,110	-	2,703,508
Bujagali Holding Power Company Limited	8,034,615	(319)	(1,268,828)	1,906,247	-	756,713	9,428,428
FCL Holding Ltd	3,253,781	-	(140,936)	508,627	115,956	-	3,737,427
IPS Cable Systems Ltd	2,853,303	-	-	38,319	-	259,584	3,151,206
Jubilee Allianz Insurance Limited Kenya	515,676	-	-	(66,965)	-	-	448,711
Jubilee Allianz Insurance Company Uganda	359,977	491,347	-	47,563	-	55,313	954,200
Jubilee Allianz Insurance Company Tanzania	-	145,376	-	(21,499)	-	-	123,877
Jubilee Allianz Insurance Company Burundi	-	76,243	-	4,540	-	-	80,784
Jubilee Allianz Mauritius Limited	-	91,023	-	(2,718)	-	-	88,305
Total	17,736,622	803,670	(1,509,188)	2,487,666	126,066	1,071,610	20,716,446

The investment in associates are non-current.

Movement in Net Assets

Equity accounting has been applied for the associates in these financial statements using results based on the financial statements as at 31 december 2023. The group sold majority of its stake in general insurance businesses across the 5 countries in the region to retain between 15% in jubilee allianz tanzania and 34% shareholding in each of the other companies in 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
17. INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)
Company

Investment in Associates	Investment at Cost	Additional invest- ment during the year	Fair value uplift on disposal of the General business	Investment at Cost
	2023 Kes '000	2023 Kes '000	2023 Kes '000	2023 Kes '000
PDM (Holding) Limited	619,426	-	-	619,426
FCL Holding Ltd	484,969	-	-	484,969
IPS Cable Systems Ltd	353,282	-	-	353,282
Jubilee Allianz General Insurance Limited	1,090,380	-	-	1,090,380
Jubilee Allianz Insurance Company Uganda	491,346	-	-	491,346
Jubilee Allianz Insurance Company Tanzania	145,376	-	-	145,376
Jubilee Allianz Insurance Company Burundi	-	-	-	-
Jubilee Allianz Mauritius	116,942	-	-	116,942
Total	3,301,721	-	-	3,301,721

Investment in Associates	Investment at Cost	Additional invest- ment during the year	Fair value uplift on disposal of the General business	Investment at Cost
	2022 Kes '000	2022 Kes '000	2022 Kes '000	2022 Kes '000
PDM (Holding) Limited	619,426	-	-	619,426
FCL Holding Ltd	484,969	-	-	484,969
IPS Cable Systems Ltd	353,282	-	-	353,282
Jubilee Allianz General Insurance Limited	784,380	306,000	-	1,090,380
Jubilee Allianz Insurance Company Uganda	-	-	491,346	491,346
Jubilee Allianz Insurance Company Tanzania	-	-	145,376	145,376
Jubilee Allianz Insurance Company Burundi	-	-	-	-
Jubilee Allianz Mauritius	-	25,918	91,024	116,942
Total	2,242,057	331,918	727,746	3,301,721

These are all non-current assets. Jubilee holdings limited owns jubilee allianz uganda and bujagali power holding company limited indirectly through jubilee investment company uganda

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)

The following table summarizes the information relating to each of the Group's associate:

Group

	PDML Holdings Limited Kes '000 Kenya 37%	Bujagali Holding Power Company Limited Kes '000 Uganda 41%	Farmer's Choice Limited Kes '000 Kenya 30%	IPS Cable Systems Limited Kes '000 Mauritius 33%	Jubilee Allianz General Insurance (K) Limited Kes '000 Kenya 34%	The Jubilee Insurance Company of Uganda Limited Kes '000 Uganda 34%	The Jubilee Insurance Company of Tanzania Limited Kes '000 Tanzania 15%	The Jubilee Insurance Company of Burundi Limited Kes '000 Burundi 19%	The Jubilee Insurance Company of Mauritius Limited Kes '000 Mauritius 34%	Total Kes '000
Country of incorporation										
Interest held										
2023										
Non-current Assets	10,615,995	22,460,536	4,003,264	15,332,644	8,652,173	252,045	157,279	4,162	875,193	62,353,291
Current Assets	981,091	398,754	7,057,043	1,380	1,544,751	5,160,715	5,303,888	729,690	1,497,348	22,674,660
Non-current Liabilities	(1,488,147)	-	-	(2,412,469)	7,227,549	-	-	-	562,800	3,889,733
Current Liabilities	-	(182,990)	(1,319,761)	-	248,081	(3,544,896)	(3,520,470)	(399,834)	736,021	(7,983,849)
Net Assets	10,108,939	22,676,300	9,740,546	12,921,556	17,672,554	1,867,863	1,940,696	334,018	3,671,362	80,933,835
Revenue	909,115	4,707,398	16,362,145	-	4,004,875	3,664,025	3,303,827	693,170	360,102	34,004,657
Profit/ (loss) after tax	1,509,571	4,302,558	2,088,810	(17,955)	(196,957)	147,127	156,953	118,727	24,466	8,133,301
Other Comprehensive Income	540,525	-	82,262	-	-	-	-	-	-	622,787
Total comprehensive income	2,050,096	4,302,558	18,533,217	(17,955)	3,807,918	3,811,152	3,460,780	811,897	384,568	42,760,745
Cashflows (used in)/ from operating activities	374,042	(416,259)	-	(2,644)	1,000,501	(277,575)	(199,617)	59,235	(293,709)	243,974
Cashflows from / (used in) investing activities	795,792	3,316,448	-	-	-	(17,180)	(15,493)	(11,052)	146,854	4,215,368
Cashflows (used in)/ from financing activities	(881,332)	(2,904,243)	-	1,189	1,400,000	334,113	301,267	-	183,568	(1,565,438)
Net increase/(decrease) in cash and cash equivalents	288,501	(4,054)	-	(1,455)	2,400,501	39,358	86,157	48,184	36,713	2,893,904

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
17. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)

(i) INVESTMENT IN ASSOCIATES (CONTINUED)

	PDMAL Holdings Limited	Bujagali Holding Power Company Limited	Farmer's Choice Limited	IPS Cable Systems Limited	Jubilee Allianz General Insurance (K) Limited	The Jubilee Insurance Company of Uganda Limited	The Jubilee Insurance Company of Tanzania Limited	The Jubilee Insurance Company of Burundi Limited	The Jubilee Insurance Company of Mauritius Limited	Total
Country of incorporation	Kes '000 Kenya 37%	Kes '000 Uganda 41%	Kes '000 Kenya 30%	Kes '000 Mauritius 33%	Kes '000 Kenya 34%	Kes '000 Uganda 34%	Kes '000 Tanzania 15%	Kes '000 Burundi 19%	Kes '000 Mauritius 34%	Kes '000
Interest held										
2022										
Non-current Assets	9,651,599	17,571,738	3,939,331	12,090,120	8,652,173	211,434	3,960,179	528,326	875,193	57,480,094
Current Assets	359,957	240,400	6,251,710	2,294	1,544,751	4,242,246	964,242	86,885	1,497,348	15,189,833
Non-current Liabilities	(1,325,774)	-	845,047	(1,902,284)	7,227,549	-	1,522,597	133,632	562,800	7,063,567
Current Liabilities	-	(80,586)	1,351,847	-	248,081	(3,270,521)	1,278,810	11,110	736,021	274,761
Net Assets	8,685,782	17,731,552	12,387,935	10,190,130	17,672,554	1,183,159	7,725,828	759,953	3,671,362	80,008,256
Revenue	853,678	5,214,994	14,183,774	148,048	4,004,875	3,118,600	1,057,831	206,692	360,102	29,148,594
Profit/ (loss) after tax	285,033	4,879,753	1,743,864	(2,309,381)	(196,957)	(52,787)	(37,547)	50,283	24,466	4,386,727
Other Comprehensive Income	-	-	387,201	-	-	-	-	-	-	387,201
Total comprehensive income	1,138,711	10,094,748	16,314,839	(2,161,333)	3,807,918	3,065,813	1,020,284	256,975	384,568	33,922,523
Cashflows (used in)/ from operating activities	(260,724)	(314,614)	1,347,393	(6,974)	1,000,501	(957,343)	618,066	60,796	(293,709)	1,193,392
Cashflows from / (used in) investing activities	2,726,404	2,506,614	(176,968)	141,907	-	466,988	309,033	(30,398)	146,854	6,090,434
Cashflows (used in)/ from financing activities	(2,160,152)	(2,195,064)	(2,080,731)	(140,077)	1,400,000	(13,749)	(386,291)	37,998	183,568	(5,354,498)
Net increase/ (decrease) in cash and cash equivalents	305,528	(3,064)	(910,306)	(5,144)	2,400,501	(504,104)	540,808	68,396	36,713	1,929,328

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)

(i) INVESTMENT IN ASSOCIATES (CONTINUED)

Company

	PDML Holdings Limited	FCL Holdings Limited	IPS Cable Systems Limited	Jubilee Allianz General Insurance (K) Ltd	Jubilee Allianz General Insurance (U) Ltd	Jubilee Allianz General Insurance (T) Ltd	Jubilee Allianz Insurance Mauritius Limited	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Country of incorporation	Kenya	Kenya	Mauritius	Kenya	Uganda	Tanzania	Mauritius	
Interest held	37%	30%	33%	34%	34%	15%	34%	
Year 2023								
Non-current assets	994,719	600,490	5,105,771	-	53,475	624	-	6,755,078
Current assets	91,928	1,058,556	460	-	1,803,322	109,453	-	3,063,720
Non-current liabilities	(139,439)	-	(803,352)	-	-	-	-	(942,791)
Current liabilities	-	(197,964)	-	-	(1,196,960)	(59,975)	-	(1,454,899)
Net assets	1,226,086	1,857,010	5,909,582	-	3,053,757	170,053	-	12,216,488
Revenue	85,184	2,454,322	-	-	1,123,301	103,976	-	3,681,598
Profit after tax	141,447	313,322	(5,979)	-	53,364	17,809	-	378,516
Other comprehensive income	50,647	12,339	-	-	-	-	-	12,339
Total comprehensive income	277,278	2,779,983	(5,979)	-	1,176,665	121,785	-	4,072,453
Cash flows generated from operating activities	35,048	-	(880)	-	(67,870)	8,885	-	(24,817)
Cash flows (used in) investing activities	74,566	-	-	-	(5,268)	(1,658)	-	67,640
Cash flows (used in) financing activities	(82,581)	-	396	-	102,431	-	-	20,246
Net increase/(decrease) in cash and cash equivalents	27,033	-	(484)	-	29,293	7,228	-	63,069

	PDML Holdings Limited	FCL Holdings Limited	IPS Cable Systems Limited	Jubilee Allianz General Insurance (K) Ltd	Jubilee Allianz General Insurance (U) Ltd	Jubilee Allianz General Insurance (T) Ltd	Jubilee Allianz Insurance Mauritius Limited	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Country of incorporation	Kenya	Kenya	Mauritius	Kenya	Uganda	Tanzania	Mauritius	
Interest held	37%	30%	33%	34%	34%	15%	34%	
Year 2022								
Non-current assets	8,792,940	3,939,331	14,533,099	8,652,173	1,367,697	3,960,179	875,193	42,120,612
Current assets	1,235,664	6,251,710	2,294	1,544,751	3,814,503	964,242	1,497,348	15,310,512
Non-current liabilities	1,339,078	845,047	1,902,284	7,227,549	2,428,078	1,522,597	562,800	15,827,433
Current liabilities	524,585	1,351,847	46,348	248,081	1,418,764	1,278,810	736,021	5,604,456
Net assets	8,164,941	7,994,147	12,586,761	2,721,294	1,335,358	2,123,014	1,073,720	35,999,235
Revenue	853,678	14,183,774	141,907	4,004,875	1,127,669	1,057,831	360,102	21,729,836
Profit after tax	285,033	1,743,864	128,055	(196,957)	142,717	(37,547)	24,466	2,089,631
Other comprehensive income	-	387,201	-	-	-	-	-	387,201
Total comprehensive income	1,138,711	16,314,839	269,962	3,807,918	1,270,386	1,020,284	384,568	24,206,668
Cash flows generated from operating activities	(260,724)	1,347,393	(6,974)	1,000,501	(709,619)	618,066	(293,709)	1,694,934
Cash flows (used in) investing activities	2,726,404	(176,968)	141,907	-	458,081	309,033	146,854	3,605,311
Cash flows (used in) financing activities	(2,160,152)	(2,080,731)	(140,077)	1,400,000	(13,487)	(386,291)	183,568	(3,197,170)
Net increase/(decrease) in cash and cash equivalents	305,528	(910,306)	(5,144)	2,400,501	(265,025)	540,808	36,713	2,103,075

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)

(ii) INVESTMENT IN SUBSIDIARIES (CONTINUED)

INVESTMENT IN SUBSIDIARIES - COMPANY

Company	Investment at Cost	Investment at Cost	Equity Held	Equity Held
	2023 Kes '000	2022 Kes '000	2023 %	2022 %
The Jubilee Life Insurance Limited	150,000	150,000	100%	100%
Jubilee Health Insurance Limited	2,763,720	2,763,720	100%	100%
Jubilee Life Insurance Corporation of Tanzania Limited	36,456	36,456	51%	51%
Jubilee Health Insurance Company of Tanzania Limited	36,455	36,455	51%	51%
The Jubilee Life Insurance Company of Uganda Limited	12,598	12,598	30%	30%
The Jubilee Health Insurance Company of Uganda Limited	12,598	12,598	30%	30%
Jubilee Investment Company Limited (Uganda)	348,209	348,209	100%	100%
Jubilee Investment Company Limited (Tanzania)	23,981	23,981	100%	100%
Jubilee Investment Company Limited (Burundi)	1,311	1,311	100%	100%
JHL Properties Limited	1,200,000	1,200,000	100%	100%
Total	4,585,328	4,585,328		

The Jubilee Investments Company Limited (Uganda) owns 35% equity of Jubilee Health Insurance Company of Uganda Limited, Jubilee Life Insurance Company of Uganda Limited, and 10% equity of Jubilee Insurance (Mauritius) Ltd. The Group holds 70% of The Jubilee Insurance Company of Burundi S.A. and Jubilee Life Insurance Company of Burundi S.A., through Jubilee Investments Burundi S.U. (33%), Jubilee Investment Company Limited (Uganda) (33%) and Jubilee Investments Tanzania Limited (4%). The Group holds 80% of Jubilee Center Burundi Limited, a property investment company through its subsidiary Jubilee Investments Burundi Limited. Jubilee Health Insurance Limited is in the process of transferring its shareholding of 100% in Jubilee Asset Management Limited, a fund management company to Jubilee Holdings Limited.

