

**JUBILEE HOLDINGS
LIMITED**

**2020 HALF YEAR
UNAUDITED FINANCIAL
STATEMENTS**

JUBILEE HOLDINGS LIMITED
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income			
For the six months ended 30 June 2020			
	Jun-20	Jun-19	Dec-19
	Kes'000	Kes'000	Kes'000
			Audited
Gross earned premium	15,518,621	15,654,443	29,119,931
Reinsurance	(5,368,637)	(6,088,415)	(9,630,273)
Net earned premium	10,149,984	9,566,028	19,489,658
Claims and policy holder's benefits payable	(8,611,781)	(9,005,821)	(19,726,931)
Commission paid	(1,894,964)	(1,936,444)	(3,637,104)
Commission earned	1,099,033	1,316,364	2,281,181
Management expenses	(2,470,542)	(2,388,332)	(5,446,599)
Net fair value (loss)/ gain through profit or loss	(1,173,908)	(728,987)	1,031,682
Investment Income	4,976,430	4,796,342	10,026,814
Operating profit	2,074,252	1,619,150	4,018,701
Share of results of associates	302,536	648,249	988,521
Group profit before income tax	2,376,788	2,267,399	5,007,222
Income tax expense	(546,313)	(435,986)	(989,535)
Net profit	1,830,475	1,831,413	4,017,687
Non-controlling interest	240,454	257,623	461,219
Profit attributable to shareholders	1,590,021	1,573,790	3,556,468
Other Comprehensive Income			
Change in fair value of financial assets at fair value through other comprehensive income	(347,607)	(294,799)	(373,867)
Net translation gain	303,012	138,104	52,639
Associate share of other comprehensive income	(17,117)	-	104,807
Deferred income tax relating to other comprehensive income	648	9,186	101,889
Total other comprehensive income	(61,064)	(147,509)	(114,532)
Total comprehensive income	1,769,411	1,683,904	3,903,155
Non-controlling interest	238,518	251,894	470,766
Profit attributable to shareholders	1,530,893	1,432,010	3,432,389
Earnings per share (Kes)-basic and diluted	21.94	21.72	49.10
Dividends:			
Dividend proposed	72,473	72,473	579,784

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Unaudited Consolidated Statement of Financial Position as at 30 June 2019			
	Jun-20 Kes'000	Jun-19 Kes'000	Dec-19 Kes'000 Audited
CAPITAL AND RESERVES			
Share capital	362,365	362,365	362,365
Fair value reserves	(296,892)	(69,288)	49,847
General reserves	70,000	70,000	70,000
Contingency reserves	1,509,194	1,233,277	1,427,497
Translation reserves	(666,393)	(804,236)	(902,683)
Statutory Reserve	2,042,638	3,598,306	2,042,638
Retained earnings	26,037,217	23,222,987	24,618,483
Proposed dividends	652,257	-	579,784
Equity attributable to owners of the company	29,710,386	27,613,411	28,247,931
Non-controlling interest	2,580,655	2,141,861	2,273,699
Total equity	32,291,041	29,755,272	30,521,630
ASSETS			
Intangible asset	119,005	110,910	277,126
Property and equipment	273,757	321,990	287,574
Investment properties	6,598,106	6,556,730	6,524,969
Right of use asset	443,478	-	321,087
Investment in associates	14,489,137	10,369,851	10,161,518
Deferred income tax asset	611,515	357,396	605,026
Unquoted equity investments at fair value through profit or loss	6,214,066	4,345,603	6,237,885
Unquoted equity investments at fair value through other comprehensive income	195,793	195,793	196,782
Quoted equity investments at fair value through profit or loss	3,039,729	4,075,111	4,082,470
Quoted equity investments at fair value through other comprehensive income	939,544	1,326,852	1,282,162
Mortgage loans	93,027	66,236	49,663
Loans on life insurance policies	1,015,751	899,933	1,004,928
Government securities at amortized cost	74,080,882	60,203,979	67,096,380
Commercial bonds	-	810,678	579,736
Receivables arising out of direct insurance arrangements	5,365,273	5,599,551	4,013,290
Receivables arising out of reinsurance arrangements	1,474,326	1,696,649	2,334,250
Reinsurers' share of insurance contract liabilities	7,595,560	7,933,378	7,131,813
Deferred acquisition costs	68,848	284,980	447,631
Other receivables	2,150,935	2,886,312	1,874,749
Current income tax recoverable	585,126	421,742	547,902
Deposits with financial institutions	6,831,458	10,175,390	9,496,402
Cash and bank balances	7,923,715	5,653,318	5,523,595
Total assets	140,109,031	124,292,382	130,076,938
LIABILITIES			
Deferred income tax liability	925,457	162,506	748,496
Insurance contract liabilities	31,590,435	28,553,087	29,729,180
Payable under deposit administration contracts	57,309,597	49,851,363	54,893,923
Lease liability	318,187	-	284,765
Unearned premium reserve	9,861,103	10,011,882	8,414,682
Creditors arising out of direct insurance arrangements	230,045	202,402	278,157
Creditors arising out of reinsurance arrangements	1,045,186	1,308,334	1,607,549
Other payables	3,399,257	3,260,165	3,037,763
Dividends payable	455,810	1,011,078	473,034
Borrowings	2,418,880	-	-
Current income tax payable	264,033	176,293	87,759
Total liabilities	107,817,990	94,537,110	99,555,308
Net assets	32,291,041	29,755,272	30,521,630

