

CHANGING LIVES



OUR VISION

Enabling people to overcome uncertainty.

OUR MISSION

To provide solutions to protect the future of our customers.

OUR VALUES

Integrity, Passion, Excellence and Teamwork.

Live Free!

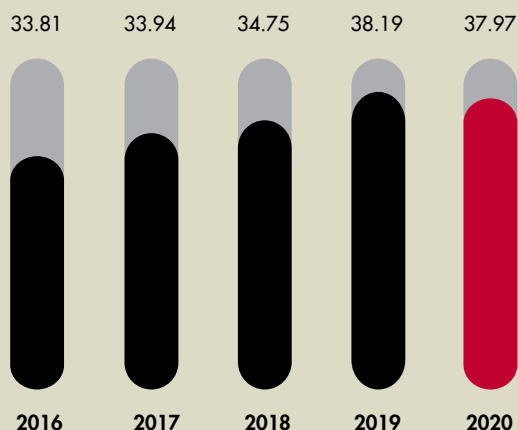
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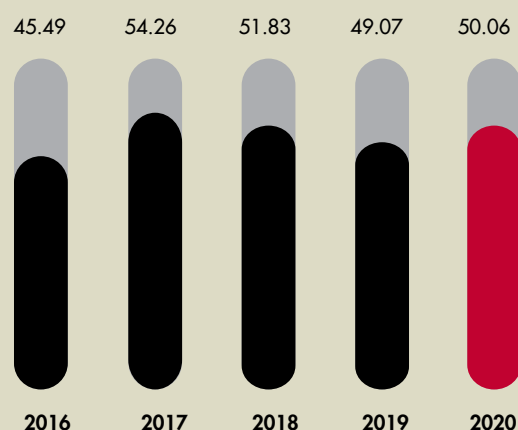
Our Career life
plus cover is
tailored to ensure
your child's
dreams are fulfilled
through a well
managed fund.
Start saving today
and we will help
your child realize
their aspirations.

Gross Written Premiums and Deposit Administration Contributions (Kes Billion)



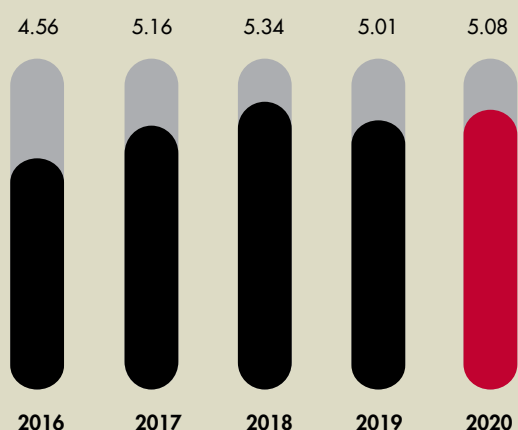
Gross Written Premiums and Deposit Administration Contributions decreased to Kes 37.97 billion in 2020 representing a 0.6% drop. The core Individual Life portfolio grew by 16% and medical business grew by 10% as capacity building in distribution networks continued traction, including the increase of Bancassurance in the region where the sales increased significantly. Due to the Covid-19 impact there was reduction driven in the Group life, pension portfolios while the general business underwent a market repositioning.

Earnings per Share (Kes per Share)



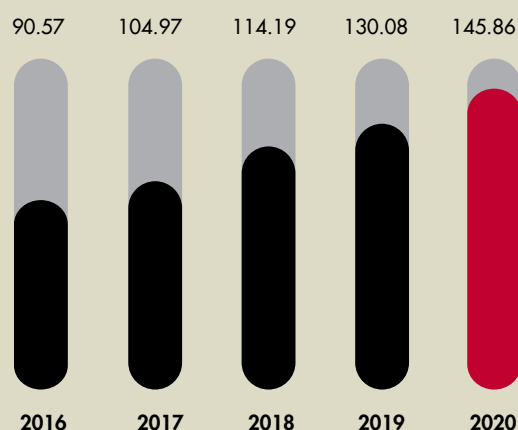
Earnings per share increased to Kes 50.06 from Kes 49.07 due to high returns on investments in associates.

Profit Before Tax (Kes Billion)



Profit before tax increased by 1% to Kes 5.08 billion in 2020 attributable to high returns on investments in associates.

Total Assets (Kes Billion)



Total assets grew by 12% to Kes 145.86 billion mainly as a result of increased funds generated by growth in Life, Health and Investments Uganda.

	2020	2019
Capital and reserves	Kes' 000	Kes' 000
Authorised Capital	450,000	450,000
Issued Capital	362,365	362,365
Paid-up Capital	362,365	362,365
Retained Earnings	27,411,368	24,618,483

Registered Office

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

Subsidiaries

Jubilee Life Insurance Limited (100%)
Jubilee General Insurance Limited (100%)
Jubilee Health Insurance Limited (100%)
The Jubilee Insurance Company of Uganda Limited (65%)
Jubilee Life Insurance Company of Uganda Limited (65%)
The Jubilee Insurance Company of Tanzania Limited (51%)
Jubilee Life Insurance Corporation of Tanzania Limited (51%)
The Jubilee Insurance Company of Burundi S.A. (70%)
Jubilee Life Insurance Company of Burundi S.A (70%)
Jubilee Insurance (Mauritius) Limited (80%)
Jubilee Financial Services 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%)

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%)

Auditor

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

Corporate Lawyers

CMS Daly Inamdar Advocates
ABC Towers, 6th Floor
ABC Place, Waiyaki Way
P.O. Box 40034 - 00100
Nairobi

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)



Jubilee Insurance Centre, Jubilee Holdings HQ

Bujagali Holding Power Company Limited

It is an investment company which through its subsidiary, has invested in the equity of Bujagali Energy Limited, an electricity generation company in Uganda. The 250MW Bujagali Hydro Power Plant contributes up to 49% 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.

IPS Cable Systems Limited (Seacom)

This is an investment company which has invested in the \$650 million, 15,000 km Seacom submarine fiber optic cable project. This project, which links South Africa, Mozambique, Madagascar, Kenya and Tanzania with other international broadband cables, will provide low cost and high quality broadband capacity.

FCL Holdings Limited (Farmers Choice Limited)

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

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.

IPS Power Investment Limited (Tsavo Power Company Ltd)

This is an investment vehicle company which, through its subsidiary, has invested in the equity of Tsavo Power Company which was established to own and operate the 74.5MW Kipevu II thermal power project located in Mombasa, generating power for the Kenyan grid.



Bujagali Holding Power Company Limited



IPS Cable Systems Limited (Seacom)



IPS Power Investment Limited (Tsavo Power)



PDM (Holdings) Limited (The Courtyard)



FCL Holdings Limited (Farmers Choice Limited)

NOTICE ON THE ANNUAL GENERAL MEETING

Notice is hereby given that the 83rd Annual General Meeting of the Shareholders of Jubilee Holdings Limited (the "Company") will be held by way of a **Virtual Meeting on Tuesday 29th June 2021 at 11:00a.m.** to conduct the following business:

ORDINARY BUSINESS

1. To consider and, if thought fit, to adopt the audited consolidated financial statements for the year ended 31st December 2020 together with the reports of the Chairman, Directors and Auditor thereon.
2. To confirm the payment of the interim dividend for the year 2020 of KES 1.00 per share made on 9th October, 2020 and approve the payment of a final dividend for the year 2020 of KES 8.00 per share to be paid on 26th July, 2021 to Shareholders registered as at 26th May, 2021.
3. To elect Directors:
 - (i) The following Directors retire by rotation in accordance with Articles 85 and 86 of the Company's Articles of Association and being eligible, offer themselves for re-election:
 - Mr. John Metcalf - Mr. Juma Kisaame - Mr. Ashif Kassam
 - (ii) Mr. Lutfat Kassam retires by rotation in accordance with Articles 85 and 86 of the Company's Articles of Association and though eligible, does not offer himself for re-election.
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 continue to serve as members of the said Committee:
 - Mr. Zul Abdul - Mr. Juma Kisaame - Mr. John Metcalf - Mr. Ashif Kassam
5. To approve the Directors' Remuneration Report for the year ended 31 December 2020 and authorize the Board to set the Directors' remuneration.
6. To note that the independent auditors, PricewaterhouseCoopers LLP, will continue in office in accordance with Sec. 721 of the Companies Act, 2015 and to authorise the Directors to set their remuneration for the year ending 31st December 2021.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as a Special Resolution:

Amendment of the Company's Articles of Association by introduction of a new Article 145 to read as follows:

Art. 145 Acquisition by Company of its own shares

"The Company may from time to time, with the sanction of a Special Resolution of the Shareholders, acquire its own shares in accordance with the provisions of Part XVI of the Companies Act, 2015 and any guidelines that may be stipulated by the Capital Markets Authority for share buyback transactions by listed companies."

BY ORDER OF THE BOARD

Margaret Muhuni-Kipchumba
 Company Secretary
 15 April 2021

Notes:

Pursuant to the Companies Act 2015 (as amended by The Business Laws (Amendment) (No. 2) Act, 2021 and Article 49A of the Company's Articles 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 dialing *483*253# 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 were used to purchase their shares and/or their CDSC Account Number at hand. For assistance, please dial the following helpline number: 0709170000 from 9 a.m. to 3 p.m. on any business day.
- (iii) Registration for the AGM opens on 4th June 2021 at 11:00 a.m. and will close on 28th June 2021 at 11:00 a.m.

2. Material for the AGM:

In accordance with Sec. 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website at www.jubileeinsurance.com:

- a copy of this Notice and the proxy form.
- Company's Annual Report and financial statements for the year 2020.

3. Questions regarding the AGM and the financials:

- (i) Shareholders wishing to raise any question or clarifications regarding the AGM and the financials, may do so by:
 - sending their written questions by email to jhlagm@image.co.ke; or
 - to the extent possible, physically delivering their written questions with an email address to the registered office of the Company at Jubilee Insurance House, Wabera Street or Image Registrars offices at 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.
 - submitting questions by dialling the USSD Code above and following the prompts.
- (ii) Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions.

- (iii) All questions must reach the Company on or before 25th June 2021 by 11:00 a.m.
- (iv) Following receipt of the questions, the Directors shall provide written responses to the questions received to the email address provided by the Shareholder and on the Company's website no later than 12 hours before the start of the meeting and shall publish a full list of all questions received and the answers thereto on the Company's website after the meeting.

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. A proxy form is available on the Company's website www.jubileeinsurance.com.
- (ii) A proxy need not be a member of the Company but if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
- (iii) Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street and at Jubilee Insurance House.
- (iv) A proxy must be signed by the appointor or his/her attorney duly authorized in writing, or, if the appointor is a company, 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, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than 11:00a.m. on Monday 28th June 2021.
- (v) Any person appointed as a proxy should submit his/her mobile telephone number 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 3:00 p.m. on 25th June 2021.

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, reminding registered Shareholders and proxies that the AGM will begin in an hours' time and providing a link to the livestream.
- (ii) Registered Shareholders and proxies may follow the proceedings of the AGM using the livestream platform and may access the agenda. Registered Shareholders and proxies may vote (when prompted by the Chairman) via the USSD prompts.
- (iii) The results of the voting on the resolutions tabled at the AGM shall be published on the Company's website within 24 hours following conclusion of the AGM.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to introduce Jubilee Holdings Limited's ("JHL" / "Jubilee") 2020 Annual Report and Financial Statements. There is no doubt that 2020 will go down in history as the year of COVID-19, which presented significant challenges to the insurance industry and threw regional and global economies into recession. Navigating through these challenges, I am pleased to state that Jubilee achieved very solid operating results in 2020, illustrating the regional strength and diversity of our brand and business, our strong technical capabilities and the tremendous resilience of our team. Core earnings increased year-over-year overall and across three of our four operating segments.

2020 was also a historic year for the Group as we signed a strategic partnership agreement with the Allianz Group on 29 September 2020. Under the terms of the agreement, Allianz will take up between 51% and 66% in our General Insurance companies in the region and JHL will retain significant minority holdings. Allianz is one of the world's leading insurers and asset managers and the partnership will leverage Jubilee insurance's deep regional knowledge, extensive networks and brand reputation with the global expertise and capacity of the Allianz Group for the benefit of our clients and the regional insurance industry.

The closing of the transaction is subject to the completion of certain conditions including obtaining the necessary regulatory approvals, and it is anticipated to be completed by the middle of 2021. To facilitate this transaction, our short-term companies in Uganda and Tanzania are currently in the process of establishing stand-alone medical insurance companies.

As a result of this continued success, I am pleased to state that Jubilee has maintained its position as the largest composite insurer in East Africa for the fourteenth consecutive year and retained the Number 1 position in the health business in Kenya and Uganda, the Uganda short-term business and in General business in Tanzania. We are also pleased to report that Jubilee is now the Number 1 Life insurer in Uganda. Jubilee also continues



to maintain its pre-eminence of the health insurance sector in East Africa, both in terms of gross written premiums and underwriting results.

EAST AFRICA'S ECONOMY

The East African regional economy has been affected by Covid-19 and the restrictions imposed by Governments to contain the spread, which have crippled businesses in the hospitality, distribution and supply chain sectors and reduced activities in services and the construction industry. All the economies we operate in are expected to record declines in annual GDP, with Kenya estimated to decline by 1% compared to growth of 5.5% in 2019.

On the regional front, Tanzania's GDP is estimated to have declined by 4.2% at the end of third quarter of 2020. The Bank of Tanzania maintained a lower interest rate of 5% to cushion business and industry to provide support for the economy.

In Uganda, GDP is expected to decline by 2%, reflective of the closure of all businesses during the pandemic. Mauritius GDP is estimated to have declined to -11%, and Burundi's GDP is estimated to have declined as well.

INSURANCE INDUSTRY

Preliminary Q3 data shows that the insurance industry in Kenya grew by 6.6% in the long-term business segment while the non-life business segment declined by 0.1%. A year after the first impacts of COVID-19, the underlying challenges facing the insurance industry remain severe, as the sector struggles to fully implement insurance regulations and practice the underwriting discipline required to create a stronger and healthier industry.

In the region, preliminary data indicates that the Ugandan market recorded growth of 7.1% for non-life and 20% in life, and Tanzania grew by 3% in non-life, whilst life business grew 4.7% as activity was hampered by regulations that have significantly increased the cost of building an agency force, which is essential to the distribution of life products. Mauritius recorded growth of 2.7% and Burundi recorded 19% growth.

Despite this growth, insurance penetration in most of the regional economies remains at or below 1%. The insurance industry continues to face numerous challenges in these markets including a highly fragmented distribution system, high levels of risk, continued incidence of fraud, scarcity of qualified human resources and increasing competition in already crowded markets. Laws enforcing premium payment before cover have been passed in Uganda and Tanzania however these are flouted and credit control challenges continue to remain. A similar law introduced in Kenya in 2019 has stalled; as a consequence, clients continue to face challenges as some intermediaries fail to forward collected premiums to insurance companies. This results in delayed payment of claims and significantly increases the overall cost of insurance.

Bancassurance is now well established in Kenya and Uganda and was initiated in Tanzania in 2020. This is a welcome development

as Bancassurance offers strong growth opportunities, including the rapid expansion of retail products in all segments.

FINANCIAL RESULTS

Placed against the background of challenging environmental factors, JHL continued to deliver strong positive results. Whilst the overall Gross Written Premium, including Deposit Administration contributions, decreased 0.6% to Kes 37.97 billion, the pre-tax profit increased to Kes 5.08 billion (2019 – Kes 5.01 billion), due to higher share of profits from our investments in associates offset by a marginally lower insurance results of Kes 2.57 billion compared to Kes 2.63 billion in 2019.

The Group's total assets increased by 12% from Kes 130.1 billion to Kes 145.9 billion. Total shareholders' equity and reserves increased 16% from Kes 28.2 billion to Kes 32.7 billion due to increase in retained earnings and reserves.

On the investment front, the NSE 20 declined by 29.6% in 2020, resulting in fair value losses on our quoted securities portfolio, and lower yields on Government bonds across the region resulted in reduction in interest income. However, Jubilee's overall investment portfolio performed satisfactorily as a result of our strategy to hold 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 business premiums increased 10% to Kes 11.86 billion (2019 – Kes 10.8 billion). Growth was constrained in the Kenyan company due to intense price competition, which was countered by our continued focus on service and efficiency, which allowed the company to sustain underwriting margins. Uganda and Tanzania delivered growth in premiums and positive medical underwriting results for the third year running, which together with initiatives to improve efficiency and deliver on our service charter promise, resulted in continued strong underwriting profit for the Group of Kes 937 million (2019 – Kes 732 million).

Jubilee continues to champion innovative and affordable healthcare across East Africa, as well as promote healthy living as the region grapples with a rising burden of lifestyle diseases. In response to Covid-19 safety measures, we partnered with telemedicine providers from February 2020, and offered the service free of charge to all our members during the COVID-19 crisis. The service allows our members to undertake face-to-face consultations with medical professionals through a mobile application in the comfort of their safe zone. Additionally, we have continued to develop our digital platform so that members are now able to submit claims on-line, offering our clients a convenient and Covid-safe service option. This initiative expanded its reach to offer tailored education, mass vaccinations, and other preventive health interventions for groups such as expectant mothers, senior citizens, and those with chronic illnesses.

SHORT TERM INSURANCE – GENERAL

General insurance premiums reduced by 11% in 2020 to Kes 10.3 billion (2019 – Kes 11.5 billion), largely due to reorganization of the Kenya entity which shed some loss making motor and accident class schemes in an environment of intense competition and undercutting of prices in the market. Despite this, Jubilee continued to record excellent General insurance results in Uganda, Tanzania, Mauritius and Burundi. The General insurance industry in Kenya continued to report an unsustainable level of underwriting loss of Kes 2.25 billion up to Q3, only slightly lower than the Kes 2.43 billion loss reported to Q3 2019. Against this challenging background, Jubilee's General business in Kenya made an underwriting loss but the positive results in the rest of the region enabled JHL's General business to deliver a profit of Kes 42 million (2019 – loss Kes 490 million).

In 2020, Jubilee continued to build on the work started in late 2018 on transforming its Kenya business through various initiatives which revolved around technology, business processes, technical provisions and underwriting discipline. The focus is now firmly on business quality and sustainability and the Kenya General business is now well positioned for growth as we prepare to forge our partnership with Allianz in 2021 who will bring on board real value on the technical side through their extensive international experience.

LONG TERM INSURANCE - LIFE AND PENSION

Life insurance business Gross Written Premium and Deposit Administration inflows was flat at Kes 15.9 billion (2019 – Kes 15.9 billion), reflecting the COVID-19 impact on businesses and retail clients who both faced the realities of reduced economic activity that have affected corporate and personal incomes. Against this backdrop, our life business focused on supporting our clients to meet the challenges of 2020 by providing COVID-19 related concessions, including extended premium payment holiday and cover extensions for those unfortunate to contract the virus

Within this business segment, Jubilee's core Individual Life portfolio grew by 16% as capacity building in distribution networks gained traction, including strong growth of bancassurance in Kenya and in Uganda, where the sales increased significantly.

DIVIDEND

I am pleased to report that the Jubilee Holdings Board has recommended a cash dividend of 180% for the year 2020 (2019: 180%), on the share capital of Kes 362.4 million (2019: 362.4 million). An interim dividend of 20% (Kes 1.00 per share) was paid in October 2020, and the Board has recommended to shareholders a final cash dividend of Kes 8.00 per share.

Jubilee share price closed 2020 at Kes 284. Since listing in 1984, JHL has always declared dividends and has never declared a lower dividend than the previous year.

CORPORATE SOCIAL RESPONSIBILITY

We were thrilled this year to see our employees participate in record numbers to contribute to the Jubilee Children's Fund. 91% of our employees contributed one day of their salary which was matched and combined with 1% of the Kenya companies profit after tax, raising a total of Kes 24.6 million for the fund to deploy towards charitable projects selected by our employees. Projects that will benefit from the employees' generosity include payment of school fees for needy children, facilitation of free ear surgeries, environmental conservation and provision of food to communities fighting malnutrition.

Our CSR activities are further outlined on pages 31 to 34 of this Annual Report and going into the future, Jubilee Insurance will remain a proactive and a responsible corporate citizen committed to improving the lives of our local communities.

MARKET PRESENCE AND RECOGNITION

Jubilee is very pleased to be recognized by the business community and insurance industry for the excellence of our business practices by winning several awards. During the year 2020, Jubilee scooped 8 awards in total. Our major awards are listed on page 129 of this Annual Report.

OUTLOOK

As the region and world continues the fight to bring the COVID-19 health crisis under control, we continue to ensure the continuation of operations and services to all our clients taking all the necessary measures to protect all our staff and clients.

Economic prospects for 2021 are expected to improve with the regional economies forecast to grow in a range from 0% to 5%. The outlook remains uncertain and will very much depend on the length and depth of the current pandemic and the speed of the roll out of vaccines. However, we are cautiously optimistic that the damage to the regional economy will be limited and recovery will be rapid once the global economy starts to recover. In the meantime, we continue to focus on our strategic goals to ensure that Jubilee Insurance meets the needs of our customers and to generate sustainable and stable returns for our shareholders in the long run. We will continue to focus on appropriate risk selection and best management practices and to balance our entrepreneurial approach to business opportunities whilst protecting profitability. Key strategic initiatives for 2021 include increased presence in the rapidly emerging digital economy, completion of the partnership transaction with Allianz, and continued operational innovation and process reengineering to better serve our clients.

BOARD OF DIRECTORS

The Directors who held office in 2020 are listed on page 18 to 21 of this report. As we continue to expand our horizons, the Board continues to reflect your Company's regional outlook, while drawing from the Company's Vision, Mission and Values which continue to steer your Company.

APPRECIATION

2020 was an incredibly challenging year in so many ways. Countless people were affected by illness and loss, as well as isolation from loved ones, putting stress on their physical and mental health, and creating anxiety for their financial well-being. We want to thank all of the front-line workers across the region for their incredible efforts through this unprecedented time. I want to also take this opportunity to thank every colleague, along with our agents and business partners for all they have done to make decisions easier and lives better for our customers over the past year. As the year ahead presents continued challenges, I am enormously grateful for their passion for serving our customers' evolving needs while many are persevering through the personal and professional challenges of doing so while working from home.

Finally, I would also 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. It is this dedicated and loyal support that has enabled the company to become 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.

Nizar Juma
Chairman

15 April 2021



With access to a network of over 200 medical providers around the country, our J CARE medical insurance gives our customers from one month old to 60 years old the flexibility to choose where and how they receive treatment.

BOARD OF **DIRECTORS**



● Board Audit and Compliance Committee

Sultan Allana

Ashif Kassam



● Board Finance Committee

Nizar Juma
CHAIRMAN



● Board Nominating and
Human Resource Committee

Lutaf Kassam



Jane Mwangi





● Board IT Committee

● Board Property Committee

Juma Kisaame



John Metcalf



Zul Abdul



Shabir Abji



Margaret Kipchumba
COMPANY SECRETARY

Mr. Nizar Juma (77) Non-Executive Chairman

Mr. Juma is a Non-Executive Director and Chairman of Jubilee Holdings Limited and its subsidiaries having been first 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. Sultan Ali Allana (62) 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 Aviation. Mr. Allana is a career banking professional with over 33 years of experience in retail, corporate and investment banking. Mr. Allana joined the Board in 2006.

Mr. Lutaf Kassam (67) Non-Executive Director

Mr. Kassam was appointed to the Board in 2006 and chairs the Board Finance Committee. Mr. Kassam, a member of the AKFED Executive Committee, is responsible for AKFED's global portfolio on Industry and Infrastructure. He is also a Director on the Board of Kenya Association of Manufacturers, the East African Business Council (EABC), an advisory Board Member of the Sustainable Energy for All (SE4ALL) initiative under The UN Secretary-General and the World Bank Group, past First Vice Chairman of the Nairobi Stock Exchange (NSE) and a member of the National Economic and Social Council (NESC) in Kenya.

Mr. John Metcalf (61) Non-Executive Director

Mr. Metcalf was appointed to the Board in 2006. He has extensive international experience in the insurance industry and is currently the Head of Insurance for the Aga Khan Fund for Economic Development (AKFED). He is a Director on the Boards of the Company's insurance subsidiaries. Before joining the Company, 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. Mr. Metcalf is a member of the Board Finance Committee, Board Audit & Compliance Committee, Board Nominating & HR committee and Board IT Committee.

