



LIBERTY

In it with you

Liberty General Insurance Uganda Limited Annual Report And Financial Statements

For The Year Ended 31 December 2024



About the theme

The theme for this year's annual report is :

“Enhancing Stakeholder Confidence through Resilient Sustainability Practices Amidst a Rapidly Evolving World.”

Stakeholder confidence is built on predictable performance, transparent governance and credible commitment to long-term value.

For Liberty General Insurance Uganda, operating in a rapidly evolving socio-economic and climatic environment, resilient sustainability practices are no longer optional — they are strategic differentiators. Liberty General Insurance adopted a phased approach that combines risk management, product innovation, operational resilience, measurable ESG reporting, and proactive stakeholder engagement to:

- *Protect capital and reputation,*
- *Reduce volatility from physical and transition risks,*
- *Create new growth opportunities (green products, micro-insurance and resilience services), and*
- *Demonstrate measurable progress to customers, regulators, employees, investors and communities.*

Through our brand promise, “in it with you”, we want stakeholders to experience how we live their journey with them while preserving the natural capital our business depends on and working towards a prosperous and thriving society.



Challenges from a short-term insurance perspective.

- **Higher exposure to climate and socio-economic shocks.**

Extreme weather events, flooding and agricultural shocks disproportionately affect customers and regional assets, driving claims volatility.

- **Regulatory & market expectations evolving.** Regulators, institutional clients and global reinsurers increasingly seek proof of ESG integration, climate risk assessment and contingency planning.

- **Digital disruption & fraud risk.** Rapid digital adoption improves distribution but increases cyber and fraud exposures and expectations for seamless, reliable service.

- **Stakeholder trust is fragile.**

Claims handling, pricing fairness, and response to crises shape reputation quickly in a connected market.

These realities make our resilience central to a sustainability agenda that restores and grows stakeholder confidence at Liberty General Insurance Uganda

Our Stakeholder and what they care about

1. Retail customers — fair pricing, fast/transparent claims, accessible products that protect livelihoods, and timely communication.
2. Regulators & supervisors — solvency, consumer protection, compliance with evolving climate/disclosure expectations.
3. Reinsurers & capital providers — credible risk management, climate scenario analysis, asset quality in investments.
4. Employees & Intermediaries — job security, upskilling, organisational purpose, safe working environment.
5. Shareholders / Holding Company — sustainable returns, prudent capital allocation and reputational risk management.

Understanding each group's priorities has enabled Liberty General Insurance Uganda design targeted measures that deliver visible and tangible outcomes.

Core pillars of resilient sustainability for Liberty General Insurance Uganda

Governance & leadership

- Establish a Sustainability & Resilience Steering Committee chaired by an Exco member, with representation from Underwriting, Claims, Finance, operations, compliance and HR.
- Integrate sustainability and climate risk into the Enterprise Risk Management (ERM) framework and board reporting.
- Define clear accountability & KPIs for senior Exco members linked to sustainability outcomes such as claims turnaround time; reduction in paper use.

Risk identification and planning

- Conduct hazard mapping to identify most vulnerable policy portfolios such as motor portfolios in flood zones; property portfolios in high-risk areas; crop insurance exposures.
- Use scenario testing to adjust risk pricing, Reinsurance, and capital allocation.

Product design and underwriting

- Develop resilience-building products: micro-insurance for smallholder farmers; weather-indexed crop covers; scaled bundles with risk-reduction services.
- Strengthen underwriting by integrating geospatial, climate and satellite data where possible and partnering with local data providers.

Claims excellence and rapid response

- Build mobile-first claims intake and status tracking that works offline and via USSD
- Publish claims outcome metrics regularly i.e time to payment, % of claims settled customer satisfaction to demonstrate fairness and responsiveness.

Operational resilience and digital security

- Harden IT systems with business continuity plans and tested disaster recovery processes; maintain segmented backups and incident response playbooks.
- Adopt multi-channel distribution while prioritising fraud detection, data privacy, and cybersecurity training for staff and agents.

Transparency, measurement & reporting

- Commit to periodic public reporting of

sustainability metrics: underwriting exposure by risk type, climate scenario outcomes, claims KPIs, and investment ESG exposures.

- Use clear, simple dashboards for stakeholders (board, regulators, customers) to show progress against targets.

Stakeholder engagement & communication

- Build a crisis communication dashboard that prioritises rapid, factual updates to affected customers and partners.
- Engage regulators proactively: share stress-test assumptions and proposed product innovations for alignment and faster approvals.

Capacity building and partnerships

- Upskill underwriters, claims handlers and agents on climate risk, and resilience advisory.
- Partner with local NGOs, government agencies and Fintechs to access data, distribution channels

Measurable KPIs and targets that Liberty General has embarked on.

Governance and process

- Sustainability Steering Committee meets quarterly; annual board briefing on ESG and climate risk.

Underwriting and product

- % of new product designs that include resilience features: target 40% by Year 2.
- % of portfolio with climate risk overlays: target 70% within 2years.

Claims & customer outcomes

- Claims payment time in major weather events: target <7 days via Fast-pay.
- Customer claims satisfaction Index: target ≥85%.

Operational resilience

- Core systems Uptime; maintain <4-hour for customer-facing systems.

By embedding resilient sustainability practices into governance, products, claims, and investments, Liberty General Insurance has protected customers, reduced volatility, and demonstrated leadership in an uncertain times. This has resulted in stronger stakeholder confidence, a reinforced social licence to operate, and sustainable long-term growth.



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In it with you

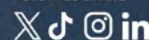
The Insurer of the Future will be at the National E-Mobility Expo 2025

Visit our booth to see how we use insurance solutions to power
innovation and support individuals and businesses.



Visit our Website: www.liberty.co.ug
To get a quote call: +256 312 246 500

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Acronyms

ITC	Insurance Training College	ACCA	Association of Chartered Certified Accountants
AI	Artificial Intelligence	FCCA	Fellow of the Association of Chartered Certified Accountants
CAR	Capital Adequacy Requirement	E2E	End to End
EE	Employee Experience	SMEs	Small Medium Enterprises
SBUL	Stanbic Bank Uganda Limited	UIA	Uganda Insurers Association
ESG	Environmental, social and governance	UPR	Unearned Premium reserve
IR	Integrated Reporting	URA	Uganda Revenue Authority
UN	United Nations	SDGs	Sustainable Development Goals
UK	United Kingdom	IR	Integrated Reporting
PRI	Principles for Responsible Investment	UN	United Nations
BCP	Business Continuity Plan	PRI	Principles for Responsible Investment
BDMs	Business Development Managers	ESD	Enterprise Supplier Development
DSAs	Direct Sales Agents	COU	Church Of Uganda
IFRS	International Financial Reporting Standards	PwC	PricewaterhouseCoopers
LHL	Liberty Holdings Limited	CAE	Client and Adviser Experience
BoU	Bank of Uganda	ECM/DFS	Emerging Consumer Market and Direct Financial Services
CBR	Central Bank Rate	LibFin	Liberty Financial Solutions
CSR	Corporate Social Responsibility	SEE	Social, Environment and Economic Impact
ERM	Enterprise Risk Management	MDI	Micro Deposit Taking Institution
GDP	Gross Domestic Product	ALM	Asset Liability Matching
GWP	Gross Written Premium	CTI	Cost To Income Ratio
IBNR	Incurred But Not Reported	IRA	Insurance Regulatory Authority of Uganda
MD	Managing Director	AGM	Annual General Meeting
IRA	Insurance Regulatory Authority	IFRS	International Financial Reporting Standard
KYC	Know Your Client	EXCO	Executive Committee
LGIUL	Liberty General Insurance Uganda Limited	ERM	Enterprise Resource Management
MBA	Masters of Business Administration	PBT	Profit Before Tax
NSSF	National Social Security Fund	NBV	New Business Value
ROE	Return On Equity	DAE	Directly Attributable Expenses
NPS	Net Promoter Score	SHS	Uganda Shillings
KCCA	Kampala Capital City Authority	KPIs	Key Performance Indicators
CSI	Corporate Social Investment	NGO	Non Governmental Organisation
IT	Information Technology	KG	Kilogram
USSD	Unstructured Supplementary Service Data	FY	Financial Year
L	Litres	GIA	Group Internal Audit

Financial definitions

Insurance revenue: Income earned from the premiums paid by policyholders for insurance coverage. It is the amount recognised as revenue from the sale of insurance contracts over a specified period.