The investment in subsidiaries are all non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)

(iii) INVESTMENT IN SUBSIDIARIES (CONTINUED)

(ii) NON-CONTROLLING INTEREST(NCI)

The following table summarizes the information relating to the Group's subsidiaries that has NCI:

Year 2023	Jubilee Insurance Entities in Uganda	Jubilee Insurance Entities in Tanzania	Jubilee Insurance Entities in Burundi	Jubilee Centre Burundi	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
NCI percentage	35%	49%	30%	20%	
Assets	15,870,048	5,858,324	799,365	292,439	22,527,737
Liabilities	(10,887,388)	(4,320,823)	(755,841)	(66,649)	(15,964,052)
Net assets	4,982,660	1,537,502	43,524	225,790	6,789,476
Carrying amount of NCI	1,743,931	753,376	13,057	45,158	2,555,522
Revenue	4,548,276	2,747,011	28,077	-	7,323,364
Profit	635,876	(82,159)	(33,269)	-	520,448
OCI	-	(0)	-	-	(0)
Total comprehensive income	635,876	(82,159)	(33,269)	-	520,448
Profit allocated to NCI	222,557	(40,258)	(9,981)	-	172,318
OCI allocated to NCI	-	5	3	-	8
Dividends paid to NCI	(470)	-	-	-	(470)
Total allocated to NCI	222,086	(40,258)	(9,981)	-	171,848
Cash flows from/(used in) operating activities	265,594	438,022	-	-	703,616
Cash flows (used in)/from investing activities	1,099,455	(255,441)	(31,759)	-	812,255
Cash flows used in financing activities	(1,452,255)	(37,128)	-	-	(1,489,383)
Net increase/(decrease) in cash and cash equivalents	(87,206)	145,453	(31,759)	-	26,488

Year 2022	Jubilee Insurance Entities in Uganda	Jubilee Insurance Entities in Tanzania	Jubilee Insurance Mauritius	Jubilee Insurance Entities in Burundi	Jubilee Centre Burundi	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
NCI percentage	35%	49%	20%	30%	20%	
Assets	12,480,159	4,246,521	-	745,066	269,847	17,741,592
Liabilities	(7,659,577)	(2,791,468)	-	(663,783)	(61,500)	(11,176,328)
Net assets	4,820,582	1,455,053	-	81,283	208,347	6,565,264
Carrying amount of NCI	1,687,204	712,976	-	24,385	41,669	2,466,234
Revenue	3,481,653	2,249,442	541,444	50,905	18,888	6,342,332
Profit	547,731	(76,286)	33,329	(19,007)	11,625	497,392
OCI	-	(11)	(19,382)	-	7,658	(11,735)
Total comprehensive income	547,731	(76,297)	13,947	(19,007)	19,283	485,657
Profit allocated to NCI	191,706	(37,380)	6,666	(5,702)	2,325	157,615
OCI allocated to NCI	-	(5)	(3,876)	-	1,532	(2,350)
Dividends paid to NCI	-	-	-	-	-	-
Total allocated to NCI	191,706	(37,386)	2,790	(5,702)	3,857	155,264
Cash flows from/(used in) operating activities	423,442	(263,591)	(32,879)	-	(10,907)	116,064
Cash flows (used in)/from investing activities	(381,320)	(50,262)	(3,071)	(61,983)	19,158	(477,478)
Cash flows used in financing activities	(32,723)	(44,018)	-	-	-	(76,741)
Net increase/(decrease) in cash and cash equivalents	9,399	(357,871)	(35,950)	(61,983)	8,251	(438,154)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)

(iii) NON CONTROLLING INTEREST (CONTINUED)

Movement in the non-controlling interest is as follows:

	2023	2022
	Kes '000	Kes '000
At start of year	2,466,234	2,821,332
Initial adoption of IFRS 17	-	86,282
Share of profit for the year	117,239	106,696
Disposal of stake in subsidiaries	-	(604,570)
Share of total other comprehensive income for the year	(27,951)	56,494
At end of year	2,555,522	2,466,234

The non-controlling interest are non-current.

18. INCOME TAX EXPENSE AND DEFERRED INCOME TAX

(i) INCOME TAX EXPENSE

The tax on the Group's and Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Profit before income tax	5,310,661	6,519,053	1,087,733	3,936,714
Tax calculated at the enacted domestic tax rate 30%	1,593,198	1,955,716	326,320	1,181,014
Effect of:				
Income not subject to income tax	(897,312)	(2,005,921)	(513,483)	(1,253,471)
Capital gains tax	36,292	319,838	36,273	324,859
Expenses not deductible for tax purposes	154,425	452,512	243,732	124,457
Prior year over provision	8,145	288,027	-	65,909
Income tax charge	894,748	1,010,172	92,842	442,768
Current income tax charge for the year	636,936	618,866	92,842	378,422
Capital Gains Tax	36,292	319,838	36,273	324,859
Current year deferred tax charge /(credit) for the year	413,979	186,326	(36,273)	(260,513)
Under Provision of tax in prior years	(192,459)	(114,858)	-	-
	894,748	1,010,172	92,842	442,768

The Capital gains tax relates to an additional assessment on amounts paid on the sale of the General businesses in Uganda at the prevailing rates (30%)

18. INCOME TAX EXPENSE AND DEFERRED INCOME TAX (CONTINUED)**(ii) TAX MOVEMENT**

Movement in the net tax payable/(recoverable) account is as follows:

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	(826,901)	(546,554)	(93,001)	580,879
Taxation charge	636,936	618,866	92,842	378,422
Prior year (over)/under provision	(192,459)	(114,858)	-	-
Taxation paid	(436,766)	(784,355)	(77,237)	(1,052,302)
At end of year	(819,190)	(826,901)	(77,396)	(93,001)
	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Current income tax asset	(898,140)	(933,526)	(77,396)	(93,001)
Current income tax liability/other liability (Company)	78,950	106,625	-	-
Total	(819,190)	(826,901)	(77,396)	(93,001)

Income tax liability is current.

18. INCOME TAX EXPENSE AND DEFERRED INCOME TAX (CONTINUED)

(iii) DEFERRED INCOME TAX

Deferred income tax is calculated, in full, on all temporary differences using a principal tax rate of 30% (2022: 30%) in all countries save for Mauritius where rate is 15%. The movement in the deferred income tax account is as follows:

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	370,436	373,481	(26,180)	(72,954)
Recognised in profit or loss	413,979	186,326	(36,273)	(260,513)
Deferred Tax on derecognised subsidiaries	(191,986)	(296,906)	35,913	324,859
Recognised in OCI	(200,158)	107,535	(13,785)	(17,572)
At end of year	392,271	370,436	(40,325)	(26,180)
Deferred tax asset	(973,682)	(697,059)	40,325	26,180
Deferred tax liability	1,365,953	1,067,495	-	-
Net deferred income tax liability/(asset)	392,271	370,436	40,325	26,180

These are all non-current assets.

18. INCOME TAX EXPENSE AND DEFERRED INCOME TAX (CONTINUED)

(iii) DEFERRED INCOME TAX (CONTINUED)

Deferred income tax assets and liabilities, deferred income tax charge/ (credit) in the profit or loss and to equity is attributable to the following:

	Group					Company				
	Kes '000					Kes '000				
	1 January 2023	Charged to profit or loss	Charged to OCI	Deferred tax on derecognised subsidiaries	31 December 2023	1 January 2023	Charged to profit or loss	Charged to OCI	Deferred tax on derecognised subsidiaries	31 December 2023
Fair value gains on investment properties	90,983	78,485	79	-	169,547	-	-	-	-	-
Accelerated depreciation	14,595	(11,273)	-	-	3,322	-	-	-	-	-
Impairment provisions	52,725	(39,488)	1,554	-	14,791	-	-	-	-	-
Other deductible temporary differences*	212,133	386,255	(201,791)	(191,986)	204,611	(26,180)	(36,273)	(13,785)	35,913	(40,325)
Net deferred income tax liability/(asset)	370,436	413,979	(200,158)	(191,986)	392,271	(26,180)	(36,273)	(13,785)	35,913	(40,325)

	Group					Company				
	Kes '000					Kes '000				
	1 January 2022	Charged to profit or loss	Charged to OCI	Deferred tax on derecognised subsidiaries	31 December 2022	1 January 2022	Charged to profit or loss	Charged to OCI	Deferred tax on derecognised subsidiaries	31 December 2022
Fair value gains on investment properties	73,453	17,174	356	-	90,983	-	-	-	-	-
Accelerated depreciation	167,098	(152,569)	66	-	14,595	-	-	-	-	-
Impairment provisions	54,077	6,527	(7,879)	-	52,725	-	-	-	-	-
Other deductible temporary differences*	78,853	315,194	114,992	(296,906)	212,133	(72,954)	(260,513)	324,859	(17,572)	(26,180)
Net deferred income tax liability/(asset)	373,481	186,326	107,535	(296,906)	370,436	(72,954)	(260,513)	324,859	(17,572)	(26,180)

*Other deductible temporary differences arise from a movement in other liabilities such as provisions, bonus accruals, leave accruals, and other payables across the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. UNQUOTED EQUITY INVESTMENTS

Group

Unquoted Equity Investments						
Group						
	FV Through P/L	FV Through OCI	Total	FV Through P/L	FV Through OCI	Total
	2023	2023	2023	2022	2022	2022
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	6,249,332	905,350	7,154,682	6,478,705	483,941	6,962,646
Additions (Transfer)	25,370	-	25,370	(460,715)	515,942	55,227
Fair value gains	(74,717)	16,648	(58,069)	295,071	(33,606)	261,465
Exchange differences	453,125	4,038	457,163	(63,729)	(60,927)	(124,656)
At end of year	6,653,110	926,036	7,579,146	6,249,332	905,350	7,154,682

Valuation of unquoted shares - Kenya

Unquoted shares are valued using values of similar or comparable entities which are publicly listed. The directors have not changed the valuation methodology for measuring the fair value of unquoted investments from prior year.

As at 31 December 2023, the model for determination of fair value has estimated Jubilee's stake in each of the companies that IPS has interests in as well as the residual shareholders fund in IPS Limited.

The following approaches have been adopted:

- For the infrastructure companies, discounted cash flow has been used based on executable contracts.
- Use of Price Earnings (PE) multiples for the non-infrastructure-based portfolio. Similar to 2022 the average of the mean and median of the various industry PEs were applied.
- The residual share holder funds in IPS(K) at the Net assets value.

The directors believe that the methodology is a reliable model for the estimation of the fair value. The fair value gain in the year has been disclosed in note 14.

The following table sets out the key assumptions used by management in the value in use calculations:

Management has determined the values assigned to each of the key assumptions used as follows:

Assumption	Approach used to determine values:
PE Ratios	Based on the PE ratios of similar listed companies within the region. The Average of the mean and median for each sector was applied. The sections in the model include packaging, apparel, agriculture, hosiery, leather, wire, pharmaceuticals and investment. The number outcomes were further subjected to a 10% illiquidity discount.
Average discounting rates	This is based on the returns that are embedded in the executable contracts of the infrastructure companies. The discount rate applied was 12% (2022: 12%).

Impact of possible changes in key assumptions

If the discount rate applied on the cash flow projections had been 1% higher/lower than management's estimate at 31 December 2023 with all other assumptions unchanged, the impact to profit or loss would have been Kes 69,772,152 (2022: Kes 31,384,000) higher or lower.

If the PE Ratios applied in the estimation of the fair value been 1% higher/lower than management's estimate at 31 December 2023 with all other assumptions unchanged, the impact to profit or loss would have been Kes 28,373,474 (2022: Kes 15,951,500) higher and lower.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. UNQUOTED EQUITY INVESTMENTS (CONTINUED)

The Companies uses a combination of price multiples and discounting of future earnings technique for valuing unquoted shares that are not based on observable market data. The critical management judgement made is the determination of the valuation method to use, the cashflow projections for the issuing companies and the discount rate used to discount the projected cashflows. Changes in these estimates could result in material changes in the fair value of the investment.

Valuation Technique	Significant unobservable inputs	Sensitivity Analysis
Market based approach-Adjusted Price earning ratio	Discount of 10% due to lack of marketability and liquidity	A change of this by 10% would change the fair value by 87.5 million.
	Size adjustment of 12% to account for differences between Tanzania Reinsurance and its listed comparable which are much larger companies	A change of this by 12% would change the fair value by 106 million.

Valuation of unquoted equity investments in other companies

The remaining unquoted shares across the Group are not material and therefore sensitivity was not done.

Company

	FV Through OCI 2023 Kes '000	FV Through OCI 2022 Kes '000
At start of year	92,377	92,368
Fair value gain through other comprehensive income	16,648	9
At end of year	109,025	92,377

The Company uses valuation techniques for valuing unquoted shares that are based on unobservable market data. The Company has utilized unadjusted price book valuation technique to computed the Company's net carrying book value of the underlying investments.

-The table below analyses financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 Kes '000	Level 2 Kes '000	Level 3 Kes '000	Total Kes '000
As at 31 December 2023				
Assets				
Financial assets Fair value gain through other comprehensive income	-	-	109,025	109,025
As at 31 December 2022				
Assets				
Financial assets Fair value gain through other comprehensive income	-	-	92,377	92,377

All unquoted equities have been classified as non-current.