Mrs. Jane Mwangi (57) Non-Executive & Independent Director

Mrs. Mwangi joined the Board in 2014 and chairs the Board Nominating & Remuneration Committee. She is the Managing Partner at Robson Harris & Co. Advocates and has previously worked at the Central Bank of Kenya, Deposit Protection Fund Board and the United Nations, Department of Oversight Services (OIOS). She is an Advocate of the High Court of Kenya with over 20 years' experience, a Notary Public, a Commissioner for Oaths and a member of the Chartered Institute of Arbitrators. She is an accredited Governance Auditor and a Certified Public Secretary. She holds a Master Degree in Business Law from the University of Nairobi and University of Hull, UK.

Mr. Juma Kisaame (58) Non-Executive Director

Mr. Kisaame was appointed to the Board in 2016 and is a member of the Board Audit & Compliance Committee and the Board IT Committee. He is the former Managing Director of DFCU Bank Uganda and has over 20 years' experience in the financial sector and is currently the Chairman of the Uganda Revenue Authority. Mr. Kisaame holds a Bachelors of Commerce degree majoring in Accounting from Makerere University and is an Alumni of the Advanced Management program at INSEAD, France. He has been a Chairman of Uganda Investment Authority.

Mr. Shabir Abji (62) Non-Executive & Independent 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 assisted in the running of the family business, and in 1984 set up the company operations in Uganda. As the Group Director, he was instrumental in setting up Uganda Oxygen, Twiga Chemical Industries Uganda, Service and Computer Industries Uganda (Formerly NCR) and American Communication and Technologies. Mr. Abji has served as the Chairman of Aga Khan Health Services, Tanzania, a Councilor of the Confederation of Tanzania Industries and currently is the Chairman of Dar es Salaam Tourism Executive Board. He is also the Chairman of the Tanzania Asian Development Association (in formation) and has been involved in fund raising activities for various causes and is a member of the FAO sponsored Telefood Committee.

Mr. Zul Abdul (69) Non-Executive & Independent Director

Mr. Abdul joined the Board in 2014. He is the 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, director of Anfield Holdings Ltd, a Property Development company and Executive Director of Wiggins Teape Ltd, an international company manufacturing and trading in paper. Mr. Abdul is the Chairman of the Board Audit & Compliance Committee and is a member of the Board Property Committee and Board Nominating & Human Resources Committee. He was appointed the Vice Chairman of the Board on 27 March 2020.

Mr. Ashif Kassam (52) Non-Executive

Mr. Kassam was appointed to the Board on 28th March 2019 and a member of the Board Audit & Compliance Committee. 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 practising Member of the Institute of Certified Public Accountants of Uganda and a Member of the Chartered Institute of Arbitrators UK. He is also a Member of the National Board of Accountants & Auditors, Tanzania. 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 currently the Executive Chairman of RSM Eastern Africa LLP. He also serves on the Boards of JHL's subsidiaries is also a Board Member of the Entrepreneurs Organisation - Kenya and is the Accelerator Chair, a program that supports the development and growth of early stage entrepreneurs.

Mrs. Margaret Kipchumba (47) 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.



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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 to improve 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. The Code requires that a governance audit is undertaken annually by an independent accredited governance auditor to assess the level of application of good governance practices in the Company. The report of the independent Governance Auditor, Scribe Services, for 2020 is presented at the end of this report. The governance audit for the year 2020 was conducted by Scribe Services Limited and their report is presented on page {*}. The CMA requires listed companies to submit a self-assessment report on the status of application of the CMA Code. The Company submitted its report for 2019 within the prescribe timeline and after a comprehensive assessment by CMA based on the Company's self-assessment and publicly available information, the Company attained a leadership ranking. 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 with the Company. The 2020 reporting template for disclosing the extent to which the Company has implemented the Code is available on the Company's website www.jubileeinsurance.com.

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. The Board currently comprises of nine (9) Directors all of whom are non-executive. Three (3) out of the nine (9) Directors are independent. In determining the independence status of the Directors, the Company has applied the criteria set out in the CMA Code. All the independent Directors have served for a tenure less than 9 years. Each Director's profile is given on pages 18-21 of this Annual Report and highlights, amongst others, the Directors' qualifications, age, their 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.

Changes in 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, there were no changes to the Board composition.

Also, in accordance with the Articles of Association, at least one third of the Directors retire by rotation at each Annual General Meeting and are eligible to seek re-election. In determining the Directors retiring by rotation, consideration is given to those who have been in office longest since their last election. The Directors retiring by rotation are listed in the Notice of the AGM on page 10-11.

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 meetings. The induction process is coordinated by the Chairman, the Group Chief Executive Officer and the Group Company Secretary. Following the approval by the Insurance Regulatory Authority in Kenya for the transfer of the General and Health insurance business from The Jubilee Insurance Company of Kenya Limited to Jubilee General Insurance Limited and Jubilee Health Insurance Limited, respectively, new Board members were appointed for the new entities following approval by the Insurance Regulatory Authorities. An induction was carried out for all the new members from 4th -6th March 2020.

Board Charter

The Board has put in place a Board Charter that defines the governance parameters within which the Board exists 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. The Charter was last reviewed in March 2019 and is due for review in the current financial year.

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 imposed by these documents are in addition to those imposed by legislation and regulations applicable to the Company.

During the year under review the Board met four (4) 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	May	August	December
Nizar Juma	√	√	√	√
Zul Abdul	√	√	√	√
Sultan Allana	√	√	√	√
Lutaf Kassam	√	√	√	√
Juma Kisaame	√	√	√	√
John Metcalf	√	√	√	√
Shabir Abji	A	√	√	√
Jane Mwangi	√	√	√	√

Key:

√ - Present A - Absent with apologies

Senior management including the Group Chief Executive Officer, the Group Chief Operating Officer, the Group Chief Finance 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.

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 five 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 the Company Secretary and independent professionals to enable them effectively discharge their functions. All committees report to the Board at each Board meeting highlighting 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:

Board Audit & Compliance Committee (BACC):

The mandate of the BACC is broadly speaking to assist the Board in the following five (5) areas where the key responsibilities include financial reporting and compliance with applicable financial reporting standards, oversight of Internal Audit function and their 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 review risk management issues within the Group. The Members of the BACC are Mr. Zul Abdul (Chairman), Mr. John Metcalf, Mr. Juma Kisaame and Ashif Kassam. Their profiles are highlighted on pages 18-21.

BOARD COMMITTEES (CONTINUED)

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 members of this committee are Mrs. Jane Mwangi (Chairperson), Mr. Nizar Juma, Mr. John Metcalf and Mr. Zul Abdul. Their profiles are highlighted on pages 18-21.

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. Lutf Kassam (Chairman); Mr. John Metcalf and Mr. Shabir Abji. Their profiles are highlighted on pages 18-21.

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. Juma Kisaame. Their profiles are highlighted on pages 18-21.

Board Property Committee:

The committee deals with the Company's property portfolio and makes recommendations to the Board. The members are Mr. Nizar Juma (Chairman); Mr. Lutf Kassam and Mr. Zul Abdul. Their profiles are highlighted on pages 18-21.

REMUNERATION POLICIES

Directors:

The particulars of the Directors' remuneration are given in the Directors' Remuneration Report on page 30.

Senior Management:

The Board Nominating & Human Resources Committee is mandated to review and determine the Company's policy on remuneration and advise 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. 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 and makes disclosure in line with the policy and International Financial Reporting Standard in note 35 on pages 99-100 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.

FRAUD AWARENESS AND WHISTLE BLOWING POLICY

The Company has a zero tolerance approach to fraud and corruption and has put in place both 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 behavior 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 reports are forwarded directly from the reporting center to the Group Chairman and Chairman of the Board Audit & Compliance Committee for appropriate direction on action to be taken. All reported fraud is investigated, the concerned individual given an opportunity to be heard and appropriate action taken.

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 public such as final and interim financial results, Board appointments and resignations and other corporate actions are issued through public announcements at the same time to all shareholders within the prescribed timelines of twenty – four (24) hours from when the decision is made.

In view of the challenges posed by the COVID -19 pandemic, the AGM for the financial year ended 31st December 2019 was held on 15th December 2020. This was after obtaining approval from the Business Registration Services to hold the general meeting outside the prescribed timeline of within six months from the close of the financial year and consent from the CMA to conduct a virtual AGM. The AGM was well attended with a record turnout of 1 542 shareholders from all over the world including the East Africa, Europe, America and Asia. Voting was via electronic means with the results being announced at the end of the meeting.

The Company is keen to ensure that there are open channels of communication not only with shareholders but all stakeholders including employees, policy holders, insurance intermediaries, service providers and the public in general. Towards this end, the Company has put in place various communication channels including monthly townhall meetings for employees to interact with management and raise any issues that may be of concern or proposals on employee welfare, periodic breakfast meetings with intermediaries on multilateral business support and service issues. During the ongoing COVID – 19 pandemic, the above engagement /interactions with stakeholders has continued to take place albeit on digital platforms.

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 identified 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.

INTRODUCTION

We have performed the Governance Audit for Jubilee Holdings Limited for the year ended 31st December 2020 which comprised the assessment of governance structures, systems, processes and controls established by the Board.

BOARD RESPONSIBILITY

The Board is responsible for establishing governance structures, systems, processes and controls that support the practice of good governance in the organization. The responsibility includes planning, designing and maintaining governance structures through policy formulation, direction and oversight necessary for efficient and effective management of the organization. The Board is responsible for ensuring its proper constitution and independence; ethical leadership and strategic management; transparency and disclosure, compliance with laws and internal policies; shareholders and stakeholders value enhancement and the organization's sustainability.

GOVERNANCE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the existence, effectiveness and implementation of good corporate governance consistent with the Board's policies, structures, systems and practices and the applicable legal and regulatory requirements.

We conducted our audit in accordance with ICS Governance Audit Standards and Guidelines which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization's governance policies, systems, practices and processes. We believe that our governance audits provide a reasonable basis for our opinion.

OPINION

Full Assurance

In our opinion, the Board has established, implemented and overseen an effective governance framework and control environment consistent with the legal and regulatory requirements, internal policies and good governance practices in the interest of shareholders and stakeholders. In this regard we issue an unqualified opinion.

CS Bernard Kiragu, ICS GA. No 00159
For: SCRIBE SERVICES

Date: 12 April 2021

OUR VALUES

INTEGRITY



The Directors' Remuneration Report for the year ended 31 December 2020 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

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, all Directors served on a Non-Executive basis. In recognition of their service to the Company, the Non-Executive Directors are paid fees and sitting allowances for attending Board and Committee meetings. Both the fees and sitting allowances are paid 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 of the Company during the year under review was Kes 2,700,000 (2019: Kes 2,815,000) and is shown on page 77 under note 11 (iii).

The fees and sitting allowance paid to each Director for the year ended 31 December 2020 together with the comparative figures for 2019 are given in the following table.

Year ended 31 December 2020	Directors Fees Kes.	Sitting Allowance Kes.	Bonuses Kes.	Expense allowances Kes.	Total Kes.
Mr. Nizar Juma*	-	-	-	-	-
Mr. Sultan Allana*	-	-	-	-	-
Mr. Lutf Kassam	-	-	-	-	-
Mr. Juma Kisaame	540,000	140,000	-	-	680,000
Mr. John Metcalf*	-	-	-	-	-
Mr. Shabir Abji	540,000	140,000	-	-	680,000
Mrs. Jane Mwangi	360,000	100,000	-	-	460,000
Mr. Zul Abdul	720,000	160,000	-	-	880,000
Mr. Ashif Kassam*	-	-	-	-	-
	2,160,000	540,000	-	-	2,700,000

* Waived

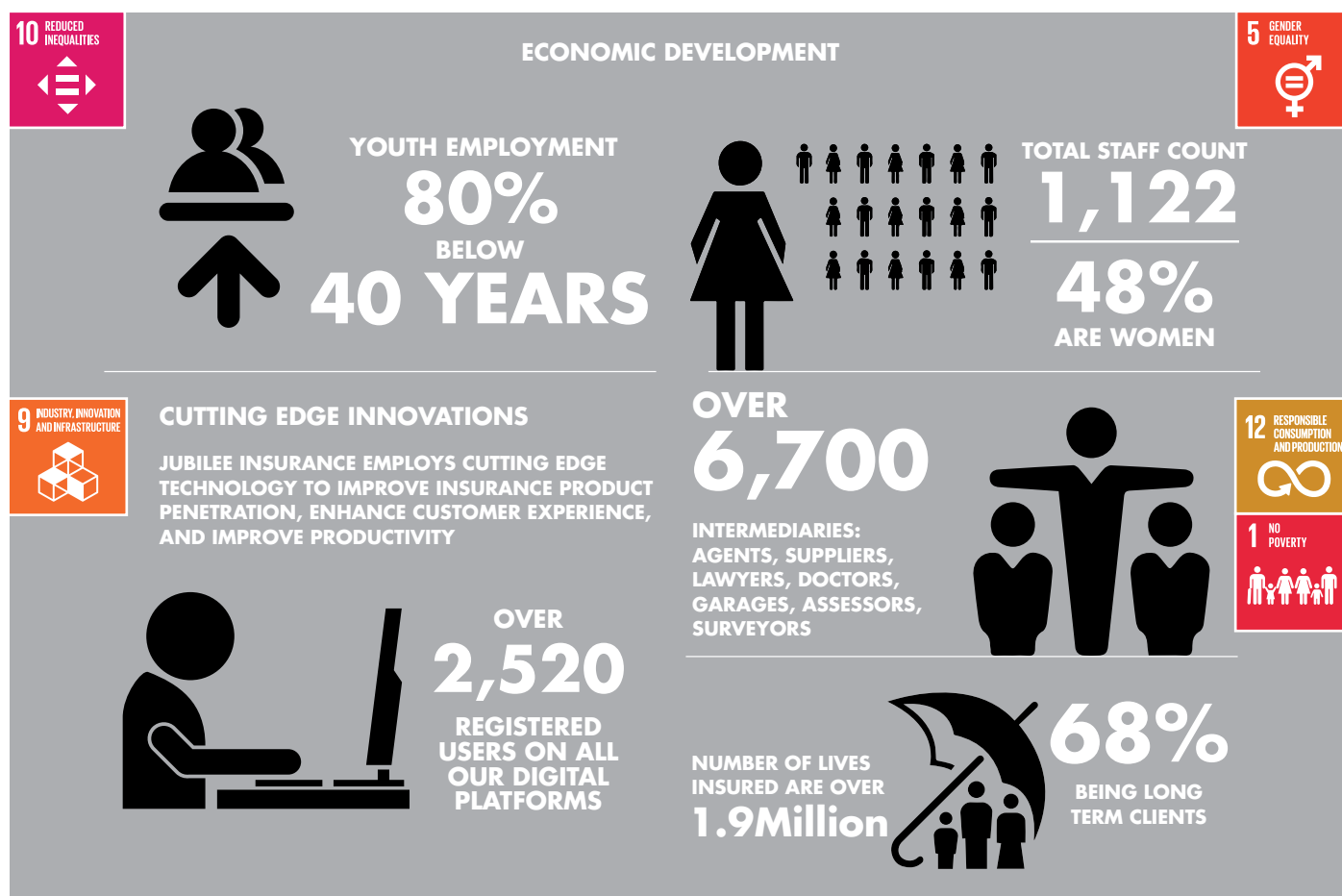
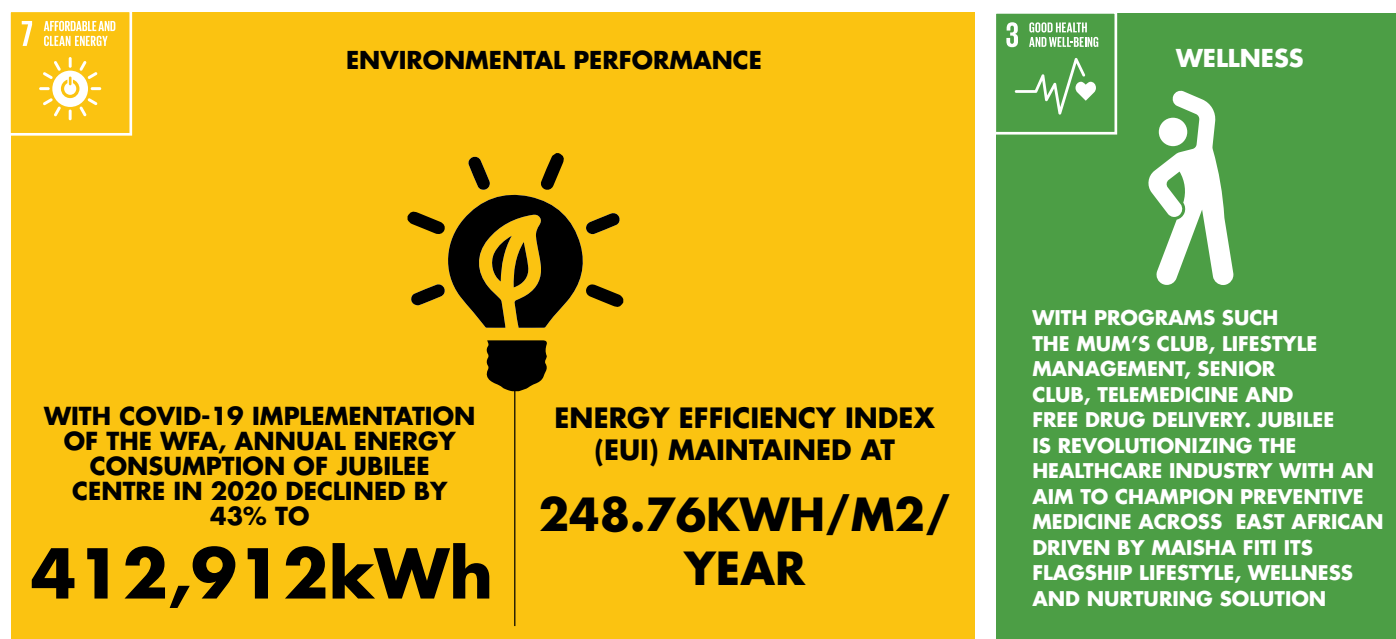
Year ended 31 December 2019	Directors Fees Kes.	Sitting Allowance Kes.	Bonuses Kes.	Expense allowances Kes.	Total Kes.
Mr. Nizar Juma*	-	-	-	-	-
Mr. Sultan Allana*	-	-	-	-	-
Mr. Lutf Kassam*	-	-	-	-	-
Mr. Juma Kisaame	585,000	140,000	-	-	725,000
Mr. John Metcalf*	-	-	-	-	-
Mr. Shabir Abji	585,000	60,000	-	-	645,000
Mrs. Jane Mwangi	405,000	140,000	-	-	545,000
Mr. Zul Abdul	720,000	180,000	-	-	900,000
Mr. Ashif Kassam*	-	-	-	-	-
	2,295,000	520,000	-	-	2,815,000

* Waived

By Order of the Board

Jane Mwangi
Chairperson of the BNHR

At the core of Jubilee Holdings, is our belief of doing business in a manner that delivers economic, social, and environmental benefits to all stakeholders. JHL engages in sustainable business practices and aligns its Socially Responsible Corporate Citizenship (SRC) with the Sustainable Development Goals (SDGs) that pledge to Leave No-one Behind and community transformation through the mantra the "Society We Want".



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY JOURNEY (CONTINUED)

Jubilee Insurance remains a proactive and a responsible corporate citizen committed to improving the lives of our local communities. In 2020, it participated in various CSR activities that include:



ENVIRONMENT

Barriers for the Lagoon (Mauritius)

The Jubilee staff volunteered in the wakashio event, whereby all Mauritian joined hands to help create sea barriers to stop fuel from leaking in the lagoon. The team's efforts went a long way to save and protect the island by helping the NGOs making the barriers.

EDUCATION



Scholarships through the Live Free Painting Competition Scholarship Program (Kenya)

Jubilee Insurance Kenya continues to offer secondary scholarships for its **25 winners of the Live free painting competition**. This scholarship will run into the tertiary levels for the 25 winners. The students are currently spread in both primary and secondary schools.



Jubilee Children's Fund Scholarship Program (Kenya)

Through the revamped Jubilee Children's Fund, a total of **9 needy but bright students** were sponsored. This was in form of payment of school fees for the whole year as well as buying of school uniform for them.

SOCIAL IMPACT

3M

Scholarships for the Maasai Wilderness Conservation Trust (Kenya)

Jubilee Insurance committed to the **Maasai Wilderness Conservation Trust in Kajiado** to support their efforts in conservation of Tsavo West. As part of the pledge, Jubilee Insurance offered education scholarships worth Kes 3 Million, that will go towards offering university bursaries to bright but needy students from the community. Jubilee Insurance also facilitate the provision of a portable ultra-sound machine to the community to enhance delivery of health services to the community.



40



Kids benefited from the Feed a Child the Christmas Edition (Mauritius)

Together with « La Fondation pour l'Interculturel et la paix », Jubilee Mauritius on 22 December 2020 organized a Christmas lunch for 40 kids from deprived regions in the west. The children were kept busy during the day with loads of activities, and they enjoyed their gifts and goodies.



The Joy of Giving (Kenya)

Staff from Jubilee Insurance Kenya came together during the Christmas holiday to visit **Hosanna Children's Home** located in Kiambu County. During the visit, staff spent the day with the children, gave motivational talks and played exciting games as a way of bonding with them. Later, they gifted them with some of the donations contributed by staff. These included foodstuff, stationery, beddings, and personal effects.

HEALTH

3M

Beyond Zero Campaign (Kenya)

Jubilee Insurance Kenya this year through the "Maisha Fiti" wellness solution ran for **Zero Maternal Deaths** during the 2020 Beyond Zero Marathon. The company was the official Insurance sponsor, donating Kshs. 3 Million for mobilization of medical resources and personnel including providing Group Personal Accident Covers for the over 30,000 participants, officials, and volunteers during the **Beyond Zero Marathon**.



3 GOOD HEALTH AND WELL-BEING



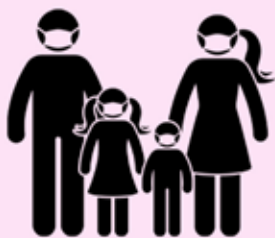
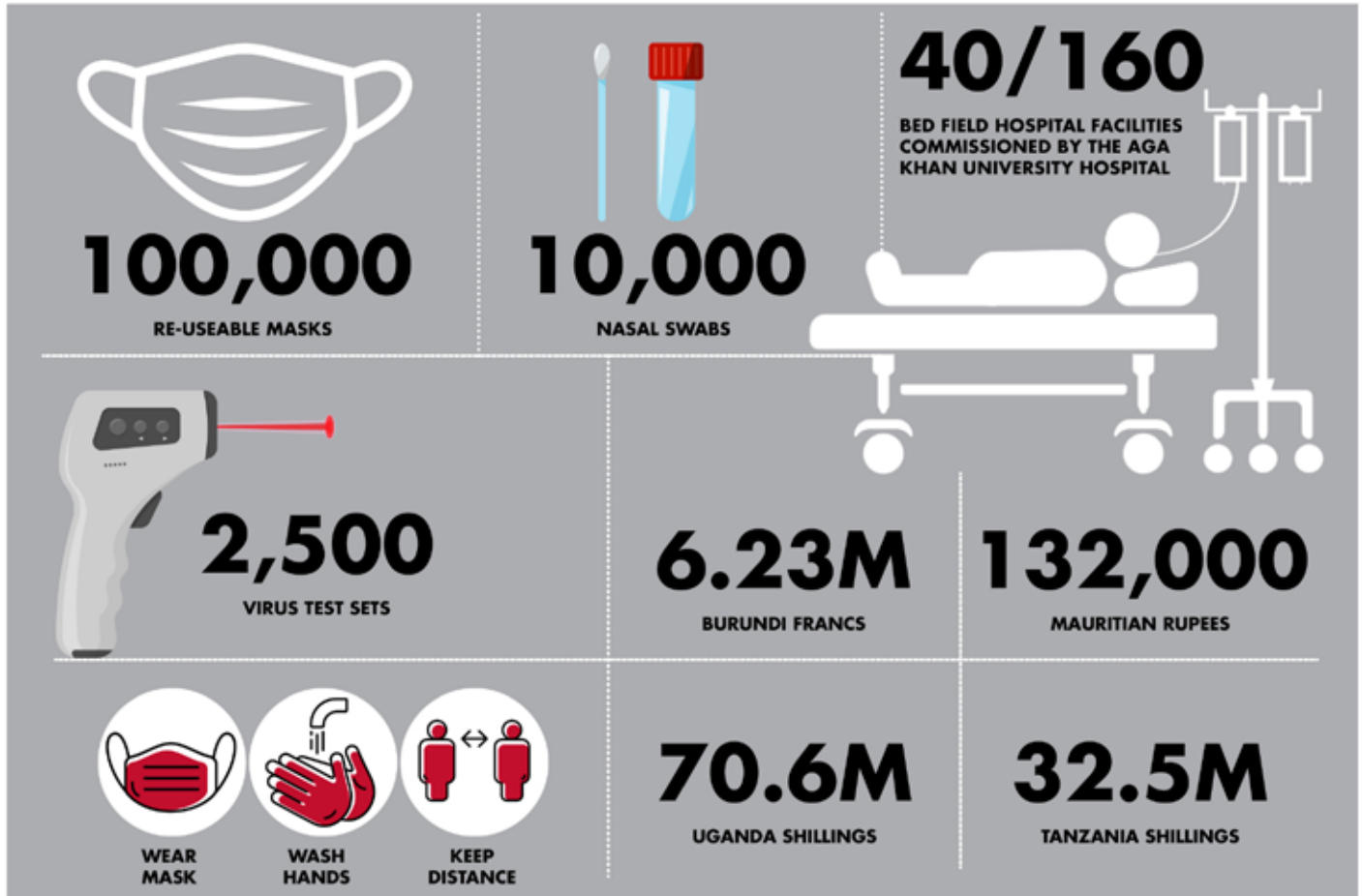
Each for Equal (Tanzania)

In celebration of **International Women's Day**, the female staff at Jubilee Life and Jubilee Insurance visited Mwananyamala Referral Hospital. During the visit they donated various items of need to the women admitted at the maternity ward, an activity aimed at enhancing accessibility to proper health welfare. The female staff donated diapers, baby wipes, baby powder, female diapers, toilet paper and bar soap for the new moms who bring forth new life into the world.



