

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Un-Audited 30-Jun-22 Shs'000	Un-Audited 30-Jun-21 Shs'000
Gross earned premium and fund management fees	15,785,054	14,858,244
Less: reinsurance premium ceded	(3,211,564)	(2,891,533)
Net earned revenue	12,573,490	11,966,711
Investment income	6,202,042	4,926,603
(Losses)/gains on financial assets at fair value through profit or loss	(3,468,102)	1,366,200
Commissions earned	674,091	775,867
Other income	389,126	665,806
Total income	16,370,647	19,701,187
Expenses		
Net insurance claims, increase in policyholder's benefits and loss adjustment expenses	9,247,174	9,387,887
Interest payments/increase in unit value	410,372	2,357,487
Operating and other expenses	3,813,636	4,902,854
Finance costs	123,576	197,360
Commissions expense	1,757,734	2,041,288
Total expenses	15,352,492	18,886,876
Profit before share of gain/(loss) of associate	1,018,155	814,311
Share of gain/(loss) of associate	24,758	(166,889)
Profit before tax	1,042,913	647,422
Income tax expense	(375,383)	(271,121)
Profit for the period	667,530	376,301
Gains on revaluation of financial assets at fair value through other comprehensive income	29,959	994,732
Others adjustments	85,509	(138,478)
Total other comprehensive income	115,468	856,254
Comprehensive income for the period	782,998	1,232,555
Basic and diluted earnings per share (Shs per share)	0.23	0.14

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Un-Audited 30-Jun-22 Shs'000	Audited 31-Dec-21 Shs'000
Share capital	252,344	252,344
Share premium	13,237,451	13,237,451
Other reserves	12,644,809	16,394,912
Retained losses	(6,491,037)	(10,943,574)
Shareholder's funds	19,643,567	18,941,133
Non-controlling interest	222,948	142,384
Total equity	19,866,515	19,083,517
Assets		
Fixed and intangible assets	2,430,730	2,672,572
Investment assets	128,438,415	130,376,533
Insurance assets	14,026,618	13,396,109
Cash and bank balances	1,246,029	1,862,538
Other assets	5,128,013	5,119,584
Total assets	151,269,805	153,427,336
Liabilities		
Insurance liabilities	118,876,278	114,676,009
Borrowings	2,557,498	4,227,825
Provisions & other payables	9,969,514	15,439,985
Total liabilities	131,403,290	134,343,819
Net assets	19,866,515	19,083,517

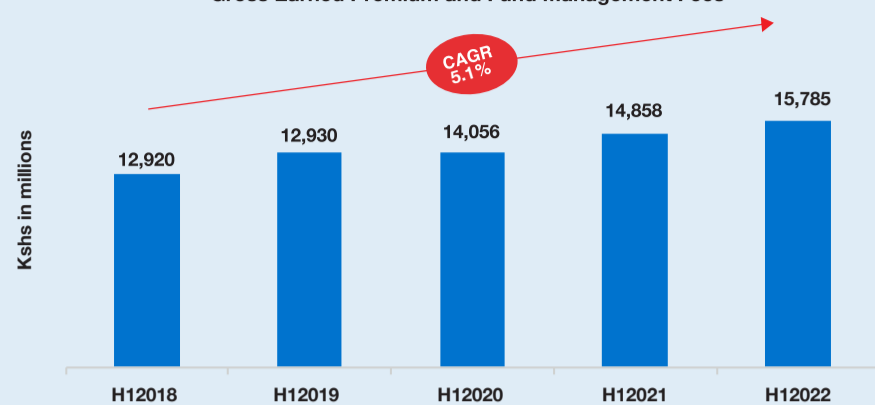
SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

	Un-Audited 30-Jun-22 Shs'000	Un-Audited 30-Jun-21 Shs'000
Operating activities		
Cash generated from operations	2,685,815	1,663,343
Income tax paid	(19,320)	(68,132)
Net cash generated from operating activities	2,666,495	1,595,211
Net cash used in investing activities	(78,442)	(282,108)
Net cash used in financing activities	(1,831,053)	(241,450)
Net increase in cash and cash equivalents	757,000	1,071,653
Movement in cash and cash equivalents		
At the start of the year	7,499,485	7,498,000
Increase	757,000	1,071,653
At end of the period	8,256,485	8,569,653

