

Jubilee Holdings Limited reports Kes. 5.0 billion profit and 9.9% growth in premiums

Nairobi, Thursday 21st May 2020 – East Africa’s largest insurance group, Jubilee Holdings Limited (JHL) has announced a growth of 9.9% on total Gross Written Premiums and deposit administration contributions for the financial period ended 31st December 2019 increasing to Kes. 38.19 billion compared to Kes. 34.75 billion in 2018.

The Group also delivered strong profit before tax of Kes 5.01 billion and profit after tax of Kes.4.02 billion for the same period. This represents a marginal drop compared to the previous year’s PAT of Kes. 4.13 billion, attributed to lower insurance results of Kes. 2.63 billion compared to Kes. 2.89 billion in 2018 and lower share of profits from investments in associates. Total comprehensive income after tax for 2019 increased by 9.6% to Kes. 3.90 billion from Kes. 3.56 billion in 2018.

The Group’s total assets increased by 14% to Kes. 130.08 billion from Kes. 114.19 billion and total shareholders’ equity and reserves increased 10.9% from Kes. 25.47 billion to Kes. 28.25 billion. This growth in assets and shareholder equity continues to demonstrate the financial strength of the Group based on decades of focus on improving the quality of life in the region, and operating insurance business based on sound and prudent best practices and principles.

JHL’s long term business posted a growth of 13.6% to KES 15.89 billion, which included Individual Life growth of 16.3% and Group Life growth of 19.4% as the Group continues to implement the strategy to increase life insurance penetration across the region. The medical business posted a growth of 8.9% from Kes 9.94 billion to Kes 10.82 billion, with impressive underwriting profit of Kes 721 million from all countries. General business grew by 6% to Kes 11.48 billion, however with an underwriting loss of Kes 480 million.

JHL Chairman Mr. Nizar Juma noted that the company had once again delivered very solid results in challenging times, as a result of the Group’s focus on providing value to its customers as well as its shareholders. “We are honored by the faith our valued customers have bestowed upon us to enable us to contribute towards positively impacting their lives through our products and services”. He also added that the underwriting loss in general business reflects the continued challenges faced by insurers in the highly competitive Kenyan market. As a consequence, the Group made the decision to transform its Kenya business by combining technology and new business processes with existing strengths, to create a business that is well prepared to compete in an increasingly digital business environment. This required significant investment, including; strengthening reserves, enhancing capacity within the senior management team, review of

underwriting and claims management practices, strengthened controls to combat fraud and expense containment to increase operational efficiency. This transformation has taken well over a year and has resulted in the business shedding loss-making business and relationships as the focus is now firmly on business quality and sustainability. The Chairman stated that “Whilst the cost of this rebuilding process has been significant, it was clearly necessary, and the Kenya General business is now well positioned for profitable growth.”

Mr. Juma further noted that the non-life insurance industry in Kenya has been going through a challenging and unsustainable phase. This segment, which represents 57% of the total insurance industry gross premiums, generated an underwriting loss of Kes 2.97 billion in 2019, an increase of 80%, compared to the loss reported in 2018; mainly due to poor claims experience in the Motor segment. He added, “Clearly this level of loss making is not sustainable in the long run, eroding the capital of many companies within the industry and the capacity of these companies to adequately serve the insured.”

In response to the COVID-19 global health crisis, the Group has donated Kes 30 million towards combating the effects of the pandemic. The Group has also taken several measures to ensure continuation of service to all our clients. Towards this end, the Group is pleased to announce the re-launch of its online portal to enable Kenyans to quickly and easily purchase motor insurance online and have a digital motor certificate delivered to them via email. The portal also offers travel insurance and will soon allow customers to purchase medical insurance and a life savings product. The Kenya health company has also partnered with telemedicine service providers to enable its health insurance customers to consult medical professionals through their smart phone and get preliminary diagnosis and advice.

“Our strong focus on technology and innovation capabilities has continued to bear fruit. The motor portal has innovative, built-in underwriting capability, that will enable Jubilee to offer premiums based on the risk profile of the insured, so that careful drivers with an accident free record will benefit from discounts on the standard premium charged by other insurers. Other developments in the pipeline will allow our life customers to access their policy details using a self-service portal that is also available online,” added Dr. Julius Kipngetch, the Regional Chief Executive Officer.

Jubilee Holdings Board has declared a final dividend of Kes 8.00/= per share. This is in addition to an interim dividend of Kes 1.00/= per share paid in October 2019, bringing the total dividend for the year to Kes. 9.00/= per share.

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About

Jubilee

Holdings:

Jubilee Holdings is the only ISO certified insurance group listed on the three East Africa stock exchanges – The Nairobi Securities Exchange (NSE), Dar es Salaam Stock Exchange and Uganda Securities Exchange. It has a network of offices in five countries-Kenya, Uganda, Tanzania, Burundi and Mauritius which are highly rated on leadership, quality and risk management and have been awarded an AA in Kenya, AAA in Uganda and an A in Tanzania. Jubilee Insurance is the largest provider of medical insurance in East Africa providing insurance services to over 1,900,000 people in the region.