THE FIGHT AGAINST COVID

Jubilee Holdings, being a Regional insurer, donated towards the fight against the Covid-19 pandemic in all the countries in the region, where they operate. Jubilee holdings gave major donations towards health supplies and equipment valued at Kshs. 30 Million that will go towards supporting efforts in fighting the Coronavirus pandemic. In these unprecedented times of global health crisis and global economic emergency, medical equipment & supplies were channeled through the Ministry of Health and include:

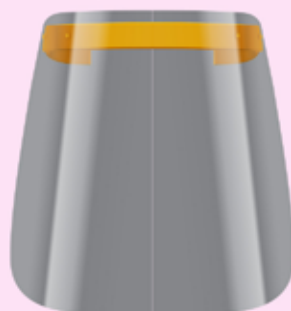


**MASK DONATION
(UGANDA)**

The Jubilee Uganda team donation of **Ushs 55 million and 1000 facemasks** to the National Response Fund to Covid-19.

**MASK DONATION
(MAURITIUS)**

Because actions speak louder than words, Jubilee Mauritius donated **900 Face Shields** to the Mauritius Police Force on Monday 25 May. The team wanted to express their gratitude to the frontlines who have been working non-stop during the lockdown to combat this pandemic.



**MASK DONATION
(KENYA)**

Mama Lucy Kibaki Hospital, Nairobi Hospital and National Police Service Commission, received a donation of face masks from Jubilee Holdings Regional Chief Executive Officer Dr. Julius Kipngetich as part of efforts by the insurer to support front line health workers in the fight against COVID-19 pandemic. The face masks will be distributed to health workers working at the health facility and police on the roadblocks.

The Kenya team also donated over **1400 facemasks** to various schools in Nairobi and Kiambu during the recent schools reopening in a bid to ensure the children's safety.

Directors' interest in the shares of the company as at 31 December 2020

Name	Number of shares held	% Shareholding
Mr Nizar Juma (including shares held by his family and companies in which he has an interest)	9,446	0.01%

Distribution of Shareholders as at 31 December 2020 and 31 December 2019

Number of shares	2020			2019		
	Number of shareholders	Number of shares held	% Shareholding	Number of shareholders	Number of shares held	% Shareholding
Less than 500 shares	2,006	280,157	0.39%	1,945	267,292	0.37%
500 – 5,000 shares	3,125	6,301,413	8.70%	3,122	6,324,685	8.73%
5,001 – 10,000 shares	721	4,994,889	6.89%	735	5,097,763	7.03%
10,001 – 100,000 shares	546	13,845,328	19.10%	553	13,886,233	19.16%
100,001 – 1,000,000 shares	29	5,612,835	7.74%	32	6,086,213	8.40%
Over 1,000,000 shares	6	41,438,328	57.18%	6	40,810,764	56.31%
Total	6,433	72,472,950	100.00%	6,393	72,472,950	100.00%

List of 10 largest shareholders as at 31 December 2020

	Names	Number of shares held	% Shareholding
1	Aga Khan Fund for Economic Development	27,528,739	37.98%
2	Pyrus Investments Limited	7,531,980	10.39%
3	Stanbic Nominees Ltd. A/c NR3530153-1	1,599,759	2.21%
4	Freight Forwarders Limited	1,540,509	2.13%
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 002983	800,000	1.10%
8	Gulshan Noorali Sayani	362,507	0.50%
9	Co-op Bank Custody A/c 23000	260,300	0.36%
10	Leila Aryn Abdulmalik Kanji	250,151	0.35%
	Total top 10 largest shareholders	42,483,722	58.62%
	Others	29,989,228	41.38%
	TOTAL	72,472,950	100.00%

List of 10 largest shareholders as at 31 December 2019

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1	Aga Khan Fund for Economic Development	27,528,739	37.98%
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	Others	29,989,228	41.38%
	TOTAL	72,472,950	100.00%



Our businesses
and investments
are our pride,
we help protect
these assets.
Insure your
property today
and rest easy.

The Directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2020 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
Sultan A Allana *
Juma Kisaame***
Lutaf R Kassam
John J Metcalf ****
Shabir Abji**
Jane S Mwangi
Ashif Kassam

* Pakistani ** Tanzanian ***Ugandan **** British

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company, through its subsidiaries, provides a wide range of property and casualty insurance (General Insurance), liability, health and life 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

An interim dividend of Kes 1.00 per share amounting to Kes 72.473 million (2019: Kes 72.473 million) was paid on 9 October 2020. The Directors recommend a final dividend of Kes 8.00 per share amounting to a total of Kes 579.784 million (2019: Kes 579.784 million). The total dividend for the year represents 180% of the issued share capital as at 31 December 2020 (2019: 180%).

BUSINESS REVIEW

The following is the summary of the results for the year ended 31 December 2020

	2020	2019
	Kes'000	Kes'000
Profit analysis		
Group profit before income tax	5,076,895	5,007,222
Income tax expense	(989,309)	(989,535)
Group profit after income tax	4,087,586	4,017,687
Non-controlling interest	(459,675)	(461,219)
Profit attributable to equity holders of the company	3,627,911	3,556,468

Additional details of the business overview are captured in the Chairman's Statement on pages 12-15.

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

PricewaterhouseCoopers LLP continues in office in accordance with the Company's Articles of Association and 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

15 April 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan 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 the Company and Group keep proper accounting records that:

- a) a) show and explain the transactions of the Group and Company;
- b) b) disclose, with reasonable accuracy, the financial position of the Group and Company; and
- c) 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 Kenyan Companies Act, 2015. They also accept responsibility for:

- Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- Selecting suitable accounting policies and then apply them consistently; and
- Making judgements and accounting estimates that are reasonable in the circumstances

Having made an assessment of the Group's 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's 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 responsibility.
Approved by the Board of Directors on 15 April 2021 and signed on its behalf by:

Nizar N Juma
Chairman

Zul Abdul
Director

OUR VALUES

TEAMWORK





INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JUBILEE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Jubilee Holdings Limited (the Company) and its subsidiaries (together, the Group) set out on pages 46 to 121, which comprise the consolidated statement of financial position at 31 December 2020 and the consolidated statement of profit or loss, consolidated statement of 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 2020, and the Company statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements of Jubilee Holdings Limited give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting 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 Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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>Valuation of unquoted equity investments</p> <p>The Group holds significant unquoted equity investments measured at fair value through profit or loss and at fair value through other comprehensive income.</p> <p>As explained under Note 17 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 and significance of the balances to the financial statements.</p>	<p>We assessed management's processes and controls for determination of the fair values of investments.</p> <p>We assessed the valuation method used and the underlying assumptions such as the selected comparable entities, liquidity discounts, and any other adjustments.</p> <p>We tested the accuracy of the computations.</p> <p>We evaluated the adequacy and appropriateness of disclosures in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JUBILEE HOLDINGS LIMITED (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Determination of insurance contract liabilities</p> <p>Insurance contract liabilities comprises outstanding claims, incurred but not reported ("IBNR") and policyholder liabilities under the long-term business as disclosed under note 26 of financial statements.</p> <p><i>Long term business</i></p> <p>In the case of the long-term business, the Group's determination of liabilities involves the selection of appropriate assumptions in relation to mortality rates, morbidity, lapses and interest rates.</p> <p>Changes in these assumptions can lead to significant changes in actuarial liabilities. The methodology used can also have a material impact on the valuation of the liabilities.</p> <p>The valuation of insurance contract liabilities was considered a key audit matter as a change in the assumptions used in the valuation would have a material impact on the value of the liabilities.</p> <p>Significant reserving assumptions as disclosed in Notes 3 and 26 of are made in the determination of the liabilities.</p> <p><i>Short term business</i></p> <p>For the short-term business, insurance contract liabilities comprise reported claims and incurred but not reported ("IBNR") claims. We considered claims provisions as a significant area of focus due to:</p> <ul style="list-style-type: none"> • The estimation of the provisions involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. • 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. <p>Any material changes in the projected claims due to changes in the underlying assumptions and methodology can result in a material impact to the valuation of insurance contract liabilities.</p>	<p><i>Long term business</i></p> <p>Assessed the competence, capabilities and objectivity of the Group's Statutory Actuary and verified their qualifications.</p> <p>Traced the policyholder valuation input data and on a sample basis policyholder information used in the valuation model back to information contained in the administration and accounting systems.</p> <p>Considered the methodology and assumptions used by the appointed actuary to compute the policyholders' liabilities and assessed the valuation methods used against generally accepted actuarial practice and entity-specific historical information.</p> <p>Checked that the policyholders' liabilities reported in the financial statements were consistent with the results of the independent actuarial valuation.</p> <p><i>Short term business</i></p> <p>Assessed the competence, capabilities and objectivity of the Group's Statutory Actuary and verified their qualifications.</p> <p>Validated, on a sample basis, the claims paid to supporting documentation and comparing the claim payments in 2020 to the reserves previously held;</p> <p>Tested the reasonableness of claims outstanding by comparing the recorded amounts to the latest available information on source documents</p> <p>We tested the medical claims outstanding by reviewing the reconciliation between the outstanding balances in the ledger to the medical supplier statements.</p> <p>Reviewed the methodology and assumptions used by the Statutory Actuary to compute the liabilities against generally accepted actuarial practice approaches, in relation to the business written and expected risks.</p> <p>Assessed the reasonableness of the reserves by comparing actual outcomes against reserve estimates in the prior years.</p>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JUBILEE HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than 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 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 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.

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 International Financial Reporting 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 directors' 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JUBILEE HOLDINGS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 38 to 39 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on page 30 has been properly prepared in accordance with the Companies Act, 2015.

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

16 April 2021

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 Kes '000	2019 Kes '000
Gross Written Premium	Note 6 (i)	29,971,547	29,812,194
Gross earned premium	6 (ii)	29,815,118	29,119,931
Insurance revenue ceded to reinsurers	6 (ii)	(9,674,721)	(9,630,273)
Net insurance premium revenue		20,140,397	19,489,658
Investment income	7	11,295,345	10,026,814
Net fair value (loss) /gain on financial assets at fair value through profit or loss	8 (i)	(650,422)	1,031,682
Commission income	9	2,328,166	2,281,181
Total income less reinsurance		33,113,486	32,829,335
Claims and policy holders' benefits expense	10	(20,948,226)	(20,536,551)
Reinsurer's share of claims and policy holders' benefits expense	10	5,282,713	5,340,543
Return to holders of investment contracts liabilities	27	(4,736,351)	(4,530,923)
Net insurance benefits and return to holders of investment contracts		(20,401,864)	(19,726,931)
Operating and other expenses	11 (i)	(5,272,524)	(5,446,599)
Commission expense	9	(3,583,737)	(3,637,104)
Total expenses and commissions		(8,856,261)	(9,083,703)
Result of operating activities		3,855,361	4,018,701
Finance cost	38 (ii)	(107,862)	-
Share of associates profit	15 (i)	1,329,396	988,521
Group profit before income tax		5,076,895	5,007,222
Income tax expense	16 (i)	(989,309)	(989,535)
Profit for the year		4,087,586	4,017,687
Attributable to:			
Equity holders of the company		3,627,911	3,556,468
Non-controlling interest	15 (iii)	459,675	461,219
Total		4,087,586	4,017,687
Earnings Per Share (Kes)			
Basic and diluted	12	50.06	49.07

The notes on pages 55 to 121 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 Kes '000	2019 Kes '000
Profit for the year	Note	4,087,586	4,017,687
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Net fair value (loss) on equity investment	8 (ii)	(346,725)	(373,867)
Deferred tax on other comprehensive income	16 (iii)	54,731	101,889
Gain on valuation of retirement benefits		2,801	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net translation gain/loss	31 (c) & 15 (iii)	1,557,172	60,114
Associate share of other comprehensive income	15 (i)	400,277	97,332
Total other comprehensive income, net of tax		1,668,256	(114,532)
Total comprehensive income for the year		5,755,842	3,903,155
Attributable to:			
Equity holders of the Company		5,126,527	3,432,389
Non-controlling interest	15 (iii)	629,315	470,766
Total comprehensive income for the year		5,755,842	3,903,155

The notes on pages 55 to 121 are an integral part of these financial statements.

COMPANY STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020



	Note	2020 Kes '000	2019 Kes '000
Income			
Investment income	7	103,964	5,261,168
Capital gain on cancellation of shares	7	-	1,700,000
Total income		103,964	6,961,168
Expenses			
Operating and other expenses	11 (i)	(116,963)	(44,592)
Total expenses		(116,963)	(44,592)
Finance costs		(209)	(7,475)
(Loss)/Profit before income tax		(13,208)	6,909,101
Income tax expense	16 (i)	(5,870)	(14,328)
(Loss)/Profit for the year		(19,078)	6,894,773
Earnings Per Share (Kes)			
Basic and diluted	12	(0.26)	95.14

The notes on pages 55 to 121 are an integral part of these financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 Kes '000	2019 Kes '000
Profit for the year		(19,078)	6,894,773
<i>Items that will not be reclassified to profit or loss</i>			
Net fair value gains on equity investments valued at fair value through other comprehensive income	8(ii)	(183,031)	(2,337)
Deferred tax on other comprehensive income	16 (iii)	54,909	702
Total other comprehensive income, net of tax		(128,122)	(1,635)
Total comprehensive income for the year		(147,200)	6,893,138

The notes on pages 55 to 121 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 Kes '000	2019 Kes '000
ASSETS			
Investment in associates	15 (i)	15,902,572	10,161,518
Investment properties	14	6,713,857	6,524,969
Property and equipment	13 (i)	145,025	287,574
Right of use assets	37 (i)	165,059	450,533
Intangible assets	13 (ii)	70,790	147,680
Deferred tax asset	16 (iii)	421,736	605,026
Unquoted equity investments	17	6,713,628	6,434,667
Mortgage loans	20 (i)	35,721	49,663
Loans on life insurance policies	20 (ii)	1,223,521	1,004,928
Quoted equity investments	21	3,434,041	5,364,632
Government securities	18	77,082,506	67,096,380
Commercial bonds at amortised cost	19	-	579,736
Receivables arising out of direct insurance arrangements	22	551,636	4,013,290
Receivables arising out of reinsurance arrangements	22	476,309	2,334,250
Reinsurers' share of insurance contract liabilities	23 (i)	1,961,314	7,131,813
Deferred acquisition costs	23 (ii)	411,243	447,631
Other receivables	24	1,472,183	1,874,749
Current income tax asset	16 (ii)	447,042	547,902
Assets classified as held for sale	39	19,281,339	-
Deposits with financial institutions	25 (ii)	6,333,068	9,496,402
Cash and bank balances	25 (ii)	3,020,993	5,523,595
Total assets		145,863,583	130,076,938
LIABILITIES			
Lease Liability	37 (ii)	125,541	284,765
Investment contract liabilities	27	60,131,333	54,893,923
Deferred tax liability	16 (iii)	758,198	748,496
Insurance contract liabilities	26	26,538,331	29,729,180
Provision for unearned premium	28	4,131,997	8,414,682
Dividends payable	33 (ii)	404,330	473,034
Current income tax liability	16 (ii)	32,475	87,759
Creditors arising out of direct insurance arrangements		204,987	278,157
Creditors arising out of reinsurance arrangements		92,788	1,607,549
Liabilities directly associated with assets classified as held for sale	39	13,536,082	-
Other payables	29	2,103,741	3,037,763
Borrowings	38 (i)	2,268,399	-
Total liabilities		110,328,202	99,555,308
EQUITY			
Share capital	30	362,365	362,365
Reserves	31	4,368,684	2,687,299
Retained earnings	32	27,411,368	24,618,483
Proposed Dividends	32	579,784	579,784
Equity attributable to owners of the company		32,722,201	28,247,931
Non-controlling interest	15 (iii)	2,813,180	2,273,699
Total equity		35,535,381	30,521,630
Total liabilities and equity		145,863,583	130,076,938

The financial statements on pages 46 to 121 were approved by the Board of Directors on 15 April 2021 and signed on its behalf by:

Nizar N Juma
Chairman

Zul Abdul
Director

The notes on pages 55 to 121 are an integral part of these financial statements

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**



	Note	2020 Kes '000	2019 Kes '000
ASSETS			
Investment in subsidiaries	15 (ii)	4,121,575	6,645,293
Investment in associates	15 (i)	1,457,677	1,457,677
Property and equipment	13 (i)	11,224	14,434
Unquoted equity investments	17	87,525	69,299
Quoted equity investments	21	454,943	656,200
Due from related parties	35	105,656	86,216
Other receivables	24	245,421	823,064
Current income tax liability	16 (ii)	17,138	-
Deferred tax liability	16 (iii)	47,715	-
Deposits with financial institutions	25 (ii)	128,264	109,555
Assets classified as held for sale	39	2,523,718	-
Cash and bank balances	25 (ii)	110,887	569,082
Total assets		9,311,743	10,430,820
LIABILITIES			
Deferred tax liability	16 (iii)	-	6,961
Current income tax liability	16 (ii)	-	4,687
Due to related parties	35	41,552	331,610
Borrowings from related parties	35	680,713	641,097
Dividends payable	33 (ii)	404,330	473,034
Other payables	29	36,520	25,346
Total liabilities		1,163,115	1,482,735
EQUITY			
Share capital	30	362,365	362,365
(Deficit)/Reserves	31	(23,348)	104,774
Retained earnings	32	7,229,827	7,901,162
Proposed Dividends	32	579,784	579,784
Total equity		8,148,628	8,948,085
Total liabilities and equity		9,311,743	10,430,820

The financial statements on pages 46 to 121 were approved by the Board of Directors on 15 April 2021 and signed on its behalf by:

Nizar N Juma
Chairman

Zul Abdul
Director

The notes on pages 55 to 121 are an integral part of these financial statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Note	Share Capital Kes '000	Fair Value Reserves Kes '000	Reserves				Retained Earnings Kes '000	Equity		Non- Controlling Interest Kes '000	Total Equity Kes '000
			General Reserves Kes '000	Translation Reserves Kes '000	Contingency Reserves Kes '000	Statutory Reserve Kes '000		Proposed dividends Kes '000	Attributable to Owners Kes '000		
Year ended 31 December 2020											
At start of year	362,365	49,847	70,000	(902,683)	1,427,497	2,042,638	24,618,483	579,784	28,247,931	2,273,699	30,521,630
Profit for the year	-	-	-	-	-	-	3,627,911	-	3,627,911	459,675	4,087,586
Other comprehensive income											
Net translation gain 31 (c) & 15 (iii)	-	-	-	1,392,708	-	-	-	-	1,392,708	164,464	1,557,172
Other comprehensive income	-	(318,787)	-	422,835	-	-	1,860	-	105,908	5,176	111,084
Total other comprehensive income	-	(318,787)	-	1,815,543	-	-	1,860	-	1,498,616	169,640	1,668,256
Total comprehensive income for the year	-	(318,787)	-	1,815,543	-	-	3,629,771	-	5,126,527	629,315	5,755,842
Transfers											
Transfer to contingency 32	-	-	-	-	184,629	-	(184,629)	-	-	-	-
Transfer to Statutory reserve 31 (e)	-	-	-	-	-	-	-	-	-	-	-
Total transfers	-	-	-	-	184,629	-	(184,629)	-	-	-	-
Transactions with owners:											
Dividends: Final for 2019 paid 33 (ii)	-	-	-	-	-	-	-	(579,784)	(579,784)	-	(579,784)
Dividend approved for payment 15 (iii)	-	-	-	-	-	-	-	-	-	(89,834)	(89,834)
Interim for 2020 paid 33 (i)	-	-	-	-	-	-	(72,473)	-	(72,473)	-	(72,473)
Proposed final for 2020	-	-	-	-	-	-	(579,784)	579,784	-	-	-
Total transactions with owners	-	-	-	-	-	-	(652,257)	-	(652,257)	(89,834)	(742,091)
At end of year	362,365	(268,940)	70,000	912,860	1,612,126	2,042,638	27,411,368	579,784	32,722,201	2,813,180	35,535,381

The notes on pages 55 to 121 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

Year ended 31 December 2019	Note	Share Capital Kes '000	Reserves				Statutory Reserve Kes '000	Retained Earnings Kes '000	Equity		Non-Controlling Interest Kes '000	Total Equity Kes '000
			Fair Value Reserves Kes '000	General Reserves Kes '000	Translation Reserves Kes '000	Contingency Reserves Kes '000			Proposed dividends Kes '000	Attributable to Owners Kes '000		
At start of year		362,365	214,967	70,000	(943,724)	1,233,277	2,932,055	21,019,075	579,784	25,467,799	1,886,979	27,354,778
Profit for the year		-	-	-	-	-	-	3,556,468	-	3,556,468	461,219	4,017,687
Other comprehensive income												
Net translation gain	31 (c) & 15 (iii)	-	-	-	48,516	-	-	-	-	48,516	11,598	60,114
Other comprehensive income		-	(165,120)	-	(7,475)	-	-	-	-	(172,595)	(2,051)	(174,646)
Total other comprehensive income		-	(165,120)	-	41,041	-	-	-	-	(124,079)	9,547	(114,532)
Total comprehensive income for the year		-	(165,120)	-	41,041	-	-	3,556,468	-	3,432,389	470,766	3,903,155
Transfers												
Transfer to contingency reserves	31 (d)	-	-	-	-	194,220	-	(194,220)	-	-	-	-
Transfer to Statutory reserves		-	-	-	-	-	488,051	(488,051)	-	-	-	-
Transfer from Statutory reserves		-	-	-	-	-	(1,377,468)	1,377,468	-	-	-	-
Total transfers		-	-	-	-	194,220	(889,417)	695,197	-	-	-	-
Transactions with owners:												
Dividends: Final for 2018 paid	33 (ii)	-	-	-	-	-	-	-	(579,784)	(579,784)	-	(579,784)
Paid to non-controlling interest	15 (iii)	-	-	-	-	-	-	-	-	-	(84,046)	(84,046)
Interim for 2019 paid	33 (i)	-	-	-	-	-	-	(72,473)	-	(72,473)	-	(72,473)
Proposed Dividends	33 (ii)	-	-	-	-	-	-	(579,784)	579,784	-	-	-
Total transactions with owners		-	-	-	-	-	-	(652,257)	-	(652,257)	(84,046)	(736,303)
At end of year		362,365	49,847	70,000	(902,683)	1,427,497	2,042,638	24,618,483	579,784	28,247,931	2,273,699	30,521,630

The notes on pages 55 to 121 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Reserves			Retained Earnings	Proposed dividends	Total Equity
		Share Capital	Fair Value Reserves	General Reserves			
		Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Year ended 31 December 2020							
At start of year		362,365	34,774	70,000	7,901,162	579,784	8,948,085
Profit for the year		-	-	-	(19,078)	-	(19,078)
							-
Other comprehensive Income	31 (a)	-	(128,122)	-	-	-	(128,122)
Total comprehensive income for the year		-	(128,122)	-	(19,078)	-	(147,200)
Transactions with owners:							
Dividends: Final for 2019 paid	33 (ii)	-	-	-	-	(579,784)	(579,784)
Interim for 2020 paid		-	-	-	(72,473)	-	(72,473)
Proposed dividends	33 (i) & (ii)	-	-	-	(579,784)	579,784	-
Total transactions with owners		-	-	-	(652,257)	-	(652,257)
At end of year		362,365	(93,348)	70,000	7,229,827	579,784	8,148,628
Year ended 31 December 2019							
At start of year		362,365	36,409	70,000	1,658,646	579,784	2,707,204
Profit for the year		-	-	-	6,894,773	-	6,894,773
							-
Other comprehensive Income	31 (a)	-	(1,635)	-	-	-	(1,635)
Total comprehensive income for the year		-	(1,635)	-	6,894,773	-	6,893,138
Transactions with owners:							
Dividends: Final for 2018 paid	33 (ii)	-	-	-	-	(579,784)	(579,784)
Interim for 2019 paid	33 (i) & (ii)	-	-	-	(72,473)	-	(72,473)
Proposed dividends	33 (i) & (ii)	-	-	-	(579,784)	579,784	-
Total transactions with owners		-	-	-	(652,257)	-	(652,257)
At end of year		362,365	34,774	70,000	7,901,162	579,784	8,948,085

The notes on pages 55 to 121 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**



		2020	2019
	Note	Kes '000	Kes '000
Cash flow from operating activities			
Cash generated from operations	25 (iii)	2,361,418	320,127
Income tax paid	16 (ii)	(871,094)	(911,021)
Net cash inflow /(outflow) from operating activities		1,490,324	(590,894)
Cash flow from investing activities			
Rent, interest and dividend received		11,255,794	9,795,940
Dividends received from associates	15 (i)	406,086	557,318
Proceeds from sale of quoted shares		499,785	-
Proceeds from disposal of property and equipment		472	(5,321)
Net cashflows from additional investments and part redemptions of shares in associate	15 (i)	(3,882,968)	362,830
Purchase of property and equipment and intangible assets	13	(85,525)	(249,732)
Net additions of investment properties	14	(8,334)	(30,014)
Purchase of quoted equity investments	21	(460,670)	-
Purchase of unquoted equity investments	17	24,369	(202,203)
Mortgage loans advanced	20 (i)	(3,778)	(6,990)
Mortgage loans repaid	20 (i)	7,178	22,843
Loans on life insurance policies advanced	20 (ii)	(353,625)	(284,964)
Loans on life insurance policies repaid	20 (ii)	146,595	211,355
Net purchase of government securities	18	(14,105,991)	(11,459,014)
Net proceeds of commercial bonds	19	579,736	271,120
Net cash (outflow) from investing activities		(5,980,876)	(1,016,832)
Cash flow from financing activities			
Dividends paid		(674,367)	(564,371)
Proceeds from borrowings		2,181,045	-
Net cash Input/(outflow) from financing activities		1,506,678	(564,371)
Cash and cash equivalents at start of year	25 (ii)	15,019,997	17,187,969
(Decrease)/increase in cash and cash equivalents		(2,983,874)	(2,172,097)
Exchange gain on translation of cash and cash equivalents	31 (c)	87,353	4,125
Cash and cash equivalents at end of year	25 (ii)	12,123,476	15,019,997

The notes on pages 55 to 121 are an integral part of these financial statements.

