Relax. You've got a friend.

69 YEARS
QUALITY SERVICE

www.jubileeinsurance.com

THE JUBILEE INSURANCE COMPANY OF KENYA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
2005

TABLE OF CONTENTS

COMPANY INFORMATION

CAPITAL AND RESERVES	Shs'000
Authorised Capital	450,000
Issued Capital	450,000
Paid-up Capital	450,000
Reserves	313,933

REGISTERED OFFICE
Jubilee Insurance House
Wabera Street
P.O. Box 30376-00100 GPO
Nairobi, Kenya
Telephone: 328 1000
Telefax: 328 1150
E-mail: jic@jubileekenya.com
Website: www.jubileeinsurance.com

SUBSIDIARY
Jubilee Financial Services Limited (100%)

ASSOCIATES
IPS Power Investment Limited (27%)
East Africa Reinsurance Company Limited (25.83%)

BRANCHES
Mombasa:
Jubilee Insurance Building
Moi Avenue
P.O. Box 90220 - 80100
Mombasa, Kenya
Telephone: 316745, 316746 & 314019
E-mail: mombasa@jubileekenya.com

Kisumu:
Jubilee Insurance House
Opposite Clock Tower
Oginga Odinga Road
P.O. Box 378 - 40100
Kisumu, Kenya
Telephone: 42235 & 42250
E-mail: kisumu@jubileekenya.com

ACTUARY
John Graham
FIA, FASSA
Deloitte & Touche

INDEPENDENT AUDITORS
PricewaterhouseCoopers

PRINCIPAL BANKERS
Diamond Trust Bank Kenya Limited
Standard Chartered Bank Kenya Limited
Citibank, N.A.

CORPORATE LAWYERS
Daly & Figgis Advocates

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December, 2005 which disclose the state of affairs of the Company.

COUNTRY OF INCORPORATION
The Company is incorporated in the Republic of Kenya under the Companies Act and is domiciled in Kenya.

PRINCIPAL ACTIVITIES
The Company underwrites all classes of life and non-life insurance risks as defined by the Insurance Act, with the exception of Aviation. It also issues investment contracts to provide its customers with asset management solutions for their savings and retirement needs.

Pursuant to the approval given by the Minister for Finance, Jubilee Holdings Limited (formerly known as The Jubilee Insurance Company Limited), transferred its life and non-life insurance business together with the property and other assets supporting the statutory and other funds of the life and non-life insurance business to its wholly owned subsidiary, The Jubilee Insurance Company of Kenya Limited, effective 1 January, 2005.

RESULTS
The following is the summary of results for the year 2005:

	2005 Shs'000	2004 Shs'000
Profit/(loss) before income tax	285,237	(426)
Income tax (expense)/credit	14,934	(128)
Profit/(loss) attributable to Shareholders	270,303	(298)

DIVIDEND
The Directors recommend a payment of dividend of Shs 132,000,000 (2004: Nil).

DIRECTORS
The Directors who held office during the year and to the date of this report were:

Nizar N Juma (Chairman)

Zulfikar K Mohamed *

Amin M Datoo

John D Harris ** (Resigned on 30 December, 2005)

Sultan K Khimji

Frèdèric A Lucien *** (Resigned on 31 December, 2005)

Joseph M Mugwe

Tom D Owuor (Resigned on 7 April, 2006)

Salim A Talib (Resigned on 7 April, 2006)

Lutaf R Kassam (Appointed on 7 April, 2006)

Srinivasan Sridharan **** (Appointed on 7 April, 2006)

* Canadian ** British *** French **** Indian

AUDITORS
The Company's Independent Auditors, PricewaterhouseCoopers, continue in office in accordance with Section 159(2) of the Companies Act.

On behalf of the Board

Nizar N Juma
Chairman
Nairobi, Kenya
7 April, 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the year. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profits. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Nizar N Juma
Chairman

Zulfikar K Mohamed
Director
7 April, 2006

REPORT OF THE CONSULTING ACTUARY

I have conducted an actuarial valuation of the Life Assurance business of The Jubilee Insurance Company of Kenya Limited as at 31 December, 2005.

The valuation was conducted in accordance with generally accepted actuarial principles and in accordance with the requirements of the Kenyan Insurance Act. Those principles require prudent provision for future outgo under contracts, generally based upon the assumptions that current conditions will continue. Provision is therefore not made for all possible contingencies. In completing the actuarial valuation, I have relied upon the audited financial statements of the Company.

In my opinion, the Life Assurance business of the Company was financially sound and the actuarial value of the liabilities in respect of all classes of life insurance business did not exceed the amount of funds of the Life Assurance business at 31 December, 2005.

John Graham (FIA, FASSA)
Deloitte & Touche
7 April, 2006

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE JUBILEE INSURANCE COMPANY OF KENYA LIMITED

We have audited the financial statements of The Jubilee Insurance Company of Kenya Limited for the year ended 31 December, 2005, set out on pages 7 to 35.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for the preparation of financial statements as described on page 4. Our responsibility is to express an independent opinion on the financial statements based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purposes of our audit and believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, proper books of account have been kept and the financial statements which are in agreement with the books of account, give a true and fair view of the state of the financial affairs of the Company as at 31 December, 2005 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

PricewaterhouseCoopers

Certified Public Accountants
Nairobi
7 April, 2006

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Gross earned premium	4	1,539,632	479,639	2,019,271	-
Less: Outward reinsurance	4	297,037	57,646	354,683	-
Net insurance premium revenue	4	1,242,595	421,993	1,664,588	-
Investment income	5	282,099	538,011	820,110	574
Fair value gains on equity investments at fair value in quoted and unquoted shares		-	135,943	135,943	-
Commission earned		77,780	10,175	87,955	-
Total income		1,602,474	1,106,122	2,708,596	574
Claims and policyholders' benefits payable	6	1,043,973	837,319	1,881,292	-
Insurance claims recoverable from reinsurers	6	177,204	17,961	195,165	-
Net insurance benefits and claims	6	866,769	819,358	1,686,127	-
Operating and other expenses	7	270,545	223,007	493,552	1,000
Commission payable		249,291	39,211	288,502	-
Total expenses		519,836	262,218	782,054	1,000
Result of operating activities		215,869	24,546	240,415	(426)
Share of result of associates before income tax	14 (b)	19,368	25,454	44,822	-
Profit/(loss) before income tax		235,237	50,000	285,237	(426)
Income tax expense	9	(66)	15,000	14,934	(128)
Profit for the year		235,303	35,000	270,303	(298)
Earnings per share attributable to the equity holders:					
Basic and diluted	27			12.01	(0.04)
Dividends:					
Final - proposed	32			132,000	-
Total				132,000	-