Insurance service expenses: Refer to the costs incurred in fulfilling the contractual obligations to policyholders. These expenses typically include claims, benefits, and other expenses related to providing insurance services under the terms of an insurance contract.

Net expense from reinsurance contracts held: Cost incurred for reinsurance activities. It reflects premiums paid to reinsurers less the recoveries received and any commissions or other benefits received under the reinsurance contracts.

Net Insurance service result: Represents the financial outcome of an insurance company's core underwriting activities over a specific period.

Interest income: Income earned on non-underwriting activities such as interest income earned on investments in financial instruments.

Other Expenses: Relates to the profit share allocation expense under bancassurance arrangements with Stanbic Bank. It also includes realised and unrealised foreign exchange losses and gains.

Profit for the year: Annual profits attributable to the ordinary shareholders, minorities, and preference shareholders.

Reinsurance contract assets: Refer to the rights and recoverable amounts that an insurance company is entitled to receive from its reinsurers under reinsurance contracts. These assets arise when the expected recoveries from reinsurers exceed the amounts the insurer owes in premiums or liabilities to the reinsurer.

Insurance contract liabilities: Refer to the obligations an insurance company has under its insurance contracts to provide benefits and services to policyholders in the future. These

liabilities represent the expected present value of future cash outflows (such as claims, benefits, and expenses) that the insurer is responsible for under its insurance contract.

Return on equity (ROE): Earnings as a percentage of ordinary shareholders' funds.

Cost To Income (CTI): Measure of how efficiently an insurer is managing its operating costs relative to the income it generates. This is the ratio of operating expenses to insurance revenue.

JAWs: Measures the difference between the growth rate of income and the growth rate of expenses over the same period.

Capital adequacy ratio: Level of funding/ capital required to satisfy a specified economic capital constraint such as settlement of liabilities.

Finance Expense from Insurance Contracts Issued: This is the interest cost that accrues on the insurer's own obligations to policyholders over time. It represents the increase in the present value of the liability because the due date for future claim payments is getting closer.

Finance Income from Reinsurance Contracts Held: This is the interest income that accrues on the insurer's right to recover amounts from a reinsurer. It represents the increase in the present value of the asset because the reimbursement date from the reinsurer is getting closer.

Directly Attributable Expenses: Expenses that an entity can attribute directly to fulfilling a portfolio of insurance contracts (or groups of contracts). These are the incremental costs of acquiring and servicing those specific contracts.

Other operating expenses (non-attributable): All other operating expenses that cannot be directly linked to a specific portfolio or group of insurance contracts. These are general overhead and administrative costs that support the entity as a whole.

Corporate information

DIRECTORS

Mr. Peter Kabatsi * Chairman

Mr. Kamlesh M Madhvani * Member

Mr. Gustav Jenkins *** Member

Ms. Esther Joan Nabasiye Kasirye * Member

Ms. Pheona Wall Nabasa * Member

Liberty Holdings Limited *** Member

Marasa Holdings Limited * Member

Independent Sugar Estates Limited * Member

*Ugandan ***South African

BANKERS

Stanbic Bank Uganda Limited

Kampala Corporate Branch
P O Box 7131
Kampala, Uganda

Bank of Baroda Uganda Limited

Plot 18, Kampala Road
P O Box 7197
Kampala, Uganda

Equity Bank Uganda Limited

Plot 390, Muteesa 1 Road, Katwe
P O Box 10184
Kampala, Uganda

Bank of India Uganda Limited

Plot 37 Jinja Road
P O Box 7332
Kampala, Uganda

Stanbic Bank Uganda Limited

Kampala Corporate Branch
P O Box 7131
Kampala, Uganda

NCBA Bank

Twed Towers, Plot 10 Kafu Road, Nakasero
P O Box 74827
Kampala, Uganda

Equity Bank Uganda Limited

Plot 390, Muteesa 1 Road, Katwe
P O Box 10184
Kampala, Uganda

Tropical Bank Uganda Limited

Plot 27 Kampala Road
P O Box 9485
Kampala, Uganda

LAWYERS

Katende Ssempebwa and Co Advocates

Plot 20 Kampala Road, Radiant House
Kampala, Uganda

Tiba Ngongo Ssanyu and Co Advocates

Kyebando Nsooba, Nyanzi Road
P O Box 11217
Kampala, Uganda

Arcadia Advocates

Plot 6, Acacia Avenue 3 rd Floor,
Acacia Place
P O Box 28987
Kampala, Uganda

COMPANY SECRETARY

Eswar Koduvayur Parasuraman
Kampala Central Division
P.O Box 22938, Kampala

REGISTERED OFFICE

3rd Floor, 99 Buganda Road
P O Box 22938
Kampala

About our 2024 integrated annual report



This integrated report is addressed to our shareholders, as the providers of financial capital, but contains financial and non-financial information that other stakeholders may find valuable. Our 2024 integrated annual report reviews the social, economic and environmental impacts that support our promise, purpose of improving people's lives by making their financial freedom possible. **Liberty is in it with you.**

Scope and boundary

This report covers the performance of Liberty General Insurance Uganda Limited for the year ended 31 December 2024 and any material information up to the board approval date of 20th March 2025 is included.

The report covers the Company's operations in Uganda as that is where it has a presence and we have included comparative numbers where applicable and available.

Using strategic value drivers and key performance indicators, the report also provides readers with both quantitative and qualitative measures of how Liberty General Insurance has delivered on its purpose and against its strategy in 2024.

Materiality

Material matters encompass the high-likelihood, high-consequence factors that have a significant influence on our ability to create, preserve or erode Liberty's value over the short, medium and long term. Our evaluation includes both positive and negative matters, considering their impact on the six capitals as well as alignment with our turnaround objectives.

By focusing on these material matters, we ensure that our strategic decisions, resource allocation and efforts are directed towards addressing the most critical factors that contribute to our long-term sustainability and value creation. The content is further guided by the material matters determined during the preparation process. Content is reviewed by subject matter experts from the business, as well as executives and Board members, with the



Our integrated thinking is reflected in our targets and key performance indicators that cover financial and non-financial performance as well as strategy, risks and how we deliver value to stakeholders.

Our digital report is available on our website; www.liberty.co.ug.

Audit and Risk Committee and the Social, Ethics and Sustainability Committee formally recommending approval of the report to Board. In approving the integrated report, the Board assumes ultimate accountability for the content, completeness and reliability of the report. *The material matters are detailed on page 62.*

Frameworks and other reports

A team from the Finance Division produces the integrated report and supplementary information, under the supervision of our Chief Financial Officer, Kenneth Kyamanywa. The team collaborates with representatives from all areas of the business to source the information presented in the report.

The report is prepared under the guidance of the IR Framework as adopted by the board. It conforms with the requirements of the Companies Act, 2012 Laws of Uganda, the Insurance Act, 2017 Laws of Uganda and reports are aligned with the reporting principles of King IV Report on Corporate Governance. Our sustainability strategies and reporting are informed by additional international principles, standards, and

guidelines, including the UN Global Compact, UN SDGs and UN Principles for Responsible Investment (PRI).

Our integrated thinking is reflected in our targets and key performance indicators that cover financial and non-financial performance as well as strategy, risks and how we deliver value to stakeholders.

Our digital report is available on our website; www.liberty.co.ug.

Internal controls and assurance

Liberty General Insurance applies a combined assurance approach, ensuring that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and its external reports. Price Waterhouse Coopers issued an unmodified audit opinion on the Company's financial statements. Our financial statements for the year ended 31 December 2024 have been included in this report on page 98.

Refer to corporate governance report on page 48 for more details on our internal control and assurance.

Forward-looking statements

This report contains information about Liberty General Insurance Uganda that are, or may be deemed to be, forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect or incomplete, then actual future performance and achievements may be materially different from those expressed or implied by such statements.

The key assumptions upon which the Company's prospects above were based on are summarised as below;

- *accrual accounting – meaning that the integrated annual report reflects transactions in the period in which they occur and not necessarily when cash movement occurs.*
- *Going concern – meaning that the directors assessed the ability of the Company to continue as going concern and have no reason to believe that the*

DIRECTORS' APPROVAL



Peter Kabatsi
Board Chairman



Peter Makhanu
Managing Director

business will not be a going concern for at least the next twelve months from the date of this statement.