	Note	COMPANY	
		2020 Kes '000	2019 Kes '000
Cash flow from operating activities			
(Loss)/profit before income tax		(13,208)	6,909,101
Adjustments for: -			
Depreciation	13 (i)	3,376	2,773
Investment income	7	(103,964)	(6,961,168)
Operating cash flows before changes to receivables and payables		(113,796)	(49,294)
Change in receivables		558,205	(677,580)
Change in payables		(239,269)	85,105
Cash generated from operations		205,140	(641,769)
Income tax paid	16	(12,181)	(24,721)
Net cash (outflow)/ inflow from operating activities		192,959	(666,490)
Cash flow from investing activities			
Rent, interest and dividend received	7	38,623	789,855
Dividends received from associates	7	3,465	121,875
Purchase of property and equipment and intangible assets	13 (i)	(166)	(3,476)
Net cash (outflow)/inflow from investing activities		41,922	908,254
Cash flow from financing activities			
Dividends paid		(674,367)	(564,371)
Net cash outflow from financing activities		(674,367)	(564,371)
Cash and cash equivalents at start of year	25 (ii)	678,637	1,008,719
(Decrease)/increase in cash and cash equivalents		(439,486)	(322,607)
Exchange (loss)/ gain on translation of cash and cash equivalents	7	-	(7,475)
Cash and cash equivalents at end of year	25 (ii)	239,151	678,637

The notes on pages 53 to 121 are an integral part of these 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, Burundi and Mauritius and employs over 1,122 (2019: 1,214) people through its subsidiaries.

The insurance business of the Group is organized into three segments, Short-Term (General) Business, Health Business and Long-Term (Life) Business. Long-term business relates to the underwriting of life risks relating to insured persons, the issue of investment contracts liabilities and the administration of pension funds. Short-term General business relates to underwriting of property and liability insurance business. The 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 interchangeably 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 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out in Note 40. These policies have been consistently applied to all years presented, unless otherwise stated.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Set out below are the areas that are most dependent on the application of estimates and assumptions:

a) Insurance contract liabilities

(i) Short-term business

Management applies judgment in the estimation of short-term insurance contract liabilities. The Group uses historical experience to estimate the ultimate cost of claims and the provision for incurred but not reported (IBNR) claims. This involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to claims data for each accident year that is not fully developed to produce an estimated ultimate claims cost for each accident year. The nature of claims is generally high frequency with short reporting periods. The Group estimates claims using projected ultimate loss ratios based on notified claims. Refer to the sensitivity analysis in Note 26.

(ii) Long-term business

The determination of the liabilities under long term insurance contracts is dependent on estimates made by the Group. Assumptions used to compute the liabilities include mortality, persistency and investment returns. The assumptions used also include margin for adverse deviation, for key variables, when considered appropriate. The Group uses standard mortality tables that reflect historical mortality experience.

The main source of uncertainty is that future mortality may end up being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed to longevity risk. 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. Refer to the sensitivity analysis in Note 26.

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

a) Insurance contract liabilities (continued)

(ii) Long-term business (continued)

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. However, we clarify that the current economic impact of the Covid-19 has not been incorporated into the estimates. These shall be assessed by the management during the course of 2020 and incorporated into the estimate for the financial year 2020.

b) 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.

c) 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 investment. See further disclosures and sensitivities done under Note 17.

d) 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.

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 not 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.

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.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(i) 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 2020		Maximum insured loss				
Class of business						
Short-term business		Kes 0 m - Kes 15m Kes'000	Kes 15m - Kes 250m Kes'000	Kes 250m - Kes 1000m Kes'000	Kes 1000m + Kes'000	Total Kes'000
Motor	Gross	85,448,007	23,030,901	3,486,240	7,134,541	119,099,689
	Net	85,361,342	21,915,368	2,630,620	5,687,485	115,594,815
Fire	Gross	37,112,490	85,220,666	71,480,203	1,354,091,290	1,547,904,649
	Net	11,022,067	84,680,588	27,995,554	84,793,546	208,491,755
Personal accident	Gross	1,725,751	8,997,053	6,207,909	134,925,325	151,856,038
	Net	1,706,327	8,677,609	5,543,036	28,675,955	44,602,927
Medical	Gross	426,150	5,703,767	4,472,024	50,587,056	61,188,997
	Net	194,391	5,621,118	4,291,755	20,666,918	30,774,182
Other	Gross	22,784,603	70,984,641	53,553,220	297,603,263	444,925,727
	Net	10,478,673	45,308,767	13,836,980	11,776,724	81,401,144
Long-term business						
Ordinary life	Gross	29,335,327	3,097,839	42,321	-	32,475,487
	Net	26,249,928	2,827,720	(465)	-	29,077,183
Group life	Gross	160,181,125	107,009,272	27,373,750	299,468,218	594,032,365
	Net	110,867,785	30,629,890	7,310,894	117,148,168	265,956,737
Annuity	Gross	1,256,312	1,257,783	-	-	2,514,095
	Net	1,125,658	11,255,978	-	-	12,381,636
Total	Gross	338,269,765	305,301,922	166,615,667	2,143,809,693	2,953,997,047
	Net	247,006,171	210,917,038	61,608,374	268,748,796	788,280,379

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(i) Insurance risk (continued)

Year ended 31 December 2019		Maximum insured loss				Total
Class of business						
Short-term business		Kes 0 m - Kes 15m Kes'000	Kes 15m - Kes 250m Kes'000	Kes 250m - Kes 1000m Kes'000	Kes 1000m + Kes'000	Kes'000
Motor	Gross	87,858,239	22,854,745	8,272,576	10,530,753	129,516,313
	Net	58,322,079	21,808,141	7,400,029	9,146,164	96,676,413
Fire	Gross	27,724,647	142,752,799	120,718,636	1,519,620,566	1,810,816,648
	Net	17,705,303	120,745,296	48,784,519	111,340,618	298,575,736
Personal accident	Gross	3,402,129	19,591,122	9,697,750	240,408,024	273,099,025
	Net	2,650,286	13,990,601	7,163,911	28,504,116	52,308,914
Medical	Gross	13,767,674	127,625,491	16,607,131	130,763,607	288,763,903
	Net	8,594,000	66,367,501	24,578,367	18,296,832	117,836,700
Other	Gross	15,019,124	82,154,501	64,221,674	595,061,186	756,456,485
	Net	13,542,740	59,205,006	41,187,459	91,314,207	205,249,412
Long-term business						
Ordinary life	Gross	30,652,066	2,917,934	39,061	-	33,609,061
	Net	27,922,032	2,476,980	(429)	-	30,398,583
Group life	Gross	265,964,415	128,134,624	25,279,819	280,467,951	699,846,809
	Net	129,166,309	40,410,452	6,754,611	109,734,802	286,066,174
Annuity	Gross	11,973,476	47,585,711	27,422,435	1,370,145,010	1,457,126,632
	Net	11,188,394	41,051,766	24,409,781	133,271,879	209,921,820
Total		Gross	456,361,770	573,616,927	272,259,082	4,146,997,097
		Net	269,091,143	366,055,743	160,278,248	501,608,618
						1,297,033,752

(ii) 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.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**(ii) Financial risk (continued)****(a) Market Risk (continued)****(i) Foreign exchange risk (continued)**

The Group had the following significant foreign currency exposures (all amounts expressed in Kenya Shillings thousands):

Exchange Risk	US Dollar	Uganda	Tanzania	Mauritius	Burundi	Total
As at 31 December 2020:	Kes'000	Shillings	Shillings	Rupees	Francs	Kes'000
ASSETS		Kes'000	Kes'000	Kes'000	Kes'000	
Receivables arising out of reinsurance arrangements	-	-	655,134	361,495	-	1,016,629
Deposit with financial institutions	2,098	-	646,949	36,521	827,406	1,512,974
Cash and bank balances	-	9,643	177,144	31,221	144,219	362,227
Total assets	2,098	9,643	1,479,227	429,237	971,625	2,891,830
LIABILITIES						
Insurance contract liabilities	-	31,833	1,712,811	3,090	132,218	1,879,952
Creditors arising out of reinsurance arrangements	-	-	389,810	151,270	33,397	574,477
Total liabilities	-	31,833	2,102,621	154,360	165,615	2,454,429
Net position	2,098	(22,190)	(623,394)	274,877	806,010	437,401

As at 31 December 2019:	US Dollar	Uganda	Tanzania	Mauritius	Burundi	Total
	Kes'000	Shillings	Shillings	Rupees	Francs	Kes'000
ASSETS		Kes'000	Kes'000	Kes'000	Kes'000	
Receivables arising out of reinsurance arrangements	-	-	892,463	365,183	-	1,257,646
Deposit with financial institutions	13,993	-	988,505	67,149	822,489	1,892,136
Cash and bank balances	-	270	395,906	6,106	123,591	525,873
Total assets	13,993	270	2,276,874	438,438	946,080	3,675,655
LIABILITIES						
Insurance contract liabilities	-	32,063	2,129,737	3,112	108,376	2,273,288
Creditors arising out of reinsurance arrangements	-	-	(139,965)	72,811	193,737	126,583
Total liabilities	-	32,063	1,989,772	75,923	302,113	2,399,871
Net position	13,993	(31,793)	287,102	362,515	643,967	1,275,784

At 31 December 2020, 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 44 million, (2019: Kes 13 million) higher/lower.

Company

Exchange Risk	US Dollar	Uganda	Tanzania	Mauritius	Burundi	Total
As at 31 December 2020:	Kes'000	Shillings	Shillings	Rupees	Francs	Kes'000
ASSETS		Kes'000	Kes'000	Kes'000	Kes'000	
Due from related parties	-	-	-	1,062	77,586	78,648
Deposit with financial institutions	2,098	-	-	-	-	2,098
Cash and bank balances	-	9,643	-	-	-	9,643
Total assets	2,098	9,643	-	1,062	77,586	90,389
LIABILITIES						
Due to related parties	-	768,231	22,595	-	-	790,826
Total liabilities	-	768,231	22,595	-	-	790,826
Net position	2,098	(758,588)	(22,595)	1,062	77,586	(700,437)

At 31 December 2020, 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 9 million (2019: Kes 70 million) higher/lower, mainly as a result of US dollar receivables and bank balances in the Kenyan entity.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(a) Market Risk (continued)

(i) Foreign exchange risk (continued)

Company

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Mauritius Rupees	Burundi Francs	Total
As at 31 December 2019:	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
ASSETS						
Due from related parties	-	-	3,617	1,062	81,537	86,216
Deposit with financial institutions	2,087	-	-	-	-	2,087
Cash and bank balances	-	270	-	-	-	270
Total assets	2,087	270	3,617	1,062	81,537	88,573
LIABILITIES						
Due to related parties	-	641,096	331,610	-	-	972,706
Total liabilities	-	641,096	331,610	-	-	972,706
Net position	2,087	(640,826)	(327,993)	1,062	81,537	(884,133)

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:

Group

Exchange Risk	US Dollar	Uganda Shillings	Tanzania Shillings	Mauritius Rupees	Burundi Francs
As at 31 December 2020:	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Subsidiaries					
Jubilee Uganda	-	13,163,173	-	-	-
Jubilee Tanzania	-	-	1,962,210	-	-
Jubilee Mauritius	-	-	-	322,737	-
Jubilee Burundi	-	-	-	-	600,304
Associates					
Bujagali Holdings Power Company Limited	7,565,155	-	-	-	-
IPS Cable Systems Limited	2,733,928	-	-	-	-
IPS Power Investment Limited	96,551	-	-	-	-
Group gross foreign currency exposure	10,395,634	13,163,173	1,962,210	322,737	600,304
Non-controlling interest foreign currency exposure	-	(1,622,091)	(952,796)	(64,858)	(174,534)
Net foreign currency exposure	10,395,634	11,541,082	1,009,414	257,879	425,770
Exchange Rates					
Closing rate at 31 December 2020	109.1718	33.3812	21.2418	2.7779	17.7689
Average rate during the year 2020	106.4676	34.9344	21.7616	2.7134	17.9711

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**(ii) Financial risk (continued)****(a) Market Risk (continued)****(i) Foreign exchange risk (continued)****Group**

	US Dollar Kes'000	Uganda Shillings Kes'000	Tanzania Shillings Kes'000	Mauritius Rupees Kes'000	Burundi Francs Kes'000
Exchange Risk					
As at 31 December 2019:					
Subsidiaries					
Jubilee Uganda	-	3,811,524	-	-	-
Jubilee Tanzania	-	-	1,563,926	-	-
Jubilee Mauritius	-	-	-	333,168	-
Jubilee Burundi	-	-	-	-	439,695
Associates					
Bujagali Holdings Power Company Limited	2,223,047	-	-	-	-
IPS Cable Systems Limited	2,556,185	-	-	-	-
IPS Power Investment Limited	71,918	-	-	-	-
Group gross foreign currency exposure	4,851,150	3,811,524	1,563,926	333,168	439,695
Non-controlling interest foreign currency exposure	-	(1,327,705)	(757,464)	(66,634)	(128,141)
Net foreign currency exposure	4,851,150	2,483,819	806,462	266,534	311,554
Exchange Rates					
Closing rate at 31 December 2019	101.3365	36.1667	22.6770	2.9598	18.5446
Average rate during the year 2019	102.0127	36.3188	22.6264	2.9711	18.0044

(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	
	2020 Kes'000	2019 Kes'000	2020 Kes'000	2019 Kes'000
Government securities at fair value through profit or loss	15,130,188	12,289,945	-	-
Quoted equity investments at fair value through profit or loss	3,353,179	4,082,473	-	635,132
Quoted equity investments at fair value through other comprehensive income	815,239	1,282,159	454,943	21,068
Total Exposure	19,298,606	17,654,577	454,943	656,200

Group

At 31 December 2020, if the NSE, USE and DSE, indices had increased/decreased by 10% (2019:10%) 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 50 million (2019 Kes 40 million) higher/lower, while post-tax other comprehensive income would have been Kes 2 million (2019: Kes. 4 million) higher/lower.

Company

At 31 December 2020 the shares held by the Company are traded on the Nairobi Securities Exchange and Uganda Securities Exchange (USE). If the USE indices had increased/decreased by 10% with all other variables held constant, all the companies' equity instruments moved according to the historical correlation to the index, then post-tax profit movement would not have been significant.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(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	
	2020	2019	2020	2019
	Kes'000	Kes'000	Kes'000	Kes'000
Corporate bonds at amortised cost	-	579,736	-	-
Government securities at amortised cost	66,978,294	54,806,435	-	-
Government securities at fair value through profit or loss	15,130,188	12,289,945	-	-
Deposits with financial institutions	8,159,216	9,496,402	128,264	109,555
Total Exposure	90,267,698	77,172,518	128,264	109,555

At 31 December 2020, if the interest rates applicable to the above mentioned financial instruments had increased/decreased by 10% (2019:10%) 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.

(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:

- receivables arising out of direct insurance arrangements;
- receivables arising out of reinsurance arrangements;
- corporate bonds;
- deposits with banks;
- government securities;
- mortgage receivables;
- Other receivables; and
- Loans on life insurance policies.

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.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**(ii) Financial risk (continued)****(c) Credit risk (continued)**

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 2020				
Government Securities at amortised cost	66,978,294	-	-	66,978,294
Mortgage loans	46,879	-	-	46,879
Loans from Life insurance policies	1,223,521	-	-	1,223,521
Receivables arising out of direct insurance arrangements	2,690,566	368,262	152,445	3,211,273
Receivables arising out of reinsurance arrangements	1,518,573	-	-	1,518,573
Other receivables	2,538,091	-	-	2,538,091
Deposits with financial institutions	8,159,216	-	-	8,159,216
Cash at Bank	3,964,260	-	-	3,964,260
Exposure to Credit Risk	87,119,400	368,262	152,445	87,640,107
	Stage 1	Stage 2	Stage 3	Total
	Kes'000	Kes'000	Kes'000	Kes'000
31 December 2019				
Government Securities at amortised cost	54,806,435	-	-	54,806,435
Corporate Bonds at amortised cost	579,736	-	-	579,736
Mortgage loans	49,663	-	-	49,663
Loans from Life insurance policies	1,004,928	-	-	1,004,928
Receivables arising out of direct insurance arrangements	2,695,021	893,086	425,183	4,013,290
Receivables arising out of reinsurance arrangements	2,334,250	-	-	2,334,250
Other receivables	1,738,814	-	-	1,738,814
Deposits with financial institutions	9,496,402	-	-	9,496,402
Cash at Bank	5,523,595	-	-	5,523,595
Exposure to Credit Risk	78,228,844	893,086	425,183	79,547,113

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.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(c) Credit risk (continued)

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

Group

	Government Securities Kes '000	Deposits with financial institutions Kes '000	Cash and Bank balances Kes '000	Corporate bonds Kes '000	Insurance Receivables Kes '000	Total Kes '000
As at 1 January 2020	9,522	(2,376)	1,443	(235)	715,977	724,331
Movement in provisions	20,981	-	-	235	690,671	711,887
As at 31 December 2020	30,503	(2,376)	1,443	-	1,406,648	1,436,218
As at 1 January 2019	3,648	1,061	1,443	7	682,033	688,192
Movement in provisions	5,874	(3,437)	-	(242)	33,944	36,139
As at 31 December 2019	9,522	(2,376)	1,443	(235)	715,977	724,331

Maximum exposure to credit risk - financial instruments not subject to impairment

	Group		Company	
Maximum Exposure to credit risk	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Government securities at fair value through profit or loss	15,130,188	12,289,945	-	-
Total	15,130,188	12,289,945	-	-

There was no loss allowance recognised 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.

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)**(ii) Financial risk (continued)****(d) Liquidity risk (continued)**

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 Company under insurance contract liabilities and deposit administration contracts are presented based on expected maturities at the reporting date.

Group

Year ended 31 December 2020	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					
Mortgage loans	-	-	11,423	47,155	58,578
Loans on life insurance policies	14,734	28,110	166,023	1,150,401	1,359,268
Government securities	179,166	4,646,354	8,833,671	70,874,392	84,533,583
Other receivables	531,348	2,006,743	-	-	2,538,091
Insurance and reinsurance receivables	1,639,477	1,230,952	1,135,532	730,283	4,736,244
Deposits with financial institutions and cash and bank balances	1,520,381	8,422,072	2,181,023	-	12,123,476
Total assets	3,885,106	16,334,231	12,327,672	72,802,231	105,349,240
Liabilities					
Lease liabilities	25,655	76,967	102,622	121,544	326,788
Insurance contract liabilities	33,336,356	-	-	-	33,336,356
Payable under deposit administration contracts	558,358	1,118,587	5,380,691	53,078,431	60,136,067
Creditors arising out of direct insurance arrangements	19,966	4,734	89,811	188,013	302,524
Creditors arising out of reinsurance arrangements	350,975	36,943	314,286	-	702,204
Dividend and other payables	1,615,495	751,414	1,537,594	-	3,904,503
Borrowings	-	-	56,811	2,359,135	2,415,946
Total liabilities	35,906,805	1,988,645	7,481,815	55,747,123	101,124,388
Excess/(shortfall) of assets over liabilities	(32,021,699)	14,345,586	4,845,857	17,055,107	4,224,851

Year ended 31 December 2019	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					
Mortgage loans	-	-	10,363	42,776	53,139
Loans on life insurance policies	20,774	30,554	127,396	872,204	1,050,928
Government securities	143,563	3,766,219	7,529,807	60,434,099	71,873,688
Commercial bonds	-	-	-	620,318	620,318
Other receivables	392,478	1,346,336	-	-	1,738,814
Insurance and reinsurance receivables	2,200,208	1,651,960	1,523,904	971,468	6,347,540
Deposits with financial institutions and cash and bank balances	1,888,404	10,582,049	2,881,778	-	15,352,231
Total assets	4,645,427	17,377,118	12,073,248	62,940,865	97,036,658
Liabilities					
Lease liabilities	15,609	31,218	140,481	351,189	538,497
Insurance contract liabilities	29,697,752	-	-	-	29,697,752
Payable under deposit administration contracts	522,385	1,737,764	13,074,947	62,921,126	78,256,222
Creditors arising out of direct insurance arrangements	43,788	72,184	78,177	84,007	278,156
Creditors arising out of reinsurance arrangements	606,579	418,561	375,246	207,162	1,607,548
Dividend and other payables	1,163,319	1,126,925	867,160	160,040	3,317,444
Total liabilities	32,049,432	3,386,652	14,536,011	63,723,524	113,695,619
Excess/(shortfall) of assets over liabilities	(27,404,005)	13,990,466	(2,462,763)	(782,659)	(16,658,961)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(d) Liquidity risk (continued)

Company

Year ended 31 December 2020	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	105,656	-	-	-	105,656
Other receivables	-	245,421	-	-	245,421
Deposits with financial institutions	-	128,264	-	-	128,264
Cash and bank balances	-	110,887	-	-	110,887
Total assets	105,656	484,572	-	-	590,228
Liabilities					
Due to related parties	722,265	-	-	-	722,265
Dividend and other payables	404,330	36,520	-	-	440,850
Totals	1,126,595	36,520	-	-	1,163,115
(shortfall)/ excess of assets over liabilities	(1,020,939)	448,052	-	-	(572,887)

Company

Year ended 31 December 2019	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	86,216	-	-	-	86,216
Other receivables	-	823,064	-	-	823,064
Deposits with financial institutions	-	109,555	-	-	109,555
Cash and bank balances	-	569,082	-	-	569,082
Total assets	86,216	1,501,701	-	-	1,587,917
Liabilities					
Due to related parties	972,706	-	-	-	972,706
Dividend and other payables	498,380	25,346	-	-	523,726
Totals	1,471,086	25,346	-	-	1,496,432
(shortfall)/ excess of assets over liabilities	(1,384,870)	1,476,355	-	-	91,485