The notes on pages 11 to 35 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
CAPITAL EMPLOYED					
Share capital	10	370,000	80,000	450,000	150,000
Fair value reserves	12	43,928	-	43,928	-
Retained earnings		138,005	-	138,005	(298)
Proposed dividends	32	132,000	-	132,000	-
Shareholders' funds		683,933	80,000	763,933	149,702
REPRESENTED BY:					
ASSETS					
Property and equipment	16	19,802	17,757	37,559	-
Investment properties	17	220,000	906,400	1,126,400	-
Financial assets					
Investment in subsidiary	14 (ii)	10,000	-	10,000	-
Investment in associates	14 (i) (b)	193,795	127,699	321,494	-
Unquoted shares	19	221,709	473,968	695,677	-
Quoted shares	18	701,707	701,683	1,403,390	-
Mortgage loans	20 (a)	-	41,759	41,759	-
Loans on life insurance policies	20 (b)	-	163,898	163,898	-
Government securities held to maturity	24	353,533	2,646,098	2,999,631	-
Deposits with financial institutions	25	1,133	94,234	95,367	150,574
Other assets					
Receivables arising out of reinsurance arrangements		151,474	14,657	166,131	-
Receivables arising out of direct insurance arrangements		329,200	-	329,200	-
Reinsurers' share of technical provisions and reserves	21	344,813	19,816	364,629	-
Deferred acquisition costs	22	82,744	-	82,744	-
Other receivables	23	99,841	76,103	175,944	-
Deferred income tax	26	5,859	-	5,859	128
Cash and bank balances	25	1,662	83,899	85,561	-
Total assets		2,737,272	5,367,971	8,105,243	150,702
LIABILITIES					
Insurance contract liabilities	29	1,088,573	2,273,210	3,361,783	-
Payable under deposit administration contracts	13	-	2,866,945	2,866,945	-
Provision for unearned premium	31	689,088	-	689,088	-
Creditors arising out of reinsurance arrangements		66,799	13,608	80,407	-
Other payables		171,598	131,701	303,299	1,000
Current income tax payable		15,032	-	15,032	-
Bank overdraft	25	22,249	2,507	24,756	-
Total liabilities		2,053,339	5,287,971	7,341,310	1,000
Net assets		683,933	80,000	763,933	149,702

The financial statements on pages 7 to 35 were approved by the Board of Directors on 7 April, 2006 and signed on its behalf by:

Nizar N Juma
Chairman

Zulfikar K Mohamed
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Share Capital Shs'000	Fair Value Reserves Shs'000	Retained Earnings Shs'000	Proposed Dividends Shs'000	Total Shs'000
Year ended 31 December 2004						
At start of year		150,000	-	-	-	150,000
Loss for the year		-	-	(298)	-	(298)
At end of year		150,000	-	(298)	-	149,702
Year ended 31 December 2005						
At start of year		150,000	-	(298)	-	149,702
Fair value gains on available-for-sale financial assets	12	-	43,928	-	-	43,928
Profit for the year		-	-	270,303	-	270,303
Dividends - final for 2005 proposed	32	-	-	(132,000)	132,000	-
Issue of shares	10	300,000	-	-	-	300,000
At end of year		450,000	43,928	138,005	132,000	763,933

The notes on pages 11 to 35 form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

	Notes	2005 Shs'000	2004 Shs'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before income tax		285,237	(426)
Adjustments for: -			
Depreciation	16	19,655	-
Net inflows from deposit administration contracts		897,929	-
Gain on sale of quoted shares	5	(462,753)	-
Change in insurance contract liabilities and reserves		479,047	-
Investment income		(401,887)	-
Decrease in fair value of investment properties	5	44,530	-
Share of result of associates before income tax	14 (b)	(44,822)	-
Operating profit/(loss) before working capital changes		816,936	(426)
Increase in premium, reinsurance and other receivables		(548,199)	-
Increase in reinsurance and other payables		68,971	1,000
Cash generated from operations		337,708	574
Income tax paid		-	-
Net cash inflow from operating activities		337,708	574
CASH FLOW FROM INVESTING ACTIVITIES			
Investment income	5	401,887	-
Dividends received from associates	14 (b)	22,984	-
Purchase of property and equipment	16	(24,356)	-
Additions of investment properties	17	(4,530)	-
Proceeds from sale of quoted shares		1,717,069	-
Purchase of quoted shares	18	(1,589,692)	-
Net mortgage loans redeemed		16,052	-
Net loans on life insurance policies redeemed		2,316	-
Net addition of government securities maturing after 91 days of the date of acquisition		(1,229,897)	-
Net additional cash and cash equivalents on transfer of insurance business from Jubilee Holdings Limited		451,491	-
Net cash outflow from investing activities		(236,676)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares		-	149,998
Net cash inflow from financing activities		-	149,998
Increase in cash and cash equivalents	25	101,032	150,572
Cash and cash equivalents at start of year	25	150,574	2
Cash and cash equivalents at end of year		251,606	150,574

The notes on pages 11 to 35 form part of these financial statements.

NOTES FOR THE YEAR ENDED 31 DECEMBER 2005

1. GENERAL INFORMATION

The Jubilee Insurance Company of Kenya 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 is a wholly-owned subsidiary of Jubilee Holdings Limited which has a primary listing on the Nairobi Stock Exchange and is cross-listed on the Uganda Securities Exchange.

The Company underwrites life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Company also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs.

The Company is organised into two main divisions, short-term (non-life) business and long-term (life) business. Long-term business relates to the underwriting of life risks relating to insured persons as well as the issue of investment contracts. Short-term business relates to all other categories of insurance business written by the Company, analysed into several sub-classes of business based on the nature of the assumed risks.

The results of the two divisions are presented separately in the profit and loss account on page 7 and in the accompanying notes. The balance sheet on page 8 and the accompanying notes disclose the assets attributed to the long-term and short-term business separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Kenya Shillings (Shs), rounded to the nearest thousand and prepared under the historical cost convention as modified by the carrying of investment property and certain investments at fair value, impaired assets at their recoverable amounts, and actuarially determined liabilities at their present values.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas that require a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed in note 37.

The Company adopted the following International Financial Reporting Standards in 2005, which are relevant to its operations and are effective for accounting periods starting on or after 1 January 2005. The 2005 financial statements have been amended to comply with the relevant requirements:

IAS 8 (Revised 2003) Accounting policies, changes in accounting estimates and errors
IAS 16 (Revised 2003) Property, plant and equipment
IAS 21 (Revised 2003) The effects of changes in foreign exchange rates
IAS 24 (Revised 2003) Related party disclosures
IAS 32 (Revised 2003) Financial Instruments: Disclosure and presentation
IAS 39 (Revised 2003) Financial Instruments: Recognition and measurement
IAS 36 (Revised 2004) Impairment of assets
IFRS 4 (Issued 2004) Insurance contracts

The adoption of the revised IAS 8,16,21,32,39 and 36 did not result in significant changes to the Company's accounting policies.

The adoption of IAS 24 (revised 2003) has affected the identification of related parties and some related party disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

The Directors used their judgement in developing a set of accounting policies for the recognition and measurement of rights and obligations arising from insurance contracts issued and reinsurance contracts held that provides the most useful information to users of the Company's financial statements.

2.2 CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies and generally has a shareholding of more than one half of the voting rights. The results of the subsidiaries are consolidated in the financial statements of the parent company of The Jubilee Insurance Company of Kenya Limited, Jubilee Holdings Limited. The listing of subsidiaries is shown on note 14 (ii).

(ii) Investment in Associates

Associates are undertakings in which the group has between 20% and 50% of voting rights. Investments in associated undertakings are accounted for in the financial statements by the equity method of accounting, based on the most recent financial statements. Provisions are recorded for any long-term impairment in value.

