

**Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income**

|  | Audited<br>31-Dec-20<br>Shs'000 | Audited<br>31-Dec-19<br>Shs'000 |
|--|---------------------------------|---------------------------------|
| Gross earned premium and fund management fees  | 28,821,159                      | 27,667,284                      |
| Less: Reinsurance premium ceded  | (5,053,986)                     | (4,021,978)                     |
| <b>Net earned revenue</b>  | <b>23,767,173</b>               | <b>23,645,306</b>               |
| Investment income  | 9,397,384                       | 7,713,830                       |
| Net loss from investment property  | (1,470,336)                     | (747,036)                       |
| (Losses)/gains on financial assets at fair value through profit or loss                            | (2,537,790)                     | 4,777,716                       |
| Commissions earned   | 1,218,404                       | 999,870                         |
| Other (losses)/income  | (221,887)                       | 56,566                          |
| <b>Total income</b>  | <b>30,152,948</b>               | <b>36,446,252</b>               |
| <b>Expenses</b>  |                                 |                                 |
| Net insurance claims, increase in policyholders' benefits and loss adjustment expenses             | 18,649,372                      | 15,442,505                      |
| Interest payments/increase in unit value   | 2,759,170                       | 3,889,475                       |
| Operating and other expenses   | 13,455,260                      | 8,794,161                       |
| Finance costs  | 361,547                         | 234,667                         |
| Commissions expense  | 3,802,160                       | 3,461,322                       |
| <b>Total expenses</b>  | <b>39,027,509</b>               | <b>31,822,130</b>               |
| <b>(Loss)/profit before share of loss of associate</b>   | <b>(8,874,561)</b>              | <b>4,624,122</b>                |
| Share of loss of associate   | (823,049)                       | (53,099)                        |
| <b>(Loss)/profit before tax</b>  | <b>(9,697,610)</b>              | <b>4,571,023</b>                |
| Income tax credit/(expense)  | 586,071                         | (1,028,398)                     |
| <b>(Loss)/profit for the year</b>  | <b>(9,111,539)</b>              | <b>3,542,625</b>                |
| (Losses)/gains on revaluation of financial assets at fair value through other comprehensive income | (2,056,183)                     | 2,262,408                       |
| Other adjustments  | (511,400)                       | (384,377)                       |
| <b>Total other comprehensive (loss)/income</b>   | <b>(2,567,583)</b>              | <b>1,878,031</b>                |
| <b>Comprehensive (loss)/income for the year</b>  | <b>(11,679,122)</b>             | <b>5,420,656</b>                |
| <b>Basic and diluted (losses)/earnings per share (Shs)</b>   | <b>(3.62)</b>                   | <b>1.41</b>                     |

**Summary Consolidated Statement of Financial Position**

|                               | Audited<br>31-Dec-20<br>Shs'000 | Audited<br>31-Dec-19<br>Shs'000 |
|-------------------------------|---------------------------------|---------------------------------|
| Share capital                 | 252,344                         | 252,344                         |
| Share premium                 | 13,237,451                      | 13,237,451                      |
| Other reserves                | 13,352,432                      | 17,112,694                      |
| Accumulated losses            | (9,891,877)                     | (1,306,941)                     |
| <b>Shareholders funds</b>     | <b>16,950,350</b>               | <b>29,295,548</b>               |
| Non-controlling interest      | 116,482                         | 81,278                          |
| <b>Total equity</b>           | <b>17,066,832</b>               | <b>29,376,826</b>               |
| <b>Assets</b>                 |                                 |                                 |
| Fixed and intangible assets   | 2,776,377                       | 3,234,671                       |
| Investment assets             | 117,332,824                     | 107,809,093                     |
| Insurance assets              | 10,220,989                      | 7,971,738                       |
| Cash and cash equivalents     | 1,558,646                       | 966,214                         |
| Other assets                  | 5,073,635                       | 5,261,849                       |
| <b>Total assets</b>           | <b>136,962,471</b>              | <b>125,243,565</b>              |
| <b>Liabilities</b>            |                                 |                                 |
| Insurance liabilities         | 103,008,343                     | 85,979,477                      |
| Borrowings                    | 4,854,923                       | 2,352,716                       |
| Provisions and other payables | 12,032,373                      | 7,534,546                       |
| <b>Total liabilities</b>      | <b>119,895,639</b>              | <b>95,866,739</b>               |
| <b>Net assets</b>             | <b>17,066,832</b>               | <b>29,376,826</b>               |

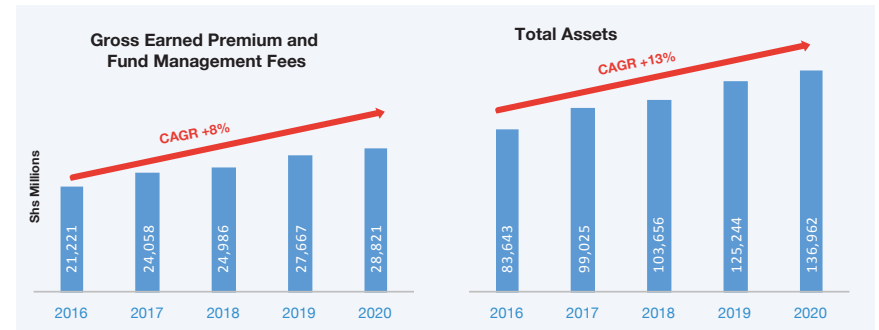
**Summary Consolidated Statement of Cashflows**