All unquoted equities held at FVTPL have been designated as FVTPL by management.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
20. (I) GOVERNMENT SECURITIES AT AMORTISED COST AND FAIR VALUE THROUGH PROFIT OR LOSS
Group

Movement	FV Through P&L	Amortized cost	Total	FV Through P&L	Amortized cost	Total
	2023	2023	2023	2022	2022	2022
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	7,424,563	100,741,511	108,166,074	4,092,593	87,637,284	91,729,877
Additions	506,444	15,522,972	16,029,416	5,197,725	18,205,874	23,403,599
Disposals	(593,570)	(4,322,004)	(4,915,574)	(1,577,573)	(6,141,308)	(7,718,881)
Unearned amortised discount	-	(1,079,542)	(1,079,542)	(140,240)	-	(140,240)
Accrued Interest	61,953	3,084,414	3,146,367	112,297	1,788,953	1,901,250
Fair value gains/(losses) through profit or loss	(483,285)	-	(483,285)	(1,013,215)	-	(1,013,215)
Exchange differences	(357,185)	1,824,868	1,467,683	752,976	(699,324)	53,652
Total at the end of the year	6,558,920	115,772,219	122,331,139	7,424,563	100,791,479	108,216,042
Expected Credit Loss	327	(53,148)	(52,821)	-	(49,968)	(49,968)
Net	6,559,247	115,719,071	122,278,318	7,424,563	100,741,511	108,166,074

Maturity Profile – Government securities at amortised cost	2023	2022
	Kes '000	Kes '000
Treasury bills maturing after 91 days after the date of acquisition	384,332	451,873
Treasury bonds maturing within 1 year	3,812,542	2,317,691
Treasury bonds maturing in 1-5 years	23,695,378	17,260,059
Treasury bonds maturing after 5 years	87,826,819	80,711,888
Total	115,719,071	100,741,511

Maturity Profile – Government securities at fair value through profit and loss	2023	2022
	Kes '000	Kes '000
Treasury bonds maturing within 1 year	-	-
Treasury bonds maturing in 1-5 year	167,923	299,695
Treasury bonds maturing after 5 years	6,391,324	7,124,868
Total	6,559,247	7,424,563

Treasury bonds of Kes 7.4 billion (2022: Kes 7.3 billion) are held under lien with the Central Bank of Kenya as security deposit in favor of the Insurance Regulatory Authority as required under the provisions of Section 32 of Kenya Insurance Act, an equivalent of Kes 182 million (2022: Kes 54 million) are held under lien with the Bank of Uganda as security deposit in favor of the Insurance Regulatory Authority Uganda as required under the provisions of section 38 (3) of Uganda Insurance Act and an equivalent of Kes 205 million (2022: Kes 182 million) are held under lien with the Bank of Tanzania as security deposit in favor of the Tanzania Insurance Regulatory Authority as required under the provisions of Tanzania Insurance Act.

Company

Movement	FV Through P&L	FV Through P&L
	2023	2022
	Kes '000	Kes '000
At start of year	4,905,233	4,024,816
Additions	506,444	1,083,810
Disposal	(1,072,742)	-
Fair value losses through profit or loss	(387,080)	(252,477)
Accrued interest	(37,046)	49,084
Total at the end of the year	3,914,809	4,905,233

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. (I) GOVERNMENT SECURITIES AT AMORTISED COST AND FAIR VALUE THROUGH PROFIT OR LOSS

Maturity Profile – Government securities at fair value through profit and loss	2023	2023
	Kes '000	Kes '000
Treasury bonds maturing within 1 year	-	-
Treasury bonds maturing in 1-5 year	-	-
Treasury bonds maturing after 5 years	3,914,809	4,905,233
Total	3,914,809	4,905,233

All government securities classified as FVTPL have been designated as FVTPL by management.

20 (II) COMMERCIAL BONDS AT AMORTISED COST

Group

Movement

	Amortized cost	Amortized cost
	2023	2022
	Kes '000	Kes '000
At start of year	8,978	-
Additions	-	8,978
Maturities	(900)	-
Total	8,078	8,978

21. LOAN RECEIVABLE AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	3,172,707	1,712,789	1,116,482	581,504
Additions	-	31,597	-	-
Fair value gain on loan note	(29,801)	1,252,894	-	499,918
Exchange difference	760,599	175,427	209,127	35,060
At end of the year	3,903,505	3,172,707	1,325,609	1,116,482

In December 2021, funds were transferred to IPS Cable Systems Limited, an associate of the Jubilee Group, toward their financing of additional shareholding in Seacom through IPS Cables Holdings Limited. This additional investment was equal to 10% shareholding in Seacom. This is being carried as a debt instrument at fair value through profit or loss and the return is linked to the economic participation of IPS Cable Systems Limited in Seacom. As at 31 December 2023, the terms for the financing have been agreed upon.

The debt instrument is carried at the equivalent value of IPS Cable System Limited share of ownership of Seacom. If the value of the underlying asset had been 1% higher/lower than management's estimate at 31 December 2023 with all other assumptions unchanged, the impact to profit or loss would have been Kes 19,388,000 (2022: Kes 19,388,000) higher or lower.

All loan receivables held at fvtppl have been designated as fvtppl by management.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. MORTGAGE LOANS

Group

	2023	2022
	Kes '000	Kes '000
Movement		
At start of year	26,275	40,799
Loans advanced	-	57,783
Accrued interest and penalties	525	619
Loan repayments	(3,695)	(6,662)
Exchange differences	-	(66,264)
At end of year	23,105	26,275
Maturity profile		
Loans maturing		
Within 1 year	-	-
In 1-5 years	-	9,198
In over 5 years	23,105	17,077
Total	23,105	26,275

The title documents are held as collateral for mortgage loans respectively. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

None of the above assets are past due or impaired.

There is no exposure on credit risk with respect to mortgage loans and hence the expected credit loss allowance is Nil (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. QUOTED EQUITY INVESTMENTS

Group

	FV Through P&L	FV Through OCI	Total	FV Through P&L	FV Through OCI	Total
	2023	2023	2023	2022	2022	2022
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	4,725,102	693,064	5,418,166	4,309,889	764,005	5,073,894
Additions	330,496	302,384	632,880	1,516,255	31,298	1,547,553
Disposals	(406,418)	-	(406,418)	(36,771)	(17,416)	(54,187)
Realised gains through profit and loss	-	-	-	-	-	-
Fair value loss through other comprehensive income	-	(170,792)	(170,792)	-	(84,823)	(84,823)
Fair value loss through profit or loss	(1,219,612)	-	(1,219,612)	(1,064,271)	-	(1,064,271)
Exchange differences	-	38,641	38,641	-	-	-
At end of year	3,429,568	863,297	4,292,865	4,725,102	693,064	5,418,166

Company

	FV Through OCI	FV Through OCI
	2023	2022
	Kes '000	Kes '000
At start of year	324,457	365,969
Additions	302,384	-
Fair Value (losses) through other comprehensive income	(45,952)	(41,512)
At end of year	580,889	324,457

All quoted equities held at FVTPL have been designated as FVTPL by management.

24. OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Deposits - Office rent and utilities	97,036	1,629,897	-	-
Prepayments	90,758	446,293	-	6,554
Recoverable advances	219,613	(539,658)	-	-
Dividends receivable	20,792	284,116	-	-
Sundry debtors*	1,997,941	2,003,356	551,292	1,599,419
Total	2,426,140	3,824,004	551,292	1,605,973

*Sundry debtors include staff loans, third party fund recoverable and deposits paid on rental offices among others and are current assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
25. (i) DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2023 Kes '000	2022 Kes '000	2023 Kes '000	2022 Kes '000
Maturity Profile				
Deposits maturing within 90 days after balance sheet date	7,035,221	4,002,632	809,369	440,856
Total	7,035,221	4,002,632	809,369	440,856

25 (ii) CASH AND CASH EQUIVALENTS

The year-end cash and cash equivalents comprise the following:

	Group		Company	
	2023 Kes '000	2022 Kes '000	2023 Kes '000	2022 Kes '000
Cash and bank balances	2,161,408	2,147,889	429,378	189,907
Short-term deposits with banks	7,035,221	4,002,632	809,369	440,856
Total	9,196,629	6,150,521	1,238,747	630,763

These are all current assets.

25 (iii) OPERATING CASH FLOW

	Note	2023 Kes '000	Restated 2022 Kes '000
Cash flow from operating activities			
Profit before income tax		5,310,661	6,519,054
Adjustments for: -			
Depreciation and amortisation	15 & 37	201,750	190,326
Interest expense on lease liability	37	56,500	45,665
Fair value (gains)/losses on financial assets at fair value through profit and loss	14	1,968,659	325,500
Gain on disposal of subsidiaries	39	(246,866)	(2,157,498)
Interest and other income	9, 10 & 11	(16,368,564)	(13,340,177)
Interest received		13,203,510	13,056,779
Dividends received from associates	17	1,672,920	1,509,188
Rental income		(332,761)	(296,376)
Share of result of associates after income tax	17	(2,793,114)	(2,487,666)
Net purchase of government securities	20 (i)	(11,113,842)	(15,684,718)
Insurance finance expense	12	2,812,666	4,127,725
Net insurance services revenue/expense		(4,891,590)	(5,292,634)
Net expense from reinsurance contracts		143,530	59,817
Proceeds from sale of quoted shares	23	406,418	54,187
Purchase of quoted equity investments	23	(632,880)	(1,547,553)
Net sale (purchase) of commercial bonds	20	900	(8,978)
Operating loss before working capital changes		(10,602,103)	(14,927,359)
Increase in insurance contract liabilities		15,050,925	16,480,541
Increase/(decrease) in reinsurance contract liabilities		122,289	(104,814)
(Increase) in reinsurance contract assets		(931,041)	(417,233)
Decrease/(increase) in other receivables		1,397,864	(681,568)
Increase in other payables		1,716,392	372,248
Cash generated from operations		6,754,326	721,815

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Payroll, Value added tax payable and Withholding taxes payable	211,076	267,325	-	-
Other liabilities*	3,496,131	1,207,000	194,119	403,718
Leave pay accrual	8,965	26,728	-	-
Accrued expenses	794,798	1,077,717	12,501	9,003
Premium deposits	810,590	924,421	-	-
Rental deposits	8,444	110,421	-	-
Total	5,330,004	3,613,612	206,620	412,721

These are all current liabilities.

*Other liabilities include sundry creditors, deferred rental income and valuations fees among others.

27. PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per period and per class of business respectively:

	2023	2022
	Kes '000	Kes '000
Insurance contracts		
Insurance contract assets	-	-
Insurance contract liabilities	129,445,987	114,395,062
Total Insurance contracts	(129,445,987)	(114,395,062)
Reinsurance contracts		
Reinsurance contract assets	4,262,764	3,331,723
Reinsurance contract liabilities	276,778	154,489
Total Reinsurance contracts	3,985,986	3,177,234

Movements in insurance liabilities and reinsurance assets are shown in note 28 i and ii.

Group 2023	Health	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Kes '000							
Insurance contract liabilities	7,561,590	19,517,544	1,242,088	1,216,117	12,779,857	87,128,791	129,445,987
Net Insurance Contracts	(7,561,590)	(19,517,544)	(1,242,088)	(1,216,117)	(12,779,857)	(87,128,791)	(129,445,987)
Group 2022	Health	Individual Life	Group Life	Group Credit	Annuities	Investment contracts with DPF	Total
Kes '000							
Insurance contract assets	-	-	-	-	-	-	-
Insurance contract liabilities	5,496,073	16,719,417	1,174,242	687,991	12,566,399	77,276,619	114,395,061
Net Insurance Contracts	(5,496,073)	(16,719,417)	(1,174,242)	(687,991)	(12,566,399)	(77,276,619)	(114,395,061)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES
A. CONTRACTS UNDER PAA
a) MEDICAL

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for Medical.

2023	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	
Opening assets	-	-	-	-	-
Opening liabilities	4,302,973	165,915	301,894	1,199,611	5,970,393
Net opening balance	4,302,973	165,915	301,894	1,199,611	5,970,393
Changes in the statement of profit or loss					
Insurance revenue					
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	15,101,789	-	-	-	15,101,789
Insurance revenue	15,101,789	-	-	-	15,101,789
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	-	(12,027,195)	(12,027,195)
Adjustments to liabilities for incurred claims	-	-	-	(3,390,144)	(3,390,144)
Losses and reversals of losses on onerous contracts	-	(6,556)	-	-	(6,556)
Insurance acquisition cash flows					
Amortization					
Impairment loss and reversals of impairment	-	-	-	-	-
Insurance service expenses	-	(6,556)	-	(15,417,339)	(15,423,895)
Insurance service result	15,101,789	(6,556)	-	(15,417,339)	(322,106)
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	392,940	30,603	46,252	-	469,795
Total changes in the statement of profit or loss and OCI	392,940	30,603	46,252	-	469,795
Investment components excluded from insurance revenue and insurance service expenses	-	-	-	-	-
Allocation of IACF to related group of contracts	-	-	-	-	-
Cash flows					
Premiums received (including investment components)	15,101,789	-	-	-	15,101,789
Insurance acquisition cash flows	(1,460,150)	-	-	-	(1,460,150)
Claims and other insurance service expenses paid (including investment components)	-	-	-	(12,198,130)	(12,198,130)
Total cash flows	13,641,639	-	-	(12,198,130)	1,443,509
Net closing balance	33,439,341	189,962	348,146	(26,415,858)	7,561,591
Closing assets	-	-	-	-	-
Closing liabilities	(33,439,341)	(189,962)	(348,146)	26,415,858	(7,561,591)
Net closing balance	(33,439,341)	(189,962)	(348,146)	26,415,858	(7,561,591)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-	-
Opening liabilities	3,693,825	148,806	305,831	997,212	5,145,674
Net opening balance	(3,693,825)	(148,806)	(305,831)	(997,212)	(5,145,674)
<i>Changes in the statement of profit or loss</i>					
<i>Insurance revenue</i>					
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	12,867,506	-	-	-	12,867,506
Insurance revenue	12,867,506	-	-	-	12,867,506
<i>Insurance service expenses</i>					
Incurred claims and other insurance service expenses	-	-	-	(10,416,891)	(10,416,891)
Other directly attributable expenses	-	-	-	(2,970,180)	(2,970,180)
Losses and reversals of losses on onerous contracts	-	(16,337)	-	-	(16,337)
Insurance acquisition cash flows	-	-	-	-	-
Amortization	-	-	-	-	-
Impairment loss and reversals of impairment	-	-	-	-	-
Insurance service expenses	-	(16,337)	-	(13,387,071)	(13,403,408)
Insurance service result	12,867,506	(16,337)	-	(13,387,071)	(535,902)
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	-	-	-
Effect of movements in exchange rates	(123,921)	-	-	-	(123,921)
Total changes in the statement of profit or loss and OCI	(123,921)	-	-	-	(123,921)
Investment components excluded from insurance revenue and insurance service expenses	-	-	-	-	-
Allocation of IACF to related group of contracts	-	-	-	-	-
<i>Cash flows</i>					
Premiums received (including investment components)	13,940,082	-	-	-	13,940,082
Insurance acquisition cash flows	(1,460,150)	-	-	-	(1,460,150)
Claims and other insurance service expenses paid (including investment components)	-	-	-	(11,469,710)	(11,469,710)
Total cash flows	12,479,932	-	-	(11,469,710)	1,010,222
Net closing balance	28,917,342	132,469	305,831	(23,859,569)	5,496,073
Closing assets	-	-	-	-	-
Closing liabilities	28,917,342	132,469	305,831	(23,859,569)	5,496,073
Net closing balance	28,917,342	(132,469)	(305,831)	23,859,569	(5,496,073)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

B. CONTRACTS UNDER GMM

a) INDIVIDUAL LIFE

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for Individual Life: traditional.