Equity accounting involves recognising in the income statement, the Company's share of the associate's profit or loss for the year and in reserves, its share of the associates increase or decrease in reserves. The Company's interest in the associates is carried in the balance sheet at an amount that reflects its share of the net assets of the associates. A listing of associated undertakings is shown on note 14 (i).

2.3 FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies during the year are converted into functional currency, Kenya Shillings using exchange rates prevailing at the transaction dates. 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 recognised in the income statement.

2.4 INCOME RECOGNITION

Premium income is recognised 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 balance sheet date.

Commissions receivable are recognised as income in the period in which they are earned.

Investment income is stated net of investment expenses. Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset. Dividends are recognised as income in the period in which the right to receive payment is established. Rental income is recognised as income in the period in which it is earned.

2.5 CLAIMS AND POLICYHOLDER BENEFITS PAYABLE

Claims and policyholder benefits payable comprise claims paid in the year and changes in the provision for insurance contract liabilities. Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Insurance contract liabilities represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the balance sheet date, but not settled at that date. They 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").

2.6 COMMISSIONS PAYABLE AND DEFERRED ACQUISITION COSTS

A proportion of commissions payable is deferred and amortised 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 DEPOSIT ADMINISTRATION CONTRACTS

The company administers the funds of a number of retirement benefit schemes. The liability of the company to the schemes has been included within the balance sheet.

2.8 INVESTMENT PROPERTIES

Investment properties comprise land and buildings held for long term rental yields and/or for capital appreciation. They are carried at market value determined annually, based on valuations by external independent valuers. Fair value is based on active market prices as adjusted, if necessary, for any difference in the nature, condition or location of the specific asset. Investment properties are not subject to depreciation. Changes in their carrying amount between balance sheet dates are recorded, net of deferred tax, through the profit and loss account.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

2.9 OTHER INVESTMENTS

The Company classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Directors determine the classification of investments at initial recognition and re-evaluate this at every reporting date.

(i) Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short term profit-taking, or if so designated by management. Quoted and unquoted equity investments attributable to the long-term business are classified under this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through income or available-for-sale. Mortgage loans, loans on life insurance policies and receivables arising from insurance and reinsurance contracts are classified under this category.

(iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the Company has the positive intention and ability to hold to maturity. Government securities are classified as held-to-maturity financial assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. The Company classifies quoted and unquoted equity investments attributable to the short-term business in this category.

All purchases and sales of investments are recognised on the trade date, which is the date the Company commits to purchase, or sell the asset. Investments are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise, and those arising from available-for-sale assets are recognised in a separate reserve in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as net realised gains/losses on financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 OTHER INVESTMENTS (CONTINUED)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis.

Loans and receivables under held-to-maturity financial assets are carried at amortized cost using the effective interest method.

2.10 PROPERTY AND EQUIPMENT

All categories of property and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation, calculated using the straight-line method to allocate their costs to their residual values over the expected useful lives as follows:

Computers	3 years
Office equipment	4 years
Motor vehicles	5 years
Furniture, fixtures and fittings	10 years

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss accounts during the financial period in which they are incurred.

Asset residual values and their estimated useful lives are reviewed at each balance sheet date and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on 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 included within borrowings in current liabilities on the balance sheet.

2.12 INSURANCE AND INVESTMENT CONTRACTS-CLASSIFICATION

The Company 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 Company 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.

2.13 EMPLOYEE ENTITLEMENTS

Employee entitlements to annual leave are recognized when they accrue to employees. The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

2.14 RETIREMENT BENEFIT OBLIGATIONS

The Company operates a defined contribution pension scheme for its employees. The assets of the scheme are held in separate trustee administered funds, which are funded from contributions from both the Company and employees. The employees of the Company are also members of the National Social Security Fund ("NSSF"). The Company's contributions to the defined contribution scheme and NSSF are charged to the profit and loss account in the year to which they relate.

2.15 INCOME TAX EXPENSE

Income tax expense/(income) comprises current income tax and deferred income tax. Income tax is recognised as an expense/ (income) and included in the profit and loss account, except to the extent that the income tax arises from a transaction which is recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 INCOME TAX EXPENSE (CONTINUED)

Current income tax is computed in accordance with the Kenyan income tax laws applicable to insurance companies.

Deferred income tax is provided for temporary differences arising between the income tax bases of assets and liabilities and their carrying values for financial reporting purposes using the liability method. Currently enacted or substantively enacted tax rates at the balance sheet date are used to determine deferred income tax.

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 assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities.

2.16 DIVIDENDS

Proposed dividends are shown as a separate component of equity until declared.

2.17 ACCOUNTING FOR LEASES

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income on a straight-line basis over the period of the lease.

2.18 IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset (or group of financial assets) is impaired. Impairment losses are recognised 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, and that those events have an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The impairment loss so recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2.19 COMPARATIVES

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

3. ACQUISITION OF BUSINESS

Effective 1 January 2005, The Jubilee Insurance Company of Kenya Limited (JICK) acquired the assets and liabilities of the insurance business of Jubilee Holding Limited (JHL) for Shs 300 million satisfied by issue of shares. The acquisition was accounted for using merger accounting method of consolidation. The transfer resulted in the acquirees assets, liabilities and contingent liabilities being migrated into JICK books. The acquiree net profit from the business acquired from the date of acquisition of Shs 262,199,810 is included in the Company's profit for the year ended 31 December, 2005.

Effects of acquisition of business

The acquisition of Jubilee Holding Limited's insurance business comprising assets and liabilities are set out in the following manner.

	Notes	Short-Term Business Shs'000	Long-Term Business Shs'000	Total Shs'000
Property and equipment	16	15,813	17,045	32,858
Investment properties	17	380,400	786,000	1,166,400
Investment in subsidiaries		10,000	-	10,000
Investment in associates	14 (i) (b)	184,577	130,640	315,217
Unquoted shares	19	181,426	431,057	612,483
Quoted shares	18	327,729	643,608	971,337
Mortgage loans	20 (a)	-	57,811	57,811
Loans on life insurance policies	20 (b)	-	166,214	166,214
Government securities held-to-maturity		206,234	1,627,821	1,834,055
Deposits with financial institutions		36,208	162,056	198,264
Receivables arising out of reinsurance arrangements		146,535	16,737	163,272
Receivables arising out of direct insurance arrangements		154,964	7,700	162,664
Reinsurers' share of insurance liabilities		296,170	9,676	305,846
Deferred acquisition costs	22	51,222	-	51,222
Other receivables		-	60,994	60,994
Cash and bank balances		34,690	115,729	150,419
Insurance contract liabilities		(864,732)	(1,926,135)	(2,790,867)
Payable under deposit administration contracts	13	-	(2,178,108)	(2,178,108)
Provisions for unearned premium	31	(445,852)	-	(445,852)
Creditors arising out of reinsurance arrangements		(75,586)	(11,854)	(87,440)
Other payables		(282,850)	(116,991)	(399,841)
Bank overdraft		(56,948)	-	(56,948)
Net identifiable assets and liabilities acquired		300,000	-	300,000
Total purchase consideration		300,000	-	300,000
Goodwill on acquisition of business		-	-	-
Purchase consideration settled in cash				-
Cash and cash equivalents acquired				451,491
Net cash inflow on acquisition				(451,491)