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 that are not traded in an active market are 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 2020	Note	Carrying Amount			Fair value hierarchy					
		Designated at fair value through profit or loss 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	17 & 21	9,562,632	-	1,319,414	-	10,882,046	4,168,418	-	6,713,628	10,882,046
Mortgage loans	20 (i)		46,879	-	-	46,879	-	46,879	-	46,879
Loans on life insurance policies	20 (ii)		1,223,521	-	-	1,223,521	-	-	1,223,521	1,223,521
Government securities	18	15,130,188	66,978,294	-	-	82,108,482	84,242,421	-	-	84,242,421
Other receivables	24		2,304,065	-	-	2,304,065	-	2,304,065	-	2,304,065
Insurance and reinsurance receivables	4 (c)		4,729,846	-	-	4,729,846	-	4,729,846	-	4,729,846
Deposits with financial institutions										
Cash and bank balances			12,123,476	-	-	12,123,476	-	12,123,476	-	12,123,476
Total		24,692,820	87,406,081	1,319,414	-	113,418,315	88,410,839	19,204,266	7,937,149	115,552,254
Financial liabilities not measured at fair value										
Other payables	29	-	-	-	(3,500,173)	(3,500,173)	-	-	(3,500,173)	(3,500,173)
Dividend payable	33 (ii)	-	-	-	(404,330)	(404,330)	-	-	(404,330)	(404,330)
Total		-	-	-	(3,904,503)	(3,904,503)	-	-	(3,904,503)	(3,904,503)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(e) Fair value estimation (continued)

Group

As at 31 December 2019	Note	Carrying Amount				Fair value hierarchy				
		Designated at fair value through profit or loss 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	17 & 21	10,320,355	-	1,478,944	-	11,799,299	5,364,632	-	6,434,667	11,799,299
Mortgage loans	20 (i)	-	49,663	-	-	49,663	-	49,663	-	49,663
Loans on life insurance policies	20 (ii)	-	1,004,928	-	-	1,004,928	-	-	1,004,928	1,004,928
Government securities	18	12,289,945	54,806,435	-	-	67,096,380	67,096,380	-	-	67,096,380
Commercial bonds	19	-	579,736	-	-	579,736	-	579,736	-	579,736
Other receivables	24	-	1,874,749	-	-	1,874,749	-	1,874,749	-	1,874,749
Insurance and reinsurance receivables	4 (c)	-	6,347,540	-	-	6,347,540	-	6,347,540	-	6,347,540
Deposits with financial institutions		-	9,496,402	-	-	9,496,402	-	9,496,402	-	9,496,402
Cash and bank balances	25 (i)	-	5,523,595	-	-	5,523,595	-	5,523,595	-	5,523,595
Total		22,610,300	79,683,048	1,478,944	-	103,772,292	72,461,012	23,871,685	7,439,595	103,772,292
Financial liabilities not measured at fair value										
Other payables	29	-	-	-	(3,037,763)	(3,037,763)	-	-	(3,037,763)	(3,037,763)
Dividend payable	33 (ii)	-	-	-	(473,034)	(473,034)	-	-	(473,034)	(473,034)
Total		-	-	-	(3,510,797)	(3,510,797)	-	-	(3,510,797)	(3,510,797)

4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONTINUED)

(ii) Financial risk (continued)

(e) Fair value estimation (continued)

Company

		Carrying Amount				Fair value hierarchy			
		Designated at fair value through profit or loss 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
31 December 2020	Note								
Financial assets									
Equity securities	17 & 21	-	-	542,468	-	542,468	454,943	-	87,525
Other receivables	24	-	245,421	-	-	245,421	245,421	-	-
Deposits with financial institutions			128,264			128,264	-	128,264	-
Cash and bank balances	25 (i)	-	110,887	-	-	110,887	-	110,887	-
Total		-	484,572	542,468	-	1,027,040	700,364	239,151	87,525
Financial liabilities									
Other payables	29	-	-	-	(36,520)	(36,520)	-	-	(36,520)
Dividend payable	33 (ii)	-	-	-	(404,330)	(404,330)	-	-	(404,330)
Total		-	-	-	(440,850)	(440,850)	-	-	(440,850)

		Carrying Amount				Fair value hierarchy			
		Designated at fair value through profit or loss 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
31 December 2019	Note								
Financial assets									
Equity securities	17 & 21	-	-	725,499	-	725,499	656,200	-	69,299
Other receivables	24	-	823,064	-	-	823,064	823,064	-	-
Deposits with financial institutions			109,555			109,555	-	109,555	-
Cash and bank balances	25 (i)	-	569,082	-	-	569,082	-	569,082	-
Cash and bank balances		-	1,501,701	725,499	-	2,227,200	1,479,264	678,637	69,299
Financial liabilities									
Other payables	29	-	-	-	(25,346)	(25,346)	-	-	(25,346)
Dividend payable	33 (ii)	-	-	-	(473,034)	(473,034)	-	-	(473,034)
Total		-	-	-	(498,380)	(498,380)	-	-	(498,380)

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 risk 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 2020 and 2019. 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.

	2020					
	Kenya Kes '000	Uganda Kes '000	Tanzania Kes '000	Burundi Kes '000	Mauritius Kes '000	Total Kes '000
Amount of issued and paid up capital	5,220,720	392,706	214,958	92,969	310,465	6,231,818
Regulatory capital requirements	1,600,000	228,947	117,442	92,969	275,561	2,314,919

	2019					
	Kenya Kes '000	Uganda Kes '000	Tanzania Kes '000	Burundi Kes '000	Mauritius Kes '000	Total Kes '000
Amount of issued and paid up capital	5,220,720	392,706	214,958	92,969	310,465	6,231,818
Regulatory capital requirements	1,600,000	228,947	117,442	92,969	275,561	2,314,919

The Group has different requirements depending on the country in which it operates. The three main countries are Kenya, Uganda and Tanzania.

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), Jubilee General insurance Limited and Jubilee Health Insurance Limited held more than the minimum required capital to stand at 123% (2019: 118%), 103% (2019: 120%) and 168% (2019: 136%) 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.

5. SEGMENT INFORMATION

(i) OPERATING SEGMENTS

Management has determined operating segments based on the manner in which 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 general business, health business, long-term business and investment business. In previous years, the business was classified into short term, long term and investments. The balance sheet however continues to be reviewed using the short term, long term and investments.

Segment information is set out in the following tables:

Operating Segments For the year ended 31 December 2020	GROUP Kes '000				
	General	Health	Ordinary, Group Life & Pensions	Investments	Total
Gross earned premium	14,348,098	7,902,670	7,564,350	-	29,815,118
Insurance revenue ceded to reinsurers	(7,304,452)	(1,852,381)	(517,888)	-	(9,674,721)
Net insurance premium revenue	7,043,646	6,050,289	7,046,462	-	20,140,397
Investment income	1,113,624	217,443	9,668,002	296,275	11,295,344
Net fair value loss on financial assets	32,711	5,773	(684,704)	(4,202)	(650,422)
Commission earned	1,777,922	502,223	48,021	-	2,328,166
Total income	9,967,903	6,775,728	16,077,781	292,073	33,113,485
Claims and policy holders' benefits expense and distribution to holders of investment contracts	(7,838,827)	(5,434,128)	(12,411,621)	-	(25,684,576)
Reinsurer's share of claims and policy holders' benefits expense	3,577,704	1,271,509	433,500	-	5,282,713
Net insurance benefits and claims	(4,261,123)	(4,162,619)	(11,978,121)	-	(20,401,863)
Operating and other expenses	(2,648,514)	(943,919)	(1,515,868)	(164,223)	(5,272,524)
Commission payable	(1,711,481)	(719,775)	(1,152,481)	-	(3,583,737)
Total expenses and commissions	(4,359,995)	(1,663,694)	(2,668,349)	(164,223)	(8,856,261)
Result of operating activities	1,346,785	949,415	1,431,311	127,850	3,855,361
Finance costs	(9,189)	-	-	(98,673)	(107,862)
Share of result of associates	-	66,973	182,100	1,080,323	1,329,396
Group profit before income tax	1,337,596	1,016,388	1,613,411	1,109,500	5,076,895
Income tax expense	(378,387)	(268,098)	(279,484)	(63,340)	(989,309)
Profit for the year	959,209	748,290	1,333,927	1,046,160	4,087,586

Operating Segments For the year ended 31 December 2019	GROUP Kes '000				
	General	Health	Ordinary, Group Life & Pensions	Investments	Total
Gross earned premium	14,167,275	7,513,159	7,439,497	-	29,119,931
Insurance revenue ceded to reinsurers	(6,603,279)	(2,252,848)	(774,146)	-	(9,630,273)
Net insurance premium revenue	7,563,996	5,260,311	6,665,351	-	19,489,658
Investment income	940,268	267,219	8,386,569	432,758	10,026,814
Net fair value loss on financial assets	8,405	72,258	951,020	-	1,031,683
Commission earned	1,630,153	562,862	88,166	-	2,281,181
Total income	10,142,822	6,162,650	16,091,106	432,758	32,829,336
Claims and policy holders' benefits expense and distribution to holders of investment contracts	(8,347,715)	(5,317,569)	(11,402,190)	-	(25,067,474)
Reinsurer's share of claims and policy holders' benefits expense	3,302,176	1,616,169	422,198	-	5,340,543
Net insurance benefits and claims	(5,045,539)	(3,701,400)	(10,979,992)	-	(19,726,931)
Operating and other expenses	(2,671,138)	(946,284)	(1,717,767)	(111,411)	(5,446,600)
Commission payable	(1,744,664)	(665,688)	(1,226,752)	-	(3,637,104)
Total expenses and commissions	(4,415,802)	(1,611,972)	(2,944,519)	(111,411)	(9,083,704)
Result of operating activities	681,481	849,278	2,166,595	321,347	4,018,701
Share of result of associates	-	155,644	206,717	626,160	988,521
Group profit before income tax	681,481	1,004,922	2,373,312	947,507	5,007,222
Income tax expense	(313,426)	(90,303)	(512,987)	(72,819)	(989,535)
Profit for the year	368,055	914,619	1,860,325	874,688	4,017,687

5. SEGMENT INFORMATION (CONTINUED)**(i) OPERATING SEGMENTS (CONTINUED)**

As at 31 December 2020	General	Health	Long-term	Investments	Total
Total assets	19,281,338	12,892,644	97,232,587	16,457,014	145,863,583
Total liabilities	13,536,082	6,663,023	85,924,909	4,204,188	110,328,202
Investment in associates	-	1,376,734	2,134,581	12,391,257	15,902,572
Additions to non-current assets	37,769	18,604	13,449	292	70,114
Depreciation	40,370	19,950	32,922	4,810	98,052
Amortisation of intangible assets	20,390	18,592	17,236	-	56,218

As at 31 December 2019	Short-term	Long-term	Investments	Total
Total assets	28,596,369	91,657,620	9,822,949	130,076,938
Total liabilities	16,414,079	81,233,940	1,907,289	99,555,308
Investment in associates	-	3,435,366	6,726,152	10,161,518
Additions to non-current assets	28,432	36,136	12,971	77,539
Depreciation	66,666	41,272	1,392	109,330
Amortisation of intangible assets	26,332	16,750	-	43,082

(ii) GEOGRAPHICAL SEGMENTS

The Group's geographical segments are Kenya, Uganda, Tanzania, Burundi and Mauritius. 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	Kes '000					
31 December 2020	Kenya	Uganda	Tanzania	Mauritius	Burundi	Total
Total income from general, health and long term	23,673,921	4,601,911	3,270,219	872,646	402,715	32,821,412
Total income from investments	41,709	237,419	-	-	12,945	292,073
Share of associate profit	424,582	904,814	1	-	-	1,329,397
Group profit before income tax	2,598,377	1,775,386	475,544	53,906	173,682	5,076,895
Total assets	111,345,234	25,625,375	6,203,148	1,308,180	1,381,646	145,863,583
Total liabilities	93,040,713	10,902,140	4,536,128	984,717	864,504	110,328,202

For the year ended	Kes '000					
31 December 2019	Kenya	Uganda	Tanzania	Mauritius	Burundi	Total
Total income from general, health and long term	24,041,525	2,625,876	3,198,847	917,095	369,049	31,152,392
Total income from investments	5,171	921,635	3	-	-	926,809
Share of associate profit	504,773	484,762	-	-	-	989,535
Group profit before income tax	2,177,191	2,272,802	395,680	27,616	133,933	5,007,222
Total assets	104,479,802	17,890,241	6,320,713	-	1,386,182	130,076,938
Total liabilities	83,991,881	10,650,863	3,969,377	-	943,187	99,555,308

6 (i) GROSS WRITTEN PREMIUM

Group

	2020 Kes'000	2019 Kes'000
Gross written premium	29,971,547	29,812,194
Movement in unearned premium reserve (Note 28)	(156,429)	(692,263)
Gross earned premium	29,815,118	29,119,931

6 (ii) GROSS EARNED PREMIUM AND REINSURANCE CEDED

Short-term Business

Premium earned by principal class of business:	2019			2018 Restated		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
Motor	4,097,031	(254,728)	3,842,303	4,549,535	(278,091)	4,271,444
Fire	3,168,839	(2,671,300)	497,539	3,181,687	(2,546,081)	635,606
Accident	2,937,415	(1,939,475)	997,940	3,061,927	(1,899,258)	1,162,669
Medical	11,364,893	(3,856,705)	7,508,188	10,284,777	(3,771,292)	6,513,485
Other	666,873	(428,490)	238,383	583,807	(355,011)	228,796
Total Short-Term	22,235,051	(9,150,698)	13,084,353	21,661,733	(8,849,733)	12,812,000

Long-term Business

Premium earned by principal class of business:	2019			2018 Restated		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
Ordinary life	5,394,469	(24,852)	5,369,617	4,824,959	(21,389)	4,803,570
Group life	1,299,992	(499,171)	800,821	1,548,130	(759,151)	788,979
Pension/annuity	885,606	-	885,606	1,085,109	-	1,085,109
Total Long -Term	7,580,067	(524,023)	7,056,044	7,458,198	(780,540)	6,677,658
Total Short-Term and Long - Term	29,815,118	(9,674,721)	20,140,397	29,119,931	(9,630,273)	19,489,658

7. INVESTMENT INCOME

	Group		Company	
	2020 Kes'000	2019 Kes'000	2020 Kes'000	2019 Kes'000
Government securities interest at amortised cost	7,513,756	6,302,504	-	-
Government securities interest at fair value	1,593,845	1,414,720	-	-
Bank deposit interest	1,034,291	814,101	23,691	36,445
Net rental income from investment properties	528,594	575,448	14,993	-
Dividends received from equity investments	305,239	371,794	-	132,122
Fair value gain on investment properties (Note 14)	15,118	92,226	-	-
Policy loans interest	112,563	104,204	-	-
Other income	100,853	373,679	148	-
Mortgage loan interest	6,331	5,843	-	-
Exchange gain /(loss)	84,755	(27,705)	(209)	(7,475)
Dividends received from associates	-	-	65,341	121,875
Dividends received from subsidiaries	-	-	-	4,978,201
Capital gains from cancellation of shares*	-	-	-	1,700,000
Total	11,295,345	10,026,814	103,964	6,961,168

Direct operating expenses arising on investment properties amounted to Kes 131 million (2019: KES 130 million).

*During the year 2019, the company had a Capital gain of Kes 1.7 billion from cancellation of shares arising from capital reorganisation.

8. FAIR VALUE MOVEMENTS ON FINANCIAL ASSETS

(i) Through profit and loss

	Group	
	2020	2019
	Kes'000	Kes'000
Fair value (loss) on quoted equity investments (Note 21)	(950,054)	(871,336)
Fair value gain on unquoted equity investments (Note 17)	222,854	1,894,789
Fair value gain on government securities (Note 18)	76,778	-
Exchange difference	-	8,229
Total	(650,422)	1,031,682

(ii) Through other comprehensive income

	Group		Company	
	2020	2019	2020	2019
	Kes'000	Kes'000	Kes'000	Kes'000
Fair value (loss) on financial asset (Note 21)	(219,764)	(373,867)	(201,257)	(2,337)
Fair value gain on financial asset (Note 17)	18,226	-	18,226	-
Loss on disposal	(145,187)	-	-	-
Total	(346,725)	(373,867)	(183,031)	(2,337)

9. COMMISSION EXPENSE AND INCOME

Group

Commission Expenses and Income

Short-term Business

Commission expense and income by principal class of business:	2020			2019		
	Expense	Income	Net	Expense	Income	Net
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Motor	445,230	(49,073)	396,157	492,160	(28,378)	463,782
Fire	504,980	(661,347)	(156,367)	583,135	(612,523)	(29,388)
Accident	373,701	(432,045)	(58,344)	416,396	(469,257)	(52,861)
Medical	1,037,675	(1,034,821)	2,854	906,895	(981,250)	(74,355)
Other	69,251	(102,859)	(33,608)	58,928	(101,605)	(42,677)
Total Short-term	2,430,837	(2,280,145)	150,692	2,457,514	(2,193,013)	264,501

Long-term Business

Commission expense and income by principal class of business:	2020			2019		
	Expense	Income	Net	Expense	Income	Net
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Ordinary life	898,306	(4,914)	893,392	845,543	(4,452)	841,091
Group life	155,101	(43,107)	111,994	213,829	(83,716)	130,113
Annuity	99,493	-	99,493	120,218	-	120,218
Total Long-term	1,152,900	(48,021)	1,104,879	1,179,590	(88,168)	1,091,422
Total Short-term and Long-term	3,583,737	(2,328,166)	1,255,571	3,637,104	(2,281,181)	1,355,923

10. CLAIMS AND POLICY HOLDER BENEFITS EXPENSE

Group

Claims payable by principal class of business	2020			2019		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
Motor	2,568,292	(169,117)	2,399,175	3,350,078	(132,654)	3,217,424
Fire	1,609,143	(1,328,103)	281,040	1,050,524	(838,883)	211,641
Accident	1,299,398	(876,140)	423,258	1,137,776	(567,837)	569,939
Medical	7,899,950	(2,657,921)	5,242,029	7,328,408	(2,701,446)	4,626,962
Other	(118,748)	182,347	63,599	784,499	(676,042)	108,457
Total Short-term	13,258,035	(4,848,934)	8,409,101	13,651,285	(4,916,862)	8,734,423

Long-term Business

Claims payable by principal class of business	2020			2019		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
Ordinary life	2,815,434	552	2,815,986	2,362,907	(3,317)	2,359,590
Group life	1,045,188	(434,331)	610,857	760,721	(420,364)	340,357
Annuity	1,150,440	-	1,150,440	1,041,068	-	1,041,068
Total Long-term	5,011,062	(433,779)	4,577,283	4,164,696	(423,681)	3,741,015

Increase/(decrease) in policy holders benefits	2020			2019		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
Ordinary life	2,027,869	-	2,027,869	1,649,541	-	1,649,541
Group life	60,759	-	60,759	27,602	-	27,602
Annuity	590,501	-	590,501	1,043,427	-	1,043,427
Total Long-term	2,679,129	-	2,679,129	2,720,570	-	2,720,570
Total Long-term - Claims & policy holders' benefits	7,690,191	(433,779)	7,256,412	6,885,266	(423,681)	6,461,585
Total Short-term and Long-term	20,948,226	(5,282,713)	15,665,513	20,536,551	(5,340,543)	15,196,008

11. (i) OPERATING EXPENSES

The breakdown of operating expenses is given below:

OPERATING EXPENSES	Group		Company	
	2020 Kes'000	2019 Kes'000	2020 Kes'000	2019 Kes'000
Employee expense (Note 11 (ii))	2,668,208	2,670,923	3,228	338
Premium tax and policy holder compensation fund	261,469	168,050	-	-
Impairment charge for doubtful premium receivables	217,045	360,689	-	-
Rent expenses	270,748	342,806	20,833	-
Marketing costs	207,373	278,920	-	-
Professional fees	176,597	174,988	10,351	13
Depreciation and amortisation (Note 13 and 37 (i))	190,620	260,911	3,376	2,773
Travelling costs	127,117	69,777	2,840	2,223
Repairs and maintenance expenditure	30,700	39,737	846	1,568
Communication costs	67,554	44,586	3,344	576
Auditors' remuneration	43,447	33,345	2,952	2,905
Administrative costs*	1,011,646	1,001,867	69,193	34,196
Total	5,272,524	5,446,599	116,963	44,592

*Administrative costs comprise motor vehicles maintenance, security, professional subscriptions, newspapers, trade license, and insurance.

11. (ii) EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Salaries and wages	2,305,365	2,158,637	-	-
Social security costs	69,930	60,899	-	-
Retirement benefit costs – defined contribution plan	49,003	117,185	-	-
Other benefits	243,910	334,202	3,228	338
Total	2,668,208	2,670,923	3,228	338

*Other benefits include staff training, staff medical cover expenses, club subscriptions, staff relocation and other staff welfare expenses. As at 31 December 2020 a total of 1,122 (2019: 1,214) and 10 (2019: 10) staff were employed within the Group and the Company respectively.

11. (iii) KEY MANAGEMENT COMPENSATION AND DIRECTORS' REMUNERATION

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Key management compensation & directors fees				
Salaries and other employment benefits	1,538,061	1,248,226	-	-
Fees for services as directors	6,371	4,311	2,700	2,815
Total	1,544,432	1,252,537	2,700	2,815

There were no loans given to Directors in the year ended 31 December 2020 (2019: Nil).

12. 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	
	2020	2020	2020	2019
Net profit attributable to Shareholders (Kes'000)	3,627,911	3,556,468	(19,078)	6,894,773
Number of ordinary shares in issue ('000)	72,473	72,473	72,473	72,473
Earnings per share (Kes)-Basic and diluted	50.06	49.07	(0.26)	95.14

There were no potentially dilutive shares in issue at 31 December 2020 and 31 December 2019. Diluted earnings per share are therefore the same as basic earnings per share.

13. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

(i) PROPERTY AND EQUIPMENT

Group

Year ended 31 December 2020	Computer equipment	Motor vehicles	Furniture, fixtures, fittings & office equipment	Total
	Kes '000	Kes '000	Kes '000	Kes '000
Cost				
At start of year	550,925	71,881	499,011	1,121,817
Additions	39,451	4,530	26,133	70,114
Disposals	-	(356)	-	(356)
Exchange differences	2,168	4,401	255	6,824
At end of year	592,544	80,456	525,399	1,198,399
Accumulated depreciation				
At start of year	465,615	32,853	335,775	834,243
Charge for the year	46,628	10,538	40,886	98,052
Disposals	-	(1,040)	(1,311)	(2,351)
Exchange differences	10,453	1,699	7,891	20,043
At end of year	522,696	44,050	383,241	949,987
Net book value	69,848	36,406	142,158	248,412
Transfer to assets held for sale (Note 39)	-	-	-	(103,387)
Net book value from continuing operations	-	-	-	145,025

Year ended 31 December 2019	Kes '000	Kes '000	Kes '000	Kes '000
Cost				
At start of year	581,434	86,356	523,970	1,191,760
Additions	36,703	14,665	26,089	77,457
Disposals	(59,612)	(26,495)	(37,703)	(123,810)
Exchange differences	(7,600)	(2,645)	(13,345)	(23,590)
At end of year	550,925	71,881	499,011	1,121,817
Accumulated depreciation				
At start of year	466,053	58,380	349,307	873,740
Charge for the year	61,614	7,742	39,974	109,330
Disposals	(63,254)	(30,221)	(39,882)	(133,357)
Exchange differences	1,202	(3,048)	(13,624)	(15,470)
At end of year	465,615	32,853	335,775	834,243
Net book value	85,310	39,028	163,236	287,574

Company

Year ended 31 December 2020	Computer equipment		Furniture, fixtures, fittings & office equipment	Total
	Kes '000		Kes '000	Kes '000
Cost				
At start of year	2,862	-	39,999	42,861
Reclassification	-	3,260	(3,260)	-
Additions	32	-	134	166
At end of year	2,894	3,260	36,873	43,027
Accumulated depreciation				
At start of year	2,685	-	25,742	28,427
Charge for the year	69	652	2,655	3,376
At end of year	2,754	652	28,397	31,803
Net book value	140	2,608	8,476	11,224

13. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)**(i) PROPERTY AND EQUIPMENT (CONTINUED)****Company**

	Computer equipment	Furniture, fixtures, fittings & office equipment	Total
Year ended 31 December 2019	Kes '000	Kes '000	Kes '000
Cost			
At start of year	2,686	36,699	39,385
Additions	176	3,300	3,476
At end of year	2,862	39,999	42,861
Accumulated depreciation			
At start of year	2,573	23,081	25,654
Charge for the year	112	2,661	2,773
At end of year	2,685	25,742	28,427
Net book value	177	14,257	14,434

(ii) INTANGIBLE ASSETS**Group**

	2020	2019
	Kes '000	Kes '000
Cost		
At start of year	334,583	318,722
Additions	15,411	16,644
Exchange differences	(1,723)	(783)
At end of year	348,271	334,583
Accumulated amortisation		
At start of year	186,903	170,162
Charge for the year	56,218	16,898
Exchange differences	(4,496)	(157)
At end of year	238,625	186,903
Net carrying amount	109,646	147,680
Transfer to assets held for sale (Note 39)	(38,856)	-
Net book value from continuing operations	70,790	-

Intangible assets relate to computer software. All intangible assets are non-current.