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Unaudited Consolidated Statement of Changes in Equity for the six months ended 30 June 2020											
	Share Capital	Fair Value Reserves	General Reserves	Translation Reserves	Contingency Reserves	Statutory Reserves	Retained Earnings	Proposed Dividends	Equity Attributable to Owners	Non-Controlling Interest	Total Equity
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Six months ended 30 June 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 period	-	-	-	-	-	-	1,590,021	-	1,590,021	240,454	1,830,475
Other comprehensive Income											
Share of OCI from associates	-	-	-	-	-	-	(17,117)	-	(17,117)	-	(17,117)
Change in fair value of FVTOCI	-	(347,293)	-	-	-	-	-	-	(347,293)	(314)	(347,607)
Net translation gain	-	-	-	236,290	-	-	-	-	236,290	66,722	303,012
Deferred income tax relating OCI	-	554	-	-	-	-	-	-	554	94	648
Transfer to contingency reserves	-	-	-	-	81,697	-	(81,697)	-	-	-	-
Total comprehensive income for the period	-	(346,739)	-	236,290	81,697	-	(98,814)	-	(127,566)	66,502	(61,064)
Transactions with owners:											
Dividends: Proposed 2020 interim dividend	-	-	-	-	-	-	(72,473)	72,473	-	-	-
Total transactions with owners:	-	-	-	-	-	-	(72,473)	72,473	-	-	-
At end of the period	362,365	(296,892)	70,000	(666,393)	1,509,194	2,042,638	26,037,217	652,257	29,710,386	2,580,655	32,291,041

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Unaudited Consolidated Statement of Changes in Equity for the six months ended 30 June 2019

	Share Capital	Fair Value Reserves	General Reserves	Translation Reserves	Contingency Reserves	Statutory Reserves	Retained Earnings	Equity Attributable to Owners	Non-Controlling Interest	Total Equity
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
Six months ended 30 June 2019										
At start of year (01/01/2019)	362,365	214,967	70,000	(943,724)	1,233,277	3,598,306	21,649,197	26,184,388	1,886,979	28,071,367
Profit for the period	-	-	-	-	-	-	1,573,790	1,573,790	257,624	1,831,414
Other comprehensive Income										
Change in fair value of FVTOCI	-	(292,859)	-	-	-	-	-	(292,859)	(1,940)	(294,799)
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	-	-
Net translation gain	-	-	-	139,488	-	-	-	139,488	(1,384)	138,104
Deferred income tax relating OCI	-	8,604	-	-	-	-	-	8,604	582	9,186
Total comprehensive income for the period	-	(284,255)	-	139,488	-	-	-	(144,767)	(2,742)	(147,509)
Total transactions with owners:	-	-	-	-	-	-	-	-	-	-
At end of the period	362,365	(69,288)	70,000	(804,236)	1,233,277	3,598,306	23,222,987	27,613,411	2,141,861	29,755,272