NOTES FOR THE YEAR ENDED 31 DECEMBER 2005

4. GROSS EARNED PREMIUM

(i) Short-Term business

Premium earned by principal class of business:	Gross	Reinsurance	2005 Shs'000 Net	2004 Shs'000 Net
Motor	415,974	15,215	400,759	-
Fire	262,917	190,840	72,077	-
Personal accident	507,257	6,542	500,715	-
Other	353,484	84,440	269,044	-
Total Short-Term	1,539,632	297,037	1,242,595	-

(ii) Long-Term business

Premium earned by principal class of business:	Gross	Reinsurance	2005 Shs'000 Net	2004 Shs'000 Net
Ordinary life	229,827	4,667	225,160	-
Other superannuation	249,812	52,979	196,833	-
Total Long-Term	479,639	57,646	421,993	-
Total Short-Term and Long-Term	2,019,271	354,683	1,664,588	-

5. INVESTMENT INCOME

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Mortgage loan interest	-	9,965	9,965	-
Bank deposit interest	6,489	27,022	33,511	574
Government securities interest	32,366	212,244	244,610	-
Policy loans interest	-	22,452	22,452	-
Dividends from equity investments	24,856	27,192	52,048	-
Rental income from investment properties (net of expenses)	3,379	44,765	48,144	-
Gain on sale of quoted shares	240,064	222,689	462,753	-
Fair value losses on investment properties (note 17)	(19,530)	(25,000)	(44,530)	-
Exchange loss	(9,453)	(8,164)	(17,617)	-
Other income	3,928	4,846	8,774	-
Total	282,099	538,011	820,110	574

6. CLAIMS AND POLICYHOLDER BENEFITS PAYABLE

(i) Short-Term business

Claims payable by principal class of business:	Gross	Reinsurance	2005 Shs'000 Net	2004 Shs'000 Net
Motor	309,544	5	309,539	-
Fire	193,357	162,921	30,436	-
Personal accident	398,621	2,434	396,187	-
Other	142,451	11,844	130,607	-
Total	1,043,973	177,204	866,769	-

6. CLAIMS AND POLICYHOLDER BENEFITS PAYABLE (CONTINUED)

(ii) Long-Term business

Insurance contracts with fixed and guaranteed terms Death, maturity and surrender benefits	Gross	Reinsurance	2005 Shs'000 Net	2004 Shs'000 Net
- ordinary life	163,785	1,028	162,757	-
- retirement benefits	63,069	-	63,069	-
- other superannuation	26,215	16,933	9,282	-
Total	253,069	17,961	235,108	-
Increase in policyholders liabilities				
- ordinary life	94,433	-	94,433	-
- retirement benefits	236,349	-	236,349	-
- other superannuation	253,468	-	253,468	-
Total	584,250	-	584,250	-
Total Long-Term	837,319	17,961	819,358	-
Total Short-Term and Long-Term business	1,881,292	195,165	1,686,127	-

7. OPERATING AND OTHER EXPENSES

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Employee benefits expense	183,890	124,917	308,807	-
Auditors' remuneration	2,288	1,843	4,131	-
Depreciation (note 16)	10,926	8,729	19,655	-
Impairment charge for doubtful premium receivables	1,489	-	1,489	-
Operating lease rentals - land and buildings	14,430	10,625	25,055	-
Repairs and maintenance expenditure	2,040	1,745	3,785	-
Other	55,482	75,148	130,630	1,000
Total	270,545	223,007	493,552	1,000

8. EMPLOYEE BENEFIT EXPENSE

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Wages and salaries	164,860	107,791	272,651	-
Social security benefit costs	498	499	997	-
Retirement benefit costs – defined contribution plan	4,720	4,720	9,440	-
Other benefits	13,812	11,907	25,719	-
Total	183,890	124,917	308,807	-

The number of persons employed by the Company at year-end was 215 (2004: Nil).

9. INCOME TAX

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Current income tax	32	15,000	15,032	(128)
Share of income tax of associates (note 14(i)(b))	5,633	-	5,633	-
Deferred income tax (note 26)	(5,731)	-	(5,731)	-
Total	(66)	15,000	14,934	(128)

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic income tax rate as follows:

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Profit/(loss) before income tax	235,237	50,000	285,237	(424)
Income tax calculated at 30% (2004: 30%)	70,571	15,000	85,571	(128)
Tax effect of:				
Income not subject to income tax	(90,203)	-	(90,203)	-
Expenses not deductible for income tax purposes	6,650	-	6,650	-
Others	12,916	-	12,916	-
Income tax expense/(credit)	(66)	15,000	14,934	(128)

10. SHARE CAPITAL

The total authorised number of ordinary shares is 22,500,000 with a par value of Shs 20 per share. At 31 December, 2005, 22,500,000 ordinary shares were in issue (2004: 7,500,000 ordinary shares). All issued shares are fully paid.

	Number of shares		Share capital	
Ordinary shares of Shs 20 each	2005 '000	2004 '000	2005 '000	2004 '000
Authorised (Short-Term business)	18,500	7,500	370,000	150,000
Authorised (Long-Term business)	4,000	-	80,000	-
Total	22,500	7,500	450,000	150,000
Issued and fully paid				
At start of year (Short-Term business)	7,500	7,500	150,000	150,000
Issued in the year (Short-Term business)	11,000	-	220,000	-
Issued in the year (Long-Term business)	4,000	-	80,000	-
At end of year (Short-Term business)	18,500	7,500	370,000	150,000
At end of year (Long-Term business)	4,000	-	80,000	-
Total	22,500	7,500	450,000	150,000

The Directors of the Company have approved the assignment of share capital between the short-term and the long-term business as indicated above.

11. RETAINED EARNINGS

The retained earnings balance represents the amount available for dividend distribution to the shareholders of the Company, except for cumulative fair value losses on the Company's investment properties of Shs 13,671,340 (2004: Shs Nil) whose distribution is subject to restrictions imposed by legislation. The movement in retained earnings is shown in the statement of changes in equity on page 9.

12. FAIR VALUE RESERVES

Fair value reserves	2005 Shs'000	2004 Shs'000
At start of year	-	-
Fair value gains on quoted shares (note 18)	44,045	-
Fair value loss on unquoted shares (note 19)	(117)	-
At end of year	43,928	-

The fair value reserve is non-distributable.

13. PAYABLE UNDER DEPOSIT ADMINISTRATION CONTRACTS

Deposit administration contracts are recorded at amortised cost. Movements in amounts payable under deposit administration contracts during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 31 December. Interest by the Company was declared and credited to the customer accounts at a weighted average rate of 10.5% for the year.

	2005 Shs'000	2004 Shs'000
At start of year	-	-
Acquired from Jubilee Holdings Limited (note 3)	2,178,108	-
Pension fund deposits received	659,175	-
Surrenders and annuities paid	(203,206)	-
Interest credited to deposit administration policyholders (net of expenses)	232,868	-
At end of year	2,866,945	-

14. INVESTMENT IN ASSOCIATED COMPANIES AND SUBSIDIARIES

(i) INVESTMENT IN ASSOCIATED COMPANIES

(a) Associates comprise:	2005 % Equity Held	2004 % Equity Held
IPS Power Investment Limited	27.00	-
East Africa Reinsurance Company Limited	25.83	-

IPS Power Investment Limited is an investment vehicle company, which through its subsidiary has invested in the equity of Tsavo Power Company Limited that generates electricity for sale. East Africa Reinsurance Company Limited is a private reinsurance company. The associated companies are incorporated in Kenya.