2023	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	Kes '000	Kes '000		
Opening assets	-	-	-	-
Opening liabilities	10,406,477	960,449	5,352,492	16,719,418
Net opening balance	(10,406,477)	(960,449)	(5,352,492)	(16,719,418)
<i>Changes in the statement of profit or loss</i>				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	1,975,252	-	-	1,975,252
Contracts under the fair value approach	1,074,114	-	-	1,074,114
Other contracts	134,314	-	-	134,314
Insurance revenue	3,183,680	-	-	3,183,680
<i>Insurance service expenses</i>				
Incurred claims and other insurance service expenses	-	-	(2,620,130)	(2,620,130)
Adjustments to liabilities for incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	(225,252)	-	(225,252)
Insurance acquisition cash flows				
Amortization	(103,944)	-	-	(103,944)
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expenses	(103,944)	(225,252)	(2,620,130)	(2,949,326)
Insurance service result	3,079,736	(225,252)	(2,620,130)	234,354
Insurance finance income or expenses from insurance contracts recognized in profit or loss	(2,369,307)	176,945	-	(2,192,362)
Effect of movement in exchange rates	138,830	-	-	138,830
Total changes in the statement of profit or loss	(2,369,307)	176,945	-	(2,053,532)
Investment components excluded from insurance revenue and insurance service expenses	(4,030,599)	-	4,030,599	-
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cash flows</i>				
Premiums received (including investment components)	4,575,853	-	123,383	4,699,236
Insurance acquisition cash flows	(1,648,628)	-	-	(1,648,628)
Claims and other insurance service expenses paid (including investment components)	-	-	(4,029,555)	(4,029,555)
Total cash flows	(1,103,374)	-	124,427	(978,947)
Net closing balance	(10,799,422)	(1,008,756)	(7,848,195)	(19,517,543)
Closing assets	-	-	-	-
Closing liabilities	(10,799,422)	(1,008,756)	(7,848,195)	(19,517,543)
Net closing balance	(10,799,422)	(1,008,756)	(7,848,195)	(19,517,543)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	Kes '000	Kes '000		
Opening assets		-	-	-
Opening liabilities	(13,979,316)	(786,171)	(559,496)	(15,324,983)
Net opening balance	(13,979,316)	(786,171)	(559,496)	(15,324,983)
<i>Changes in the statement of profit or loss</i>				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	3,101,152	-	-	3,101,152
Contracts under the fair value approach	83,765	-	-	83,765
Insurance revenue	3,184,917	-	-	3,184,917
<i>Insurance service expenses</i>				
Incurred claims and other insurance service expenses	-	-	(2,454,214)	(2,454,214)
Adjustments to liabilities for incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	(140,688)	-	(140,688)
Insurance acquisition cash flows		-	-	-
Amortization	(172,531)	-	-	(172,531)
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expense	(172,531)	(140,688)	(2,454,214)	(2,767,433)
Insurance service result	3,012,386	(140,688)	(2,454,214)	417,484
Insurance finance income or expenses from insurance contracts recognized in profit or loss	(1,976,896)	(34,448)	-	(2,011,344)
Effect of movements in exchange rates	51,236	-	-	51,236
Total changes in the statement of profit or loss	(1,925,660)	(34,448)	-	(1,960,108)
Investment components excluded from insurance revenue and insurance service expenses	(3,373,029)	-	3,373,029	-
Allocation of IACF to related group of contracts	-	-	-	-
Cash flows	-	-	-	-
Premiums received (including investment components)	5,823,904	-	-	5,823,904
Insurance acquisition cash flows	(1,455,097)	-	-	(1,455,097)
Claims and other insurance service expenses paid (including investment components)	-	-	(4,220,618)	(4,220,618)
Total cash flows	995,778	-	(847,589)	148,189
Net closing balance	(11,896,812)	(961,307)	(3,861,299)	(16,719,418)
Closing assets	-	-	-	-
Closing liabilities	(11,896,812)	(961,307)	(3,861,299)	(16,719,418)
Net closing balance	(11,896,812)	(961,307)	(3,861,299)	(16,719,418)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following tables shows the reconciliation from the opening to the closing balances of the net insurance contract liability analyzed by components.

2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contracts under modified retrospective approach	Contracts under fair value approach	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-	-
Opening liabilities	(14,064,640)	(604,094)	(1,603,799)	(446,884)	(16,719,417)
Net opening balance	(14,064,640)	(604,094)	(1,603,799)	(446,884)	16,719,418
<i>Changes in the statement of profit or loss</i>					
<i>Changes that relate to current service</i>					
Adjustments to loss recovery component previously recognized	-	-	-	-	-
CSM recognised for services provided	-	-	63,000	-	63,000
Change in risk adjustment for non-financial risk for risk expired	-	500,974	-	-	500,974
Experience adjustments	(1,149,553)	-			(1,149,553)
	(1,149,553)	500,974	63,000	-	(585,579)
<i>Changes that relate to future service</i>					
Contracts initially recognised in the year	(235,224)	166,147	422,407	401,712	755,042
Changes in estimates that adjust the CSM	434,573	(15,287)	(507,559)	88,273	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	427,638	-			427,638
	626,987	150,860	777,847	489,985	1,182,680
<i>Changes that relate to past service</i>					
Adjustments to liabilities for incurred claims	(362,747)	-	-	-	(362,747)
	(362,747)	-	-	-	(362,747)
Insurance service result	(885,313)	651,834	840,847	489,985	234,354
Insurance finance expenses from insurance contracts recognised in profit or loss	2,369,307		176,945		2,546,252
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-	-
Effect of movements in exchange rates	996,466	-	-	-	996,466
Total changes in the statement of profit or loss	3,365,773	-	176,945	-	3,542,718
Allocation of IACF to related group of contracts	-	-	-	-	-
Cashflows	-	-	-	-	-
Premiums received (including investment components)	4,699,236	-			4,699,236
Insurance acquisition cash flows	(1,648,628)	-	-	-	(1,648,628)
Claims and other insurance service expenses paid (including investment components)	(4,029,555)	-			(4,029,555)
Net closing balance	(12,563,127)	47,740	(586,007)	43,101	19,517,543
Closing assets	-	-	-	-	-
Closing liabilities	(12,563,127)	47,740	(586,007)	43,101	19,517,543
Net closing balance	12,563,127	(47,740)	586,007	(43,101)	(19,517,543)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contracts under modified retrospective approach	Contracts under fair value approach	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-	-
Opening liabilities	12,526,948	580,250	2,114,362	103,423	15,324,983
Net opening balance	(12,526,948)	(580,250)	(2,114,362)	(103,423)	(15,324,983)
<i>Changes in the statement of profit or loss</i>					
<i>Changes that relate to current service</i>					
Adjustments to loss recovery component previously recognized	-	-	-	-	-
CSM recognised for services provided	-	-	10,582	-	10,582
Change in risk adjustment for non-financial risk for risk expired	-	781,276	-	-	781,276
Experience adjustments	(847,766)	-	-	-	(847,766)
	(168,806)	781,276	10,582	-	(55,908)
<i>Changes that relate to future service</i>					
Contracts initially recognised in the year	(646,095)	171,063	379,333	285,433	189,734
Changes in estimates that adjust the CSM	(137,452)	(213,467)	282,193	68,726	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	283,658	-	-	-	283,658
	(499,889)	(42,404)	661,526	354,159	473,392
<i>Changes that relate to past service</i>					
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	-	-	-	-
Insurance service result	(668,695)	738,872	672,108	354,159	417,484
Insurance finance expenses from insurance contracts recognised in profit or loss	(1,597,829)	(87,462)	(317,704)	(8,349)	(2,011,344)
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-	-
Effect of movements in exchange rates	51,236	-	-	-	51,236
Total changes in the statement of profit or loss	(1,546,593)	87,462	317,704	8,349	(1,960,108)
Allocation of IACF to related group of contracts	-	-	-	-	-
<i>Cashflows</i>					
Premiums received (including investment components)	5,823,904	-	-	-	5,823,904
Insurance acquisition cash flows	(1,455,097)	-	-	-	(1,455,097)
Claims and other insurance service expenses paid (including investment components)	(4,220,618)	-	-	-	(4,220,618)
Total cashflows	148,189	-	-	-	148,189
Net closing balance	(14,594,047)	246,084	(1,124,550)	259,085	(16,719,418)
Closing assets					
Closing liabilities	(14,478,940)	224,871	(2,725,593)	260,243	(16,719,418)
Net closing balance	(14,478,940)	224,871	(2,725,593)	260,243	(16,719,418)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following table provided and analysis of insurance contracts initially recognised in the period.

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(957,515)	(722,291)	(235,224)
Risk adjustment for non-financial risk	133,396	32,751	166,147
CSM	824,119	-	824,119
Increase in insurance contracts liabilities from contracts recognized in the period	-	(755,042)	755,042

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(693,379)	47,284	(646,095)
Risk adjustment for non-financial risk	28,613	142,449	171,063
CSM	664,766	-	664,766
Increase in insurance contracts liabilities from contracts recognized in the period	-	189,733	189,734

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

b) GROUP LIFE

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for Group Life.

2023	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	
Opening assets	-	-	-	-	-
Opening liabilities	332,904	-	-	841,338	1,174,242
Net opening balance	(332,904)	-	-	(841,338)	(1,174,242)
<i>Changes in the statement of profit or loss</i>					
<i>Insurance revenue</i>					
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	1,706,398	-	-	-	1,706,398
Insurance revenue	1,706,398	-	-	-	1,706,398
<i>Insurance service expenses</i>					
Incurred claims and other insurance service expenses	-	-	-	(1,346,755)	(1,346,755)
Other directly attributable expenses	-	-	-	(226,486)	(226,486)
Losses and reversals of losses on onerous contracts	-	-	31,621	-	31,621
Insurance acquisition cash flows	-	-	-	-	-
Amortization	-	-	-	-	-
Impairment loss and reversals of impairment	-	-	-	-	-
Insurance service expenses	-	-	31,621	(1,573,241)	(1,541,620)
Insurance service result	1,706,398	-	31,621	(1,573,241)	164,778
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	-	-	-
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-	-
Effect of movements in exchange rates	15,478	-	11,361	-	26,839
Total changes in the statement of profit or loss	15,478	-	11,361	-	26,839
Investment components excluded from insurance revenue and insurance service expenses	-	-	-	-	-
Allocation of IACF to related group of contracts	-	-	-	-	-
<i>Cash flows</i>					
Premiums received (including investment components)	986,706	-	-	-	986,706
Insurance acquisition cash flows	(164,393)	-	-	-	(164,393)
Claims and other insurance service expenses paid (including investment components)	-	-	-	(1,081,776)	(1,081,776)
Total cash flows	822,313	-	-	(1,081,776)	(259,463)
Net closing balance	2,211,285	-	42,982	(3,496,355)	(1,242,088)
Closing assets	-	-	-	-	-
Closing liabilities	2,211,285	-	42,982	(3,496,355)	1,242,088
Net closing balance	2,211,285	-	42,982	(3,496,355)	(1,242,088)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000		
Opening assets	-	-	-		-
Opening liabilities	557,126	-		846,619	1,403,745
Net opening balance	(557,126)	-		(846,619)	(1,403,745)
<i>Changes in the statement of profit or loss</i>					
<i>Insurance revenue</i>					
Contracts under the modified retrospective approach	-	-	-		-
Contracts under the fair value approach	-	-	-		-
Other contracts	1,573,222	-	-		1,573,222
Insurance revenue	1,573,222	-	-		1,573,222
<i>Insurance service expenses</i>					
Incurred claims and other insurance service expenses	-	-		(924,905)	(924,905)
Other directly attributable expenses	-	-		(379,428)	(379,428)
Losses and reversals of losses on onerous contracts			(31,864)		(31,864)
Insurance acquisition cash flows	-	-	-		-
Amortization	-	-	-		-
Impairment loss and reversals of impairment	-	-	-		-
Insurance service expenses	-	-	(31,864)	(1,304,333)	(1,336,197)
Insurance service result	1,573,222	-	(31,864)	(1,304,333)	237,025
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	-		-
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-		-
Effect of movements in exchange rates	13,321	-	-		13,321
Total changes in the statement of profit or loss	13,321	-	-		13,321
Investment components excluded from insurance revenue and insurance service expenses	-	-	-		-
Allocation of IACF to related group of contracts	-	-	-		-
<i>Cash flows</i>					
Premiums received (including investment components)	1,042,320	-	-		1,042,320
Insurance acquisition cash flows	(268,221)	-	-		(268,221)
Claims and other insurance service expenses paid (including investment components)	-	-	-	(794,942)	(794,942)
Total cash flows	774,099	-	-	(794,942)	(20,843)
Net closing balance	1,803,516	-	(31,864)	(2,945,894)	(1,174,242)
Closing assets	-	-	-		-
Closing liabilities	2,008,611	-	(31,864)	(3,150,988)	(1,174,242)
Net closing balance	2,008,611	-	(31,864)	(3,150,988)	(1,174,242)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

c) GROUP CREDIT

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for group credit.

