BRITAM HOLDINGS PLC

AUDITED SUMMARY CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors is pleased to announce the Group's audited results for the financial year ended 31 December 2022

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 2022 Shs'000	Audited 2021 Shs'000
Gross earned premium and fund management fees	33,402,890	32,523,890
Less: reinsurance premium ceded	(7,077,697)	(6,823,395)
Net earned revenue	**26,325,193**	**25,700,495**
Interest and dividend income	13,007,944	10,872,447
Net gain from investment property	643,237	(206,410)
Gains/(losses) on financial assets at fair value through profit or loss	(3,913,086)	1,799,672
Commissions earned	1,603,056	1,459,547
Other income	540,086	602,224
Total income	**38,206,430**	**40,227,975**
Expenses		
Net insurance claims, increase in policyholder's benefits and loss adjustment expenses	17,860,203	17,840,426
Interest payments/increase in unit value	4,922,686	5,230,998
Operating and other expenses	8,365,770	11,327,916
Finance costs	272,917	413,989
Commissions expense	3,830,040	4,117,100
Total expenses	**35,251,616**	**38,930,429**
Profit before share of loss of associate	**2,954,814**	**1,297,546**
Share of results of associates	(2,760)	(286,085)
Profit before tax	**2,952,054**	**1,011,461**
Income tax expense	(1,260,755)	(939,337)
Profit for the year	**1,691,299**	**72,124**
Gains on revaluation of financial assets at fair value through other comprehensive income	86,374	1,992,717
Others adjustments	(19,596)	(48,156)
Total other comprehensive income	**66,778**	**1,944,561**
Comprehensive income for the year	**1,758,077**	**2,016,685**
Basic and diluted earnings per share (Shs)	0.63	0.02

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31-Dec-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	13,583,135	16,394,912
Accumulated losses	(6,468,770)	(10,943,574)
Shareholder's funds	**20,604,160**	**18,941,133**
Non-controlling interest	237,434	142,384
Total equity	**20,841,594**	**19,083,517**
Assets		
Fixed and intangible assets	2,226,371	2,672,572
Investment assets	134,914,548	130,376,533
Insurance assets	14,415,781	13,396,109
Cash and cash equivalents	1,798,708	1,862,538
Other assets	5,066,371	5,119,584
Total assets	**158,421,779**	**153,427,336**
Liabilities		
Insurance liabilities	125,457,686	114,676,009
Borrowings	2,540,223	4,227,825
Provisions and other payables	9,582,276	15,439,985
Total liabilities	**137,580,185**	**134,343,819**
Net assets	**20,841,594**	**19,083,517**

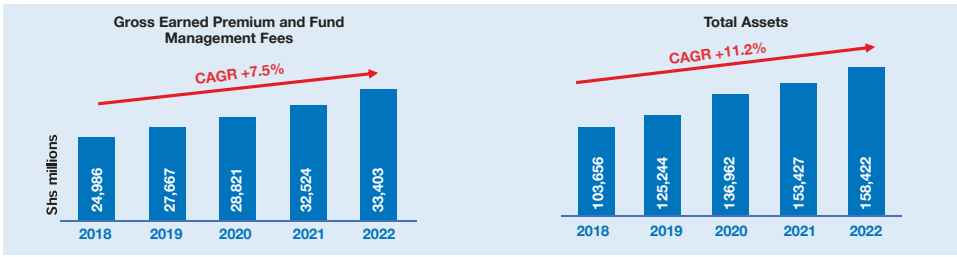
SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

	Audited 2022 Shs'000	Audited 2021 Shs'000
Operating activities		
Cash generated from operations	3,028,503	1,510,052
Income tax paid	(231,073)	(246,521)
Net cash generated from operating activities	**2,797,430**	**1,263,531**
Net cash used in investing activities	(125,567)	(230,102)
Net cash used in financing activities	(2,179,494)	(1,031,944)
Net increase in cash and cash equivalents	**492,369**	**1,485**
Movement in cash and cash equivalents		
At the start of the year	7,499,485	7,498,000
Increase	492,369	1,485
At the end of the year	**7,991,854**	**7,499,485**

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserves and non-controlling interest	Total equity
	Shs'000	Shs'000	Shs'000	Shs'000
At 1 January 2022	**252,344**	**13,237,451**	**5,593,722**	**19,083,517**
Profit for the year	-	-	1,691,299	1,691,299
Other comprehensive income	-	-	66,778	66,778
At 31 December 2022	**252,344**	**13,237,451**	**7,351,799**	**20,841,594**

2022 Performance Highlights



Commentary on the Group 2022 Financial Results

The Group has reported a profit before tax of Shs 2.95 billion for the financial year ended 31 December 2022. This is a significant improvement compared to a profit before tax of Shs 1.01 billion reported in the financial year ended 31 December 2021.

The improved performance is attributable to a growth in top line revenue as well as operating efficiency and cost management initiatives. This together with improved dividend and interest income helped cushion the significant fair value losses to register improved profitability.

Overall, the Group's gross earned premiums and fund management fees grew by 2.7 percent to Shs 33.4 billion with the regional units continuing to significantly contribute to the Group's revenue and profitability. The international general insurance businesses contributed 23 percent of the Group's gross earned premiums.

The Group remains focused on the improvement of operating efficiency. Total operating costs were down 26.1 percent to Shs 8.4 billion from Shs 11.3 billion reported in 2021. Reduction in costs is due to efficiencies derived from cost containment measures under the new strategy's operating model.

The total shareholders equity as at 31 December 2022 stood at Shs 20.8 billion. This is a 9.2 percent increase from 31 December 2021 reflecting the improved financial results.

The ongoing execution of the Group's EPIC^2 #OneBritam Transformational Strategy is expected to continue creating value by growing the business and its profitability.

Other Matters

Dividends

The Board of Directors do not recommend the payment of a dividend for the year ended 31 December 2022. The Annual General Meeting is scheduled to be held on or about 9 June 2023.

The above summary Consolidated Statement of Profit or Loss and Other Comprehensive Income, Summary Consolidated Statement of Financial Position, Summary Consolidated Statement of Cash Flows, and other disclosures are extracted from the 2022 Audited Consolidated Financial Statements which were approved by the Board of Directors on 28 March 2023 and signed on its behalf by:

By Order of the Board

Mr. Kuria Muchiru
Chairman

Mrs. Caroline Kigen
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 2022 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 2022. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the 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 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 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. 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 March 2023. 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 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.

FCPA Richard Njoroge, Practising certificate No. 1244
Engagement partner responsible for the audit

For and behalf of PricewaterhouseCoopers LLP

Certified Public Accountants
Nairobi
28 March 2023