(b) Movement of net assets during the year:

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	184,577	130,640	315,217	-
Share of result before income tax	19,368	25,454	44,822	-
Share of tax (note 9)	(5,633)	-	(5,633)	-
Dividends received	(4,517)	(18,467)	(22,984)	-
Revaluation surplus	-	(9,928)	(9,928)	
At end of year	193,795	127,699	321,494	

14. INVESTMENT IN ASSOCIATED COMPANIES AND SUBSIDIARIES (CONTINUED)

(c) Reinsurance business

The Company accepted reinsurance business from the following associated companies in the year:

Premium income	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
East Africa Reinsurance Company Limited	112,608	-	112,608	-

Incurred claims and commissions	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
East Africa Reinsurance Company Limited	89,723	-	89,723	-

(d) Amount due from associated companies

The following were the outstanding balances on the reinsurance arrangement as at year-end. The balances are included under receivables arising out of reinsurance arrangements in the balance sheet.

Amount due from	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
East Africa Reinsurance Company Limited	17,726	-	17,726	-

(ii) INVESTMENT IN SUBSIDIARIES

Investment at cost at year-end	Country of Incorporation	Cost Shs'000	2005 % Equity Held	2004 % Equity Held
Jubilee Financial Services Limited	Kenya	10,000	100	-

Jubilee Financial Services Limited owns 100% equity of Thillai Software Private Limited, a company incorporated in India and engaged in software development.

15. RELATED PARTY TRANSACTIONS

Jubilee Holdings Limited incorporated in Kenya, which owns 100% of the Company's shares, controls the Company.

The ultimate parent 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 The Jubilee Insurance Company of Kenya Limited through common shareholdings or common directorships.

In the normal course of business, insurance policies are sold to related parties at terms and conditions similar to those offered to major clients. Related parties rendered various services to the Company during the year.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Transactions with related parties	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Gross premium:				
Diamond Trust Bank Kenya Limited	5,291	1,886	7,177	-
Industrial Promotion Services (Kenya) Limited	102,866	-	102,866	-
TPS Eastern Africa Limited	-	17,112	17,112	-
Property Development and Management Limited	1,156	126	1,282	-
Total	109,313	19,124	128,437	-
Net claims incurred:				
Diamond Trust Bank Kenya Limited	4,780	-	4,780	-
Industrial Promotion Services (Kenya) Limited	15,125	-	15,125	-
TPS Eastern Africa Limited	812	952	1,764	-
Property Development and Management Limited	804	-	804	-
Total	21,521	952	22,473	-
Services received from:				
Industrial Promotion Services (Kenya) Limited	2,151	2,151	4,302	-
TPS Eastern Africa Limited	923	923	1,846	-
Property Development and Management Limited	4,151	4,151	8,302	-
Total	7,225	7,225	14,450	-
Outstanding premium:				
Diamond Trust Bank Kenya Limited	244	-	244	-
Industrial Promotion Services (Kenya) Limited	10,893	-	10,893	-
TPS Eastern Africa Limited	503	75	578	-
Property Development and Management Limited	-	-	-	-
Total	11,640	75	11,715	-
Outstanding claims:				
Diamond Trust Bank Kenya Limited	797	-	797	-
Industrial Promotion Services (Kenya) Limited	7,584	-	7,584	-
TPS Eastern Africa Limited	491	1,337	1,828	-
Property Development and Management Limited	119	-	119	-
Total	8,991	1,337	10,328	-
Deposits with financial institutions:				
Diamond Trust Bank Kenya Limited	-	83,966	83,966	-

(ii) Directors' Remuneration

	As Directors 2005 Shs'000	As Management 2005 Shs'000	As Directors 2004 Shs'000	As Management 2004 Shs'000
Emoluments	-	32,316	-	-

There were no loans given to Directors in the year ended 31 December 2005 (2004:Nil).

16. PROPERTY AND EQUIPMENT

	Computer Equipment Shs'000	Motor Vehicles Shs'000	Furniture, Fixtures, Fittings & Office Equipment Shs'000	Total Shs'000
Cost				
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	7,925	1,184	23,749	32,858
Additions	13,917	-	10,439	24,356
At end of year	21,842	1,184	34,188	57,214
Depreciation				
At start of year	-	-	-	-
Charge for the year	9,545	498	9,612	19,655
At end of year	9,545	498	9,612	19,655
Net book value				
At 31 December 2005	12,297	686	24,576	37,559
At 31 December 2004	-	-	-	-

17. INVESTMENT PROPERTIES

The valuation of investment properties as at 31 December, 2005 was carried out by Knight Frank Kenya Ltd on the basis of open market value.

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	380,400	786,000	1,166,400	-
Transfer from Short-Term to Long-Term business	(145,400)	145,400	-	-
Additions	4,530	-	4,530	-
Fair value losses (note 5)	(19,530)	(25,000)	(44,530)	-
At end of year	220,000	906,400	1,126,400	-

18. QUOTED EQUITY INVESTMENTS

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	327,729	643,608	971,337	-
Additions	1,099,141	490,551	1,589,692	-
Disposals	(1,048,645)	(205,671)	(1,254,316)	-
Transfer from Long-Term to Short-Term business	279,437	(279,437)	-	-
Fair value gains on available for sale investments (note 12)	44,045	-	44,045	-
Fair value gains on equity investments at fair value through profit and loss	-	52,632	52,632	-
At end of year	701,707	701,683	1,403,390	-

The quoted shares are revalued annually at the close of business on 31 December by reference to the stock exchange quoted prices. The market value of the above shares as at 7 April 2006 was Shs 1,522,006,152.

19. UNQUOTED EQUITY INVESTMENTS

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	181,426	431,057	612,483	-
Transfer from Long-Term to Short-Term business	40,400	(40,400)	-	-
Fair value loss on available for sale investments (note 12)	(117)	-	(117)	-
Fair value gains on equity investments at fair value through profit and loss	-	83,311	83,311	-
At end of year	221,709	473,968	695,677	-

20. LOANS RECEIVABLE

(a) MORTGAGE LOANS

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	-	57,811	57,811	-
Loans advanced	-	8,400	8,400	-
Interest and penalties	-	14,429	14,429	-
Less: Provision for impairment losses	-	(4,189)	(4,189)	
Redemptions/repayments	-	(34,692)	(34,692)	-
At end of year	-	41,759	41,759	-

20. LOANS RECEIVABLE (CONTINUED)

Maturity profile of mortgage loans

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Loans maturing				
Within 1 year	-	8,890	8,890	-
In 1-5 years	-	25,336	25,336	-
Over 5 years	-	7,533	7,533	-
Total	-	41,759	41,759	-

Lending commitments

There were no mortgage loans approved by the directors and not advanced at 31 December 2005 (2004: Nil).