The Board, assisted by its Board sub-committees, is ultimately responsible for overseeing the integrity of our integrated report and verifies that they have applied their collective mind in the preparation and presentation thereof.

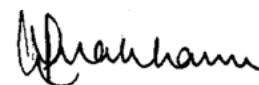
The Board acknowledges its responsibility to ensure that reports issued by Liberty General Insurance enable stakeholders make informed assessments of its performance and its short, medium- and long-term prospects.

The board further believes that the integrated report is presented in compliance with the IR Framework. The directors have applied their judgement to the disclosure of Liberty General Insurance strategic plans and ensured that these disclosures do not place Liberty General Insurance at a competitive disadvantage. Any material events up to the Board approval of this report are also included.

The board unanimously approved this report and authorised its release 20th March 2025.



Peter Kabatsi
Chairman



Peter Makhanu
Managing Director



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Our operating universe



Liberty operates in a dynamic and complex environment, with constantly emerging threats and opportunities. Liberty continued to study local and global trends in the insurance and asset management industries to proactively address opportunities and mitigate threats.

The principal emerging trends or conditions that could significantly impact Liberty's financial strength, competitive position or reputation in the long term (three years or more) are:



Focus on our customers

Our customers include those who purchase our solutions (the client) and the intermediaries (financial advisers) who provide advice when selling the solutions. We place our clients at the heart of our business and understand the critical role that our financial advisers play in the conduct of our business. As the millennial generation matures and enters its peak buying power, digital and more automated ways of doing business will become a fundamental part of day-to-day workflows.

Today's clients expect seamless, intelligent processes from financial services providers. An enhanced client experience is at the heart of these expectations.

Technologies and digital processes that deliver against these expectations must be

“
An enhanced client experience is at the heart of these expectations. Technologies and digital processes that deliver against these expectations must be implemented with a client-first rather than an administration-first mindset.

Although face-to-face interaction may be less common, traditional relationships between advisers and clients remain important. Increasing client longevity demands that insurers develop new products and provide the best advice while managing risks for shareholders. Adviser fee models are being transformed, increasing alignment with client needs and enhancing product transparency.

Generational changes also extend to employees whose expectations of employers and employment continue to contrast with existing practices. At Liberty General Insurance Uganda Limited, there is a dedicated team of business development Actuaries and other professionals who meet and work with clients to provide solutions that are tailored to their needs.



Technology



TECHNOLOGY IS CRUCIAL TO PROFITABLY DELIVER SERVICE DIFFERENTIATION.

Technology advancement is currently driving change across all industries and economies. Insurers are applying these technologies to their operations in three key areas:

- *Embracing cloud-based infrastructure, offering faster innovation, flexible resources and economies of scale*
- *Automating business processes (digitisation) and simplifying them,*
- *Selecting programmes and systems to meet client-centric strategies.*

It is not the technologies themselves but rather how they are designed, developed and implemented to serve clients and advisers that will determine the success of client-centric service organisations.

The technologies will empower clients, advisers and employees, and will dominate the industry for many years to come.

Online and digital marketing processes are necessary to reach online buyers to sustain growth. Synergies have been created in terms of IT platforms and processes across all Liberty Life African operations.



Regulation



The company is supervised and regulated by the Insurance Regulatory Authority of Uganda that was established under the insurance Act (CAP 13) Laws of Uganda, 2000 (As amended) with the main objective of ensuring effective administration, supervision, regulation and control of business of insurance in Uganda.

We further operate under the guidelines of the insurance Act 2017 that came into force on 30th March 2018.

The quarterly and annual returns, which are the set of statutory

market conduct returns submitted to the IRA, continue to be refined and form part of the off-site supervision framework for the company.

IFRS 17 Insurance Contracts that was effective for reporting periods beginning on or after 01 January 2023 has standardised the global insurance accounting landscape, improving risk management, transparency and comparability of insurance contract information. The company is committed to ensuring continued regulatory compliance.



The Ugandan economy

The Ugandan Insurance Industry continues to grow steadily. In 2024, the sector's Gross Written Premiums reached a new record high of shs 1.763 trillion, up from shs 1.603 trillion in 2023. The Industry Growth has averaged 13.5% across 7 years. The Market Penetration Rate in 2024 was 0.87%, a slight increase from prior year (0.867% in 2023) majorly attributed to an increase in the country's population.

Given the above statistics, Insurers have to develop innovative products that meet the customers' needs in order to increase the market penetration.

6.9% ↑

increase in the growth rate
(5% - 2023)

56% ↓

Share of non-life
(58% - 2023)





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weekend on the road with our
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2024 Performance Highlights

Clients and Partner focus

Client Net Promoter Score
83% (2023: 70%) , Target -60%

Gross Written Premiums
Shs 39 Billion (2023: Shs 37 Billion) , Target -Shs 43 Billion

+

Employee engagement

Employee Net Promoter Score
43%, (2023: 52%), Target > 50%

Employee Diversity - **26% Female**
(2023: 39%) , Target -50%

Skills Development Spend - **Shs 134 million,**
(2023: Shs 59 million), Budget - Shs 116 million

+

Risk and Conduct

Capital Adequacy Ratio
256%, (2023: 231%), Company Target -245%

Managed within the risk appetite,
YES

=

Operational Excellence

Cost to Income ratio,
25%,(2023:22%),Target 23%

Policy Renewal Rate
80%(2023:80%),Target 80%

+

Financial Outcome

Return on Equity - **9%,**
(2023: 10%), Target - 8%
Net profit,
Shs 1.7billion, (2023: Shs 1.8 billion),
Target Shs 1.7 billion

NBV
Shs 1.4billion, (2023: Shs 1.5 billion),
Target Shs 1.4 billion

+

SEE Impact

Social Impact

Net Claims paid
Shs 4.4 billion (2023: Shs 5.4 billion),
Budget - Shs 6.4 billion
CSI Spend
Shs 120 million (2023: Shs 80 million),
Budget - Shs 100 million

Economic Impact

Fiscal contribution
Shs 10.4 billion (2023: Shs 9.2 billion),
Budget - Shs 10 billion
2024% Spend on Local Suppliers
98% (2023: 98%),Budget - 90%

Environmental Impact

Paper Usage
1,420kg (2023: 1,592 kg),
Target <1,000 kg

Fuel consumption
23,476 litres ,(2023: 19,296 litres),
Target -<20,000 litres

Who we are



In Uganda, Liberty has over 10 years of exceptional customer service experience – offering services in long-term insurance, investments and health services. Through the acquisition of East Africa Underwriters Limited (EAUL), Liberty now offers bespoke short-term insurance to meet our customer's needs.

We offer short-term insurance solutions for Individuals, SME, Corporates and specialised risks like Oil and Gas, Infrastructure et cetera.

Our vision is to become the trusted leader in insurance and investments in Uganda by putting the customers' needs first, creating products that have market relevance and forming strong partnerships in our markets.

Whether you're a small business, large corporate or affinity group with many members, we have experience in working with our partners to understand their

needs. We believe that in times of unfortunate events, the last thing our customers should worry about is finances.

Liberty is one of the largest providers of long-term insurance solutions to Uganda's market with a strong trusted brand for over 16 years.

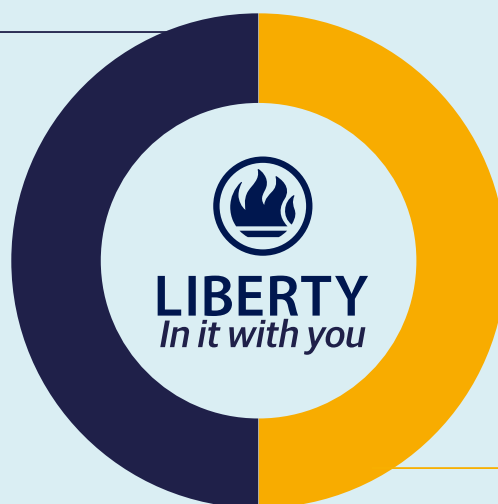
Liberty Holdings Ltd

51%

Liberty Holdings Limited 51%

Liberty General Insurance Uganda Limited (LGIUL) is 51% owned by Liberty Holdings Ltd, a Johannesburg listed insurer that was founded in 1957 by Sir Donald Gordon. Liberty Holdings is an integral part of Standard Bank group with 53.62% shareholding.

Liberty is an established and growing Pan – African financial services group, with a presence in 27 countries in Southern Africa, East and Central Africa and West Africa.



