

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 2023 Shs'000	Restated Audited 2022 Shs'000
Insurance revenue	36,436,197	25,769,463
Insurance service expenses	(26,854,848)	(20,555,206)
Net expenses from reinsurance contracts held	(5,831,125)	(2,891,568)
Net insurance service result	3,750,224	2,322,689
Interest and dividend income	15,615,953	13,007,944
Net income from investment property	644,449	643,237
Losses on financial assets at fair value through profit or loss	(4,648,861)	(2,328,850)
Net investment income	11,611,541	11,322,331
Finance expenses from insurance contracts issued	(9,139,705)	(9,558,829)
Finance income from reinsurance contracts held	578,932	500,205
Net insurance finance expenses	(8,560,773)	(9,058,624)
Net insurance and investment result	6,800,992	4,586,396
Fund management fees	639,750	658,465
Other income	766,128	540,086
Other operating expenses	(3,353,555)	(2,587,868)
Other finance costs	(247,135)	(272,917)
Profit before share of the profit of associates	4,606,180	2,924,162
Share of profit/(Loss) of associates accounted for using the equity method	213,315	(2,760)
Profit before tax	4,819,495	2,921,402
Income tax expense	(1,540,376)	(1,260,755)
Profit for the year	3,279,119	1,660,647
Total other comprehensive income	245,796	340,764
Comprehensive income for the year	3,524,915	2,001,411
Basic and diluted earnings per share (Shs per share)	1.29	0.62

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

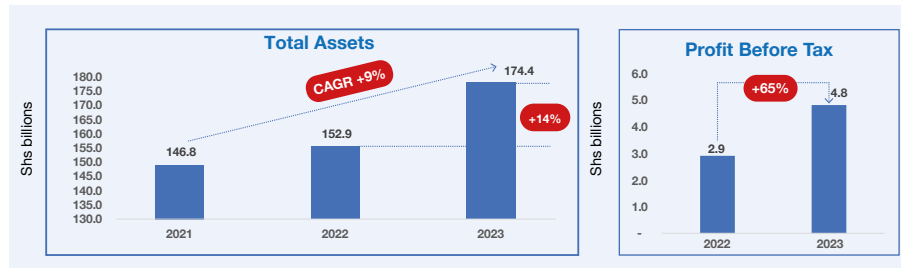
	Audited 31-Dec-23 Shs'000	Restated Audited 31-Dec-22 Shs'000	Restated Audited 01-Jan-22 Shs'000
Share capital	252,344	252,344	252,344
Share premium	13,237,451	13,237,451	13,237,451
Other reserves	15,367,403	13,998,860	16,649,830
Accumulated losses	(3,408,334)	(5,541,477)	(10,091,139)
Shareholder's funds	25,448,864	21,947,178	20,048,486
Non-controlling interest	239,533	216,304	113,585
Total equity	25,688,397	22,163,482	20,162,071
Assets			
Fixed and intangible assets	2,048,677	2,226,371	2,672,572
Investment assets	150,124,982	132,651,799	126,732,518
Insurance contract assets	-	2,198	-
Reinsurance contract assets	7,788,246	7,168,691	6,899,839
Other assets	3,791,184	2,833,289	2,965,126
Cash and bank balances	10,640,881	7,991,854	7,499,485
Total assets	174,393,970	152,874,202	146,769,540
Liabilities			
Insurance contract liabilities	133,702,453	118,190,592	106,322,835
Reinsurance contract liabilities	561,024	131,841	155,052
Borrowings	2,581,068	2,540,223	4,227,825
Provisions and other payables	11,861,028	9,848,064	15,901,757
Total liabilities	148,705,573	130,710,720	126,607,469
Net assets	25,688,397	22,163,482	20,162,071

SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

	Audited 2023 Shs'000	Restated Audited 2022 Shs'000
Operating activities		
Cash generated from/ (used in) operations	9,997,404	(2,061,102)
Income tax paid	(784,520)	(231,073)
Net cash generated from/(used in) operating activities	9,212,884	(2,292,175)
Net cash (used in)/generated from investing activities	(6,194,580)	4,968,190
Net cash used in financing activities	(369,277)	(2,183,646)
Net increase in cash and cash equivalents	(6,563,857)	2,784,544
Movement in cash and cash equivalents		
At start of the year	7,991,854	7,499,485
Increase	2,649,027	492,369
At end of the year	10,640,881	7,991,854

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Share premium Shs'000	Retained earnings and other reserves Shs'000	Total equity Shs'000
Balance at 31 December 2021	252,344	13,237,451	5,593,722	19,083,517
Adjustments on initial application of IFRS 17, net of tax	-	-	1,078,554	1,078,554
Restated balance at 1 January 2022	252,344	13,237,451	6,672,276	20,162,071
Profit for the year (restated)	-	-	1,660,647	1,660,647
Other comprehensive income for the year	-	-	340,764	340,764
Restated balance at 31 December 2022	252,344	13,237,451	8,673,687	22,163,482
Profit for the year	-	-	3,279,119	3,279,119
Other comprehensive income for the year	-	-	245,796	245,796
Balance at 31 December 2023	252,344	13,237,451	12,198,602	25,688,397



Commentary on the Group 2023 Full-Year Results

The Group has delivered impressive financial results for the year ended 31 December 2023, demonstrating significant growth and resilience across various key performance indicators.

Profitability:

The Group's profit before tax increased to Shs 4.82 billion, marking a significant 65% improvement from Shs 2.9 billion in the previous year. This impressive performance was underpinned by prudent cost management practices, coupled with enhanced revenue streams from both insurance and investment activities. Fair value losses rose due to changes in the macro-economic environment which led to a significant rise in the yield curve. Hence performance was negatively impacted by doubling of fair value losses from fixed income securities from Shs 2.3 billion to Shs 4.6 billion.

Topline Performance:

The Group's insurance revenue increased to Shs 36.4 billion, reflecting a remarkable 41% increase from Shs 25.8 billion in 2022. This growth was primarily driven by significant growth in both the Kenya insurance businesses as well as the general insurance regional business which contributed 29% of the insurance revenue in the year.

Interest and dividend income recorded a 20% growth to Shs 15.6 billion driven by growth in revenues and the benefits of the realignment of the Group's investments portfolio to grow and stabilize yields.

Balance Sheet Strength:

The Group's balance sheet remains robust, with total equity increasing to Shs 25.6 billion from Shs 22.2 billion in the previous year. This improved equity position highlights the Group's strengthened financial position and underscores its ability to weather economic uncertainties.

Strategic Initiatives and Outlook:

The Group's strong financial performance is a testament to the effectiveness of its strategic initiatives, including customer-centricity and prudent investment strategies. Looking ahead, the Group remains committed to driving sustainable growth and enhancing shareholder value through the continued execution of its 2021-2025 strategy.

IFRS 17 Adoption Update

As previously communicated in our 2023 half-year results announcement, the Group successfully implemented IFRS 17, effective 1 January 2023. Building upon this milestone, we have integrated the principles of IFRS 17 into our financial reporting framework, ensuring compliance and transparency in our disclosures.

The adjustments arising from the IFRS 17 implementation have been made to the opening net assets as at 1 January 2022 and 2022 comparatives, in accordance with the requirements of IFRS. The implementation of IFRS 17 has not significantly impacted our business strategy, operations, cash generation, solvency, or dividend policy.

Other Matters

Dividends

The Board of Directors does not recommend the payment of dividends for the year ended 31 December 2023.

The above summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of financial position, summary consolidated changes in equity, summary consolidated statement of cash flows and other disclosures are extracted from the audited financial results of the Group which were approved by the Board of Directors on 27 March 2024.

By Order of the Board:

Mr. Kuria Muchiru
Board Chairman

Mr. Tom Gitogo
Group Managing Director and CEO