(b) LOANS ON LIFE INSURANCE POLICIES

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	-	166,214	166,214	-
Loans advanced	-	84,946	84,946	-
Interest	-	23,025	23,025	-
Loan repayments	-	(109,954)	(109,954)	-
Less: Provision for impairment losses	-	(333)	(333)	-
At end of year	-	163,898	163,898	-

Maturity profile of loans on life insurance policies

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Loans maturing				
Within 1 year	-	20,436	20,436	-
In 1-5 years	-	99,725	99,725	-
Over 5 years	-	43,737	43,737	-
Total	-	163,898	163,898	-

There is no concentration of credit risk with respect to mortgage and loans on life insurance policies.

21. REINSURER'S SHARE OF TECHNICAL PROVISIONS AND RESERVES

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Reinsurers' share of:				
- unearned premium (note 31)	110,098	-	110,098	-
- notified claims outstanding	234,715	19,816	254,531	-
Total	344,813	19,816	364,629	-

Amounts due from reinsurers in respect of claims already paid by the Company on contracts that are reinsured are included in receivables arising out of reinsurance arrangements on the balance sheet.

22. DEFERRED ACQUISITION COSTS

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	51,222	-	51,222	-
Net increase	31,522	-	31,522	-
At end of year	82,744	-	82,744	-

23. OTHER RECEIVABLES

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Due from related companies	80,606	67,857	148,463	-
Others	19,235	8,246	27,481	-
Total	99,841	76,103	175,944	-

24. GOVERNMENT SECURITIES

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Treasury bills maturing within 91 days of the date of acquisition	95,434	-	95,434	-
Treasury bills maturing after 91 days of the date of acquisition	71,631	-	71,631	-
Treasury bonds maturing within 1 year	182,923	85,184	268,107	-
Treasury bonds maturing in 1-5 years	-	1,833,102	1,833,102	-
Treasury bonds maturing after 5 years	3,545	727,812	731,357	-
Total	353,533	2,646,098	2,999,631	-

25. CASH AND CASH EQUIVALENTS

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

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
Cash and bank balances	1,662	83,899	85,561	-
Deposits with financial institutions	1,133	94,234	95,367	150,574
Bank overdraft	(22,249)	(2,507)	(24,756)	-
Treasury bills maturing within 91 days of the date of acquisition	95,434	-	95,434	-
Total	75,980	175,626	251,606	150,574

26. DEFERRED INCOME TAX

Deferred income tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2004: 30%). The movement in the deferred income tax account is as follows:

	Short-Term Business Shs'000	Long-Term Business Shs'000	2005 Total Shs'000	2004 Total Shs'000
At start of year	(128)	-	(128)	-
Income statement credit (note 9)	(5,731)	-	(5,731)	(128)
At end of year	(5,859)	-	(5,859)	(128)

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in the profit and loss account is attributable to the following items:

	1.1.2005 Shs'000	Charged/ (credited) to Profit & Loss Shs'000	31.12.2005 Shs'000
Fair value gains on investment properties	-	(5,859)	(5,859)
Provisions	(128)	128	-
Net deferred income tax asset	(128)	(5,731)	(5,859)

27. EARNINGS PER SHARE

Earnings per ordinary share of Shs 20 each is calculated by dividing the profit attributable to Shareholders by 22.5 million shares.

	2005	2004
Profit attributable to shareholders (Shs 000)	270,303	(298)
Number of ordinary shares in issue (thousands)	22,500	7,500
Earnings per share (Shs)	12.01	(0.04)

There were no potentially dilutive shares in issue at 31 December 2005 and 31 December 2004.

28. WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

In the opinion of the Directors, the carrying amounts of financial assets and liabilities approximate their fair values. The following table summarises the effective interest rates on the principal interest bearing financial assets and liabilities at 31 December:

	2005 %	2004 %
Government securities	7.50	5.53
Deposits with financial institutions	8.51	5.71
Mortgage loans	14 to 16	14 to 16
Loans on life insurance policies	10 to 16	10 to 16
Payable under deposit administration contracts	10.50	9.50

Deposits with financial institutions have an average maturity of 3 months (2004: 3 months).

29. INSURANCE CONTRACT LIABILITIES

	2005 Shs'000	2004 Shs'000
Short term insurance contracts		
- claims reported and claims handling expenses	995,280	-
- claims incurred but not reported	93,293	-
Total Short-Term	1,088,573	-
Long term insurance contracts		
- claims reported and claims handling expenses	127,540	-
- actuarial value of long term liabilities	2,145,670	-
Total Long-Term	2,273,210	-
Total gross insurance liabilities	3,361,783	-

Movements in insurance liabilities and reinsurance assets are shown in note 30.

(i) Short-Term insurance contracts

Gross claims reported, claims handling expenses 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 2005 and 2004 are not material.

The Company 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.

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

Accident year	2001 Shs'000	2002 Shs'000	2003 Shs'000	2004 Shs'000	2005 Shs'000	Total Shs'000
Estimate of ultimate claims cost						
– at end of accident year	307,457	80,526	130,788	282,563	1,224,367	2,025,701
– one year later	268,079	66,743	105,072	303,568		
– two years later	267,512	56,495	149,033			
– three years later	248,333	96,299				
– four years later	198,102					
Current estimate of cumulative claims	198,102	96,299	149,033	303,568	1,224,367	1,971,369
Less: cumulative payments to date	(174,130)	(54,397)	(92,337)	(188,834)	(560,675)	(1,070,373)
Liability in the balance sheet	23,972	41,902	56,696	114,734	663,692	900,996
Liability in respect of prior years	-	-	-	-	-	187,577
Total gross claims liability included in the balance sheet	23,972	41,902	56,696	114,734	663,692	1,088,573

29. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(ii) Long term insurance contracts

The Company determines its liabilities on long term insurance contracts based on assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. 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 an annual basis.

Valuation assumptions

The latest actuarial valuation of the life fund was carried out as at 31 December, 2005 by John Graham of Deloitte & Touche, consulting actuaries. The Full Preliminary Term (FPT) method and the assumptions specified in the Seventh Schedule of the Insurance Regulations, 1986, was used for policy liabilities valued by way of discounted cashflows. Other policy liabilities were valued as described below.

- Under Group Temporary Assurance a reserve equal to the unearned portion of the office premium was held. An additional reserve for Incurred But Not Reported (IBNR) claims was also held.
- Under Group Disability Income Insurance (GDII) a reserve equal to the unearned portion of the office premium was held plus a reserve for IBNR.
- Under the riders Accidental Death Benefit (ADB), combined Accidental Death Benefit (ADB), Total and Permanent Disability (TPD), Waiver of Premium benefit (WOP), a reserve of one year's office premium was held.
- Under Deposit Administration the reserve was taken equal to amount of the fund at the valuation date, including the 2005 bonus declaration.
- Under the non-participating universal life policies, the reserve was calculated as equal to fund value at 31 December, 2005.
- No deduction was made from the liabilities on account of reinsurance ceded other than for Group Temporary Assurance and Group Disability Income.

The value of policy liabilities valued using the Full Preliminary Term (FPT) was also calculated on a realistic best estimate basis that took direct accounts of all expected cashflows on the various policies, such as actual premium payable, commissions, expenses, claims, investment returns, bonuses etc. This resulting calculation was lower than that calculated using the FPT demonstrating that the published reserves are adequate.