Madhvani Group Limited 49%

The remaining 49% of LGIUL is owned by Madhvani Group, one of Uganda's largest and most esteemed private enterprise groups with significant interests in almost all sectors of the economy.

The flagship company of the Group is Kakira Sugar Limited, which was established in 1930, and now enjoys a commanding position in Uganda's economy.

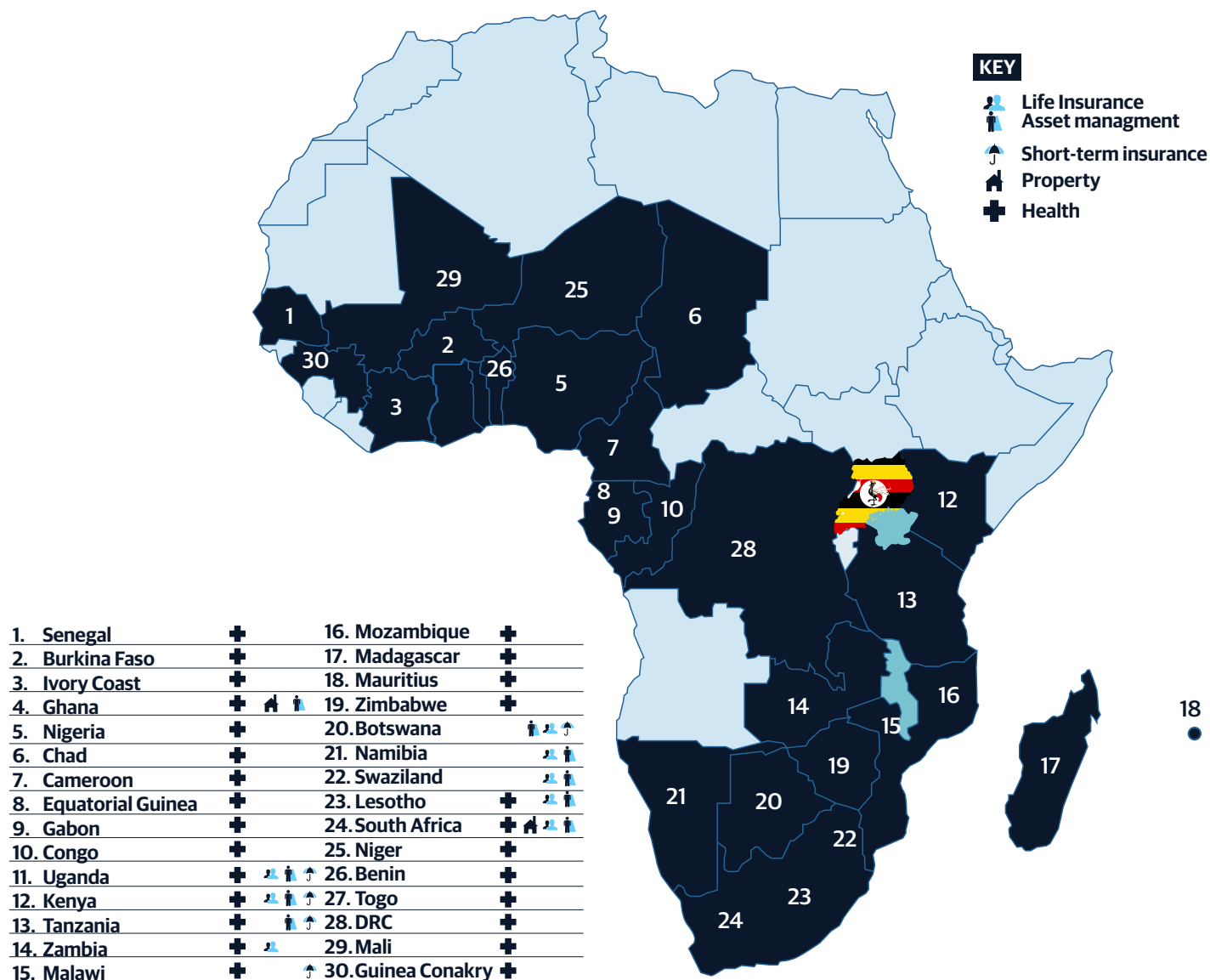
Madhvani Group Ltd

49%

Liberty Group Footprint



Liberty is a financial services group that offers an extensive, market leading range of products and services to help clients build and protect their wealth and lifestyle. Liberty is committed to supporting its shareholder, the Standard Bank Group, achieve its vision of being the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value.



Our purpose, vision, brand promise, leadership principles, strategy and execution framework

Our long-term strategy is to deliver our purpose of improving people's lives by making their financial freedom possible. A deeply held commitment to this purpose requires an understanding of our stakeholders, their impact on our operations and the value we can and should create for them.



Our Purpose

Improving people's lives by making their financial freedom possible.

We nurture our relationships and skillfully navigate risks to deliver products that help our clients mitigate life's traumatic events and increase their wealth. We focus on creating shared value and we remain committed to the UN's sustainable development goals, in particular.



Our Vision

To be the trusted leader in insurance and investment in Africa and other chosen markets by delivering superior value through exceptional client and adviser experiences.

We remain resolute in developing competitive value propositions for our clients, driving efficiency through simplification, managing risk appropriately, deploying capital effectively and pursuing profitable growth opportunities.



Our Brand Promise

In it with you

Being there to support our clients, their families and dependants at the most profound moments of human vulnerability lies at the heart of our purpose.



Our Leadership Principles

 **Imagine it's possible.**

 **Act with humanity.**

 **Do what matters.**

Liberty strives for a culture where everyone in the Liberty community takes accountability and responsibility for ensuring that we do the right business the right way and that financial resources are managed responsibly. This is influenced by setting the tone at the top and having values, ethics and practices to support the achievement of our purpose and vision.



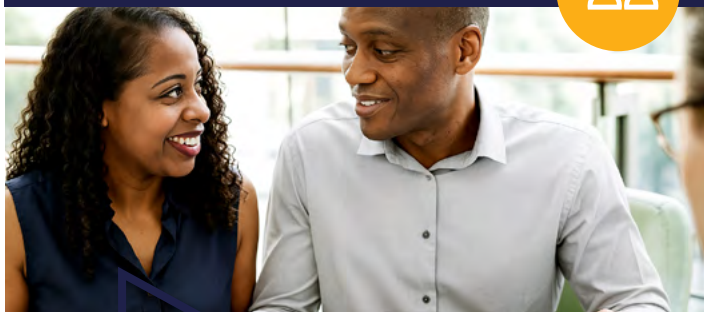
Our Strategy

The future of Liberty lies in augmenting the power of the human to human engagement between our advisers and clients, with the power of a scalable digital engagement platform where we will provide simple and intuitive tools and solutions grounded in the best advice.

Delivering on our purpose creates value for all stakeholders

Our long-term strategy is to deliver our purpose of improving people's lives by making their financial freedom possible. A deeply held commitment to this purpose requires an understanding of our stakeholders, their impact on our operations and the value we can and should create for them.

FOCUS ON OUR CUSTOMERS



Our clients are the primary reason for our existence and a significant source of capital that we apply and manage for their benefit and the creation of value for all our stakeholders. We seek to understand each client's unique needs in order to provide the products and services that enable them to achieve their life's purpose.

Developing, preserving and enhancing relationships between clients, advisers and Liberty is fundamental to our ability to deliver on our purpose, the attraction and retention of financial advisers and Liberty's financial success.

Value created and preserved by

- Objective and impartial advice
- Insurance products that meet clients' needs
- Investment returns

Value is measured by the clients' NPS

EMPLOYEE ENGAGEMENT



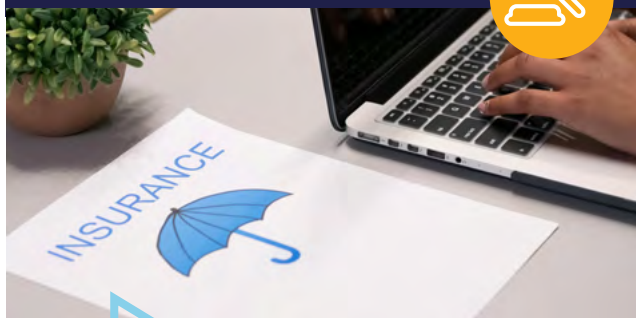
As a critical stakeholder, our employees are vital to the sustainability of our business. They live the Liberty values every day and hold themselves accountable and responsible for their own and the business' performance. Our employees have the necessary capacity, skills and expertise to enable us to attain our strategic goals. We aim to create an environment where our employees feel empowered and motivated. We want them to engage with our culture of excellence, humanity and loyalty so we can meet the needs of our communities, clients and other stakeholders.

