

JHL 2024 AGM Questions & Answers

Q1. What informed the sale of the General insurance subsidiaries to the foreign investor which led to the payment of a special dividend?

- A. The sale of a majority stake in the General Insurance business to Allianz Africa Holding GmbH was communicated to the shareholders in the Circular to Shareholders issued in November 2020. The Circular is available on the Company's website. The 2023 special dividend is to reflect the completion of the sale of the General Insurance business in 2023. This is the second special dividend in regard to the sale, the first special dividend was paid in 2023 for the first phase of the sale which was concluded in 2022.

Q2. What is Jubilee's strategy, moving forward for increasing shareholders value and increasing annual dividends?

- A. Jubilee will continue to leverage on its regional presence, financial strength, trusted brand, and strong technical capabilities. This will ensure sustainable and profitable growth into the future.

Q3. What is the legal requirement and sustainability standards for appointment in the Audit committee?

- A. Sec. 769(1) of the Companies Act 2015 requires that the directors of a quoted company shall ensure that the company has an audit committee appointed by the shareholders of a size and capability appropriate for the business conducted by the company. Sec. 770 goes on to list the responsibilities of the audit committee. The CMA Code of Corporate Governance for issuers of securities to the public, 2015 (Code) also makes recommendations on the composition of the committee & attributes of the Committee members. The Code recommends that an audit committee should have at least three independent and non-executive directors. The chairperson of the audit committee should be an independent and non-executive director and at least one of the committee members should hold a professional qualification in audit or accounting and be in good standing with Institute of Certified Public Accountants of Kenya (ICPAK). The composition of the JHL audit committee is given on page 26 of the 2024 Annual Report. The Audit Committee comprises three members all of whom are non-executive and 2 of whom are independent. The Chairman of the Committee is an independent non-executive director who is an FCPA(K) and a CPS(K) and a member of ICPAK, in good standing.

Q4. When do you intend to hold hybrid or rather physical meetings for the shareholders?

- A. For now, we plan to continue with virtual meetings as we have seen higher shareholder participation from a wider geographical sphere. The current number of shareholders attending AGMs is approximately 1000 to 1500 from over ten countries worldwide. Previously, before virtual meetings, the highest number of shareholders attending our AGMs was 250 mainly drawn from Nairobi. The company provides internet data bundles to facilitate participation by all shareholders who register to attend the AGM & we therefore encourage all shareholders to attend the virtual meeting until further notice.

Q5. What % of the gross revenue is the cost of (1) upper Management and (2) mid tier management. Is the remuneration based on the annual CPI index?

- A. The ratio of our payroll vs Insurance revenue is 5%.

No, we have not based annual remuneration on CPI index but on COLA and merit based adjustments.

Q6. Jubilee insurance company was established in 1937 in Mombasa town, we request our board to organize a trip for shareholders there for a period of 2 to 3 nights - at the expense of the jubilee holdings ltd - Transport SGR /Road is ok.

A. Your request will be communicated to the Board.

Q7. Why wasn't the Annual Report made available to shareholders at least 21 days prior to the AGM Date?

A. The 2023 audited consolidated financial statements were made available to all Shareholders through a publication in the media on 30th & 31st May 2024 & uploaded on the Company's website at the same time.

Q8. Why is the Dividend Payout Ratio less than 25%? What is JHL doing with the 75% retained? Since the RoE is substantially less than what T-Bond yields, why doesn't JHL distribute the extra cash to shareholders who can directly and more efficiently invest in G-Secs for a much higher cash return?

A. Approximately 60% of the amount retained forms part of the regulatory capital adequacy requirements for the insurance subsidiaries in the region. The balance are funds required by the business to finance regional expansion, alternative investments, digital innovations, and other strategic projects.

Q9. Can one get dividends on M-PESA platform?

A. Yes. Please contact the Shares Registry at Jubilee Insurance Centre, Wabera Street, or Image Registrars offices at 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.

Q10. When are we getting our dividend?

A. The 2023 final and special dividend will be paid on 25.07.24

Q11. Are we going to be given gift packs or even data bundles for use during the meeting?

A. The company provides internet data bundles to facilitate participation by all shareholders who register to attend the AGM.

Q12. When can we expect a bonus issue?

A. Once the same is recommended by the Board, shareholders approval will be sought.

Q13. I would like to receive all correspondence via email instead of SMS text messages.

A. Please contact the Shares Registry at Jubilee Insurance Centre, Wabera Street, or Image Registrars offices at 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.

Q14. On economic participation: How is the company embracing the youth?

A. Jubilee Insurance recognizes the importance of including younger generations in its workforce. Over 80% of our employees are millennials and Gen Z, reflecting our commitment to fostering a dynamic and forward-thinking environment. This demographic brings fresh perspectives, technological savviness, and an innovative approach to our company. Additionally, some of our CEOs are millennials, demonstrating our belief in the leadership potential of the younger generation.

Q15. IFRS 17: How has this impacted the company?

- A. The impact of IFRS 17 on the business can be summarized as follows:
- Changes in reporting presentation – Some of the Profit and Loss lines have changed e.g., GWP is not Insurance revenue, claims and expenses are combined and reported under insurance service expenses.
 - Comparability – under IFRS 17, the Life business and Short-term businesses can have similar P&L lines making comparison easier. This was previously not possible under IFRS 4.
 - System changes – IFRS 17 required upgrading of current reporting systems and also acquiring of a new IFRS 17 solution to produce IFRS 17 compliant financial statements.

Q16. How will you incorporate AI and is this a threat or a strength?

- A. Through the second phase of the Changamka project, Jubilee is planning to embrace AI through data monetization and AI tools in claims management and fraud analytics. Within the industry, the benefits of AI include efficiency through task automation, data analysis for informed decisions and assistance in medical diagnosis among other benefits. The drawbacks of AI include job displacement, ethical concerns about bias and privacy and a lack of human-like creativity and empathy.

Q17. Why have expenses gone up?

- A. The growth in expenses is in line with growth in the topline in addition to cost of investment in technology that will have a long term effect on the business.

Q18. Have we fully adopted IFRS 17

- A. Yes, Jubilee adopted IFRS 17 effective 1st January 2023.

Q19. The EPS was 59 and dividend is 14.3. Why didn't we receive more dividend?

- A. The difference is retained earnings that is held and saved for future use. Part of the retained earnings is required for the regulatory capital adequacy of the insurance businesses. Retained earnings could be used for funding an expansion or paying dividends to shareholders.

Q20. In the midst of fierce competition, what measures is the company taking to protect its brand?

- A. Our company has strategically invested in marketing, technology, and our people. We have implemented an integrated marketing campaign to position Jubilee as a one-stop shop for insurance and investment solutions. The deployment of a CRM platform has revolutionized our customer experience, sales, and marketing operations. Prioritizing product innovation, we continuously develop solutions that resonate across diverse customer segments. Moreover, the company has rolled out various brand-building initiatives through internal advocacy, sponsorships, thought leadership, and promotions which have increased employee loyalty, brand affinity and customer uptake. These efforts have strengthened our brand, leading to a 31% growth in brand value and positioning us among Kenya's top ten strongest brands. Our positive recognition is highlighted by numerous industry awards and an improved Customer Net Promoter Score, rising from 39 to 54. We will continue to invest in brand building, marketing campaigns, stakeholder engagement and our role in society going forward as we drive value for our stakeholders.