2023	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	Kes '000	Kes '000		
Opening assets	-	-	-	-
Opening liabilities	580,108	70,646	37,237	687,991
Net opening balance	(580,108)	(70,646)	(37,237)	(687,991)
<i>Changes in the statement of profit or loss</i>				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	(128,750)	-	-	(128,750)
Contracts under the fair value approach	(69,423)	-	-	(69,423)
Other contracts	(313,263)	-	-	(313,263)
Insurance revenue	511,436	-	-	511,436
<i>Insurance service expenses</i>				
Incurred claims and other insurance service expenses	-	-	(405,378)	(405,378)
Adjustments to liabilities for incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	(112,095)	-	(112,095)
Insurance acquisition cash flows	-	-	-	-
Amortization	(27,220)	-	-	(27,220)
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expenses	(27,220)	(112,095)	(405,378)	(544,693)
Insurance service result	484,216	(112,095)	(405,378)	(33,257)
Insurance finance income or expenses from insurance contracts recognized in profit or loss	78,148	-	-	78,148
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-
Effect of movements in exchange rates	46,180	13,723	6,673	66,576
Total changes in the statement of profit or loss	124,328	13,723	6,673	144,724
Investment components excluded from insurance revenue and insurance service expenses	-	-	-	-
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cash flows</i>				
Premiums received (including investment components)	807,725	-	-	807,725
Insurance acquisition cash flows	(50,684)	-	-	(50,684)
Claims and other insurance service expenses paid (including investment components)	-	-	(1,396,634)	(1,396,634)
Total cash flows	757,041	-	(315,227)	(639,593)
Net closing balance	785,477	(169,018)	(751,169)	(1,216,117)
Closing assets	-	-	-	-
Closing liabilities	785,477	(169,018)	(751,169)	(1,216,117)
Net closing balance	(298,142)	(258,014)	(659,961)	(1,216,117)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage			Total Kes '000
	Excluding loss component	Loss component	Liability for incurred claims	
	Kes '000	Kes '000	Kes '000	
Opening assets	-	-	-	-
Opening liabilities	543,230	-	63,977	607,207
Net opening balance	(543,230)	-	(63,977)	(607,207)
<i>Changes in the statement of profit or loss</i>				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	126,352	-	-	126,352
Contracts under the fair value approach	148,603	-	-	148,603
Other contracts	229,141	-	-	229,141
Insurance revenue	504,096	-	-	504,096
<i>Insurance service expenses</i>				
Insurance service expenses	-	-	-	-
Incurring claims and other insurance service expenses	-	-	(328,920)	(328,920)
Other directly attributable expenses	-	-	(35,482)	(35,482)
Losses and reversals of losses on onerous contracts	-	(115,571)	-	(115,571)
<i>Insurance acquisition cash flows</i>				
Amortization	(16,450)	-	-	(16,450)
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expenses	(16,450)	(115,571)	(364,402)	(496,423)
Insurance service result	487,646	(115,571)	(364,402)	7,673
Insurance finance income or expenses from insurance contracts recognized in profit or loss	(393,644)	612,835	-	219,191
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-
Effect of movements in exchange rates	(181,362)	-	-	(181,362)
Total changes in the statement of profit or loss	(575,006)	612,835	-	37,829
<i>Investment components excluded from insurance revenue and insurance service expenses</i>				
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cash flows</i>				
Premiums received (including investment components)	538,261	-	-	538,261
Insurance acquisition cash flows	(59,744)	-	-	(59,744)
Claims and other insurance service expenses paid (including investment components)	-	-	(604,803)	(604,803)
Total cash flows	478,517	-	(604,803)	(126,286)
Net closing balance	(152,073)	497,264	(1,033,182)	(687,991)
Closing assets	-	-	-	-
Closing liabilities	(152,073)	497,264	(1,033,182)	687,991
Net closing balance	(152,073)	497,264	(1,033,182)	(687,991)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following tables shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components

2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contracts under modified retrospective approach	Contracts under fair value approach	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-	-
Opening liabilities	447,464	37,768	201,421	1,338	687,991
Net opening balance	(447,464)	(37,768)	(201,421)	(1,338)	(687,991)
<i>Changes in the statement of profit or loss</i>					
<i>Changes that relate to current service</i>					
Adjustments to loss recovery component previously recognized	-	-	-	-	-
CSM recognised for services provided	-	-	14,293	-	14,293
Change in risk adjustment for non-financial risk for risk expired	-	128,171	-	-	128,171
Experience adjustments	(180,784)	-	-	-	(180,784)
	(158,874)	128,171	14,293	-	(38,320)
<i>Changes that relate to future service</i>					
Contracts initially recognised in the year	130,844	31,568	143,564	39,177	345,153
Changes in estimates that adjust the CSM	(93,357)	(18,605)	94,264	17,698	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(340,090)	-	-	-	(340,090)
	(302,603)	12,963	237,828	56,875	5,063
<i>Changes that relate to past service</i>					
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	-	-	-	-
Insurance service result	(461,477)	141,134	252,121	56,875	(33,257)
Insurance finance expenses from insurance contracts recognised in profit or loss	(78,148)	-	-	-	(78,148)
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-	-
Effect of movements in exchange rates	(138,163)	-	-	-	(138,163)
Total changes in the statement of profit or loss	(216,311)	-	-	-	(216,311)
Allocation of IACF to related group of contracts	-	-	-	-	-
<i>Cashflows</i>					
Premiums received (including investment components)	807,725	-	-	-	807,725
Insurance acquisition cash flows	(50,684)	-	-	-	(50,684)
Claims and other insurance service expenses paid (including investment components)	1,396,634	-	-	-	1,396,634
Total cashflows	2,153,675				2,153,675
Net closing balance	1,028,423	103,366	50,700	55,537	1,216,116
Closing assets	-	-	-	-	-
Closing liabilities	(1,028,423)	(103,366)	(50,700)	(55,537)	(1,216,116)
Net closing balance	(1,028,423)	(103,366)	(50,700)	(55,537)	(1,216,116)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contracts under modified retrospective approach	Contracts under fair value approach	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-	-
Opening liabilities	495,831	33,200	64,745	13,432	607,207
Net opening balance	(495,831)	(33,200)	(64,745)	(13,432)	(607,207)
Changes in the statement of profit or loss					
<i>Changes that relate to current service</i>					
Adjustments to loss recovery component previously recognized	-	-	-	-	-
CSM recognised for services provided	-	-	18,813	-	18,813
Change in risk adjustment for non-financial risk for risk expired	-	123,875	-	-	123,875
Experience adjustments	(441,942)	-	-	-	(441,942)
	(194,192)	123,875	18,813	-	(299,254)
<i>Changes that relate to future service</i>					
Contracts initially recognised in the year	43,592	17,593	141,859	-	203,044
Changes in estimates that adjust the CSM	(72,024)	1,051	80,590	(9,617)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	103,523	-	-	-	103,523
	75,091	18,644	222,449	(9,617)	306,567
<i>Changes that relate to past service</i>					
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	-	-	-	-
Insurance service result	(119,101)	142,519	241,262	(9,617)	7,313
Insurance finance expenses from insurance contracts recognised in profit or loss	(35,550)	254,741	-	-	219,191
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-	-
Effect of movements in exchange rates	(480,874)	45,333	6,091	24,387	(405,063)
Total changes in the statement of profit or loss	(516,424)	300,074	6,091	24,387	(185,872)
Allocation of IACF to related group of contracts	-	-	-	-	-
Cashflows					
Premiums received (including investment components)	538,261	-	-	-	538,261
Insurance acquisition cash flows	(59,744)	-	-	-	(59,744)
Claims and other insurance service expenses paid (including investment components)	604,803	-	-	-	604,803
Total cashflows	1,083,320	-	-	-	1,083,320
Net closing balance	(48,036)	533,268	201,421	1,338	687,991
Closing assets	-	-	-	-	-
Closing liabilities	48,036	(533,268)	(201,421)	(1,338)	(687,991)
Net closing balance	48,036	(533,268)	(201,421)	(1,338)	(687,991)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following table provided and analysis of insurance contracts initially recognised in the period

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(197,933)	328,777	130,844
Risk adjustment for non-financial risk	15,192	16,376	31,568
CSM	182,741	-	182,741
Increase in insurance contracts liabilities from contracts recognized in the period	-	345,153	345,153

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(153,606)	197,198	43,592
Risk adjustment for non-financial risk	11,747	5,846	17,593
CSM	141,859	-	141,859
Increase in insurance contracts liabilities from contracts recognized in the period	-	203,044	203,044

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES
d) ANNUITIES

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for annuities

2023	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	Kes '000	Kes '000		
Opening assets	-	-	-	-
Opening liabilities	10,986,666	143,634	1,436,099	12,566,399
Net opening balance	(10,986,666)	(143,634)	(1,436,099)	(12,566,399)
Changes in the statement of profit or loss				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	-	-	-	-
Other contracts	848,851	-	-	848,851
Insurance revenue	848,851	-	-	848,851
<i>Insurance service expenses</i>				
Incurred claims and other insurance service expenses			(730,325)	(730,325)
Other directly attributable cashflows	-	-	(1,717)	(1,717)
Losses and reversals of losses on onerous contracts	-	(53,029)	-	(53,029)
<i>Insurance acquisition cash flows</i>				
Amortization	-	-	-	-
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expenses	-	(53,029)	(732,042)	(785,071)
Insurance service result	848,851	(53,029)	(732,042)	63,780
Insurance finance income or expenses from insurance contracts recognized in profit or loss	(21,171)	(1,163)	-	(22,334)
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-
Effect of movements in exchange rates	692,850	-	-	692,850
Total changes in the statement of profit or loss	671,679	(1,163)	-	670,516
Investment components excluded from insurance revenue and insurance service expenses	(811,219)	-	811,219	-
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cash flows</i>				
Premiums received (including investment components)	597,224	-	-	597,224
Insurance acquisition cash flows	(32,968)	-	-	(32,968)
Claims and other insurance service expenses paid (including investment components)	-	-	(1,512,010)	(1,512,010)
Total cash flows	(246,963)	-	(700,791)	(947,754)
Net closing balance	(9,713,099)	(197,826)	(2,868,932)	(12,779,857)
Closing assets	-	-	-	-
Closing liabilities	(11,223,392)	(197,826)	(1,358,639)	(12,779,857)
Net closing balance	(11,223,392)	(197,826)	(1,358,639)	(12,779,857)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage			Liability for incurred claims
	Excluding loss component	Loss component		
	Kes '000	Kes '000		Kes '000
Opening assets	-	-	-	-
Opening liabilities	10,469,500	128,949	-	10,598,449
Net opening balance	(10,469,500)	(128,949)	-	(10,598,449)
Changes in the statement of profit or loss				
<i>Insurance revenue</i>				
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	-	-	-	-
Other contracts	771,484	-	-	771,484
Insurance revenue	771,484	-	-	771,484
<i>Insurance service expenses</i>	-	-	-	-
Incurred claims and other insurance service expenses			(582,634)	(582,634)
Adjustments to liabilities for incurred claims	-	-	-	-
Losses and reversals of losses on onerous contracts	-	13,269	-	13,269
<i>Insurance acquisition cash flows</i>	-	-	-	-
Amortization	(19,530)	-	-	(19,530)
Impairment loss and reversals of impairment	-	-	-	-
Insurance service expenses	(19,530)	13,269	(582,634)	(588,895)
Insurance service result	751,954	13,269	(582,634)	182,589
Insurance finance income or expenses from insurance contracts recognized in profit or loss	(2,336,128)	556	-	(2,335,572)
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-
Effect of movements in exchange rates	370,622	-	-	370,622
Total changes in the statement of profit or loss	(1,965,506)	556	-	(1,964,950)
Investment components excluded from insurance revenue and insurance service expenses	(814,405)	-	814,405	-
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cash flows</i>	-	-	-	-
Premiums received (including investment components)	1,250,510	-	-	1,250,510
Insurance acquisition cash flows	-	-	-	-
Claims and other insurance service expenses paid (including investment components)	-	-	(1,436,099)	(1,436,099)
Total cash flows	436,105	-	(621,694)	(185,589)
Net closing balance	(11,246,947)	(115,124)	(1,204,328)	(12,566,399)
Closing assets	-	-	-	-
Closing liabilities	(12,643,986)	(115,124)	192,711	(12,566,399)
Net closing balance	(12,643,986)	(115,124)	192,711	(12,566,399)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following tables shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components

2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-
Opening liabilities	11,468,218	208,366	889,815	12,566,399
Net opening balance	(11,468,218)	(208,366)	(889,815)	(12,566,399)
Changes in the statement of profit or loss				
<i>Changes that relate to current service</i>				
Adjustments to loss recovery component previously recognized	-	-	-	
CSM recognised for services provided	-	-	3,278	3,278
Change in risk adjustment for non-financial risk for risk expired	-	100,000	-	100,000
Experience adjustments	(108,368)	-		(108,368)
	(108,368)	100,000	3,278	(5,090)
<i>Changes that relate to future service</i>				
Contracts initially recognised in the year	(32,171)	4,231	164,075	136,135
Changes in estimates that adjust the CSM	196,671	(30,734)	(165,937)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(67,265)	-	-	(67,265)
	97,235	(26,503)	70,732	68,870
<i>Changes that relate to past service</i>				
Adjustments to liabilities for incurred claims	-	-	-	-
	-	-	-	-
Insurance service result	(11,133)	73,497	74,010	63,780
Insurance finance expenses from insurance contracts recognised in profit or loss	(21,171)	(1,163)		(22,334)
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-
Effect of movements in exchange rates	692,851	-	-	692,851
Total changes in the statement of profit or loss	671,680	(1,163)	-	670,517
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cashflows</i>				
Premiums received (including investment components)	597,224	-	-	597,224
Insurance acquisition cash flows	(32,968)	-	-	(32,968)
Claims and other insurance service expenses paid (including investment components)	(1,512,010)	-	-	(1,512,010)
Total cashflows	(947,754)	-	-	(947,754)
Net closing balance	(11,755,425)	(136,032)	(815,805)	(12,779,856)
Closing assets	-	-	-	-
Closing liabilities	(11,755,425)	(136,032)	(815,805)	(12,779,856)
Net closing balance	(11,755,425)	(136,032)	(815,805)	(12,779,856)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	-	-	-	-
Opening liabilities	9,579,291	77,291	941,867	10,598,449
Net opening balance	(9,579,291)	(77,291)	(941,867)	(10,598,449)
Changes in the statement of profit or loss				
<i>Changes that relate to current service</i>	-	-	-	-
Adjustments to loss recovery component previously recognized	-	-	-	-
CSM recognised for services provided	-	-	4,037	4,037
Change in risk adjustment for non-financial risk for risk expired	-	90,700	-	90,700
Experience adjustments	(455)	-	-	(455)
	(455)	90,700	4,037	94,282
<i>Changes that relate to future service</i>	-	-	-	-
Contracts initially recognised in the year	(105,919)	3,862	107,179	5,122
Changes in estimates that adjust the CSM	135,624	-	(135,624)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(35,624)	-	-	-
	(5,919)	3,862	(28,445)	(30,502)
<i>Changes that relate to past service</i>	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
	-	-	-	-
Insurance service result	(6,374)	94,562	(24,408)	63,780
Insurance finance expenses from insurance contracts recognised in profit or loss	(2,336,128)	556	-	(2,335,572)
Insurance finance expenses from insurance contracts recognised in OCI	-	-	-	-
Effect of movements in exchange rates	639,619	(352,465)	107,995	395,149
Total changes in the statement of profit or loss	(1,696,509)	(351,909)	107,995	(1,940,423)
Allocation of IACF to related group of contracts	-	-	-	-
<i>Cashflows</i>	-	-	-	-
Premiums received (including investment components)	1,250,510	-	-	1,250,510
Insurance acquisition cash flows	-	-	-	-
Claims and other insurance service expenses paid (including investment components)	(1,436,099)	-	-	(1,436,099)
Total cashflows	(185,589)	-	-	(185,589)
Net closing balance	(11,468,218)	(243,938)	(854,243)	(12,566,399)
Closing assets	-	-	-	-
Closing liabilities	(11,468,218)	(243,938)	(854,243)	(12,566,399)
Net closing balance	(11,468,218)	(243,938)	(854,243)	(12,566,399)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