Value created and preserved by

- Salaries
- Other employment benefits
- Workforce diversity
- Employee wellness programme
- Targeted training and development to meet career aspirations

Value is measured by the employee NPS

REGULATORS



All our stakeholders expect us to manage business risk and behave in an ethical manner that ensures compliance with the form and substance of laws, regulations, codes and standards.

Through our governance structures and processes we aim to anticipate, meet and exceed the requirements of the increasing regulation of our industry.

We strive to conduct our business in a responsible manner from managing our environmental footprint to protecting our clients' and employees' personal information. Our goal is to manage our business in a safe, secure and profitable manner for the benefit of all stakeholders, build trust and enhance our reputation.

Value is created and preserved by:

- Building trust in Liberty and the industry
 - Responding appropriately and transparently to complaints
 - Minimising fines and penalties
 - Fund rehabilitation
- Value is measured by the fiscal contributions made

INVESTORS



Investors provide capital to fund the Company's operations and meet regulatory capital requirements, allowing business continuity and growth.

We extend our sincere gratitude to our investors for their continued trust and partnership. Your commitment enables us to pursue our long-term vision with conviction. In a dynamic economic environment, our focus remains on prudent capital allocation, operational excellence, and the innovation necessary to seize future opportunities. We are energised by the prospects before us and are dedicated to stewarding your investment toward a prosperous future.

Value created and preserved by

- Governance practices that promote Liberty's long-term sustainability
- Maintaining adequate capital to fulfil our promises
- Sustainable financial returns
- Dividends

Value is measured by the ROE

CIVIL SOCIETY



Liberty's long-term, sustainable development can only be achieved through the growth and success of the communities in which we operate. We are committed to strengthening these communities.

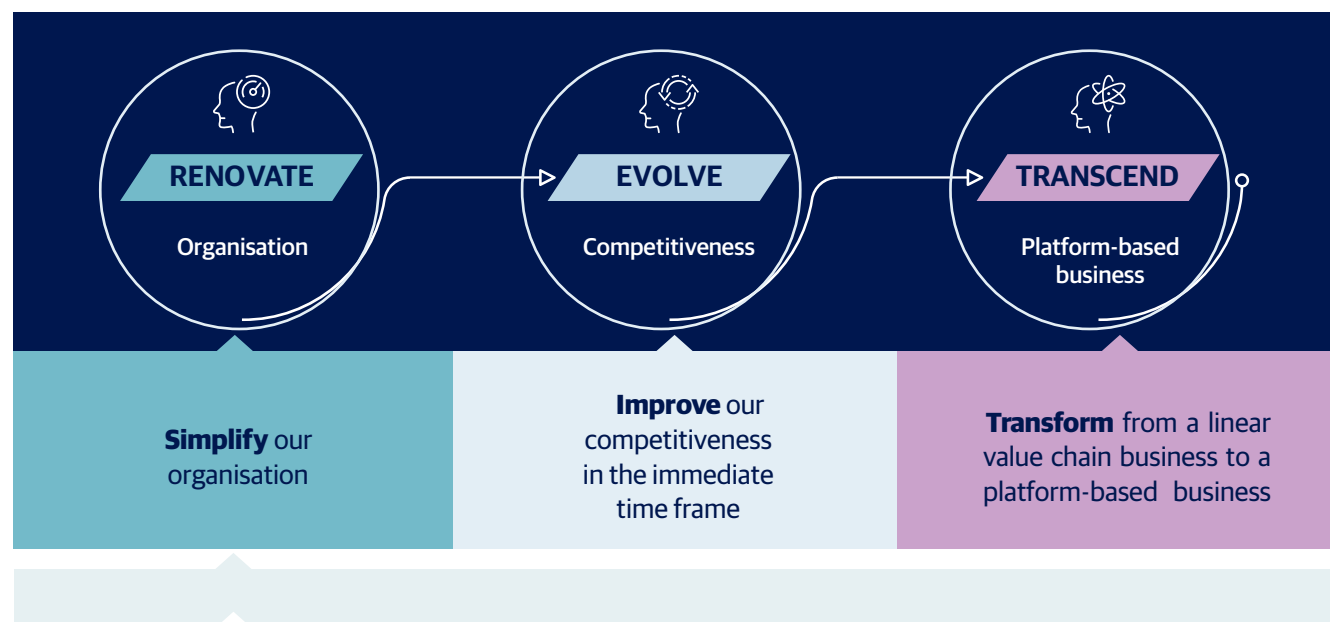
Value is measured by the CSI spend, spend on local suppliers and the net claims paid

Value created and preserved by:

- Financial Literacy programmes through Mind my Money
- Corporate social responsibility spend and activities
- Environmental protection spend and projects
- Taxes collected and paid



Our Execution Framework



- Do **what we do** today but **better**
- Simplify our **product landscape** and **enterprise architecture**
- Accelerate our advisers' **digital enablement** capabilities
- Complete our **cloud roadmap implementation**

- Drive the delivery of our **digital capabilities** and scalability
- Create a **continuum of propositions** rather than discrete propositions
- Develop an **engagement platform** for clients and advisers built on Salesforce, driving digital delivery and scalability for the future
- Continue our efforts to **improve investment performance** achieved
- Deliver a **competitive umbrella proposition** within our Corporate business
- Dramatically **improve client experience** with the development of a

- client engagement platform built on Salesforce that is vibrant, compelling and differentiated. It focuses on life's major transition points through which we can be relevant immediately by providing investment and risk offerings
- We also see a **deeper connection to human wellness**, particularly emotional and mental wellness.
 - **Connect Group's aspirations** of becoming a dominant insurer in Uganda, where the experience will be seamless and connected, and implemented in a sustainable manner

What we do in **renovating and simplifying** our business, **evolving** and making it **more competitive** leads to **transformation** now, not something that we think can happen in the future.

How we will achieve the future Liberty



We execute our strategy across all of Liberty's business units as detailed below;

Retail

Within the Uganda Retail business, we have collectively prioritised key programmes of work to accelerate our transformation. These are divided into two areas. Firstly, *"Engagement and Experience"* where the focus is on transforming our existing sales channels and delivering smart digital tools and enablement. The second focus area is *"Client Solutions"* where we will deliver on the end-to-end risk, end-to-end investment and simplification programmes.

Sales channel transformation

Our approach in the sales channel transformation programme centres around delivering on our client experience outcomes. We will reinvigorate our current channels in a dynamic and transformational way and scale the Salesforce-powered adviser workbench, laying the foundation for a digital engagement platform that will ultimately enable a true omnichannel client experience. Our prioritised workstreams for tied advisers include:

Our prioritised workstreams for tied advisers include:

- **Advice tools and enablement** - the adoption of the adviser workbench powered by Salesforce
- **Advice partnerships** - advice and servicing standards for existing advisers will become far more onerous as Liberty drives the ongoing engagement and connection with clients
- **Leads strategy** - the adoption of the adviser workbench through Salesforce will also pave the way for us to reimagine our leads process through AI and data-driven insights
- **Remuneration models and recognition** - to measure and reward advisers for the experience that Liberty intends delivering to our clients
- **Culture and transformation** - a strong focus on culture is required to ensure that the business is receptive to the significant amount of change being introduced

Our digital engagement platform vision

Our omnichannel strategy is dependent on the ability to gather and leverage data across all client touchpoints. Aspects to be considered when developing our digital engagement platform include:

- **Client centricity** - the client is at the heart of the platform
- **"Life journey" driven** - gathering data within the platform will be done in the context of understanding the various life journeys and life transition points that clients go through as they "live life"
- **Continuous connection facilitated by the pandemic** - Salesforce has been chosen as the technology partner to enable the digital engagement platform

Liberty Corporate

Liberty Corporate embarked on a strategy refresh journey which culminated in four strategic objectives:

- **Relevance** - sponsor an umbrella capability of scale in a market which is consolidating and commoditising
- **Optimise** - provide greater shareholder and client value through administration and product optimisation
- **Small and medium enterprises** - develop and embed an experience which links the business owners and decision-makers capabilities and/or platforms
- **Member** - participate in a platform for members linked to Liberty capabilities
- The foundation of the **strategic deliverables** lies in simplifying the environment:
- **Establish a single process flow and IT architecture** to deliver all the chosen services and product offerings

Our Value Drivers

Our strategic value drivers align our allocation of resources to our strategy. We have identified six key value drivers, shown below and continue to work on selecting the appropriate metrics for each, which support more effective resource allocation and appropriate trade-off decisions.

