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Jubilee Holdings 2020 Half Year Financial Results

Jubilee Holdings posts a 5% higher profit before tax to Kes 2.4 billion in a challenging economic environment

Nairobi Kenya, Thursday, 27th August 2020.....East Africa's largest insurer, Jubilee Holdings Limited has announced a profit before tax of Kes 2.4 billion for the half year ended June 30th, 2020. The performance has been attributed to improved insurance underwriting results from all of its Group operations across the region and robust investment income from its well diversified and secure investment portfolios that are designed to deliver consistent long term returns.

The Group recorded a Profit Before Tax of Kes 2.4Bn, an increase of 4.8% from 2019, while total assets increased by 8.0% to Kes. 140.1Bn from Kes. 130.1Bn. During the same period, Total Comprehensive Income increased by 5.1% to Kes 1.8Bn from Kes 1.7Bn for the same period in 2019 and Profit After Tax remains unchanged at Kes 1.8Bn.

Commenting on the performance, Jubilee Holdings Limited Group Chairman Mr. Nizar Juma noted that COVID-19 has severely impacted insurance operations globally. "The first half of the year was characterized by significant macroeconomic and financial impacts resulting from the COVID-19 pandemic. It is however gratifying to note that despite the unprecedented circumstances, the Group's half-year results demonstrate a resilient operating performance and confirms the Group's conservative and prudent approach to both the insurance and investment components of our business" Mr. Juma said.

The pandemic had mixed and varying impacts on the different lines of business of the Group. Whilst overall growth in premiums stalled, the Group registered lower claims volumes in the motor and health insurance, but also experienced increased surrenders and withdrawals within the life insurance operations. The lowering of the yield curve across the region had the dual negative impact of generating lower investment return from the fixed income portfolio and necessitating an increase in the long-term insurance contract liabilities.

However, overall investment income increased by 3.8% to Kes 4.98Bn as a result of the Group's growing portfolio of investment assets. The Group has also initiated efficiency measures across all companies to control expenses, which resulted in savings against budget at the half year and identified opportunities to reduce costs further as efforts are made to navigate the challenges arising from the uncertainty created by the Covid outbreak.

The Life Business continued to show good performance accounting for 37% of the Group's Gross Written Premiums while contributing 22% towards the profit mix. Group Life performed better than 2019, contributed to by portfolio management and the onboarding of new clients. Individual Life performed better than last year through the bancassurance platform and increased use of digital channels, which enabled Jubilee to continue to serve customers even as lockdowns constrained movement.

The Life Business responded quickly to Covid by putting in place measures to protect its policyholders, and introduced a raft of waivers, including; three months premium holiday, reimbursement of medical for a child tested positive for COVID-19 and an advance cash payment of 10% of the customer's sum assured if they test positive.

The Health Business recorded a 7% growth in premiums to contribute 35% of the Group's Gross Written Premiums while contributing 28% towards the performance. The improvements are as a result of growth in new business coupled with strong client retention and improved claims performance. The business also continued to expand on claims automation, and successfully rolled out fully paperless operations in cooperation with an initial set of provider partners, a service which will gradually be scaled to other providers. The Business also rolled out virtual healthcare services to all its clients and increased capability for drug deliveries. Through this platform, clients impacted by COVID-19 can now safely receive home-based care and psychosocial support.

The General Business recorded 28% of the Group's Gross Written Premiums while contributing 36% towards the profit mix due to a significant improvement in underwriting results in comparison to the same period in 2019 which saw an improvement in the combined ratio. These improvements have been achieved by a rigorous review of loss making accounts, faster settlement of claims in motor insurance, retention of a profitable business book and process re-engineering across the board.

Jubilee Holdings Regional CEO Dr. Julius Kipng'etich noted, "As a result of the COVID-19 pandemic we put in place the necessary *"Work from Home"* measures to ensure that all business processes continued without interruptions. Additionally, the Group accelerated the innovation and digital transformation process to provide online sales to customers through the launch of the Self-Service Digital Portal," Dr. Kipng'etich said.

On the CSR front, Jubilee Holdings Limited gave support to its subsidiaries across the region impacted by Covid-19, through the donation of health supplies and equipment valued at Kes. 30

Million. Some of the supplies included 100,000 re-useable masks, 10,000 nasal swabs, 2,500 Virus Test sets as well as 40 hospital beds.

Jubilee Holdings Board has declared an interim dividend of KShs 1.00 per share which will be payable on 9th October 2020.