All assets (including the excess of assets over liabilities) have been valued at market value/fair value as detailed in the notes to the financial statements.

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 of liabilities.

For liabilities under insurance contracts with fixed and guaranteed terms, key assumptions are unchanged for the duration of the contract. Changes in assumptions will not cause a change in the amount of the liability unless the change is severe enough to trigger a liability adequacy test adjustment, and the table indicates the level of the respective variable that will trigger an adjustment.

29. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Sensitivity of the Value of Policy Liabilities to changes in assumptions

Sensitivity	Statutory Result	
Published	4,653,115	+0%
Lapses +5%	4,653,115	+0%
Mortality annuities: -20% insurance: +20%	4,653,115	+0%
Mortality annuities: +20% insurance: -20%	4,653,115	+0%
Inflation +1%	4,653,115	+0%
Investment Return -1%	4,653,115	+0%
Expenses +10%	4,653,115	+0%

30. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS

Short-Term insurance business

	2005			2004		
	Gross Shs'000	Reinsurance Shs'000	Net Shs'000	Gross Shs'000	Reinsurance Shs'000	Net Shs'000
Notified claims	787,938	168,213	619,725	-	-	-
Incurred but not reported	76,794	-	76,794	-	-	-
Total acquired from Jubilee Holdings Limited (note 3)	864,732	168,213	696,519	-	-	-
Cash paid for claims settled in year	(1,043,973)	(177,204)	(866,769)	-	-	-
Increase in liabilities						
– arising from current year claims	811,247	198,089	613,158	-	-	-
– arising from prior year claims	456,567	45,617	410,950	-	-	-
Total at end of year	1,088,573	234,715	853,858	-	-	-
Notified claims	995,280	234,715	760,565	-	-	-
Incurred but not reported	93,293	-	93,293	-	-	-
Total at the end of year	1,088,573	234,715	853,858	-	-	-

31. PROVISIONS FOR UNEARNED PREMIUM

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

	2005			2004		
Unearned premium provision	Gross Shs'000	Reinsurance Shs'000	Net Shs'000	Gross Shs'000	Reinsurance Shs'000	Net Shs'000
At beginning of year	-	-	-	-	-	-
Acquired from Jubilee Holdings Limited (note 3)	445,852	127,957	317,895	-	-	-
Increase in the period (net)	243,236	(17,859)	261,095	-	-	-
At end of year	689,088	110,098	578,990	-	-	-

32. DIVIDENDS PER SHARE

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an Annual General Meeting. During the year no dividends were paid (2004: Nil). At the Annual General Meeting on 26 June, 2006, a final dividend of Shs 132 million (2004: Nil) is to be proposed, which is Shs 5.87 per share (2004: Nil).

Payment of dividends is subject to withholding tax at the rate of either 5% or 10%, depending on the residence of the individual shareholders.

33. CONTINGENT LIABILITIES

The Company is subject to litigation arising in the normal course of insurance business. The directors are of the opinion that this litigation will not have a material effect on the financial position or profits of the Company.

At 31 December 2005, the Company had given guarantees amounting to Shs 1,000,000 (2004: Nil) on behalf of third parties. It is not anticipated that any material liability will arise from these guarantees.

34. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial 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 programme 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. The risk management programme focuses on the acceptable level of loss risk and the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance within the options available in Kenya to hedge against such risks. The Company has policies in place to ensure that insurance is sold to customers with an appropriate claim and credit history. Investment policies are in place, which help manage liquidity, and seek to maximize return within an acceptable level of interest rate risk.

This section summarises the way the Company manages key risks:

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 a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company 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 Company 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.

34. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance risk (Continued)

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.

Financial risk

The Company is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), 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. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit 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 Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Company 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 Company'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.

35. LIQUIDITY RISK

The Company is exposed to daily calls on its available cash for claims settlement and other administration expenses. The Company 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.

The following table analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 December, 2005 to the contractual maturity date:

As at 31 December 2005:	Up to 1 month Shs'000	1-3 months Shs'000	3-12 months Shs'000	1-5 years Shs'000	Over 5 years Shs'000	Total Shs'000
ASSETS						
Property and equipment	-	-	-	-	37,559	37,559
Investment properties	-	-	-	-	1,126,400	1,126,400
Quoted shares	-	-	-	-	1,403,390	1,403,390
Unquoted shares	-	-	-	-	695,677	695,677
Investment in subsidiaries	-	-	-	-	10,000	10,000
Investment in associates	-	-	-	-	321,494	321,494
Mortgage loans	-	7,547	1,343	25,336	7,533	41,759
Loans on life insurance policies	110	2,646	17,678	99,726	43,738	163,898
Government securities	368,855	135,435	178,857	1,687,032	629,452	2,999,631
Deposits with financial institutions	58,208	36,026	-	-	1,133	95,367
Receivables arising out of reinsurance arrangements	14,657	151,475	-	-	-	166,132
Receivables arising out of direct insurance arrangements	142,218	186,982	-	-	-	329,200
Reinsurers' share of technical provisions and reserves	3,975	14,372	346,281	-	-	364,628
Deferred tax	-	-	5,859	-	-	5,859
Deferred acquisition costs	1,639	8,325	72,780	-	-	82,744
Other receivables	175,944	-	-	-	-	175,944
Cash and bank balances	85,561	-	-	-	-	85,561
Total assets	**851,167**	**542,808**	**622,798**	**1,812,094**	**4,276,376**	**8,105,243**
LIABILITIES AND SHAREHOLDERS' FUNDS						
Shareholders' funds	-	-	-	-	763,933	763,933
Insurance contract liabilities	37,321	64,507	1,114,287	-	2,145,671	3,361,786
Payable under deposit administration contracts	-	-	-	-	2,866,945	2,866,945
Unearned premium	17,602	61,856	609,630	-	-	689,088
Creditors arising out of reinsurance arrangements payable	-	80,407	-	-	-	80,407
Other payables	303,296	-	-	-	-	303,296
Current tax	15,032	-	-	-	-	15,032
Bank overdraft	24,756	-	-	-	-	24,756
Total liabilities and Shareholders' funds	398,007	206,770	1,723,917	-	5,776,549	8,105,243
Net liquidity gap	453,160	336,038	(1,101,119)	1,812,094	(1,500,173)	-
As at 31 December 2004:						
Total assets	-	150,574	128	-	-	150,702
Total liabilities and Shareholders' funds	1,000	-	-	-	149,702	150,702
Net liquidity gap	(1,000)	150,574	128	-	(149,702)	-

The matching of the maturities of assets and liabilities is fundamental to the management of the Company. It is unusual for insurance companies to always be completely matched since the business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