14. INVESTMENT PROPERTIES

	Group	
	2020	2019
	Kes '000	Kes '000
At start of year	6,524,969	6,394,015
Net additions	8,334	30,014
Fair value gains (Note 7)	15,118	92,226
Exchange differences	165,436	8,714
At end of year	6,713,857	6,524,969

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 investment properties held by the group across the jurisdictions that the group operates. Investment properties include properties situated within Kenya valued at Kes 4,466 million (2019: Kes 4,476 million) and those outside Kenya valued at Kes 2,248 million (2019: Kes 2,049 million). The Group applies fair value model in the valuation of investment property.

14. INVESTMENT PROPERTIES (CONTINUED)

Kenya

In arriving at the open market value of the lettable properties, the valuer obtains the realised 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.

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.

All investment properties are non-current.

15. INVESTMENT 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 the its returns, based on representation with the various entity Boards

(i) INVESTMENT IN ASSOCIATES

The Group has invested in five associate companies whose information is as follows:

IPS Power Investment Limited - an investment vehicle company, which through its subsidiary has invested in the equity of Tsavo Power Company Limited that generates electricity for sale.

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.

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

Group	Opening Balance	Net additions/(redemptions)	Dividends received	Share of profit	Share of OCI	Translation gain/(loss) through P&L	Translation gain/(loss) through OCI	Closing Balance
Year 2020	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
IPS Power Investments Ltd	71,918	-	(60,928)	69,114	-	-	16,447	96,551
PDML (Holding) Limited	2,555,898	-	(14,223)	88,776	14,732	-	-	2,645,183
Bujagali Holding Power Company Ltd	2,223,047	4,417,467	(207,185)	845,115	-	59,669	227,042	7,565,155
FCL Holding Ltd	2,754,470	-	(123,750)	268,325	(37,290)	-	-	2,861,755
IPS Cable Systems Ltd	2,556,185	-	(1,603)	(1,603)	-	-	179,346	2,733,928
Total	10,161,518	4,417,467	(406,086)	1,269,727	(22,558)	59,669	422,835	15,902,572

Group	Opening Balance	Additions/(redemptions)	Dividends received	Share of profit	Share of OCI	Translation gain/(loss) through OCI	Closing Balance
Year 2019	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
IPS Power Investments Ltd	91,650	-	(80,953)	62,034	-	(813)	71,918
PDML (Holding) Limited	2,481,012	-	(14,223)	119,623	(30,514)	-	2,555,898
Bujagali Holding Power Company Limited	2,321,370	(362,830)	(218,392)	484,762	8,924	(10,787)	2,223,047
FCL Holding Ltd	2,580,375	-	(243,750)	291,448	126,397	-	2,754,470
IPS Cable Systems Ltd	2,521,406	-	-	30,654	-	4,125	2,556,185
Total	9,995,813	(362,830)	(557,318)	988,521	104,807	(7,475)	10,161,518

15. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)**(i) INVESTMENT IN ASSOCIATES (CONTINUED)**

The investment in associates are non-current.

Equity accounting has been applied for the associates in these financial statements using results based on the financial statements as at 31 December 2020. During the year, shares in Bujagali Holding Power Company that had been issued at a premium were redeemed and re-issued at par. In addition, the group acquired an addition interest in Bujagali Holdings Limited increasing the total interest held from 25% to 40.90%.

Company

Investment at cost	2020 Kes'000	2019 Kes'000
FCL Holding Ltd	484,969	484,969
IPS Cable Systems Ltd	353,282	353,282
PDML (Holding) Limited	619,426	619,426
Total	1,457,677	1,457,677

These are all non-current assets.

The following table summarizes the information relating to each of the Group's associate:

Group

	IPS Power Investments Limited	PDML Holdings Limited	Bujagali Holding Power Company Limited	FCL Holdings Limited	IPS Cable Systems Limited	Total
	Kes'000 Kenya	Kes'000 Kenya	Kes'000 Uganda 40.9% (2019:25%)	Kes'000 Kenya	Kes'000 Mauritius	Kes'000
Country of incorporation						
Interest held	27%	37%		30%	33%	
Year 2020						
Non-current Assets	1,262,573	9,794,410	13,645,680	4,180,270	9,645,136	38,528,069
Current Assets	229,805	344,301	212,074	4,644,232	18,260	5,448,672
Non-current Liabilities	-	(1,592,113)	-	(981,902)	-	(2,574,015)
Current Liabilities	(92,942)	(730,354)	(69,675)	(523,154)	(330,436)	(1,746,561)
Net Assets	1,399,436	7,816,244	13,788,079	7,319,446	9,332,960	39,656,165
Revenue	532,834	939,533	2,695,962	9,109,240	21,294	13,298,863
Profit after tax	532,524	262,100	2,678,180	905,215	(5,012)	4,373,007
Other Comprehensive Income	-	92,062	-	-	-	92,062
Cashflows generated from /(used in) operating activities	90,058	286,678	(150,655)	966,304	(5,951)	1,186,434
Cashflows generated from /(used in) investing activities	445,632	(57,049)	1,284,336	(66,250)	21,294	1,627,963
Cashflows (used in) financing activities	(435,803)	(339,055)	(1,130,866)	(415,528)	(20,072)	(2,341,324)
Net increase/(decrease) in cash and cash equivalents	99,887	(109,426)	2,815	484,526	(4,729)	473,073
Year 2019						
Non-current assets	1,126,881	8,989,170	8,686,487	4,358,341	8,952,901	32,113,780
Current assets	118,546	1,167,860	269,085	3,988,371	21,494	5,565,356
Non-current liabilities	-	(1,889,867)	-	-	-	(1,889,867)
Current liabilities	523	(764,274)	(62,930)	(478,319)	(306,492)	(1,611,492)
Net assets	1,245,950	7,502,889	8,892,642	7,868,393	8,667,903	34,177,777
Revenue	298,051	1,178,008	2,031,615	10,550,570	131,737	14,189,981
Profit after tax	297,835	360,617	1,821,204	1,268,859	103,912	3,852,427
Other comprehensive income	-	(77,389)	-	70,302	-	(7,087)
Cash flows (used in)/generated from operating activities	(816)	157,172	(335,007)	1,172,733	-	994,082
Cash flows generated from/(used in) investing activities	551,887	(235,837)	1,120,172	(165,885)	-	1,270,337
Cash flows (used in) financing activities	(575,177)	(44,469)	(867,775)	(831,843)	-	(2,319,264)
Net (decrease)/increase in cash and cash equivalents	(24,106)	(123,134)	(82,610)	175,005	-	(54,845)

15. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)
(i) INVESTMENT IN ASSOCIATES (CONTINUED)
Company

	PDML Holdings Limited	FCL Holdings Limited	IPS Cable Systems Limited	Total
	Kes'000	Kes'000	Kes'000	Kes'000
Country of incorporation	Kenya	Kenya	Mauritius	
Interest held	37%	30%	33%	
Year 2020				
Non-current assets	9,794,410	4,180,270	9,645,136	23,619,816
Current assets	344,301	4,644,232	18,260	5,006,793
Non-current liabilities	(1,592,113)	(981,902)	-	(2,574,015)
Current liabilities	(730,354)	(523,154)	(330,436)	(1,583,944)
Net assets	7,816,244	7,319,446	9,332,960	24,468,650
Revenue	939,533	9,109,240	21,294	10,070,067
Profit after tax	262,100	905,215	(5,012)	1,162,303
Other comprehensive income	92,062	-	-	92,062
Cash flows generated from operating activities	286,678	966,304	(5,951)	1,247,031
Cash flows (used in) investing activities	(57,049)	(66,250)	21,294	(102,005)
Cash flows (used in) financing activities	(339,055)	(415,528)	(20,072)	(774,655)
Net increase/(decrease) in cash and cash equivalents	(109,426)	484,526	(4,729)	370,371
Year 2019				
Non-current assets	2,247,293	4,358,341	8,952,901	15,558,535
Current assets	291,965	3,988,371	21,494	4,301,830
Non-current liabilities	(472,467)	-	-	(472,467)
Current liabilities	(191,069)	(478,319)	(306,492)	(975,880)
Net assets	1,875,722	7,868,393	8,667,903	18,412,018
Revenue	773,344	10,110,268	131,737	11,015,349
Profit after tax	388,411	1,163,393	103,912	1,655,716
Other comprehensive income	(144,912)	1,012,070	-	867,158
Cash flows generated from/(used in) operating activities	407,051	1,458,759	-	1,865,810
Cash flows (used in)/ generated from investing activities	(368,487)	(134,365)	-	(502,852)
Cash flows (used in) financing activities	(81,537)	(1,150,000)	-	(1,231,537)
Net decrease in cash and cash equivalents	(42,973)	174,394	-	131,421

15. INVESTMENT IN ASSOCIATES AND SUBSIDIARIES (CONTINUED)

(ii) INVESTMENT IN SUBSIDIARIES

Company	Investment at Cost	Investment at Cost	Equity Held	Equity Held
	2020	2019	2020	2019
	Kes'000	Kes'000	%	%
The Jubilee Insurance Company of Kenya Limited	150,000	150,000	100%	100%
Jubilee Health Insurance Limited – Ke	2,763,720	2,763,720	100%	100%
Jubilee General Insurance Limited - Ke	2,307,000	2,307,000	100%	100%
The Jubilee Insurance Company of Tanzania Limited	36,456	36,456	51%	51%
Jubilee Life Insurance Corporation of Tanzania Limited	36,456	36,456	51%	51%
The Jubilee Insurance Company of Uganda Limited	12,598	12,598	30%	30%
Jubilee Life Insurance Company of Uganda Limited	12,598	12,598	30%	30%
Jubilee Insurance (Mauritius) Limited	197,467	197,467	80%	80%
Jubilee Investment Company Limited (Uganda)	1,103,707	1,103,707	100%	100%
Jubilee Investment Company Limited (Tanzania)	23,980	23,980	100%	100%
Jubilee Investment Company Limited (Burundi)	1,311	1,311	100%	100%
Total	6,645,293	6,645,293		
Transfer to assets held for sale (Note 39)	(2,523,718)			
Net book value from continuing operations	4,121,575			

The Jubilee Investments Company Limited (Uganda) owns 35% equity of both The Jubilee Insurance Company of Uganda Limited and 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. The Group holds 100% of Jubilee Financial Services Ltd, a fund management company, through its subsidiary The Jubilee Health Insurance Limited.

The investment in subsidiaries are all non current.

(iii) NON CONTROLLING INTEREST(NCI)

The following table summarizes the information relating to the Group's subsidiaries that has NCI:

Year 2020	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	13,265,771	6,537,429	1,315,664	1,285,739	123,764	22,528,367
Liabilities	(8,633,906)	(4,593,167)	(992,926)	(741,538)	(66,991)	(15,028,528)
Net assets	4,631,865	1,944,262	322,738	544,201	56,773	7,499,839
Carrying amount of NCI	1,710,576	952,689	64,546	163,260	11,355	2,902,426
Revenue	3,240,183	2,435,066	781,647	219,923	12,945	6,689,764
Profit	719,430	327,186	45,523	123,851	6,469	1,222,459
OCI	374,453	70,544	(20,046)	19,336	11,120	455,407
Total comprehensive income	1,093,883	397,730	25,477	143,187	17,589	1,677,866
Profit allocated to NCI	251,800	160,321	9,105	37,155	1,294	459,675
OCI allocated to NCI	131,058	34,566	(4,009)	5,801	2,224	169,640
Approved dividends to be paid to NCI	-	-	-	-	-	-
Total allocated to NCI	382,858	194,887	5,096	42,956	3,518	629,315
Cash flows from/(used in) operating activities	1,060,097	367,219	(32,879)	68,543	(6,399)	1,456,581
Cash flows (used in)/from investing activities	(797,597)	(549,803)	(3,071)	43,236	9,627	(1,297,608)
Cash flows used in financing activities	(185,186)	12,429	-	-	-	(172,757)
Net increase/(decrease) in cash and cash equivalents	77,314	(170,155)	(35,950)	111,779	3,228	(13,784)

15. INVESTMENT IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)

(iii) NON CONTROLLING INTEREST (CONTINUED)

Year 2019	Jubilee Insurance Entities in Uganda Kes'000	Jubilee Insurance Entities in Tanzania Kes'000	Jubilee Insurance Mauritius Kes'000	Jubilee Insurance Entities in Burundi Kes'000	Jubilee Centre Burundi Kes'000	Total Kes'000
NCI percentage	35%	49%	20%	30%	20%	
Assets	10,149,862	6,391,651	1,203,835	1,221,200	111,898	19,078,446
Liabilities	(6,353,256)	(4,845,808)	(907,425)	(820,185)	(72,715)	(12,999,389)
Net assets	3,796,606	1,545,843	296,410	401,015	39,183	6,079,057
Carrying amount of NCI	1,328,812	757,464	59,282	120,304	7,837	2,273,699
Revenue	2,574,857	2,512,703	820,354	211,717	9,941	6,129,572
Profit	855,330	254,653	21,863	105,535	5,194	1,242,575
OCI	21,952	13,796	728	(18,363)	2,621	20,734
Total comprehensive income	877,282	268,449	22,591	87,172	7,815	1,263,309
Profit allocated to NCI	299,366	124,780	4,373	31,661	1,039	461,219
OCI allocated to NCI	8,062	6,315	130	(5,353)	393	9,547
Dividends paid to NCI	(84,046)	-	-	-	-	(84,046)
Total allocated to NCI	223,382	131,095	4,503	26,308	1,432	386,720
Cash flows from/(used in) operating activities	1,060,097	367,219	(32,879)	68,543	(6,399)	1,456,581
Cash flows (used in)/from investing activities	(797,597)	(549,803)	(3,071)	43,236	9,627	(1,297,608)
Cash flows used in financing activities	(185,186)	12,429	-	-	-	(172,757)
Net increase/(decrease) in cash and cash equivalents	77,314	(170,155)	(35,950)	111,779	3,228	(13,784)

Movement in the non-controlling interest is as follows:

	2020 Kes '000	2019 Kes '000
At start of year	2,273,699	1,886,979
Dividend paid to non controlling interest	(89,834)	(84,046)
Share of total comprehensive income for the year	629,315	470,766
At end of year	2,813,180	2,273,699

The non controlling interest are non current.

16. 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	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Profit/(Loss) before income tax	5,076,895	5,007,222	(13,208)	6,909,100
Tax calculated at the enacted domestic tax rate 30%	1,405,794	1,549,668	(3,962)	2,072,730
Tax calculated at the enacted domestic tax rate 15%	-	-	-	-
Effect of:				
Income not subject to income tax	(950,816)	(878,637)	(5,911)	(2,077,541)
Expenses not deductible for tax purposes	461,488	318,504	30,723	19,139
Prior year over provision	72,843	-	(15,280)	-
Income tax charge	989,309	989,535	5,870	14,328
Current tax				
Current income tax charge for the year	1,111,043	995,425	5,636	14,288
Over provision of current tax in prior year	-	(453,160)	-	-
Deferred income tax				
Current year deferred tax (credit)/charge for the year	(121,734)	(91,392)	234	40
Under provision of deferred tax in prior year	-	538,662	-	-
	989,309	989,535	5,870	14,328

16. INCOME TAX EXPENSE AND DEFERRED INCOME TAX (CONTINUED)**(ii) TAX MOVEMENT**

Movement in the net tax payable/(recoverable) account is as follows:

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	(460,143)	(91,387)	4,687	616
Taxation charge	1,111,043	995,425	5,636	14,328
Prior year (over)/under provision	(66,250)	(453,160)	(15,280)	14,464
Taxation paid	(871,094)	(911,021)	(12,181)	(24,721)
At end of year	(286,444)	(460,143)	(17,138)	4,687

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
Current income tax asset	(447,042)	(547,902)	(17,138)	-
Current income tax liability	160,598	87,759	-	4,687
Total	(286,444)	(460,143)	(17,138)	4,687
Transfer to assets held for sale (Note 39)				
Current income tax asset	-	-	-	-
Current income tax liability	(128,123)	-	-	-
Total	(128,123)	-	-	-
Net book value from continuing operations				
Current income tax asset	(447,042)	-	-	-
Current income tax liability	32,475	-	-	-
Total	(414,567)	-	-	-

Income tax liability is current

(iii) DEFERRED INCOME TAX

Deferred income tax is calculated, in full, on all temporary differences using a principal tax rate of 30% (2019: 30%) in all countries save for Mauritius where rate is 15%. The movement in the deferred income tax account is as follow:

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	143,470	537,993	6,961	7,617
Recognised in profit or loss	(121,734)	(91,392)	234	40
Recognised in OCI	(54,731)	(101,889)	(54,909)	(702)
Prior year adjustment	-	(201,242)	(1)	6
Prior year (over)/under provision	65,684	-	-	-
At end of year	32,689	143,470	(47,715)	6,961

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
Deferred tax asset	(725,509)	(605,026)	(47,715)	-
Deferred tax liability	758,198	748,496	-	6,961
Net deferred income tax liability/(asset)	32,689	143,470	(47,715)	6,961
Transfer to assets held for sale (Note 39)				
Deferred tax asset	303,773	-	-	-
Deferred tax liability	-	-	-	-
Total	303,773	-	-	-
Net book value from continuing operations				
Deferred tax asset	(421,736)	-	-	-
Deferred tax liability	758,198	-	-	-
Total	336,462	-	-	-

These are all non-current assets.

16. 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 Kes '000					Company Kes '000				
	1 January 2020	Charged to profit or loss	Charged to OCI	Prior year (over)/ under provision	31 December 2020	1 January 2020	Charged to profit or loss	Charged to OCI	Prior year adjustment	31 December 2020
Fair value gains on investment properties	59,670	1,171	(494)	-	60,347	-	-	-	-	-
Accelerated depreciation	(190,991)	(71,829)	(1,118)	-	(263,938)	-	-	-	-	-
Impairment provisions	(115,772)	18,089	-	-	(97,683)	-	-	-	-	-
Other deductible temporary differences	390,563	(69,165)	(53,119)	65,894	333,963	6,961	234	(54,909)	(1)	(47,715)
Net deferred income tax liability/(asset)	143,470	(121,734)	(54,731)	65,894	32,689	6,961	234	(54,909)	(1)	(47,715)

	Group Kes '000					Company Kes '000				
	1 January 2019	Charged to profit or loss	Charged to OCI	Prior year and adjustment on restructuring	31 December 2019	1 January 2019	Charged to profit or loss	Charged to OCI		31 December 2019
Fair value gains on investment properties	81,685	(13,385)	(8,630)	-	59,670	-	-	-	-	-
Accelerated depreciation	(80,080)	(110,795)	(116)	-	(190,991)	-	-	-	-	-
Impairment provisions	(113,068)	(2,704)	-	-	(115,772)	-	(700)	-	-	(700)
Other deductible temporary differences	649,456	35,492	(93,143)	(201,242)	390,563	7,617	-	44		7,661
Net deferred income tax liability/(asset)	537,993	(91,392)	(101,889)	(201,242)	143,470	7,617	(700)	44		6,961

17. UNQUOTED EQUITY INVESTMENTS

Group

Unquoted Equity Investments Group	FV Through P/L 2020 Kes'000	FV Through OCI 2020 Kes'000	Total 2020 Kes'000	FV Through P/L 2019 Kes'000	FV Through OCI 2019 Kes'000	Total 2019 Kes'000
At start of year	6,237,885	196,782	6,434,667	4,344,211	194,613	4,538,824
Additions/transfers	(224,078)	199,709	(24,369)	346,056	(143,853)	202,203
Fair value gains	222,854	18,226	241,080	1,894,789	42,296	1,937,085
Exchange differences	21,592	40,658	62,250	(347,171)	103,726	(243,445)
At end of year	6,258,253	455,375	6,713,628	6,237,885	196,782	6,434,667

17. UNQUOTED EQUITY INVESTMENTS (CONTINUED)

Valuation of unquoted shares - Kenya

Unquoted shares are valued using values of similar or comparable entities which are publicly listed and also in reference to the contractual cash flows. The unquoted investments represent the take held by the Group in IPS Kenya Limited.

As at 31 December 2020, 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 PE multiples for the non-infrastructure-based portfolio. A uniform PE multiple of 8X has been applied to the entire portfolio.
- The residual share holder funds in IPS(K) at the Net assets value.

The above approach places the determination of the unquoted equity under level 3 hierarchy of Fair value determination.

The following table sets out the key assumptions used by management in the value in use calculations:

Assumption	Type	2020	2019
P/E Multiples	Non -infrastructure based	8X	8X
Average discounting rate	Infrastructure based companies	12%	12%

Management has determined the values assigned to each of the key assumptions used as follows:

Assumption	Approach used to determine values:
P/E Multiples	Based on the PE ratios of similar listed companies. This is then adjusted for illiquidity and marketability discounts
Average discounting rates	This is based on the returns that are embedded in the executable contracts of the infrastructure companies

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 2020 with all other assumptions unchanged, the impact to profit or loss would have been Kes 28 million (2019: Kes 75million) 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 2020 with all other assumptions unchanged, the impact to profit or loss would have been Kes 15 million (2019: Kes 185 million) higher and lower.

Valuation of Unquoted equity investments - Tanzania

The Company uses valuation techniques for valuing unquoted shares that are not based on observable market data. The Company has utilized price book multiples for comparable companies and applied adjustments for the purpose of estimating the fair value. The critical management judgement is in the selection of the liquidity premium and size adjustment for as adjustments for the fair value and the selection of comparable companies for the purpose of ascertain the fair value.

Valuation Technique	Significant unobservable inputs	Sensitivity Analysis
Adjusted price book value	Discount of 10% due to lack of marketability and liquidity	A chance of this by 10% would change the fair value by Kes 5 million.
	Size adjustment of 12% to account for differences between Tanzania Reinsurance and its listed comparable which are much larger companies	A chance of this by 10% would change the fair value by Kes 12 million.

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 2020				
Assets				
Financial assets fair value through profit or loss	-	-	358,038	358,038
As at 31 December 2019				
Assets				
Financial assets fair value through profit or loss	-	-	305,003	305,003

Valuation of unquoted equity investments in other companies

The remaining unquoted shares are not material to the group and therefore sensitivity was not done.

Company

	FV Through OCI 2020 Kes'000	FV Through OCI 2019 Kes'000
At start of year	69,299	69,299
Disposal	-	-
Fair value gain through other comprehensive income	18,226	-
At end of year	87,525	69,299

17. UNQUOTED EQUITY INVESTMENTS (CONTINUED)

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 2020				
Assets				
Financial assets fair value through profit or loss	-	-	87,525	87,525
As at 31 December 2020				
Assets				
Financial assets fair value through profit or loss	-	-	69,299	69,299

Unquoted equity is non-current.

18. GOVERNMENT SECURITIES AT AMORTISED COST AND FAIR VALUE THROUGH PROFIT OR LOSS

Group

Movement	FV Through P&L 2020 Kes'000	Amortized cost 2020 Kes'000	Total 2020 Kes'000	FV Through P&L 2019 Kes'000	Amortized cost 2019 Kes'000	Total 2019 Kes'000
At start of year	12,289,945	54,806,435	67,096,380	10,264,809	45,003,158	55,267,967
Additions	6,129,993	18,015,729	24,145,722	708,165	18,831,826	19,539,991
Maturities	(3,386,759)	(5,268,613)	(8,655,372)	(168,337)	(7,933,842)	(8,102,179)
Reclassification from amortized cost to fair value through profit or loss			-	1,190,271	(1,190,271)	-
Fair value gains/(losses) through profit or loss	76,778	-	76,778	184,367	(2,435,254)	(2,250,887)
Unearned amortised discount	-	(904,720)	(904,720)	-	-	-
Accrued interest	20,231	11,557	31,788	122,833	2,556,747	2,679,580
Exchange differences	-	348,409	348,409	(12,163)	818	(11,345)
Total at the end of the year	15,130,188	67,008,797	82,138,985	12,289,945	54,833,182	67,123,127
Expected Credit Loss	-	(30,503)	(30,503)	-	(26,747)	(26,747)
Net	15,130,188	66,978,294	82,108,482	12,289,945	54,806,435	67,096,380
Transfer to assets held for sale (Note 39)	-	(5,025,976)	(5,025,976)	-	-	-
Net book value from continuing operations	15,130,188	61,952,318	77,082,506	12,289,945	54,806,435	67,096,380

Maturity Profile – Government securities at amortised cost

	2020 Kes '000	2019 Kes 000
Treasury bills maturing within 91 days after the date of acquisition	-	-
Treasury bills maturing after 91 days after the date of acquisition	412,157	301,891
Treasury bonds maturing within 1 year	2,548,705	4,952,072
Treasury bonds maturing in 1-5 years	10,625,599	12,076,690
Treasury bonds maturing after 5 years	53,391,833	37,475,782
Total	66,978,294	54,806,435
Transfer to assets held for sale (Note 39)	(5,025,976)	-
Net book value from continuing operations	61,952,318	-

Maturity Profile – Government securities at fair value through profit and loss

	2020 Kes '000	2019 Kes 000
Treasury bonds maturing within 1 year	16,173	529,821
Treasury bonds maturing in 1-5 year	818,912	1,711,444
Treasury bonds maturing after 5 years	14,295,103	10,048,680
Total	15,130,188	12,289,945

Treasury bonds of Kes 3.6 billion (2019: Kes 5.3 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 30 million (2019: Kes 41.2 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 192 million (2019: Kes 196.3 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.