The following table provided and analysis of insurance contracts initially recognised in the period

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(168,051)	135,880	(32,171)
Risk adjustment for non-financial risk	3,976	255	4,231
CSM	164,075	-	164,075
Increase in insurance contracts liabilities from contracts recognized in the period	-	136,135	136,135

	Contracts issued		Total
	Profitable contracts	Onerous contracts	
	Kes '000	Kes '000	
<i>Estimates of present value of future cashflows</i>			
Net estimates of present value of future cash inflows and outflows	(110,912)	4,993	(105,919)
Risk adjustment for non-financial risk	3,733	129	3,862
CSM	107,179	-	107,179
Increase in insurance contracts liabilities from contracts recognized in the period	-	5,122	5,122

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

e) Investment contracts with DPF

The following shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for investment contracts with DPF

2023	Liability for remaining coverage		Liability for incurred claims		Total Kes '000
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000		
Opening assets	-	-	-	-	-
Opening liabilities	-	-	77,276,619	-	77,276,619
Net opening balance	-	-	(77,276,619)	-	(77,276,619)
Changes in the statement of profit or loss					-
<i>Insurance revenue</i>					-
Contracts under the modified retrospective approach	-	-	1,425,743	-	1,425,743
Contracts under the fair value approach	-	-	-	-	-
Other contracts	-	-	-	-	-
Insurance revenue	-	-	1,425,743	-	1,425,743
<i>Insurance service expenses</i>					-
Incurred claims and other insurance service expenses	-	-	(546,233)	-	(546,233)
Other directly attributable expenses	-	-	(35,056)	-	(35,056)
Adjustments to liabilities for incurred claims	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-
<i>Insurance acquisition cash flows</i>					-
Amortization	-	-	-	-	-
Impairment loss and reversals of impairment	-	-	-	-	-
Insurance service expenses	-	-	(581,289)	-	(581,289)
Insurance service result	-	-	844,454	-	844,454
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	(8,240,438)	-	(8,240,438)
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-	-
Effect of movements in exchange rates	-	-	(215,516)	-	(215,516)
Total changes in the statement of profit or loss	-	-	(8,455,954)	-	(8,455,954)
Investment components excluded from insurance revenue and insurance service expenses	12,175,758	-	(12,175,758)	-	-
Allocation of IACF to related group of contracts	-	-	-	-	-
<i>Cash flows</i>					-
Premiums received (including investment components)	8,213,298	-	-	-	8,213,298
Insurance acquisition cash flows	-	-	-	-	-
Claims and other insurance service expenses paid (including investment components)	-	-	(10,453,970)	-	(10,453,970)
Total cash flows	20,389,056	-	(22,629,728)	-	(2,240,672)
Net closing balance	12,175,758	-	(107,517,847)	-	(87,128,791)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	PV of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	
Opening assets	-	-	-	-	-
Opening liabilities	-	-	75,266,506	-	75,266,506
Net opening balance	-	-	75,266,506	-	75,266,506
Changes in the statement of profit or loss	-	-	-	-	-
Insurance revenue	-	-	-	-	-
Contracts under the modified retrospective approach	-	-	(1,237,903)	-	(1,237,903)
Contracts under the fair value approach	-	-	-	-	-
Other contracts	-	-	-	-	-
Insurance revenue	-	-	(1,237,903)	-	(1,237,903)
Insurance service expenses	-	-	-	-	-
Incurred claims and other insurance service expenses	-	-	496,938	-	496,938
Other directly attributable expenses	-	-	17,558	-	17,558
Adjustments to liabilities for incurred claims	-	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
Amortization	-	-	-	-	-
Impairment loss and reversals of impairment	-	-	-	-	-
Insurance service expenses	-	-	514,496	-	514,496
Insurance service result	-	-	(723,407)	-	(723,407)
Insurance finance income or expenses from insurance contracts recognized in profit or loss	-	-	(6,807,371)	-	(6,807,371)
Insurance finance income or expenses from insurance contracts recognized in OCI	-	-	-	-	-
Effect of movements in exchange rates	-	-	338,506	-	338,506
Total changes in the statement of profit or loss	-	-	(6,468,865)	-	(6,468,865)
Investment components excluded from insurance revenue and insurance service expenses	(6,338,506)	-	6,338,506	-	-
Allocation of IACF to related group of contracts	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums received (including investment components)	10,605,253	-	-	-	10,605,253
Insurance acquisition cash flows	-	-	-	-	-
Claims and other insurance service expenses paid (including investment components)	-	-	(164,964)	-	(164,964)
Total cash flows	4,266,747	-	6,173,542	-	10,440,289
Net closing balance	4,266,747	-	74,247,776	-	77,276,620
Closing assets	-	-	-	-	-
Closing liabilities	4,266,747	-	74,247,776	-	(77,276,620)
Net closing balance	4,266,747	-	(77,276,620)	-	(77,276,620)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (I) INSURANCE CONTRACT ASSETS AND LIABILITIES

Table showing the Initial Recognition Discount Rates used per cohort

		2023					2022				
		1	5	10	20	30	1	5	10	20	30
	Currency	Year	Years	Years	Years	Years	Year	Years	Years	Years	Years
Kenya Life Risk											
Individual Life	Kes	12.60%	12.60%	12.60%	12.60%	12.60%	11.39%	11.39%	11.39%	11.39%	11.39%
Annuities	Kes	13.68%	13.68%	13.68%	13.68%	13.68%	13.12%	13.12%	13.12%	13.12%	13.12%
Group Credit	Kes	8.50%	8.50%	8.50%	8.50%	8.50%	7.59%	7.59%	7.59%	7.59%	7.59%
Uganda Life Risk											
Individual Life	UGX	15.20%	15.20%	15.20%	15.20%	15.20%	15.58%	15.58%	15.58%	15.58%	15.58%
Group Credit	UGX	2.21%	2.21%	2.21%	2.21%	2.21%	3.33%	3.33%	3.33%	3.33%	3.33%
Tanzania Life Risk											
Individual Life	Tzs	14.11%	14.11%	14.11%	14.11%	14.11%	11.71%	11.71%	11.71%	11.71%	11.71%
Group Credit	Tzs	9.87%	9.87%	9.87%	9.87%	9.87%	9.70%	9.70%	9.70%	9.70%	9.70%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (II) REINSURANCE CONTRACT ASSETS AND LIABILITIES

A) Reinsurance contracts held under PAA - life business

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	Asset Remaining coverage				Asset Remaining coverage			
	2023		2022		2023		2022	
	Excluding loss recovery component	Loss recovery component	Asset for Incurred claims	Total	Excluding loss recovery component	Loss recovery component	Asset for Incurred claims	Total
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	845,522	-	13,728	859,250	938,581	-	13,728	952,309
Opening liabilities	(154,489)	-	-	(154,489)	(153,388)	-	-	(153,388)
Net opening balance	691,033	-	13,728	704,761	785,193	-	13,728	798,921
<i>Changes in the statement of profit or loss and OCI</i>								
Allocation of reinsurance premiums paid	(955,381)	-	-	(955,381)	(812,976)	-	-	(812,976)
Amounts recovered from reinsurers	-	-	-	-	-	-	-	-
Recoveries on incurred claims and other incurred reinsurance service expenses	650,844	-	-	650,844	586,514	-	-	586,514
Changes in the loss recovery component	-	-	-	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	(304,537)	-	-	(304,537)	(226,462)	-	-	(226,462)
Finance income or expenses from reinsurance contracts recognized in profit or loss	-	-	-	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognized in OCI	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	27,924	-	2,782	30,706	23,203	-	-	23,203
Total changes in the statement of profit or loss and OCI	27,924	-	2,782	30,706	23,203	-	-	23,203
Investment components excluded from reinsurance service expenses	-	-	-	-	-	-	-	-
Cash flows	-	-	-	-	-	-	-	-
Premiums paid	351,268	-	-	351,268	122,487	-	-	122,487
Amounts received from reinsurers relating to incurred claims	(57,620)	-	-	(57,620)	(13,388)	-	-	(13,388)
Total cash flows	293,648	-	-	293,648	109,099	-	-	109,099
Net closing balance	708,068	-	16,510	724,578	691,033	-	13,728	704,761
Closing assets	984,846	-	16,510	1,001,356	845,522	-	13,728	859,250
Closing liabilities	(276,778)	-	-	(276,778)	(154,489)	-	-	(154,489)
Net closing balance	708,068	-	16,510	724,578	691,033	-	13,728	704,761

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 (II) REINSURANCE CONTRACT ASSETS AND LIABILITIES

B) Reinsurance contracts held under PAA - Health Business

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance. The coverage period of quota-share reinsurance contracts held for PAA insurance contracts issued by the Group have either a coverage period of one year or less or a coverage period of more than one year but have been assessed as qualifying for measurement under PAA.

2023	Asset Remaining coverage		Asset for Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Opening assets	2,021,390	11,214	436,176	3,693	2,472,473
Opening liabilities	-	-	-	-	-
Net opening balance	2,021,390	11,214	436,176	3,693	2,472,473
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(827,484)	-	-	-	(827,484)
Amounts recovered from reinsurers	-	-	-	-	0
Recoveries on incurred claims and other incurred reinsurance service expenses	150,445	-	705,253	738	856,436
Changes in the asset for remaining coverage for income recognized in the period for newly recognized onerous underlying contracts	-	-	-	-	-
Changes in recoveries for past claims	-	-	-	-	-
Net expenses from reinsurance contracts held	(677,039)	0	705,253	738	28,952
Finance income or expenses from reinsurance contracts recognized in profit or loss	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognized in OCI	-	-	-	-	-
Effect of movements in exchange rates	417,305	1,984	100,231	654	520,174
Total changes in the statement of profit or loss and OCI	417,305	1,984	100,231	654	520,174
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums paid	739,583	-	340,746	-	1,080,329
Amounts received from reinsurers relating to incurred claims	(58,267)	18,453	(800,705)	-	(840,519)
Total cash flows	681,316	18,453	(459,959)	-	239,810
Net closing balance	2,442,972	31,651	781,701	5,085	3,261,409
Closing assets	2,442,972	31,651	781,701	5,085	3,261,409
Closing liabilities	-	-	-	-	-
Net closing balance	2,442,972	31,651	781,701	5,085	3,261,409

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 (II) REINSURANCE CONTRACT ASSETS AND LIABILITIES

2022	Asset Remaining coverage		Assets for Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
	Kes '000	Kes '000	Kes '000	Kes '000	
Opening assets	2,237,863	6,158	115,618	2,115	2,361,754
Opening liabilities	-	-	-	-	-
Net opening balance	2,237,863	6,158	115,618	2,116	2,361,754
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	-719,425	-	-	-	-719,425
Amounts recovered from reinsurers	-	-	-	-	0
Recoveries on incurred claims and other incurred reinsurance service expenses	462,078	-	611,978	0	1,074,056
Changes in the asset for remaining coverage for income recognized in the period for newly recognized onerous underlying contracts	-	-	-	-	-
Changes in recoveries for past claims	-	-	-	-	-
Net expenses from reinsurance contracts held	-257,347	-	611,978	-	354,631
Finance income or expenses from reinsurance contracts recognized in profit or loss	-	-	-	-	-
Finance income or expenses from reinsurance contracts recognized in OCI	-	-	-	-	-
Effect of movements in exchange rates	13,563	5,056	73,270	1,578	93,467
Total changes in the statement of profit or loss and OCI	13,563	5,056	73,270	1,578	93,467
Investment components excluded from reinsurance service expenses	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums paid	250,315	-	335,373	-	585,688
Amounts received from reinsurers relating to incurred claims	(223,004)	-	(700,063)	-	(923,067)
Total cash flows	27,311	0	(364,690)	0	(337,379)
Net closing balance	2,021,390	11,214	436,176	3,693	2,472,473
Closing assets	2,021,390	11,214	436,176	3,693	2,472,473
Closing liabilities	-	-	-	-	-
Net closing balance	2,021,390	11,214	436,176	3,693	2,472,473

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 . AMOUNTS DETERMINED ON TRANSITION TO IFRS 17

For insurance contracts not measured under the PAA, an analysis of insurance revenue for insurance contracts issued and the CSM by transition method is included in the following tables. Insurance contracts measured under the PAA are not included in these tables because the Group applied the full retrospective approach to such contracts.