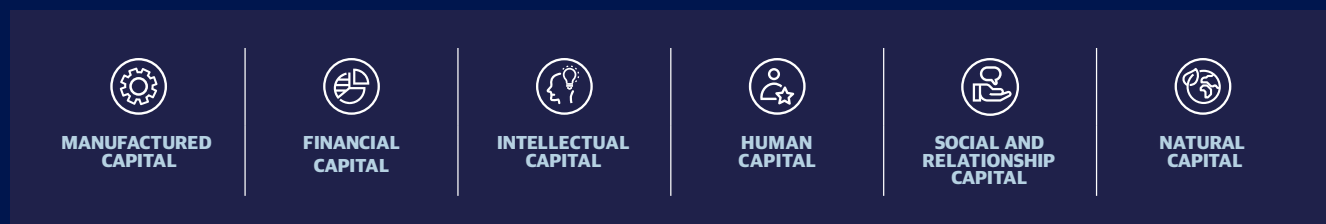
This is aimed at transforming client experience through; *client focus, employee engagement, executing with excellence, risk and conduct, operation excellence and driving sustainable growth and value through, financial outcome and see impact.*

Strategic themes



The Six Capitals

Our ability to create value for the company and its stakeholders is dependent on the management and application of resources, commonly referred to as our capitals. Capitals can be enhanced, depleted or transformed through the process of creating value. A long-term focus means that trade-offs or choices between capitals are often required to ensure the company's sustainability and our ability to create value. The six capitals and the icons used in this report are:





A holistic logistics & insurance solution for the mineral sector

Visit our booth to see how our **logistics** and **insurance** solutions power the mineral sector.



Visit our Website: www.liberty.co.ug
To get a quote call: +256 312 246 500

Follow us online —

Liberty Uganda is regulated by the Insurance Regulatory Authority of Uganda

Our Products



At Liberty General Insurance, we have experienced staff that will visit you, listen to you and talk to you all over the country on a daily basis to discuss your insurance needs. We are prepared to be flexible to design a bespoke insurance policy that suits your specific requirements.



INSURANCE COVER INCLUDES:



Fire and Special Perils & Business Interruption

This policy provides cover against loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under a fire policy. The insurance under this item is limited to loss of gross profit due to reduction in turnover or increase in cost of working.



Accident.

This policy provides cover for theft of movable property declared to the insurer, following and forcible entry into or exit from premises of threat of violence. This also relates to protection against loss of money and property of the insured or for which they are responsible stolen by an insured employee during the currency of the policy resulting in personal financial gain by the employee.



Bonds

This relates to cover for performance bonds, advance payment guarantees. Performance Bonds guarantee that a contractor or supplier will complete a project or deliver goods according to the terms of a contract. Advance Payment Bonds guarantee that a contractor or supplier will properly use an upfront payment provided by the project owner for the intended purpose of the project.



Fire and Special Perils

This policy provides cover for all assets of the insured against fire, lightning, earthquake, rain, wind, water, hail, impact by animals or vehicles, riot, strike, malicious damage.



Group Personal Accident

We provide cover for accidental death, bodily injury and or disease or illness to employees on 24-hour basis happening anywhere in the world arising out of and in the course of employment and at leisure. The death and disability benefits can be selected as a fixed sum or a multiple of annual earnings. Additional benefits include medical benefits and funeral benefits.

Our Products (Continued)



Marine Insurance

This policy covers loss of or damage to property of the insured (Including legal liabilities for general average and salvage where applicable) whilst in transit by means of the specified conveyance within the geographical limits and condition specified in the policy.



Travel

This is a protective policy that covers various risks associated with travelling. It typically includes coverage for trip cancellations or interruptions, medical emergencies, lost or damaged baggage, travel delays, and accidental death or injury.



Combined products

This is a single, packaged insurance policy that combines several essential covers into one convenient policy, often extending to other related risks.



Engineering

This policy is designed to mitigate financial losses and ensure smooth operations in engineering and construction projects. These policies include protection against construction- related damages, machinery breakdowns, installation risks, and third- party liabilities, ensuring financial security and operational continuity for engineering and construction businesses.



Motor

This relates to Motor Third Party and Comprehensive. Motor Third Party insurance is a basic and legally mandatory type of car insurance that protects the policyholder against legal liability for death, bodily injury, or property damage caused to a third party by the insured vehicle. Motor Comprehensive is an extensive policy that provides much wider coverage. It includes Third Party liability coverage plus coverage for damage to or loss of the insured's own vehicle.



Workers Compensation

Covers the insured against accidental death and /or bodily injury to employees arising out of and in the course of their employment. Benefits follow the Workers Compensation Act Cap 225 cover can be extended to include employers' liability.



Public Liability

This policy covers the legal liability arising out of and in the course of the business of the insured consequent upon:

- *Accidental death and bodily injury to third parties.*
- *Accidental loss of or physical damage to third party property.*



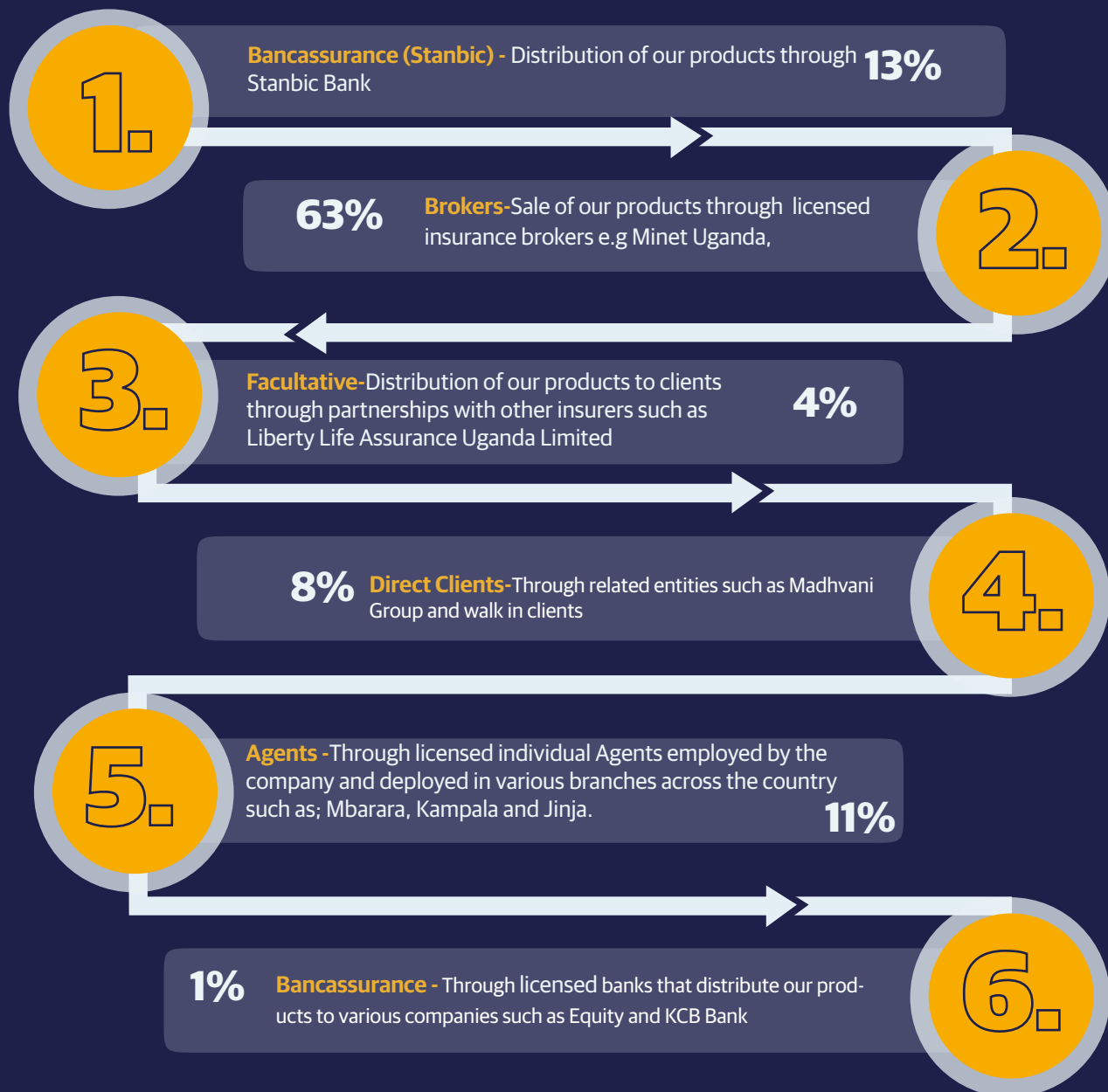
Aviation

This is a specialised form of insurance designed to cover the unique and significant risks associated with aircraft operations, including hull (the physical aircraft), liability towards passengers and third parties, and other aviation-related exposures.