36. CURRENCY RISK

The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

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

As at 31 December 2005:	Uganda Shillings Shs'000	Tanzania Shillings Shs'000	Mauritius Rupees Shs'000	Total Shs'000
ASSETS				
Receivables arising out of reinsurance arrangements	6,765	18,588	-	25,353
Deferred acquisition costs	19,628	16,136	-	35,764
Cash and bank balances	-	-	935	935
Total assets	**26,393**	**34,724**	**935**	**62,052**
LIABILITIES AND SHAREHOLDERS' FUNDS				
Unearned premium	56,639	49,062	-	105,701
Outstanding claims provisions	58,431	50,253	15,437	124,121
Creditors arising out of reinsurance arrangements	2,881	16,011	38,497	57,389
Total liabilities and Shareholders' funds	**117,951**	**115,326**	**53,934**	**287,211**
Net balance sheet position	**(91,558)**	**(80,602)**	**(52,999)**	**(225,159)**
As at 31 December 2004:				
Total assets	-	-	-	-
Total liabilities and Shareholders' funds	-	-	-	-
Net balance sheet position	-	-	-	-

37. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

The estimation of future benefit payments from long-term insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. Note 29 contains further details on this process.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Company. Estimates are made as to the expected number of deaths for each of the years in which the Company is exposed to risk. The Company bases these estimates on standard mortality tables that reflect historical mortality experience. The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums. The main source of uncertainty is that epidemics such as AIDS could result in future mortality being significantly worse than in the past for the age groups in which the Company 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 Company is exposed to longevity risk.

Were the numbers of deaths in future years to differ by 10% from management's estimate, the liability change would not be material. In this case, there is no relief arising from reinsurance contracts held.

For contracts without fixed terms, it is assumed that the Company will be able to increase mortality risk charges in future years in line with emerging mortality experience.

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

Under certain contracts, the Company has offered guaranteed annuity options. In determining the value of these options, estimates have been made as to the percentage of contract holders that will exercise them. There is not enough historical information available on which to base these estimates. Changes in investment conditions could result in significantly more contract holders exercising their options than has been assumed.

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. Were the average future investment returns to reduce by 1% from management's estimates, the insurance liability would not be material.

SUPPLEMENTARY INFORMATION

LONG-TERM BUSINESS REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

Class of Insurance Business	Ordinary Life Shs'000	Superannuation: Retirement Benefits Funds Shs'000	Superannuation: Other Super-annuation Shs'000	2005 Shs'000	2004 Shs'000
Gross premium income	229,827	-	249,812	479,639	-
Deposits received	-	659,175	-	659,175	-
Reinsurance ceded	(4,667)	-	(52,979)	(57,646)	-
Net premium written and deposit administration inflows	225,160	659,175	196,833	1,081,168	-
Policyowners' benefits:					
Claims incurred	119,758	-	9,281	129,039	-
Surrenders and annuities paid	42,998	-	63,069	106,067	-
Withdrawals	-	203,205	-	203,205	-
Total claims, surrenders, annuities paid and pension fund withdrawals	162,756	203,205	72,350	438,311	-
Commissions paid	28,825	5,152	5,234	39,211	-
Expenses of management	131,497	32,427	59,083	223,007	-
Total expenses	160,322	37,579	64,317	262,218	-
Investment income	234,459	273,927	165,568	673,954	-
Commissions earned	904	-	9,271	10,175	-
Total investment income	235,363	273,927	174,839	684,129	-
Increase in funds	137,445	692,318	235,005	1,064,768	-
Share of result of associates before income tax	-	-	25,454	25,454	-
Decrease in share of revaluation surplus of associates	-	-	(9,928)	(9,928)	-
Transfer to profit and loss account	(30,000)	-	(20,000)	(50,000)	-
Tax paid on income on unregistered schemes	-	(3,481)	-	(3,481)	-
Movement in funds	(30,000)	(3,481)	(4,474)	(37,955)	-
Funds at start of year	1,040,812	2,178,108	766,883	3,985,803	-
					-
Funds at end of year	1,148,257	2,866,945	997,414	5,012,616	-

SUPPLEMENTARY INFORMATION

SHORT-TERM BUSINESS REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

Class of Insurance Business	Engineering Shs'000	Fire-Domestic Shs'000	Fire-Industrial Shs'000	Liability Shs'000	Marine Shs'000	Motor Shs'000	Personal Accident Shs'000	Theft Shs'000	Workmen's Compensation Shs'000	Misc-ellaneous Shs'000	2005 Total Shs'000	2004 Total Shs'000
Gross premium income	29,241	21,411	229,144	9,011	88,060	469,196	708,524	60,610	62,512	105,159	1,782,868	-
Gross unearned premium brought forward	8,897	8,150	121,475	8,051	34,151	135,348	41,634	17,836	13,726	56,584	445,852	-
Gross unearned premium carried forward	6,506	9,734	107,530	3,128	38,704	188,570	242,901	19,896	20,913	51,206	689,088	-
Gross earned premium	31,632	19,827	243,089	13,934	83,507	415,974	507,257	58,550	55,325	110,537	1,539,632	-
Reinsurance ceded	15,674	2,646	176,065	2,493	34,336	13,279	5,187	18,291	840	10,367	279,178	-
Unearned premium on reinsurance ceded brought forward	4,772	2,727	86,870	6,140	12,031	3,160	1,812	3,276	583	6,586	127,957	-
Unearned premium on reinsurance ceded carried forward	2,668	978	76,491	591	15,272	1,224	458	5,704	70	6,642	110,098	-
Net earned premium	13,854	15,432	56,645	5,892	52,412	400,759	500,716	42,687	53,972	100,226	1,242,595	-
Gross claims paid	3,856	4,741	130,063	1,090	12,861	248,384	328,241	29,229	31,607	30,060	820,132	-
Gross outstanding claims carried forward	14,201	10,738	124,456	37,608	34,317	491,623	116,742	41,394	131,445	86,049	1,088,573	-
Gross outstanding claims brought forward	11,849	2,558	74,082	31,052	27,748	430,463	46,362	38,682	125,706	76,230	864,732	-
Gross incurred claims	6,208	12,921	180,437	7,646	19,430	309,544	398,621	31,941	37,346	39,879	1,043,973	-
Reinsurance recovery on:												
Claims paid	2,038	-	80,551	260	2,489	14,301	2,351	8,150	474	88	110,702	-
Outstanding claims carried forward	7,934	488	106,681	7,191	10,026	75,421	950	11,372	2,422	12,230	234,715	-
Outstanding claims brought forward	6,534	48	24,751	6,223	7,349	89,717	867	14,251	6,210	12,263	168,213	-
Reinsurance claims recovered/recoverable	3,438	440	162,481	1,228	5,166	5	2,434	5,271	(3,314)	55	177,204	-
Net incurred claims	2,770	12,481	17,956	6,418	14,264	309,539	396,187	26,670	40,660	39,824	866,769	-
Commission on gross premium	12,151	3,088	62,940	1,833	20,707	59,432	39,297	4,937	8,711	36,195	249,291	-
Commission on reinsurance ceded	9,962	566	42,591	414	14,920	990	1,555	5,213	169	1,400	77,780	-
Expenses of management	5,113	3,680	40,237	1,738	22,648	81,844	69,974	11,692	12,059	17,880	266,865	-
Total expenses	7,302	6,202	60,586	3,157	28,435	140,286	107,716	11,416	20,601	52,675	438,376	-
Underwriting profit/(loss)	3,782	(3,251)	(21,897)	(3,683)	9,713	(49,066)	(3,187)	4,601	(7,289)	7,727	(62,550)	-