In Kenya a further Kes 350 million (2019: Kes 350 million) worth of Treasury Bonds were held under lien with Diamond Trust Bank Limited as security for Bank overdraft facility, Guarantees and Letters of Credit facility for Kes 359 Million (2019: Kes 359 million).

19. COMMERCIAL BONDS AT AMORTISED COST AND FAIR VALUE THROUGH PROFIT OR LOSS

Group

Movement	FV Through P&L 2020 Kes'000	Amortized cost 2020 Kes'000	FV Through P&L 2019 Kes'000	Amortized cost 2019 Kes'000
At start of year	-	579,736	38,460	803,744
Additions	-	-	-	37,654
Maturities	-	(579,736)	(38,460)	(261,107)
Total	-	-	-	580,291
Expected credit loss	-	-	-	(555)
Net	-	-	-	579,736
Maturity profile				
Commercial bonds maturing within 1 year	-	-	-	-
in 1-5 years	-	-	-	579,736
>5 years	-	-	-	-
Total	-	-	-	579,736

20. LOAN RECEIVABLES

(i) Group

i) Mortgage loans

Movement	2020 Kes '000	2019 Kes '000
At start of year	49,663	66,101
Loans advanced	-	3,564
Accrued interest and penalties	3,778	3,426
Expected credit loss	-	59
Loan repayments	(7,178)	(22,843)
Exchange differences	616	(644)
At end of year	46,879	49,663
Transfer to assets held for sale (Note 39)	(11,158)	-
Net book value from continuing operations	35,721	-
Maturity profile		
Loans maturing		
Within 1 year	4,142	2,922
In 1-5 years	20,155	20,387
In over 5 years	22,582	26,354
Total	46,879	49,663
Transfer to assets held for sale (Note 39)	(11,158)	-
Net book value from continuing operations	35,721	49,663

ii) Loans on life insurance policies

Movement	2020 Kes '000	2019 Kes '000
At start of year	1,004,928	931,713
Loans advanced	256,913	190,862
Interest	96,712	94,102
Loan repayments	(146,595)	(211,355)
Exchange differences	11,563	(394)
At end of year	1,223,521	1,004,928
Maturity profile		
Loans maturing		
Within 1 year	18,091	49,222
In 1-5 years	1,190,377	284,333
In over 5 years	15,053	671,373
Total	1,223,521	1,004,928

21. QUOTED EQUITY INVESTMENTS

Group

	FV Through P&L 2020 Kes '000	FV Through OCI 2020 Kes '000	Total 2020 Kes '000	FV Through P&L 2019 Kes '000	FV Through OCI 2019 Kes '000	Total 2019 Kes '000
At start of year	4,082,470	1,282,162	5,364,632	4,945,579	1,617,728	6,563,307
Additions	352,437	108,233	460,670	-	-	-
Disposals	(131,677)	(368,108)	(499,785)	-	-	-
Fair value gain /(loss) through other comprehensive income	-	(219,764)	(219,764)	-	(373,867)	(373,867)
Fair value gain /(loss) through profit or loss	(950,054)	-	(950,054)	(871,336)	-	(871,336)
Exchange differences	-	12,719	12,719	8,227	38,301	46,528
At end of year	3,353,176	815,242	4,168,418	4,082,470	1,282,162	5,364,632
Transfer to assets held for sale (Note 39)	-	(734,377)	(734,377)	-	-	-
Net book value from continuing operations	3,353,176	80,865	3,434,041	-	-	-

Company

	FV Through P&L 2020 Kes '000	FV Through OCI 2020 Kes '000	Total 2020 Kes '000	FV Through P&L 2019 Kes '000	FV Through OCI 2019 Kes '000	Total 2019 Kes '000
At start of year	-	656,200	656,200	-	23,405	23,405
Reclassification from fair value through profit or loss to fair value through other comprehensive income	-	-	-	-	-	-
Transfers due to capital reorganisation (Note 39)	-	-	-	-	635,132	635,132
Fair Value gain through other comprehensive income	-	(201,257)	(201,257)	-	(2,337)	(2,337)
At end of year	-	454,943	454,943	-	656,200	656,200

Quoted equity investments are all non-current.

22. RECEIVABLES ARISING FROM DIRECT AND REINSURANCE ARRANGEMENTS

Group

Receivables arising out of direct insurance and re-insurance arrangements are summarized as follows:

	Direct Insurance Arrangements		Reinsurance Arrangements	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Neither past due nor impaired	1,695,588	2,727,967	1,128,168	1,507,903
Past due but not impaired	1,699,370	1,423,090	554,290	826,345
Impaired	688,606	659,958	370,472	357,590
Gross	4,083,564	4,811,015	2,052,930	2,691,838
Expected credit loss allowance	(872,291)	(797,725)	(534,357)	(357,588)
Net	3,211,273	4,013,290	1,518,573	2,334,250
Transfer to assets held for sale (Note 39)	(2,659,637)	-	(1,042,264)	-
Net book value from continuing operations	551,636	-	476,309	-

These are all current assets.

Movements for provisions for impairment are as follows:

	Direct Insurance Arrangements		Reinsurance Arrangements	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
At start of year	797,725	823,627	357,579	132,383
Increase/(Decrease) in the year	74,566	(25,902)	176,778	225,205
At end of year	872,291	797,725	534,357	357,588

22. RECEIVABLES ARISING FROM DIRECT AND REINSURANCE ARRANGEMENTS (CONTINUED)

Of the total gross impaired receivables, the following amounts have been individually assessed:

	Direct Insurance Arrangements		Reinsurance Arrangements	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
Individually assessed impaired receivables				
- brokers	279,461	226,592	262,631	85,862
- agents	283,260	302,313	-	-
- insurance companies	189,020	144,854	271,726	271,726
- direct clients	120,550	123,966	-	-
Total	872,291	797,725	534,357	357,588

23. REINSURERS' SHARE OF INSURANCE CONTRACT LIABILITIES AND DEFERRED ACQUISITION COSTS**(i) Reinsurers' Share of Insurance Contract Liabilities****Group**

	2020	2019
	Kes '000	Kes '000
Reinsurers share of		
- Unearned premium (Note 28)	3,276,205	2,881,912
- Notified claims outstanding and IBNR (Note 36)	3,945,489	4,249,901
Total	7,221,694	7,131,813
Transfer to assets held for sale (Note 39)	(5,260,380)	-
Net book value from continuing operations	1,961,314	-

Amounts due from reinsurers in respect of claims already paid by the Group on contracts that are reinsured are included in receivables arising out of reinsurance arrangements in the statement of financial position.

These are all current assets.

(ii) Deferred Acquisition Costs**Group**

	2020	2019
	Kes '000	Kes '000
At start of year	447,631	186,290
Net (decrease)/ increase	(30,533)	280,608
Exchange differences	46,190	(19,267)
At end of year	463,288	447,631
Transfer to assets held for sale (Note 39)	(52,045)	-
Net book value from continuing operations	411,243	-

These are all current assets.

24. OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
Deposits - Office rent and utilities	243,397	147,515	-	-
Prepayments	234,026	135,935	-	-
Recoverable advances	58,103	305,617	-	-
Dividends receivable	514,777	44,437	-	-
Sundry debtors*	1,487,787	1,241,245	245,421	823,064
Total	2,538,090	1,874,749	245,421	823,064
Transfer to assets held for sale (Note 39)	(1,065,907)	-	-	-
Net value from continuing operations	1,472,183	-	-	-

*Sundry debtors include staff loans, third party fund recoverable and deposits paid on rental offices among others and are current assets.

25. (i) DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Maturity Profile				
Deposits maturing within 90 days after balance sheet date	8,159,216	9,496,402	128,264	109,555
Total	8,159,216	9,496,402	128,264	109,555
Transfer to assets held for sale (Note 39)	(1,826,148)	-	-	-
Net value from continuing operations	6,333,068	-	-	-

25. (ii) CASH AND CASH EQUIVALENTS

The year-end cash and cash equivalents comprise the following:

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Cash and bank balances	3,964,260	5,523,595	110,887	569,082
Short-term deposits with banks	8,159,216	9,496,402	128,264	109,555
Total	12,123,476	15,019,997	239,151	678,637
Transfer to assets held for sale (Note 39) - Deposits with banks	(1,826,148)			
Transfer to assets held for sale (Note 39) - Cash and bank balances	(943,267)			
Total	(2,769,415)			
Net value from continuing operations - Deposits with banks	6,333,068			
Net value from continuing operations - Cash and bank balances	3,020,993			
Total	9,354,061			

These are all current assets.

25. (iii) OPERATING CASH FLOW

Group

	2019 Kes '000	2018 Kes '000
Cash flow from operating activities		
Profit before income tax	5,076,895	5,007,222
Adjustments for: -		
Depreciation and amortisation	290,745	152,412
Fair value gains on financial assets at fair value through profit and loss	650,422	(1,031,683)
Fair value gain on investment properties	(15,118)	(270,029)
Net fair value gains on disposal and amortisation on government bonds	1,341,370	(85,473)
Interest and other income	(10,461,512)	(10,026,814)
Dividend receivable	(305,239)	(371,794)
Fee income	-	-
Rental income	(528,594)	(575,448)
Share of result of associates after income tax	(1,329,396)	(988,521)
Operating profit before working capital changes	(5,280,427)	(8,190,128)
Receivables arising out of direct insurance arrangements	(802,017)	(39,605)
Receivables arising out of reinsurance arrangements	(815,677)	858,916
Reinsurers' share of insurance contract liabilities	89,881	(1,127,379)
Deferred acquisition costs	15,657	(261,340)
Other receivables	663,342	(478,518)
Insurance contract liabilities	3,607,246	1,257,210
Investment contracts liabilities	5,237,410	7,154,922
Provision for unearned premium	156,429	789,086
Creditors arising out of direct insurance arrangements	(73,170)	76,664
Creditors arising out of reinsurance arrangements	(905,345)	(218,314)
Other payables	468,089	498,613
Cash generated from operations	2,361,418	320,127

26. INSURANCE CONTRACT LIABILITIES

	2020	2019
	Kes '000	Kes '000
Short-Term insurance contracts		
Claims reported and claims handling expenses	5,859,257	5,520,751
Claims incurred but not reported (IBNR)	2,128,680	2,044,784
Total Short-Term	7,987,937	7,565,535
Long-Term insurance contracts		
Claims reported and claims handling expenses	1,241,225	878,981
Actuarial value of long term liabilities	24,107,264	21,284,664
Total Long-Term	25,348,489	22,163,645
Total Short-Term and Long-Term	33,336,426	29,729,180
Transfer to assets held for sale (Note 39)	(6,798,095)	-
Net value from continuing operations	26,538,331	-

Gross claims reported, claims handling expense liabilities and the liability for claims incurred but not reported are net of expected recoveries from salvage and subrogation. The expected recoveries at the end of 2020 and 2019 are not material.

The Group uses chain-ladder techniques to estimate the ultimate cost of claims and the IBNR provision. Chain ladder techniques are used as they are an appropriate technique for mature classes of business that have a relatively stable development pattern. This involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not fully developed to produce an estimated ultimate claims cost for each accident year.

Movements in insurance liabilities and reinsurance assets are shown in Note 36.

Short -Term Insurance contracts

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the group's estimate of total claims liability for each accident year has changed at successive year-ends.

Insurance Contract Liabilities**Short-term insurance contracts**

Accident year	2016 & prior	2017	2018	2019	2020	Total
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Estimate of ultimate claims cost						
at end of accident year	23,428,983	7,574,180	6,841,651	3,219,559	3,527,375	44,591,748
one year later	14,395,279	4,939,860	4,156,277	2,871,728	-	26,363,144
two years later	5,322,090	3,969,307	3,321,714	-	-	12,613,111
three years later	5,122,996	3,916,254	-	-	-	9,039,250
four years later	5,028,324	-	-	-	-	5,028,324
Incurred per accident year	5,028,324	3,916,254	3,321,714	2,871,728	3,527,375	18,665,395
Current estimate of cumulative claims	5,028,324	3,916,254	3,321,714	2,871,728	3,527,375	18,665,395
Less: cumulative payments to date	4,497,680	(6,418,057)	(5,465,049)	(2,692,593)	(1,957,117)	(12,035,136)
Total gross claims liability included in the statement of financial position before IBNR	9,526,004	(2,501,803)	(2,143,335)	179,135	1,570,258	6,630,259
Incurred but not reported (IBNR)	200,958	293,358	304,286	(14,564)	573,640	1,357,678
Total gross claims liability included in the statement of financial position	9,726,962	(2,208,445)	(1,839,049)	164,571	2,143,898	7,987,937

If there was a 10% increase/decrease in the average claims cost as at the end of the year, with all other variables held constant the impact on the post-tax profit would have been Kes 35 million (2019: 60 million).

26. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Long-term insurance contracts

The Group determines its liabilities on long term insurance contracts based on assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. The cash flows for each individual policy were projected on monthly intervals, till natural expiry of the policies. A margin for risk and uncertainty is added to these assumptions. The liabilities are determined on the advice of the consulting actuary and actuarial valuations carried out on a quarterly basis.

Valuation assumptions

The latest actuarial valuation of the Life Fund was carried out as at 31 December 2020 by Actuarial Partners Consultants, using Gross Premium Valuation (GPV) method. This method is generally accepted in the actuarial industry as an appropriate method to place a realistic value (with an appropriate allowance for margins) on the liabilities of a life insurance Company. This method is based on a discounted cash flow approach taking into account the expected cash flows from existing in-force business. By setting appropriate assumptions this method determines liabilities which are consistent with the value of assets included in the accounts.

The more significant valuation assumptions are summarized below per country. The assumptions used for the previous year-end valuation are shown in brackets:

Kenya

- Mortality – The Company used KE 07-10 as a base table of standard mortality for ordinary life and KE 01-03 for annuity life. Statistical methods are used to adjust the rates reflected in the table based on the Company's experience for ordinary life and annuity life (2019: KE 07-10 as a base table of standard mortality for ordinary life and KE 01-03 for annuity life).
- Persistency – The persistency rates used in the valuation were set according to the experience observed (by the actuary) in the Company's data.
- Discount Rates – As per the valuation guideline, the expected future cash flows shall be discounted using the relevant risk-free interest rate. The risk-free interest rate is determined using the Nairobi Securities Exchange yield curve as at December 2019 and has been converted to zero coupon yield which ranged from 8.54% to 17.56% (2019: 10.10% to 15.88%). The discount rate is further adjusted by a risk margin of 10% (2019: 10%).
- Expenses, tax and inflation – The current level of renewal expenses were taken based on the current expense position of the company. Expense inflation is assumed to be 4.64% p.a (2019: 5.5% p.a). It has been assumed that the current tax legislation and rates continue unaltered.

	Ordinary Life	Annuity	Total	Ordinary Life	Annuity	Total
	2020	2020	2020	2019	2019	2020
	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Kes '000
Liability movement due to change in valuation date	1,718,352	92,386	1,810,738	1,831,068	361,632	2,192,700
Liability movement due to change in yield assumption	207,359	(175,009)	32,350	152,016	(28,550)	123,466
Liability movement due to change in expense assumption	(43,779)	(21,430)	(65,209)	(271,410)	(11,328)	(282,738)
Liability movement due to change in other assumptions	(20,630)	9,958	(10,672)	(28,408)	15,566	(12,842)
Liability movement due to new business	162,445	892,486	1,054,931	191,517	946,103	1,137,620
Liability movement due to exits	(853,035)	(223,949)	(1,076,984)	(644,116)	(251,127)	(895,243)
Total	1,170,712	574,442	1,745,154	1,230,667	1,032,296	2,262,963

Uganda

The principles on which the valuation was made were determined by the Actuary having regard for the statutory requirements of Uganda Insurance Regulations 2002.

For Ordinary Life, the valuation was based on a net premium valuation (NOV) basis. The actuarial reserves were calculated using the 'full preliminary term' method with reserves calculated by deducting the present value of the future modified net premiums from the present value of the sums assured, guaranteed cash bonuses and accrued bonuses.

The assumptions under the NPV are as follows:

- Mortality: 100% KE 2007-10
- Discount rate: 4% p.a

The group life plans a reserve equal to the higher of unexpired risks and the unearned portion of the office premium was held on a 1/365th methodology. An additional reserve for Incurred But Not Reported (IBNR) claims was also held.

Liability adequacy Test (LAT)

A liability adequacy test has been performed by computing the reserve based on a gross premium valuation methodology (GPV) to ensure the adequacy of the statutory reserves under the NPV basis. Under the GPV basis, the cash flows for each individual policy were projected on monthly intervals, till natural expiry of the policies. Expenses, commission, claims and premiums were included in the projection.

26. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Long-term insurance contracts (continued)

Valuation assumptions (continued)

Uganda (continued)

In performing valuation using the GPV methodology, the entity adopted the Best Estimate assumptions which are derived from the Company's experience as follows:

- **Mortality and morbidity** – The assumptions are derived based on the Company's experience with partial credibility theory as follows:

Type of policy	Mortality Table
All other assurances	91% KE 2007-2010 for assured lives for males 95% KE 2007-2010 for assured lives for females
Total Permanent Disability	10% of the mortality assumptions above.

- **Management expense** – The assumption was calculated based on the Company's actual management expenses in 2019 as follows:

Expenses - Ordinary Life	2020		2019	
	Per Policy (Ushs)	% of Premium	Per Policy (Ushs)	% of Premium
Maintenance Expenses	158,296	1.02%	142,720	0.87%

- **Discount rate** - The discount rates for ordinary life fund in 2020 is set at 4.13% (2019: 7.47%) which is derived based on the current asset mix and expected return for each asset type.

Tanzania

The Company determines its liabilities on long term insurance contracts based on the assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. The cash flows for each individual policy were projected on monthly intervals, till natural expiry of the policies. A margin of risk and uncertainty is added to these assumptions. The liabilities are determined on the advice of the consulting actuary and actuarial valuations carried out on an annual basis.

Set out below are the general principles and details of the methods adopted in the valuation of the policies:

- Except for the policies mentioned below, Actuarial Reserves were calculated using the 'full preliminary term' method with reserves calculated by deducting the present value of the future modified net premiums from the present value of the sums assured, guaranteed cash bonuses and accrued bonuses.

Group Temporary Assurance, as reserve equal to the unearned portion of the office premium was held on a 1/365th methodology. An additional reserve for Incurred But Not Reported (IBNR) claims was also held. There are some Group Temporary Assurance policies with a policy term greater than one year (up to 5 years). For these plans the entity tested to ensure the basis used is more conservative than the prescribed basis.

- Ordinary Life Business – The modified net premium was taken as the 'pure' net premium for an age one year higher than the actual age entry without changing the time when premiums cease or any policy money becomes payable if such time is determined by reference to the actual age entry. Actual premium terms and maturity dates were taken as set out in the policies.

Valuation Assumptions

The more significant valuation assumptions are summarized below:

Financial Assumptions	2020 Rate	2019 Rate
2007-2010 10 mortality tables (KE)	100%	100%
Inflation rate	3.34% per annum	5.4% per annum
Return on Investment	4.0% per annum	4.0% per annum

Demographic assumptions

- The Company used mortality tables for a neighboring East African Country as a base table of standard mortality for assured individual life. The average assumed mortality rate is 6.38%. The mortality table is used to estimate among other things the life expectancy for the estimation of when the sum assured are expected to be paid. Statistical methods are used to adjust the rates reflected in the table based on the Company's experience for Ordinary Group Life.
- Entry date was taken as the next birthday date.
As an alternative, gross valuation basis was also calculated. The policy liabilities calculated on a net premium basis was higher than that calculated on the gross premium basis and therefore the net premium valuation results were used for Ordinary Life business in line with the group accounting policy.

26. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Sensitivity analysis

The following table presents the sensitivity of the value of long term 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 long term 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:

	Increase in Liability 2020 Kes '000	Increase in Liability 2019 Kes '000
Variables:		
Worsening of mortality +20%	273,219	291,479
Lowering of investment returns p.a. -1%	961,511	972,942
Worsening of expense inflation rate +1%	31,870	40,037
Worsening of lapse rate +5%	(24,459)	(25,817)

We have not performed a sensitivity analysis for the non-Kenyan entities as the change within the long-term liabilities would not be material.

27. INVESTMENT CONTRACTS LIABILITIES

	2020 Kes '000	2019 Kes '000
At start of year	54,893,923	47,739,002
Pension fund deposits received	8,123,362	8,381,281
Surrenders and annuities paid	(7,650,503)	(5,705,692)
Fee income charged	(28,752)	(49,140)
Net benefits accrued	4,736,351	4,530,923
Exchange differences	56,952	(2,451)
At end of year	60,131,333	54,893,923

Investments contracts are recorded at amortized cost. The investment contract liabilities are current.

28. PROVISION FOR UNEARNED PREMIUM

Group

These provisions represent the liability for short-term business contracts where the Group's obligations are not expired at the year-end. Movements are shown below:

	2020			2019		
	Gross Kes'000	Reinsurance Kes'000	Net Kes'000	Gross Kes'000	Reinsurance Kes'000	Net Kes'000
At start of year	8,414,682	(2,881,912)	5,532,770	7,697,507	(3,042,850)	4,654,657
Prior year adjustment (Note 39)	-	-	-	-	-	-
Increase in the period (net)	(45,847)	(77,198)	(123,045)	795,431	162,691	958,122
Exchange differences	202,276	124,193	326,469	(78,256)	(1,753)	(80,009)
At end of year	8,571,111	(2,834,917)	5,736,194	8,414,682	(2,881,912)	5,532,770
Transfer to assets held for sale (Note 39)	(4,439,114)	-	-	-	-	-
Net value from continuing operations	4,131,997	-	-	-	-	-

The provision for unearned premium and reinsurance shares thereof are current.

29. OTHER PAYABLES

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Payroll, Value added tax payable & Withholding taxes payable	204,041	193,353	-	-
Other liabilities*	2,718,746	2,013,750	22,329	13,114
Leave pay accrual	36,595	113,573	8,843	8,843
Accrued expenses	314,638	316,679	5,348	3,389
Premium deposits	137,528	129,125	-	-
Rental deposits	88,624	271,283	-	-
Total	3,500,172	3,037,763	36,520	25,346
Transfer to assets held for sale (Note 39)	(1,396,431)	-	-	-
Net value from continuing operations	2,103,741	-	-	-

These are all current liabilities.

*Other liabilities include deferred rental income and valuations fees among others.

30. SHARE CAPITAL

The total authorized number of ordinary shares is 90,000,000 (2019: 90,000,000) with a par value of Kes 5 per share. At 31 December 2020 72,472,950 ordinary shares were in issue (2019: 72,472,950 ordinary shares). All issued shares are fully paid.

	Company			
	Share Capital 2020 Kes '000	Share Capital 2019 Kes '000	Number of shares 2020 '000	Number of shares 2019 '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.

31. RESERVES

The breakdown of reserves is as follows:

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
Fair value reserves	(268,940)	49,847	(93,348)	34,774
General reserves	70,000	70,000	70,000	70,000
Translation reserves	912,860	(902,683)	-	-
Contingency reserves	1,612,126	1,427,497	-	-
Statutory and other reserves	2,042,638	2,042,638	-	-
Total	4,368,684	2,687,299	(23,348)	104,774

The movement in the reserves during the year is given below:

(a) Fair value reserves

	Group		Company	
	2020 Kes '000	2019 Kes '000	2020 Kes '000	2019 Kes '000
At start of year	49,847	214,967	34,774	36,409
Associate share of other comprehensive income	(22,558)	104,807	-	-
Fair value gain/(loss) through other comprehensive income	(296,229)	(269,927)	(128,122)	(1,635)
At end of year	(268,940)	49,847	(93,348)	34,774

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	
	2020 Kes '000	2019 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.