|   | Audited<br>31-Dec-20<br>Shs'000 | Audited<br>31-Dec-19<br>Shs'000 |
|---|---------------------------------|---------------------------------|
| <b>Cash generated from operations</b>                       | <b>8,121,736</b>                | <b>9,482,792</b>                |
| Income tax paid   | (447,388)                       | (504,040)                       |
| <b>Net cash generated from operating activities</b>         | <b>7,674,348</b>                | <b>8,978,752</b>                |
| Net cash used in investing activities                       | (9,564,429)                     | (7,520,883)                     |
| Net cash generated/(used in) financing activities           | 1,812,770                       | (603,959)                       |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(77,311)</b>                 | <b>853,910</b>                  |
| <b>Movement in cash and cash equivalents</b>                |                                 |                                 |
| At the start of the year                                    | 7,575,311                       | 6,721,401                       |
| (Decrease)/increase   | (77,311)                        | 853,910                         |
| <b>At end of the period</b>                                 | <b>7,498,000</b>                | <b>7,575,311</b>                |

**Summary Consolidated Statement of Changes in Equity**

|                            | Share capital<br>Shs'000 | Share premium<br>Shs'000 | Retained earnings and other reserves<br>Shs'000 | Total equity<br>Shs'000 |
|----------------------------|--------------------------|--------------------------|---|-------------------------|
| <b>At 1 January 2020</b>   | <b>252,344</b>           | <b>13,237,451</b>        | <b>15,887,031</b>                               | <b>29,376,826</b>       |
| Loss for the period        | -                        | -                        | (9,111,539)                                     | (9,111,539)             |
| Other comprehensive loss   | -                        | -                        | (2,567,583)                                     | (2,567,583)             |
| Dividend paid              | -                        | -                        | (630,872)                                       | (630,872)               |
| <b>At 31 December 2020</b> | <b>252,344</b>           | <b>13,237,451</b>        | <b>3,577,037</b>                                | <b>17,066,832</b>       |

**2020 Performance Highlights**



The Group reported a loss before tax of Shs 9.7 billion compared to a profit before tax of Shs 4.6 billion in 2019. Of this loss, Shs 2.3 billion related to a fair valuation loss due to poor equities performance and Shs 2.0 billion related to property impairments. The unfavorable operating environment adversely impacted our investment in associate – HF Group Plc - contributing to the Group results, a share of loss at Shs 823 million and a reduction in the value of this investment by Shs 603 million.

The results were further depressed by a provision for investment losses of Shs 5.2 billion being the level of support to be offered to Britam Wealth Management Fund LLP, a Fund managed by Britam Asset Managers which is a fully owned subsidiary of Britam Holdings Plc.

However, the operating results were better than 2019. Our Gross Earned Premiums (GEP) and Fund Management Fees was up 4.2 percent to Shs 28.8 billion from Shs 27.7 billion in 2019. This is attributed to the growth of our insurance revenues especially the international general insurance business which recorded an increase in GEP of 50.0 percent, contributing 28.0 percent of the Group's GEP and a profit before tax of Shs 832 million up from 38 million in 2019.

The Group's total underlying operating costs also declined by 6.4 percent attributable to prudent cost control measures.

The Group has continued to be resilient in its cash generating ability delivering positive operating cash flows of Shs 7.6 billion and significantly growing its investments in fixed income return assets. The total assets for the Group have closed at Shs 137 billion, a 9.4% growth from 2019 with assets under management closing at Shs 250 billion.

**Other Matters**

**Dividends**

The Board of Directors do not recommend the payment of a dividend for the year 2020 (2019 - Shs 631 million).

The above summary Consolidated Statement of Profit or Loss and Other Comprehensive Income, Summary Consolidated Statement of Financial Position, Summary Consolidated Statement of Changes in Equity, Summary Consolidated Statement of Cash Flows and other disclosures are extracted from the 2020 Audited Consolidated Financial Statements which were approved by the Board of Directors on 28 April 2021 and signed on its behalf by:

**Mr. Mohammed S. Karama**  
Chairman (Acting)

**Mr. Tavaziva Madzinga**  
Group Managing Director

**Independent Auditor's Report on the Summary Financial Statements to the Shareholders of Britam Holdings Plc**



**Opinion**

We have audited the summary financial statements of Britam Holdings Plc, which comprise the summary consolidated statement of financial position at 31 December 2020 and the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of Britam Holdings Plc and its subsidiaries (together, the "Group") for the year ended 31 December 2020. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Kenyan Companies Act, 2015.

**Summary financial statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015.

Reading the summary financial statements, and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, and the auditor's report thereon. The summary financial statements, and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

**The audited financial statements and our report thereon**

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 28 April 2021 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Kenyan Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

**Directors' responsibility for the summary financial statements**

The directors are responsible for the preparation of the summary financial statements in accordance with the International Financial Reporting Standards and Kenyan Companies Act, 2015.

**Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to report on summary financial statements*.

**CPA Bernice Kimacia, Practicing Certificate Number 1457**  
Engagement partner responsible for the audit

**For and on behalf of PricewaterhouseCoopers LLP**  
Certified Public Accountants  
Nairobi  
28 April 2021