OUR DISTRIBUTION CHANNELS



At Liberty, we have a wide range of distributional channels through which insurance solutions are accessed by the various stakeholders. Some of our channels are:



Some of our Partners





LIBERTY
In it with you



Risk is high in the energy sector, but so is potential.

We help operators manage risk, protect investment, and build resilience.



Liberty Uganda is regulated by the Insurance Regulatory Authority of Uganda

Business Review

The year 2024 was one of deliberate and sustainable growth for Liberty General Insurance Uganda. Our focus on diversifying and strengthening our distribution channels yielded positive results, with a 6% increase in insurance revenue driven primarily by the outstanding contributions of our brokerage, agency and bancassurance partners.

Our financial acumen was equally evident in our investment portfolio, where a disciplined and strategic approach generated a 19% growth in investment income.

This performance, highlights our ability to optimise returns in a dynamic economic environment. The cornerstone of our promise to customers is financial strength. We are therefore pleased to report a year-on-year increase in our Capital Adequacy Ratio (CAR) to 256%, significantly surpassing our internal target of 245% and the statutory minimum of 200%. This, coupled with a 9% growth in our net assets, demonstrates our robust solvency position and provides a solid platform for future growth while ensuring we remain a trusted and secure partner for our clients.

Key performance measures

Our financial performance for the 2024 was measured against three key performance metrics namely; Capital Adequacy Ratio (CAR), Profit Before Tax (PBT) and Return on Equity (ROE). Performance against these targets is as summarised below;



Bolton Atusasire, ACCA- Reporting Manager

Capital Adequacy Ratio – 256%

(2023: 231%, Target Capital Adequacy Ratio: 245%)

The Company's Capital Adequacy Ratio stood at 256% at the period end. This level is well above the 200% statutory requirement set forth in the Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2020, and also exceeds our internal prudential target of 245%. This result underscores the Company's sound capital management and its commitment to maintaining a resilient balance sheet.

Profitability – Net Profit of Shs 1.7 billion

(2023: Net Profit Shs 1.8 billion)

This was 1% above the plan and 5% below the prior year. While the result was 5% below the prior year's Shs 1.8 billion profit, this variance reflects our proactive response to atypical claims event, strategic investments in growth that increased operational expenses, and unfavourable foreign exchange movements. Our ability to navigate these challenges and still deliver on our profit target underscores the resilience of our business model and disciplined financial management.

Return on Equity – 9%

(2023: 10%, Target 8%)

We recorded an ROE of 9% this period, above our 8% target and the prior year's 10%. This result was primarily driven by the previously noted adverse claims experience and unfavourable currency movements, which compressed net profit. Importantly, our equity base remained strong, supporting future growth. Our strategic initiatives are squarely focused on enhancing profit generation through improved risk selection, expense management, and hedging strategies to shield earnings from volatility, thereby driving a sustainable improvement in ROE.

Five year performance (2020-2024)

	December 2024	December 2023	December 2022 Restated	December 2021 Restated	December 2020 Restated
	Shs'M	Shs'M	Shs'M	Shs'M	Shs'M
Insurance revenue	38,494	36,470	28,820	24,091	18,270
Insurance service expenses	(37,509)	(30,815)	(45,348)	(12,679)	(11,081)
Net expense from reinsurance contracts held	1,909	(5,681)	15,368	(10,671)	(7,176)
Net Insurance service result	2,893	(25)	(1,160)	741	13
Interest revenue	3,221	2,654	1,697	1,491	1,301
Other income/expenses	(777)	546	431	(370)	216
Net investment income	2,444	3,200	2,127	1,121	1,518
Finance expenses from insurance contracts	(2,069)	(1,275)	277	604	528
Finance income from reinsurance contracts	1,518	1,162	(205)	(562)	(378)
Net insurance finance expenses	(551)	(113)	72	42	150
Net insurance and investment result	4,786	3,062	1,039	1,904	1,680
Other operating expenses (non-attributable)	(2,507)	(823)	(814)	(2,031)	(1,822)
Profit before income tax	2,280	2,239	225	(127)	(142)
Income tax expense/(credit)	(612)	(483)	21	(183)	108
Profit before income tax	1,667	1,757	246	(310)	(33)
Other comprehensive income					
Fair value gains/(losses) on quoted shares	(15)	21	(85)	(81)	35
Deferred tax effect on fair value gains/losses	5	(6)	26	24	(10)
Other comprehensive (loss)/income	(11)	15	(59)	(57)	24
Total comprehensive income for the year	1,657	1,772	187	(367)	(9)
Metrics					
Headline Earnings	1,667	1,757	246	(310)	(33)
NBV	1,384	1,458	204	(- 257)	(- 28)
Jaws	-12%	14%	26%	20%	20%
CTI	25%	22%	25%	32%	38%
ROE	9%	10%	2%	-2%	-0.2%
Net assets or Equity	19,537	17,881	16,109	13,397	13,763

2024 performance

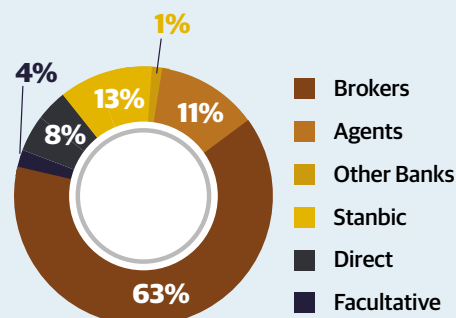


Details	Actual 2024 Shs'M	Plan 2024 Shs'M	Actual 2023 Shs'M	Actual vs Plan	Actual vs Prior Year
	Shs'M	Shs'M	Shs'M	Shs'M	Shs'M
Insurance revenue	38,494	38,644	36,470	0%	6%
Insurance service expenses	37,509	32,052	30,815	17%	22%
Net expense from reinsurance contracts held	1,909	(6,119)	(5,681)	-131%	-134%
Net Insurance service result	2,893	473	(25)	512%	-11717%
Interest revenue	3,221	2,790	2,654	15%	21%
Other income/expenses	777	187	(546)	316%	-242%
Net investment income	2,444	2,603	3,200	-6%	-24%
Finance expenses from insurance contracts	2,069	-	1,275	0%	62%
Finance income from reinsurance contracts	1,518	-	1,162	0%	31%
Net insurance finance expenses	(551)	-	(113)	0%	387%
Net insurance and investment result	4,786	3,076	3,062	56%	56%
Other operating expenses (non-attributable)	2,507	713	823	251%	205%
Profit before income tax	2,280	2,362	2,239	-4%	2%
Income tax expense	612	709	483	-14%	27%
Profit for the year	1,667	1,654	1,757	1%	-5%

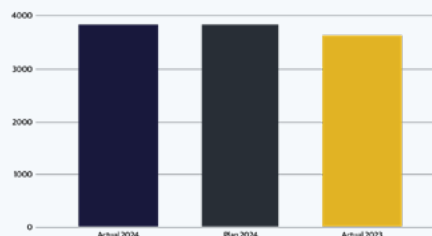
Statement of comprehensive income

	Actual 2024	Actual 2023	Target 2024
Metric	Shs'M	Shs'M	Shs'M
Financial			
Headline Earnings	1,667	1,757	1,653
NBV	1,384	1,458	1,372
Jaws	-12%	14%	8%
CTI	25%	22%	23%
ROE	9%	10%	8%
Equity	19,537	17,881	19,534
CAR	256%	231%	245%
Non Financial			
Client NPS	83%	60%	60%
Employee NPS	43%	50%	50%

GWP Contribution 2024



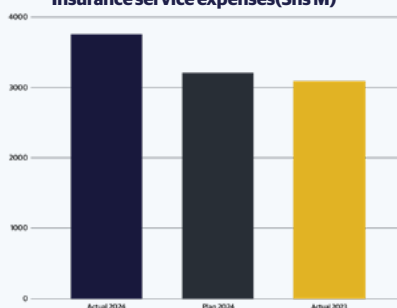
Insurance Revenue(Shs M)



Insurance Revenue

The net commission ratio reflects the costs of business acquisition. The net commission ratio for the period was 7% compared to 9% in the prior year and a budget of 10%. The year on year decrease in the commission ratio was mainly driven by the increase in the reinsurance commission income received.