31. RESERVES (CONTINUED)

(c) Translation reserve (Group)

	2020	2019
	Kes '000	Kes '000
At start of year	(902,683)	(943,724)
Movement for the year	1,815,543	41,041
At end of year	912,860	(902,683)

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) Contingency reserve (Group)

	2020	2019
	Kes '000	Kes '000
At start of year	1,427,497	1,233,277
Transfer from retained earnings	184,629	194,220
At end of year	1,612,126	1,427,497

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)

	2020	2019
	Kes '000	Kes '000
At start of year	2,042,638	3,598,306
Transfer to from retained earnings	-	(680,252)
Deferred tax charge	-	(875,416)
At end of year	2,042,638	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 deposit administration. These reserves are distributable to policyholders and deposit administration holders subject to the requirements of regulator.

32. RETAINED EARNINGS

	Group		Company	
	2020	2019	2020	2019
	Kes '000	Kes '000	Kes '000	Kes '000
At start of year	25,198,267	21,649,197	8,480,946	2,238,430
Prior year adjustments (Note 39)	-	(50,338)	-	-
Profit for the year	3,627,911	3,556,468	(19,078)	6,894,773
Other movements	1,860	-	-	-
Transfer to contingency reserve	(184,629)	(194,220)	-	-
Transfer to statutory reserve	-	(488,051)	-	-
Transfer from statutory reserve	-	1,377,468	-	-
Interim dividend	(72,473)	(72,473)	(72,473)	(72,473)
Dividend Paid	(579,784)	(579,784)	(579,784)	(579,784)
At end of year	27,991,152	25,198,267	7,809,611	8,480,946

33. DIVIDENDS

33 (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 72.473 million was paid (2019: Kes 72.473 million) or Kes 1.00 per share (2019: Kes 1.00 per share). A final dividend of Kes 579.784 (2019: Kes 579.784 million) is to be proposed, which is Kes 8.00 per share (2019: Kes 8.00 per share). The total dividend for the year 2020 is therefore Kes 652.25 million (2019: Kes 652.257 million) or Kes 9.00 per share (2019: Kes 9.00 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.

33 (ii) DIVIDENDS PAYABLE

	2020	2019
	Kes '000	Kes '000
At start of year	473,034	431,293
Dividends declared within the year	652,258	652,258
Dividend paid within the year	(720,962)	(610,517)
At end of year	404,330	473,034

34. 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 had appealed to the Tanzania Revenue Authority (TRA) on the assessment the regulatory had carried out in the year. The Company objected and TRA agreed to these with exception to the one relating to VAT whereby more information was requested.

Jubilee Life Insurance Limited 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 350,000,000 (2019: 350,000,000). The utilization as at the end of the year was KES 280,954,230 (2019: 262,095,000).

The Group does not have any material outstanding commitments.

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 (2019: nil).

35. 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	2020	2019
Transactions with related parties (Group)	Kes '000	Kes '000
Gross premium:		
Diamond Trust Bank Limited	354,582	3,858
Industrial Promotion Services (Kenya) Limited	37,206	7,037
TPS Eastern Africa Limited	42,278	360,123
Property Development and Management Limited	22,107	1,931
Nation Media Group	41,013	51,979
Total	497,186	424,928
Net Claims Incurred:		
Diamond Trust Bank Limited	28,781	37,365
Industrial Promotion Services (Kenya) Limited	30	43
TPS Eastern Africa Limited	1,855	2,798
Property Development and Management Limited	592	861
Nation Media Group	24,145	35,118
Total	55,403	76,185
Services Received From:		
TPS Eastern Africa Limited	-	2,169
Nation Media Group	3,797	3,158
Total	3,797	5,327

35. RELATED PARTY TRANSACTIONS (CONTINUED)

	2020 Kes '000	2019 Kes '000
ii) Balances with related parties		
a) Group		
Outstanding premium:		
Diamond Trust Bank Limited	16,107	38,770
Industrial Promotion Services (Kenya) Limited	-	3854
TPS Eastern Africa Limited	-	7776
Property Development and Management Limited	-	8532
Nation Media Group	-	18191
Total	16,107	77,123
Outstanding claims:		
Diamond Trust Bank Limited	2,396	42,259
Industrial Promotion Services (Kenya) Limited	-	6,724
TPS Eastern Africa Limited	2,447	10,077
Property Development and Management Limited	-	3,993
Nation Media Group	-	42,351
Total	4,843	105,404
Deposits with financial institutions		
Diamond Trust Bank Limited	3,198,293	1,862,469
Total	3,198,293	1,862,469
Interest received from financial institutions		
Diamond Trust Bank Limited	59,322	87,451
Total	59,322	87,451

Outstanding premium and claims balances arose out of the normal course of business and are payable within one year.

Transactions with related parties (Company)	2020 Kes '000	2019 Kes '000
Due from related parties:		
Jubilee Insurance (Mauritius) Limited	1,062	1,062
Jubilee Investment Company Limited (Tanzania)	-	3,617
Jubilee Insurance Company of Burundi Limited	22,983	20,917
Jubilee General Insurance Limited	20,991	0
Jubilee Investment Company Limited (Burundi)	60,620	60,620
Total	105,656	86,216
Due to related parties		
Jubilee Insurance Company of Kenya Limited	-	215,352
Jubilee Insurance Company of Tanzania Limited	5,324	20,689
Jubilee Life Insurance Corporation of Tanzania Limited	-	-
Jubilee Insurance Company of Uganda Limited	6,947	-
Jubilee Life Insurance Company of Uganda Limited	146	-
Jubilee Investment Company Limited (Uganda)	29,135	95,569
Total	41,552	331,610
Net owing	64,104	(245,394)

Transactions with related parties (Company)	2020 Kes '000	2019 Kes '000
Borrowings from related parties		
Jubilee Investment Company Limited (Uganda)	680,713	641,097

Jubilee Investment Company Limited (Uganda) loaned USD 6.125 million to Jubilee Holdings Limited at the end of 2016, to settle inter-company balances owed to Jubilee Life Insurance Limited. The loan attracts an interest at 0.45% per annum.

36. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS**(i) Short-term insurance business****Group**

	2020			2019		
	Gross Kes '000	Reinsurance Kes'000	Net Kes '000	Gross Kes '000	Reinsurance Kes'000	Net Kes '000
Notified claims	5,124,380	(3,080,595)	2,043,785	4,606,641	(2,207,159)	2,399,482
Incurred but not reported	1,984,404	(631,586)	1,352,818	1,428,307	(566,937)	861,370
Total at start of year	7,108,784	(3,712,181)	3,396,603	6,034,948	(2,774,096)	3,260,852
Cash paid for claims settled during the year	(8,767,741)	1,569,913	(7,197,828)	(10,652,333)	(324,706)	(10,977,039)
Increase in liabilities:	-	-	-	-	-	-
Arising from current year claims	6,493,698	(1,569,248)	4,924,450	8,912,062	(656,306)	8,255,756
Arising from prior year claims	3,153,196	(997,414)	2,155,782	3,270,858	(392,290)	2,878,568
Total at end of year	7,987,937	(4,708,930)	3,279,007	7,565,535	(4,147,398)	3,418,137
Notified claims	5,859,257	(4,077,638)	1,781,619	5,520,751	(3,488,378)	2,032,373
Incurred but not reported	2,128,680	(631,292)	1,497,388	2,044,784	(659,020)	1,385,764
Total at end of year	7,987,937	(4,708,930)	3,279,007	7,565,535	(4,147,398)	3,418,137

(ii) Long-term insurance business

	2020				2019			
	Ordinary Life Kes '000	Group Life Kes '000	Annuity Kes '000	Total Kes '000	Ordinary Life Kes '000	Group Life Kes '000	Annuity Kes '000	Total Kes '000
Notified claims								
At the start of the year	11,842,908	311,213	10,009,524	22,163,645	9,642,621	816,114	8,776,640	19,235,375
Claims, surrenders and annuity premiums	(2,466,933)	(485,219)	(1,150,440)	(4,102,592)	(1,758,629)	(161,962)	(876,187)	(2,796,778)
Increase / (decrease) in the period	1,806,321	202,950	264,835	2,274,106	667,570	(888,410)	(44,023)	(264,863)
New business	660,611	282,269	885,607	1,828,487	827,893	517,771	1,085,089	2,430,753
Change in actuarial reserves	1,170,712	30,743	574,443	1,775,898	2,463,453	27,700	1,068,005	3,559,158
At the end of the year	13,013,619	341,956	10,583,969	23,939,544	11,842,908	311,213	10,009,524	22,163,645

	2020			2019		
	Gross Kes '000	Reinsurance Kes'000	Net Kes '000	Gross Kes '000	Reinsurance Kes'000	Net Kes '000
Notified claims	1,241,225	383,935	1,625,160	878,981	(102,503)	776,478
Actuarial value of policy holders benefits	24,107,264	-	24,107,264	21,284,664	-	21,284,664
Total at end of year	25,348,489	383,935	25,732,424	22,163,645	(102,503)	22,061,142
Total at end of year Short-term and Long-term	33,336,426	(4,324,995)	29,011,431	29,729,180	(4,249,901)	25,479,279

37. LEASES

Group

(i) Right of use asset

Movement in asset is as below;

	2020 Kes'000	2019 Kes'000
As at 1 January	585,216	-
Impact of IFRS 16 adoption	-	410,988
Additions	6,344	155,630
On derecognition	(2,806)	-
Exchange differences	14,456	18,598
At end of the year	603,210	585,216
Depreciation		
As at 1 January	134,683	-
Charge for the year	136,475	134,683
On derecognition	(836)	-
Exchange differences	3,729	-
At end of the year	274,051	134,683
Net Right of use asset	329,159	450,533
Transfer to assets held for sale (Note 39)	(164,100)	-
Net value from continuing operations	165,059	
(ii) Lease liability		
As at 1 January	284,765	-
IFRS 16 adoption	-	410,988
Additions	3,021	33,886
On derecognition	(973)	-
Interest expense	9,456	53,225
Repayments during the period	(21,060)	(213,334)
Exchange differences	15,235	-
At end of the year	290,444	284,765
Transfer to assets held for sale (Note 39)	(164,903)	-
Net value from continuing operations	125,541	

38. i) BORROWINGS (GROUP)

	2020 Kes'000	2019 Kes'000
Current	562,811	-
Non-Current	1,705,588	-
At end of the year	2,268,399	-

During the year, Jubilee Investment Company Limited took a loan from DFCU bank amounting to USD 22 million to finance additional investment in Bujagali Energy Limited. The loan attracts an interest of six months libor plus a margin of 4% and is to be repaid within 5 years. There are covenants attached to the loan and the group has complied with the covenants. The shares in Bujagali are pledged as collateral.

38. ii) FINANCE COSTS

	GROUP	
	2020 Kes'000	2019 Kes'000
Finance cost	98,406	-
Interest expense on lease liabilities	9,456	53,225
At end of the year	107,862	53,225

Finance costs relates to the interest expense on the borrowings.SALE OF SHORT-TERM GENERAL BUSINESS

39. SALE OF SHORT-TERM GENERAL BUSINESS

During the year, Jubilee Holdings Limited entered into an agreement to sell majority stakes of its regional general insurance subsidiaries to Allianz SE ("Allianz"). Allianz will 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 in the deal expected to be concluded in 2021.

A breakdown of these assets and liabilities is shown below;

	Group	Company
	31 Dec 2020	31 Dec 2020
	Kes'000	Kes'000
Assets held for sale		
Property and equipment	103,387	-
Intangible assets	38,856	-
Right of use assets	164,100	-
Deferred tax asset	303,773	-
Government securities at amortised cost	5,025,976	-
Mortgage loans	11,158	-
Quoted equity investments at fair value through other comprehensive income	734,377	-
Receivables arising out of direct insurance arrangements	2,659,637	-
Receivables arising out of reinsurance arrangements	1,042,264	-
Reinsurers' share of insurance contract liabilities	5,260,380	-
Deferred acquisition costs	52,045	-
Other receivables	1,065,907	-
Deposits with financial institutions	1,826,148	-
Cash and bank balances	943,267	-
Capitalised costs on assets held for sale	50,064	-
Investment in subsidiaries	-	2,523,718
Total Assets held for sale	19,281,339	2,523,718
LIABILITIES		
Insurance contract liabilities	6,798,095	-
Provision for unearned premium	4,439,114	-
Lease Liability	164,903	-
Other payables	1,396,431	-
Current income tax liability	128,123	-
Creditors arising out of reinsurance arrangements	609,416	-
Total liabilities held for sale	13,536,082	-

Summarised Profit or loss and other comprehensive income

	31 Dec 2020
	Kes'000
Total income less reinsurance	7,799,568
Net insurance benefits and claims	(3,259,807)
Total expenses and commissions	(3,631,581)
Total profit before income tax	908,180
Income tax expense	(251,373)
Profit for the year	656,807
Other comprehensive items	4,384
Total comprehensive income for the year	661,191

Summarised cashflows

	31 Dec 2020
	Kes'000
Cashflow from operating activities	(314,454)
Cashflow from financing activities	(130,782)
Cashflow from investing activities	648,819
Opening balance	2,565,832
Closing balance	2,769,415

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

40.1 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.

New Standards, amendments and interpretations to existing standards that are effective and adopted in the 2020 annual financial statements

The following standards and interpretations have been applied by the Group for the first time for the financial reporting year commencing on or after 1 January 2020:

(i) New standards, amendments and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The Company also elected to adopt the following amendments early:

Annual Improvements to IFRS Standards 2018-2020 Cycle.

IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. This change did not have an impact on the Company's financial statements.

IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. This change did not have an impact on the Company's financial statements.

Covid-19-Related Rent Concessions – amendments to IFRS 16

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. The concessions at the Company took the form of rebates on the payments. The Company has assessed the payment rebates and treated these concessions as variable lease payments. The rent concessions applied to only 13 contracts and the rebates ranged from 10% to 50% of the rental payments for a duration of 3 months to 1 year.

Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.

This did not have an impact on the Company's financial statements as the Company does not have hedging contracts.

(ii) New standards, amendments and interpretations issued but not yet effective

The below new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group.

Title	Key requirements	Effective Date
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.	Originally 1 January 2021, but extended to 1 January 2023 by the IASB in March 2020

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.1 BASIS OF PREPARATION (CONTINUED)

(ii) New standards, amendments and interpretations issued but not yet effective

Classification of Liabilities as Current or Non-current – Amendments to IAS 1	<p>The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify 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 the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p>	1 January 2022 [deferred to 1 January 2023]
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	<p>The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.</p> <p>Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.</p>	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	<p>Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.</p>	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	<p>The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.</p>	1 January 2022
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	<p>The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>	n/a **

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 except IFRS 17 which will significantly change the accounting for insurance contracts that the group issues..

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.2 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.

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.

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 equals 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.2 CONSOLIDATION (CONTINUED)

(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.

40.3 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: Short-term business, which includes General and Medical, Long-term business, which includes Individual Life, Group Life and Pension, and Investments. This is consistent with the way the Group manages the business.

General insurance business of any class or classes not being long-term insurance business. Classes of short-term insurance include, Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance (i.e. class of business not included under those listed above).

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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.3 SEGMENT INFORMATION (CONTINUED)

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.

40.4 INSURANCE CONTRACTS

a) Classification

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. See accounting policy for these contracts under 41.5. Insurance contracts and investment contracts are classified into two main categories, depending on the duration of risk and as per the provisions of the Insurance Act.

(i) 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.

(ii) Short-term insurance business - General

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

Classes of General Insurance Include, Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance (i.e. class of business not included under those listed above)

Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

Personal Accident insurance business means the business of affecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class.

Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the fire insurance business.

Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

Burglary insurance business relates to contracts of insurance against loss due to theft involving actual break in or break out.

(iii) Short-term insurance business - Health

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

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.4 INSURANCE CONTRACTS (CONTINUED)

b) Recognition and measurement

(i) Premium income and provision for unearned premium reserve

For long term insurance business, premiums are recognized as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

For short-term insurance business, Premium income is recognized on assumption of risks, and includes estimates of premiums due but not yet received, less an allowance for cancellations, and less unearned premium. Unearned premiums represent the proportion of the premiums written in periods up to the accounting date that relates to the unexpired terms of policies in force at the reporting date. Whilst all other subsidiaries computed the reserve based on the 24ths method, The Jubilee Insurance Company of Kenya Limited revised the method of computing the unearned premiums to the 1/365th method with effect from 1 January 2014.

Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

(ii) Claims expenses and insurance contracts liabilities

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claim becomes due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognized as income in line with the decrease of unexpired insurance risk of the contracts in-force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid. The liabilities are recalculated at each reporting date using the assumptions established at inception of the contracts.

For short-term insurance business, claims incurred comprise claims paid in the year and changes in the provision for outstanding claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the reporting date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed and include provisions for claims incurred but not reported ("IBNR"). Outstanding claims are not discounted.

In the event of a loss-making business, additional unexpired risk reserve ("AURR") is created in case of incapacity of insurers to fully cover the expected claims and expenses arising from active portfolio after the date of valuation.

(iii) Commissions and deferred acquisition costs ("DAC")

Commissions earned and payable are recognized in the period in which relevant premiums are written. A proportion of commission is deferred and amortized over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

(iv) Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

As set out in Note 41.4(a) above, long-term insurance contracts are measured based on assumptions set out at the inception of the contract. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities.

(v) Reinsurance contracts held

Contracts entered into by the Company with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.4 INSURANCE CONTRACTS (CONTINUED)

b) Recognition and measurement (continued)

(v) Reinsurance contracts held (continued)

The benefits to which the Group is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of short term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is also calculated following the same method used for these financial assets.

(vi) Receivables and payables related to insurance contracts and investment contracts

Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in profit or loss. The Group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is also calculated under the same method used for these financial assets.

(vii) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Group may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognized in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognized in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.5 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.

40.6 REVENUE RECOGNITION

(i) Insurance premium revenue

The revenue recognition policy relating to insurance contracts is set out under note 40.4 (b) (i).

(ii) Non interest income from financial investments

The revenue recognition policy for non-interest income from financial investments is disclosed in note 40.10.

(iii) 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.

(iv) 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.

(v) Rental income from investment properties

Rental income is recognised in the period it is earned.

(vi) Commission earned

The revenue recognition policy on commission is disclosed in note 40.4 (b) (iii).

40.7 PROPERTY AND EQUIPMENT

All categories of property and equipment are initially recorded at cost. Property and equipment are subsequently measured at historical cost less depreciation and impairment losses. 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.8 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.

40.9 INTANGIBLE ASSETS

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each reporting segment.

(ii) 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).

40.10 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:

- 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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).

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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 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
Receivables arising out of direct insurance arrangements	Simplified 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 FINANCIAL ASSETS AND LIABILITIES (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 Co-operation 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.10 FINANCIAL ASSETS AND LIABILITIES (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 2020 (2019 – 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.11 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

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.

40.12 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.13 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.

(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.

40.14 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.

40.15 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.

40.16 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.

40.17 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.

40. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

40.18 COMPARATIVES

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

40.19 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.

40.20 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 recognised 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 realisation 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.

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 amortisation, if no impairment loss had been recognised.

40.21 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.

GROUP REVIEW – FIFTEEN YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Group Review 15 years	Kes million	Kes Million													
Shareholders' Funds	32,722	28,248	25,468	22,897	19,946	19,098	15,439	12,431	8,020	6,154	5,114	3,389	2,871	3,606	3,393
Share Capital	362	362	362	362	329	329	299	299	299	272	248	225	225	225	180
Long-Term Business Funds	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
Total Assets	145,864	130,077	114,189	104,968	90,568	82,378	74,506	61,159	47,418	38,040	30,691	23,736	20,203	17,942	15,356
Profit Before Tax	5,077	5,007	5,338	5,161	4,563	4,145	3,949	3,151	2,693	2,144	2,053	1,116	901	810	665
Profit Attributable to Shareholders	3,628	3,556	3,756	3,932	3,297	2,814	2,880	2,255	2,115	1,802	1,756	825	636	617	528
Profit Attributable to Non - Controlling interest	460	461	371	298	379	307	224	248	169	108	83	89	77	46	32
Dividends to Shareholders	652	652	652	652	560	560	509	419	419	299	272	203	191	191	153
Dividend Cover Ratio	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
Bonus Issue	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
*Earnings Per Share (Kes) (par value Kes 5)	50.06	49.07	51.83	54.26	45.49	38.83	39.73	31.12	29.18	24.86	24.23	11.38	8.78	8.51	7.29

* Earnings per share has been calculated on 72,473 million shares for all the years

OUR VALUES

EXCELLENCE



MASK DONATIONS (UGANDA)



The Jubilee Uganda team donation of Ushs 55 milion and 1000 facemasks to the National Response Fund to Covid-19.

EACH FOR EQUAL (TANZANIA)



In celebration of International Women's Day, the female staff at Jubilee Life and Jubilee Insurance visited Mwananyamala Referral Hospital. During the visit they donated various items of need to the women admitted at the maternity ward, an activity aimed at enhancing accessibility to proper health welfare. The female staff donated diapers, baby wipes, baby powder, female diapers, toilet paper and bar soap for the new moms who bring forth new life into the world.

BIMA MARATHON (TANZANIA)



On Saturday 12th September 2020, Jubilee Life Insurance Corporation of Tanzania Limited participated in the NMB Bima Marathon as one of the Corporate Sponsors. The Marathon took place in Dar-es-Salaam, Mlimani City and the Guest of Honor was the Prime Minister of the United Republic of Tanzania Hon. Kassim Majaliwa Majaliwa.

Jubilee Life's participation targeted to raise awareness on cancer and our impacts children around the world. Our staff members also participated on 5KM, 10 KM, and 21 KM race. Through the event, a total of 100 Million TZS was fundraised and donated to the Muhimbili National Hospital through a fundraiser which will now support the cancer treatment unit of children.

BARRIERS FOR THE LAGOON (MAURITIUS)

The Jubilee staff volunteered in the wakashio event, whereby all Mauritian joined hands to help create sea barriers to stop fuel from leaking in the lagoon. The team's efforts went a long way to save and protect the island by helping the NGOs making the barriers.



MASK DONATIONS (MAURITIUS)



Because actions speak louder than words, Jubilee Mauritius donated 900 Face Shields to the Mauritius Police Force on Monday 25 May. The team wanted to express their gratitude to the frontlines who have been working non-stop during the lockdown to combat this pandemic.

FEED A CHILD THE CHRISTMAS EDITION (MAURITIUS)



Because actions speak louder than words, Jubilee Mauritius donated 900 Face Shields to the Mauritius Police Force on Monday 25 May. The team wanted to express their gratitude to the frontlines who have been working non-stop during the lockdown to combat this pandemic.

MASK DONATION (KENYA)



Mama Lucy Kibaki Hospital, Nairobi Hospital and National, Police Service Commission, received a donation of face masks from Jubilee Holdings Regional CEO Dr. Julius Kipngetich as part of efforts by the insurer to support front line health workers in the fight against COVID-19 pandemic. The face masks will be distributed to health workers working at the health facility and police on the roadblocks.

The Kenya team also donated over 1400 facemasks to various schools in Nairobi and Kiambu during the recent schools reopening in a bid to ensure the children's safety.

THE JOY OF GIVING (KENYA)



Staff from Jubilee Insurance Kenya came together during the Christmas holiday to visit Hosanna Children's Home located in Kiambu County. During the visit, staff spent the day with the children, gave motivational talks and played exciting games as a way of bonding with them. Later, they gifted them with some of the donations contributed by staff. These included foodstuff, stationery, beddings, and personal effects.

BEYOND ZERO MARATHON (KENYA)



Jubilee Insurance Kenya this year through the "Maisha Fiti" wellness solution ran for Zero Maternal Deaths during the 2020 Beyond Zero Marathon. The company was the official Insurance sponsor, donating Ksh. 3M for mobilization of medical resources and personnel including providing Group Personal Accident Covers for the over 30,000 participants, officials, and volunteers during the Beyond Zero Marathon.



**Finance Derivative Awards
2020 – Tanzania
Best Insurance Company
Winner**



**Agents Choice Awards 2020
– Kenya
Corporate Social
Responsibility (CSR)
Winner**



**Agents Choice Awards 2020
– Kenya
Best Product – Micro
Health Cover
Winner**



**Energy Management
Awards 2020 – Kenya
Service Industry Category –
Large Consumer
2nd runners up**

Jubilee
HOLDINGS

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Winner**



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Magazine Awards 2020 –
Tanzania
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OUR VALUES

PASSION



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