2023	IL: Traditional	Group Credit	Annuities	Total
<i>Insurance contracts issued</i>	Kes '000	Kes '000	Kes '000	Kes '000
Insurance revenue				
New contracts and contracts measured under the full retrospective approach at transition	2,572,256	341,116	107,888	3,021,260
Contracts measured under the modified retrospective approach at transition	-	-	-	-
Contracts measured under the fair value approach at transition	667,744	113,294	692,933	1,473,971
	3,240,000	454,410	800,821	4,495,231
CSM as at 31 December				
New contracts and contracts measured under the full retrospective approach at transition	1,028,211	115,933	64,059	1,208,203
Contracts measured under the modified retrospective approach at transition	-	-	-	-
Contracts measured under the fair value approach at transition	361,872	8,813	-	370,685
	1,390,083	124,746	64,059	1,578,888

2022	IL: Traditional	Group Credit	Annuities	Total
<i>Insurance contracts issued</i>	Kes '000	Kes '000	Kes '000	Kes '000
Insurance revenue				
New contracts and contracts measured under the full retrospective approach at transition	2,302,067	169,511	71,661	2,543,239
Contracts measured under the modified retrospective approach at transition	-	-	-	-
Contracts measured under the fair value approach at transition	863,649	275,377	629,595	1,768,621
	3,165,716	444,888	701,256	4,311,860
CSM as at 31 December				
New contracts and contracts measured under the full retrospective approach at transition	626,624	84,844	35,762	747,230
Contracts measured under the modified retrospective approach at transition	-	-	-	-
Contracts measured under the fair value approach at transition	577,219	71,766	-	648,985
	1,203,843	156,610	35,762	1,396,215

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table. The analysis was done for the portfolios which are measured not measured under PAA.

Number of years until expected to be recognised	IL:	Group	Annuities	Total CSM for insurance
	Traditional	Credit		contracts issued
	Kes '000	Kes '000	Kes '000	Kes '000
As at 31 December 2023				
1	471,927	36,242	1,839	510,008
2	377,416	22,639	2,697	402,752
3	347,685	22,411	3,549	373,645
4	501,503	12,010	9,618	523,131
5	300,488	1,070	41,750	343,308
6 - 10	61,044	-	172,613	233,657
>10	561,383	58,275	242,186	861,844
Total	2,621,446	152,647	474,252	3,248,345

Number of years until expected to be recognised	IL:	Group	Annuities	Total CSM for insurance
	Traditional	Credit		contracts issued
	Kes '000	Kes '000	Kes '000	Kes '000
As at 31 December 2022				
1	468,614	46,396	655	515,665
2	358,611	23,475	866	382,952
3	322,841	20,472	1,411	344,724
4	434,075	15,612	4,566	454,253
5	327,906	766	21,503	350,175
6 - 10	57,580	-	107,556	165,136
>10	284,677	41,929	163,122	489,728
Total	2,254,304	148,650	299,679	2,702,633

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. SHARE CAPITAL

The total authorized number of ordinary shares is 90,000,000 (2022: 90,000,000) with a par value of Kes 5 per share. At 31 December 2023, 72,472,950 ordinary shares were in issue (2022: 72,472,950 ordinary shares). All issued shares are fully paid.

	Company			
	Share Capital	Share Capital	Number of shares	Number of shares
	2023	2022	2023	2022
	Kes '000	Kes '000	'000	'000
Authorised	450,000	450,000	90,000	90,000
Issued and fully paid:				
At start of year and end of year	362,365	362,365	72,473	72,473

All shares rank equally with regard to the company residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

32. RESERVES

The breakdown of reserves is as follows:

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
FVOCI reserves	(373,776)	(65,275)	(208,750)	(193,232)
Property Revaluation reserves	399,082	275,705	-	-
General reserves	70,000	70,000	70,000	70,000
Translation reserves	6,131,430	2,284,837	-	-
Contingency reserves	1,835,182	1,789,792	-	-
Statutory and other reserves	2,605,428	2,042,638	-	-
Total	10,667,346	6,397,697	(138,750)	(123,232)

The movement in the reserves during the year is given below:

a) Fair value reserves

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	(65,275)	(218,584)	(193,232)	(152,240)
Fair value gain/(loss) through other comprehensive income (net of tax)	(308,501)	153,309	(15,518)	(40,992)
At end of year	(373,776)	(65,275)	(208,750)	(193,232)

The fair value reserve relates to unrealized gains or losses on the Group's equity investments that are carried at fair value through other comprehensive income. It also includes the Group's share of other comprehensive income in associates. The fair value reserve is non-distributable.

b) General reserves

	Group and Company	
	2023	2022
	Kes '000	Kes '000
At start and end of year	70,000	70,000

The general reserves were an appropriation of retained earnings in 1992 and are distributable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RESERVES (CONTINUED)

c) Translation reserve (Group)

Translation Reserves (Group)	2023	2022
	Kes '000	Kes '000
At start of year	2,284,837	1,374,269
Movement for the year	3,846,593	910,568
At end of year	6,131,430	2,284,837

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

d) Contingency reserve (Group)

Contingency Reserves (Group)	2023	2022
	Kes '000	Kes '000
At start of year	1,789,792	1,702,493
Transfer from retained earnings	45,390	87,299
At end of year	1,835,182	1,789,792

The contingency reserve is in line with the provisions of the Insurance Act in Tanzania and Uganda which require an annual transfer to the contingency reserve of between 1% - 3% of the gross premium. These reserves are non-distributable.

e) Statutory and other reserves (Group)

	2023	2022
	Kes '000	Kes '000
At start of year	2,042,638	2,042,638
Transfer from retained earnings	562,790	-
At end of year	2,605,428	2,042,638

The statutory reserve represents the actuarial surplus of the Kenyan long-term business after distribution of profits to the shareholders, bonuses to policy holders and interest to investment contracts with DPF. These reserves are distributable to policyholders and investment contracts with DPF holders subject to the requirements of regulator.

f) Revaluation reserves (Group)

	2023	2022
	Kes '000	Kes '000
At start of year	275,705	-
Gain on revaluation	176,253	393,865
Deferred tax charge	(52,876)	(118,160)
At end of year	399,082	275,705

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. RETAINED EARNINGS

	Group		Company	
	2023 Kes '000	Restated 2022 Kes '000	2023 Kes '000	2022 Kes '000
At start of year (reported as previously)	37,144,122	33,181,864	14,767,669	12,143,399
Initial recognition of IFRS 17	-	288,251	-	-
Restatement (net of tax)	-	(106,020)	-	-
At start of year- Restated	37,144,122	33,364,095	14,767,669	12,143,399
Profit for the year	4,298,674	5,598,401	994,891	3,493,946
Restatement (Net of tax)	-	(196,215)	-	-
Profit for the period after restatement	4,298,674	5,402,186	994,891	3,493,946
Transfer to contingency reserve	(45,390)	(87,299)	-	-
Transfer to Statutory reserve	(562,790)	-	-	-
Transfer from Non- controlling interest on loss of control	-	(665,184)	-	-
Interim dividend	(144,946)	(72,473)	(144,946)	(72,473)
Dividend declared	(891,417)	(797,203)	(891,417)	(797,203)
At end of year	39,798,253	37,144,122	14,726,197	14,767,669

34. DIVIDENDS

34 (i) PROPOSED DIVIDEND

Proposed dividend is accounted for as a separate component of equity until ratified at an Annual General Meeting. During the year, an interim dividend of Kes 144.95 million was paid (2022: Kes 72.47 million) or Kes 2.00 per share (2022: Kes 1.00 per share). A final dividend of Kes 724.73 million (2022: Kes 579.78 million) has been proposed, which is Kes 10.00 per share (2022: Kes 8.00 per share). Further a special dividend of Kes 166.69 million has been proposed, which is Kes 2.30 per share (2022: Kes 3.00 per share). The total dividend for the year 2023 is therefore Kes 1,036.36 million (2022: Kes 869.68 million) or Kes 14.30 per share (2022: Kes 12.00 per share).

Payment of dividend is subject to withholding tax at the rate of either 0%, 5% or 10%, depending on the percentage shareholding and/or residential status of the respective shareholders.

34 (ii) DIVIDENDS PAYABLE

	2023 Kes '000	2022 Kes '000
At start of year	492,038	444,003
Dividends declared within the year	942,149	1,014,622
Dividend paid within the year	(932,497)	(966,587)
At end of year	501,690	492,038

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. CONTINGENT LIABILITIES, COMMITMENTS AND OFF-BALANCE SHEET ITEMS

The Group's companies are subject to litigation arising in the normal course of business. The Directors are of the opinion that these litigations will not have a material effect on the financial position or profits of the Group.

The Jubilee Insurance Company of Tanzania Limited as of end of the period the Company had appeal cases pending with the Tax Revenue Appeal Board relating to an assessment of Tzs 3.2 billion in respect of VAT Amnesty application of 2018 for the years 2015 to 2017, the company placed a deposit of Tzs 1.1 billion with the Tanzania Revenue Authority in order to file an objection on the matter. Other assessments relate to the years of income 2015 to 2017 amounting to Tzs 6.9 billion in respect of VAT, SDL & PAYE and WHT for which the Company has already paid a deposit of Tzs 1.2 billion. The Company has objected for all the assessments and TRA has agreed to the objections with exception of the VAT assessment.

Tanzania Revenue Authority (TRA) issued final assessment for financial year 2020-2021 on 19 June 2023 on Corporate income tax amounting to Tzs 15 million and Tzs 45 million on withholding taxes on foreign reinsurance on the same date. TRA has also issued various assessment for financial year 2015-2019 relating to Corporate income tax amounting to Tzs 1 billion and Tzs 1.1 Withholding taxes on director's fees, rent, business split transfer.

TRA issued assessment on PAYE and SDL on financial years 2015-2017 amounting to Tzs 380 million and Tzs 33 million respectively.

Summary of Objection: Management had already deposited the sum of Tzs 1.6 billion for previous objections to be admitted on August 2023 to the commissioner of large taxpayers for tax assessments issued for financial year 2020-2021 and Tzs 3.4 billion for assessments issued on audit of financial year 2015-2019 which sum up to Tzs 5 billion of objections paid from total tax exposure of Tzs 25 billion as a contingent liability.

The Group does not have any material outstanding commitments in the course of business operations and no pending legal cases in court relating to insurance contract liabilities.

The Group engages various service providers for purchase of capital items. The engagement is normally contractual either through Purchase Orders or Service Level Agreements. The Group did not have any contractual commitments as the end of the year (2022: nil).

Jubilee Life Kenya obtains letters of guarantee in the form of bid bonds and performance bonds from its bankers in the normal course of business. As at the end of the year the Company had letters of guarantee facility amounting to Kes 60,000,000 (2022: Kes 60,000,000). The utilization as at the end of the year was Kes 38,929,649 (2022: Kes 32,171,387).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. RELATED PARTY TRANSACTIONS

The largest shareholder of the Group is the Aga Khan Fund for Economic Development S.A., a company incorporated in Switzerland. There are various other companies related to Jubilee Holdings Limited through common shareholdings or common directorships. Related parties rendered various services to the Group during the year.

Related party Transactions		
Transactions with related parties (Group)	2023	2022
Gross premium:	Kes '000	Kes '000
Diamond Trust Bank Limited	248,858	588,420
Industrial Promotion Services (Kenya) Limited	6,969	104,861
TPS Eastern Africa Limited	-	19,990
Property Development and Management Limited	5,263	17,448
Nation Media Group	108,080	108,192
Total	369,170	838,911
Net Claims Incurred:		
Diamond Trust Bank Limited	161,058	125,055
Industrial Promotion Services (Kenya) Limited	5,894	14,129
TPS Eastern Africa Limited	-	14,937
Property Development and Management Limited	2,357	2,481
Nation Media Group	91,034	83,602
Total	260,343	240,204
Services Received From:		
TPS Eastern Africa Limited	-	-
Nation Media Group	3,568	3,644
Total	3,568	3,644

	2023	2022
	Kes '000	Kes '000
ii) Balances with related parties (Group)		
Outstanding premium:		
Diamond Trust Bank Limited	(63)	708
Industrial Promotion Services (Kenya) Limited	(73)	(87)
TPS Eastern Africa Limited	-	(953)
Property Development and Management Limited	145	21
Nation Media Group	7,948	11,610
Total	7,957	11,299
Outstanding claims:		
Diamond Trust Bank Limited	13,594	5,529
Industrial Promotion Services (Kenya) Limited	225	293
TPS Eastern Africa Limited	-	-
Property Development and Management Limited	4,256	51
Nation Media Group	4,572	4,572
Total	22,647	10,445
Deposits with financial institutions		
Diamond Trust Bank Limited	1,521,950	2,058,197
Total	1,521,950	2,058,197
Interest received from financial institutions		
Diamond Trust Bank Limited	213,358	323,108
Total	213,358	323,108

Outstanding premium and claims balances arose out of the normal course of business and are payable within one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
36. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties (Company)	2023	2022
	Kes '000	Kes '000
Due from related parties:		
Jubilee Insurance Company of Uganda Limited	-	-
Jubilee Life Insurance Company-Uganda	21,521	6,697
Jubilee Insurance Company of Tanzania Limited	10,357	10,357
Jubilee Life Tanzania	25,671	17,596
Jubilee Insurance (Mauritius) Ltd	20,468	20,094
Jubilee Financial Services Limited	14,186	1,650
Jubilee Investments Company of Burundi	-	-
Jubilee Health Insurance Limited	107,358	1,006
Jubilee Life Insurance Limited	90,512	(23,170)
Jubilee Life Insurance Company of Burundi	122	-
Jubilee Health Insurance Company of Uganda Limited	37,907	20,906
JHL Properties Limited	273,300	102,581
Jubilee Health Insurance Corporation of Tanzania Limited	324,622	86,823
Jubilee Allianz Insurance Company of Kenya Limited	3,495	1,367
Total	929,519	245,907
Due to related parties		
Jubilee Insurance Company of Kenya Limited	-	-
Jubilee Insurance Company of Tanzania Limited	-	-
Jubilee Life Insurance Corporation of Tanzania Limited	-	-
Jubilee Insurance Company of Uganda Limited	-	2,075
Jubilee Life Insurance Company of Uganda Limited	-	-
Jubilee Investment Company Limited (Tanzania)	17,544	17,729
Jubilee Investments Company Of Burundi	39,047	63,351
Jubilee Investment Company Limited (Uganda)	94,243	137,294
Total	150,834	220,449
Net owing	778,685	25,458

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. LEASES

(i) Right of use asset	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
At 1 January	670,976	774,287	87,265	87,265
Additions	100,934	63,364	-	-
On derecognition	(21,856)	(168,305)	-	-
Exchange differences	36,358	1,630	-	-
At end of the year	786,412	670,976	87,265	87,265
Depreciation				
At 1 January	291,518	279,567	34,906	17,453
Charge for the year	92,606	110,470	17,453	17,453
Eliminated on transfers	(31,756)	(98,545)	-	-
Exchange differences	18,404	25	-	-
At end of the year	370,772	291,517	52,359	34,906
Net Right of use asset	415,640	379,459	34,906	52,359