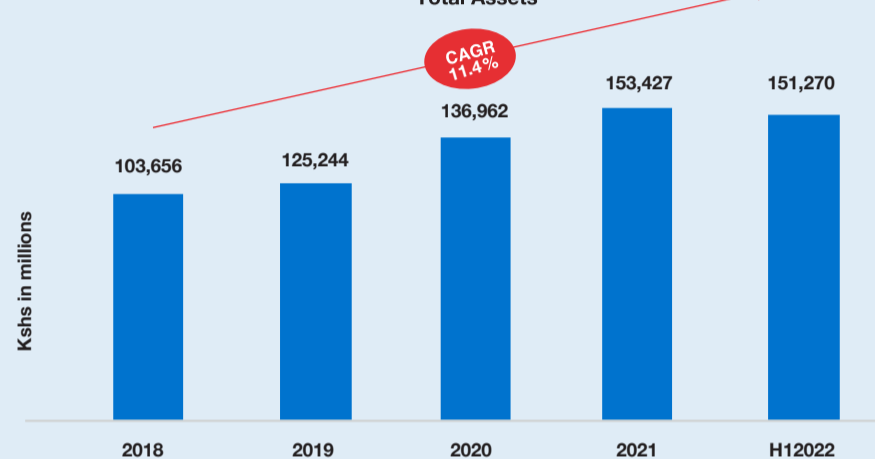
SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Share premium Shs'000	Retained earnings and other reserves Shs'000	Total equity Shs'000
At 1 January 2022	252,344	13,237,451	5,593,722	19,083,517
Profit for the period	-	-	667,530	667,530
Other comprehensive income for the period	-	-	115,468	115,468
At 30 June 2022	252,344	13,237,451	6,376,720	19,866,515

Gross Earned Premium and Fund Management Fees



Total Assets



Commentary on the Group 2022 Half Year Results

The Group has recorded a profit before tax of Kshs 1.04 billion in the six-month period to 30 June 2022. This is a significant improvement compared to a profit before tax of Kshs 0.65 billion recorded in the same period in the financial year 2021.

The encouraging performance is attributed to a growth in gross earned premiums and investment income from the Group's investments. The implementation of the new transformational strategy is already bearing positive results in terms of growth in revenues, operating efficiencies, and stabilization of financial performance.

The Group continued to experience growth in revenues from both local and regional businesses. The total gross earned premium and management fees in the six-month period was up 6.0 percent to Kshs 15.8 billion. The International general insurance businesses continue to contribute to the Group's revenues and profitability. The businesses generated 23 percent of the Group's total gross earned premiums as part of the Group's revenue diversification strategy.

There was significant growth in investment income mainly from interest and dividends. The growth was driven by an ongoing shift of the Group's investment strategy which has seen a re-allocation of investments portfolio to drive stabilization and growth of yields. Investment income grew by 26.0 percent to Kshs 6.2 billion compared to Kshs 4.9 billion recorded in the same period of 2021.

The Group continues to experience an improvement in operating cost efficiency which is in line with the new strategy. The underlying operating expenses ratio for the six-month period was at 30 percent down from 32 percent in 2021 as the Group continues to pursue prudent cost management initiatives. The business continues to grow revenues while containing the growth of operating costs.

However, the Group's profitability was negatively impacted by fair value losses on investment assets, especially on its fixed income instruments. This is attributed to the challenging macroeconomic environment which has witnessed yields shifting upwards driven by inflationary pressures and a tightening credit environment.

The total shareholders equity as at 30 June 2022 stood at Kshs 19.9 billion. This is a 4.1 percent increase from 31 December 2021 reflecting the improved financial results.

The business remains fundamentally strong. The ongoing execution of the Group's EPIC² #OneBritam Transformational Strategy is expected to continue growing the business and its profitability.

Other Matters

Dividends

The Board of Directors did not recommend the payment of an interim dividend for the half year period ended 30 June 2022.

The above summary consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and other disclosures are extracted from the unaudited financial results of the Group which were approved by the Board of Directors on 30 August 2022.

By Order of the Board:

Mr. Kuria Muchiru

Chairman

Ms. Caroline Kigen

Director