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Unaudited Consolidated Statement of Cash Flows for the six months ended 30 June 2019			
	Jun-20	Jun-19	Dec-19
	Kes'000	Kes'000	Kes'000
			Audited
Cash flow from operating activities			
Profit before income tax	2,376,788	2,267,399	5,007,222
Adjustments for: -			
Depreciation	103,805	85,762	152,412
Fair value gain on investment properties	-	704,897	(270,029)
Fair value loss on equity investments at fair value through profit or loss	1,178,824	-	(1,031,683)
Rental income	-	2,810,098	(575,448)
Dividend receivable	(321,218)	3,810,650	(371,794)
Net fair value gains/(losses) on disposal	-	-	(85,473)
Investment income	(4,976,429)	(4,240,452)	(10,026,814)
Share of result of associates after income tax	(302,536)	(648,249)	(988,521)
Operating profit before working capital changes	(1,940,766)	4,790,105	(8,190,128)
Change in premium, reinsurance and other receivables	1,836,524	(3,180,443)	(1,047,926)
Change in reinsurance and other payables	5,299,475	1,384,119	9,558,181
Cash generated from operations	5,195,233	2,993,781	320,127
Income tax paid	(245,114)	(193,637)	(911,021)
Net cash inflow from operating activities	4,950,119	2,800,144	(590,894)
Cash flow from investing activities			
Rent, interest and dividend received	4,976,429	2,881,891	9,795,940
Dividends received from associates	16,981	285,330	557,318
Proceeds from sale of quoted shares	122,570	-	-
Proceeds from disposal of property and equipment	-	678	(5,321)
Proceeds from part redemption of shares in associate	-	-	362,830
Purchase of property and equipment	(49,603)	(57,515)	(249,732)
Additions of investment properties	(865)	-	(30,014)
Purchase of unquoted shares	(652,841)	-	(202,203)
Purchase of quoted shares	(9,868)	(13,919)	-
Additional investment in subsidiary	-	(14,777)	-
Additional investment in associate	(4,440,721)	-	-
Mortgage loans advanced/(redeemed)	(16,925)	21,202	15,853
Loans on life insurance policies advanced/(redeemed)	(76,286)	17,045	(73,609)
Purchase of government securities	(8,153,785)	(7,388,437)	(11,459,014)
Redemption of commercial bonds	613,245	56,445	271,120
Net cash (outflow)/inflow from investing activities	(7,671,669)	(4,212,057)	(1,016,832)
Cash flow from financing activities			
Proceeds from (repayments)/borrowings	2,418,880	-	-
Dividends paid	(17,224)	-	(564,371)
Net cash outflow from financing activities	2,401,656	-	(564,371)
(Decrease)/increase in cash and cash equivalents	(319,894)	(1,411,913)	(2,172,097)
Cash and cash equivalents at start of year	15,019,997	17,187,969	17,187,969
Exchange gain/(loss) on translation	55,070	52,652	4,125
Cash and cash equivalents at end of the period	14,755,173	15,828,708	15,019,997

JUBILEE HOLDINGS LIMITED

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Notes to the Unaudited Consolidated Interim 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 to provide its customers with asset management solutions for their savings and retirement needs. It has operations in Kenya, Uganda, Tanzania, Burundi and Mauritius.

2. Basis of Preparation

The measurement basis applied is the historical cost basis, except where accounting policies state otherwise. The financial statements are presented in Kenya Shillings (Kes), rounded to the nearest thousand, unless otherwise indicated.

3. 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.

	Jun-20	Jun-19
Net profit attributable to Shareholders (Kes'000)	1,590,021	1,573,790
Number of ordinary shares in issue	72,472,950	72,472,950
Earnings per share (Kes)-Basic and diluted	21.94	21.72

There were no potentially dilutive shares in issue on 30 June 20 and 30 June 2019. Diluted earnings per share are therefore the same as basic earnings per share.

4. Dividend

The Directors recommended the payment of an interim dividend of 20% or Kes 1.00 per share (2019: 20% or Kes 1.00 per share), subject to withholding tax where applicable.