(ii) Lease liability	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
As at 1 January	393,617	415,785	63,096	75,864
Additions	108,002	33,569	-	-
Interest expense	56,500	45,665	7,573	9,105
Repayments during the period	(176,875)	(129,568)	(25,153)	(21,873)
Exchange differences	41,133	28,167	-	-
At end of the year	422,377	393,618	45,516	63,096

38. i) BORROWINGS (GROUP)

	2023	2022
	Kes '000	Kes '000
Current	-	618,846
Non-Current	-	615,867
At end of the year	-	1,234,713

During the year, Jubilee Investment Company Limited retired the loan from DFCU bank following replacement of LIBOR by the Secured Overnight Financing Rate (SOFR) on June 30, 2023. The loan, amounting to USD 22 million was taken to finance additional investment in Bujagali Energy Limited attracted an interest of six months libor plus a margin of 4% and was to be repaid within 5 years. There were covenants attached to the loan that include maintenance of debt to earnings ratio of 2.5 and banking of a minimum of 30% of total revenue. The group had complied with all the covenants required and the shares in Bujagali had been pledged as collateral.

ii) FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	Kes '000	Kes '000	Kes '000	Kes '000
Finance cost	82,253	217,361	2,936	929
Interest expense on lease liabilities (Note 37 (ii))	56,500	45,665	7,573	9,105
At end of the year	138,753	263,026	10,509	10,034

Finance costs relates to the interest expense on the borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. SALE OF SHORT-TERM GENERAL BUSINESS

In the year 2020, Jubilee Holdings Limited entered into an agreement to sell majority stakes of its regional general insurance subsidiaries to Allianz SE ("Allianz"). Upon the conclusion of the transaction, Allianz would acquire controlling stakes of between 51 percent and 66 percent in Jubilee's short-term or general insurance units in Kenya, Uganda, Tanzania, Burundi and Mauritius. Jubilee will retain significant minority stakes in the general insurance businesses.

During the year 2021, Jubilee Holdings Limited completed the sale of two of its subsidiaries these are Jubilee General Insurance company of Kenya and Jubilee General Insurance company of Uganda. In the year 2022, the sale of the subsidiaries in Tanzania, Burundi and Mauritius were concluded. In 2023, some proceeds previously held in the Escrow account were released and the additional gain recognized for the year ended 31 December 2023 after offsetting completion accounts adjustments.

a) Determination of gains on disposal

For the year ended 31 December 2023

GROUP AND COMPANY

	Uganda Kes '000	Kenya Kes '000	Total Kes '000
Gross Sale Proceeds	762,078	229,890	991,968
Previously recognized gain	-	(229,890)	(229,890)
Accrued interest recognized in prior year	(181,880)	-	(181,880)
Completion accounts adjustment	-	(333,333)	(333,333)
Gain on Disposal	580,199	(333,333)	246,866

For the year ended 31 December 2022

GROUP

	Uganda Kes '000	Tanzania Kes '000	Mauritius Kes '000	Burundi Kes '000	Total Kes '000
Gross Sale Proceeds	-	1,422,160	270,214	227,857	1,920,231
Net Assets disposed	-	(312,747)	(226,031)	(62,250)	(601,028)
Other adjustments	715,048	9,150	58,598	55,499	838,295
Gain on Disposal	715,048	1,118,563	102,781	221,106	2,157,498

Company

	Uganda Kes '000	Tanzania Kes '000	Mauritius Kes '000	Burundi Kes '000	Total Kes '000
Gross Sale Proceeds	-	1,422,160	270,214	227,857	1,920,231
Net Assets disposed	-	(36,456)	(197,467)	-	(233,923)
Fair value movement of remaining stake	491,347	145,376	91,024	-	727,747
Other adjustments	-	(52,841)	(22,846)	(227,857)	(303,544)
Gain on Disposal	491,347	1,478,239	140,925	-	2,110,511

b) Reconciliation of gross to cash proceeds

GROUP AND COMPANY

	2023 Kes '000	2022 Kes '000
Gross Sale Proceeds	991,968	1,920,231
(Less) amounts receivable from escrow	-	(172,239)
Cash proceeds	991,968	1,747,992

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 (i) RESTATEMENT OF PRIOR PERIOD ERRORS

In the process of concluding on the reconciliation of long outstanding balances with hospital providers, management revisited all claims that had previously been declined or part paid. The outcome of this review resulted in a portion of the claims that should have been admissible. Management then performed an analysis to bucket the claims relating to the respective years, depending on when these were incurred, and the invoices received. The total increase in the provision was Shs 431,764,802 (with Shs 280,308,000 relating to 2022 and Shs 151,458,000 relating to 2021). The impact on the Profit & Loss is presented below and the impact on the statement of financial position is disclosed on note 40 (II).

Profit & Loss impact			
Statement of profit or loss(extract)	2022	Decrease/ Increase	Restated 2022
	Kes '000	Kes '000	Kes '000
Insurance service expense			
Incurring claims	(15,517,929)	(280,308)	(15,798,237)
Profit before tax	6,799,362	(280,308)	6,519,054
Income tax	(1,094,264)	84,092	(1,010,172)
Profit after tax	5,705,098	(196,216)	5,508,882

40 (ii) IFRS 17 TRANSITION IMPACT

The Group has adopted IFRS 17 which established the principles for recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4. Material accounting policies in relation to adoption of IFRS 17 are disclosed in the succeeding section.

On the transition date, 1 January 2022, the Group has:

- identified, recognised, and measured each group of gross insurance contracts and associated reinsurance contracts, as if IFRS 17 had always applied;
- derecognised any existing IFRS 4 balances, that would not exist had IFRS 17 always applied;
- presented reinsurance balances separately depending on whether they are in an asset or liability position at a portfolio; and
- recognised any resulting net difference in retained earnings net of any related tax adjustments.

Impact of adoption of IFRS 17

The statement of financial position reported at 31 December 2021 (the transitional balance sheet presented on 1 January 2022 for the cumulative impacts of the adoption of IFRS 17) and 31 December 2022 (the comparative balance sheets) have been restated as follows:

Restatement of transitional statement of financial position at 31 December 2022

IFRS 17 represents a significant change from the previous measurement requirements contained in IFRS 4. The measurement adjustments are (for insurance and reinsurance contracts principally):

- discount rates, which include allowance for expected and unexpected credit default risks instead of the prudent allowance for credit default risk in IFRS 4.
- risk adjustment for non-financial risk, a new concept required by IFRS 17, compared to the prudent margins required by IFRS 4;
- Recognition of losses on onerous contracts upfront rather than later and
- contractual service margin, which is a significant conceptual change from IFRS 4, whereby profits are recognised over the term of insurance and reinsurance contracts rather than at point of sale.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
40 (ii) IFRS 17 TRANSITION IMPACT

The impact of IFRS 17 on the insurance adoption on transition is summarized in the table below:

	As previously Reported at 31 December 2021	IFRS 17 measurement adjustments	Correction of prior year error	Restated - 1 January 2022
	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS				
Loans on life insurance policies	1,409,992	(1,409,992)	-	-
Receivables arising out of direct insurance arrangements	877,934	(877,934)	-	-
Receivables arising out of reinsurance arrangements	1,237,084	(1,237,084)	-	-
Reinsurers' share of insurance contract liabilities	1,677,406	(1,677,406)	-	-
Deferred acquisition costs	538,273	(538,273)	-	-
Reinsurance Contract assets	-	2,914,490	-	2,914,490
Current income tax asset	479,236	(45,438)	45,438	479,236
LIABILITIES				
Investment contract liabilities	65,885,461	(65,885,461)	-	-
Insurance contract liabilities	30,356,772	67,406,292	151,457	97,914,521
Provision for unearned premium	4,466,164	(4,466,164)	-	-
Creditors arising out of direct insurance arrangements	300,836	(300,836)	-	-
Creditors arising out of reinsurance arrangements	259,303	(259,303)	-	-
Reinsurance contract liabilities	-	259,303	-	259,303
EQUITY				
Retained earnings	33,181,864	288,251	(106,020)	33,364,095

	As previously Reported at 31 December 2022	IFRS 17 measurement adjustments	Correction of prior year error	Restated - 31 December 2022
	Kes '000	Kes '000	Kes '000	Kes '000
ASSETS				
Loans on life insurance policies	1,619,419	(1,619,419)	-	-
Receivables arising out of direct insurance arrangements	1,403,376	(1,403,376)	-	-
Receivables arising out of reinsurance arrangements	1,339,142	(1,339,142)	-	-
Reinsurers' share of insurance contract liabilities	1,800,889	(1,800,889)	-	-
Deferred acquisition costs	392,712	(392,712)	-	-
Reinsurance Contract assets	-	3,331,723	-	3,331,723
Current income tax asset	801,760	261,296	(129,530)	933,526
LIABILITIES				
Investment contract liabilities	77,276,365	(77,276,365)	-	-
Insurance contract liabilities	32,573,722	81,541,032	280,308	114,395,062
Provision for unearned premium	4,941,579	(4,941,579)	-	-
Creditors arising out of direct insurance arrangements	340,202	(340,202)	-	-
Creditors arising out of reinsurance arrangements	315,394	(315,394)	-	-
Reinsurance contract liabilities	-	154,489	-	154,489
EQUITY				
Retained earnings	37,974,905	(634,568)	(196,215)	37,144,122

The impact of the error on the 2022 basic and diluted EPS was Kes 2.7/ share

A commitment to integrity

JHL is committed to upholding the highest standards of corporate governance and ethical practices.

Sustainability of our business ethics will be achieved through compliance with all applicable laws and regulations, and through robust HR policies, procedures and programs that promote compliance. We are committed to eradicating fraud and corruption through the Blue Company Project initiative. The oversight role on implementation and effectiveness of the relevant measures shall be carried out through the Board Sub-Committees.

The board nomination, selection, and remuneration process, and that of its committees, is guided by the Board Charter which also outlines the requirements in terms of board diversity, independence, and relevant competencies.



JHL is a founding member in the Blue Company initiative and plays a major role in enrolling new members to this initiative. The Blue Company Project and The UN Office on Drugs and Crime, Regional Office for E. Africa have partnered to engage the Kenyan private sector in the fight against corruption. Blue Company Project supports companies to put in place Anti-bribery and Whistle-blowing policy guidelines.



Supplementary Information

GROUP REVIEW

Kes Million	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	IFRS 17	Restated IFRS 17																	
GWP and Contribution	39,602	37,721	38,795	37,970	38,187	34,750	33,940	33,810	30,159	29,469	22,363	19,377	15,983	11,494	9,187	7,532	5,640	4,340	4,143
Shareholders' Funds	51,719	44,701	39,457	32,722	28,248	26,184	23,552	19,946	19,098	15,439	12,431	8,020	6,154	5,114	3,389	2,871	3,606	3,393	2,370
Share Capital	362	362	362	362	362	362	362	329	329	299	299	299	272	248	225	225	225	180	180
Long-Term Business Funds	139,566	123,995	108,347	97,233	91,775	67,243	59,426	48,827	42,337	38,652	28,743	23,476	18,802	14,637	11,495	11,730	9,333	6,504	5,115
Total Assets	191,697	168,625	155,272	145,864	130,077	114,168	104,968	90,568	82,378	74,506	61,159	47,418	38,040	30,691	23,736	20,203	17,942	15,356	11,591
Profit Before Tax	5,311	6,519	8,432	5,077	5,007	5,410	5,161	4,563	4,145	3,949	3,151	2,693	2,144	2,053	1,116	901	810	665	471
Profit Attributable to Shareholders	4,299	5,402	6,514	3,628	3,556	3,806	3,932	3,297	2,814	2,880	2,255	2,115	1,802	1,756	825	636	617	528	348
Profit Attributable to Non - Controlling interest	117	107	315	460	461	371	298	379	307	224	248	169	108	83	89	77	46	32	47
Dividends to Shareholders	1,036	870	1,015	652	652	652	652	560	560	509	419	419	299	272	203	191	191	153	144
Dividend Cover Ratio	4.15	6.21	6.42	5.56	5.45	5.84	6.03	5.89	5.03	5.66	5.38	5.05	6.02	6.45	4.07	3.33	3.23	3.45	2.42
Bonus Issue	00:00	00:00	01:00	00:00	00:00	00:00	00:00	01:10	00:00	01:10	00:00	00:00	01:10	01:10	01:10	00:00	01:04	00:00	00:00
*Earnings Per Share (Kes)	59.31	74.54	89.88	50.06	49.07	52.52	54.26	45.49	38.83	39.73	31.12	29.18	24.86	24.23	11.38	8.78	8.51	7.29	4.80

* Earnings per share has been calculated on 72.473 million shares for all the years, 2021 and 2022 impacted by the gain in the sale of GI business to Allianz.

** The 2023 and 2022 numbers are in the IFRS 17 Accounting Standard and have lost comparability with the prior years. The 2022 figures have therefore been restated to reflect adoption of the new standard.

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Live Free Race

Jubilee Insurance, in partnership with the Grand Nairobi Bike Race, hosted the second edition of the Jubilee Live Free Race. This event leveraged the cycling sport to advocate for an active lifestyle, addressing the challenges posed by sedentary habits on families and the healthcare system.



CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)



Afya Mashinani

Jubilee Health Insurance, in partnership with Aga Khan University Hospital, hosted the Afya Mashinani initiative in Nakuru County. Through this initiative, 1700 individuals received free health screenings, healthcare services, and medications. We will continue to leverage this collaboration to improve community health and well-being.



Live Free Art Competition

The Life companies in Kenya and Uganda hosted an Art Competition to encourage and reward artistic talent among primary school pupils. This initiative nurtures creativity and ingenuity, fostering the next generation of young artists.



CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

Tanzania Life

Jubilee Life Tanzania visited an orphanage for children and the elderly where they donated personal supplies to support and uplift the residents.



Tanzania Health

Jubilee Health Insurance Tanzania undertook an initiative to support women affected by fistula, aiming to demystify the disease and combat associated stigma. Additionally, the team contributed to the local community by donating desks to a primary school, reinforcing our commitment to health and education.



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