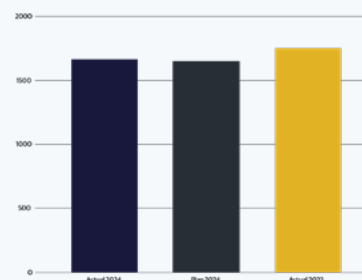
Insurance service expenses(Shs M)



Insurance service expenses

This was 17% above the plan and 22% above the prior year due to the growth in commission expenses of 9% and incurred claims of 76% due to the adverse claims experience.

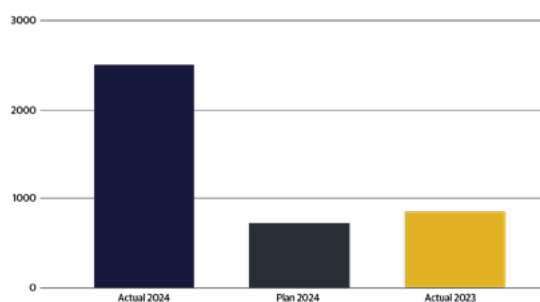
Profit for the year(Shs M)



Profit for the year

This was 1% above the plan and 5% below the prior year. The performance above the plan was mainly due to the positive insurance result and lower actual tax expense. The reduction from the prior year was due to the impact of the adverse claims experience, growth in expenses and unfavourable foreign exchange movements.

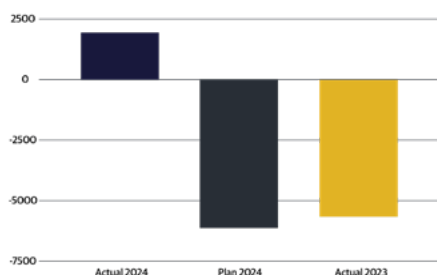
Other operating expenses (non-attributable) (Shs M)



Other operating expenses (non-attributable)

This relates to the expenses that cannot be directly linked to the insurance business unlike the DAE which are directly linked. Overall, total operating expenses grew by 18% mainly due to the growth in staff to 39 from 31 in 2023, and marketing expenses that have supported the year-on-year growth in the GWP.

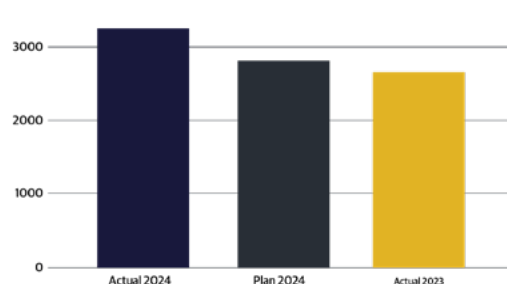
Net expense from reinsurance contracts held (Shs M)



Net expense from reinsurance contracts held

The current year reinsurance result is an income compared to the budget and prior year that are reinsurance expenses. This is due to growth in the recoveries from reinsurer's year on year by 117% due to the highly reinsured claims that impacted the current period.

Interest revenue (Shs M)

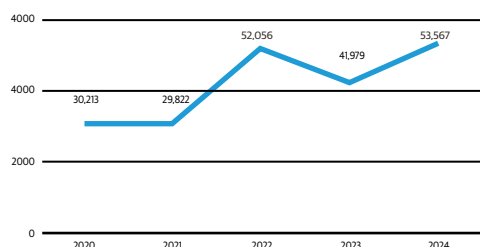


Interest revenue

This relates to the interest earned from the investment in treasury bills, fixed deposits and equities. This was above budget and prior year due to better investment rates in 2024 compared to the prior year and budget. This was also boosted by the interest on the Uganda Reinsurance Company Oil and Gas consortium interest of Shs 307 million.

Statement of financial position

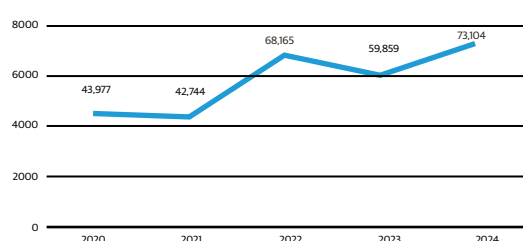
Total Assets (Shs M)



Total assets

These mainly relate to reinsurance contract assets, financial investments and premium receivables. The total assets grew by 22% due to increase in reinsurance share of insurance contract liabilities of 69% with subsequent recoveries made in 2025. The growth is also impacted by the increased investment in government securities of 10%. Management remains committed to the strategic growth of the balance sheet to protect against future large-scale claims and also fortify the investment portfolio with sustainable and secure assets.

Total Liabilities (Shs M)



Total liabilities

These mainly relate to the insurance contract liabilities, related party payables and other payables. These grew by 28% due to the growth in outstanding claims due to the adverse claim experience in 2024. Other payables and related payables grew by 40% and 55% respectively. The settlements after year end demonstrate active and effective liability resolution.

Capital management

The Company monitors its Capital Adequacy Ratio (CAR) in line with the measures established by the insurance regulatory authority of Uganda and in line with the Company's risk appetite. We are therefore pleased to report a year-on-year increase in our Capital Adequacy Ratio (CAR) to 256%, significantly surpassing our internal target of 245% and the statutory minimum of 200%. This, coupled with a 9% growth in our net assets, demonstrates our robust solvency position and provides a solid platform for future growth while ensuring we remain a trusted and secure partner for our clients.

Sensitivity Analysis.

The company monitors the impact of various factors on its future financial position, liquidity, and performance by performing various sensitivity analysis. The key performance measures that have a significant impact on the company's future performance are summarised as below;

Capital Adequacy Ratio (CAR):

This is mainly impacted by the changes in the insurance regulations such as changes in the minimum required share capital. The company uses the risk-based approach to monitor the CAR to ensure that this does not fall below the prescribed regulatory minimum of 200%. If there is a future increase in the minimum required share capital, there would be an increase in the company's capital Solvency level and the decrease in the share capital would have a negative impact on the solvency.

Return on Equity:

Investment income is another key driver of the Company's total income. This is impacted by the change in interest rates on key investments mainly commercial banks fixed deposits and government treasury

bills. A future increase in the rates would have a positive impact on the company's profitability and the reverse is true.

Capital Expenditure

The Company through its annual budgeting process identifies its capital expenditure, new products or research and development expenditure needs. Capital expenditure for property plant and equipment such as Motor Vehicles and computer equipment's are purchased in line with budget and maintained in country. New product, research and development needs identification is driven by the group company (Liberty Africa) and subsequently implemented across the different subsidiaries including Liberty General Insurance Uganda Limited.

Liquidity Management Strategy

The Company has an Asset Liability Matching (ALM) mandate that specifies the short- and long-term assets that may be used to cover for the respective liabilities. It further sets out a maximum acceptable variance of +/- 5% between each asset and liability. Under this mandate management performs a monthly ALM and thus it can determine if all short- and longterm commitments are adequately backed by the respective assets. All variances above the acceptable limit are investigated and resolved by management.

Statement of cashflow analysis

The Company demonstrated robust financial health in 2024, generating Shs 2.7 billion in cash from operating activities, an 80% increase from the Shs 1.5 billion generated in 2023. This significant growth underscores the underlying profitability and effective working capital management of our core insurance operations. We strategically deployed this strong

operating cash flow, along with existing resources, into investing activities. This resulted in a net cash outflow of Shs (2.6) billion in 2024, primarily for the reinvestment of excess capital into higher-yielding assets to secure long-term returns for the Company.

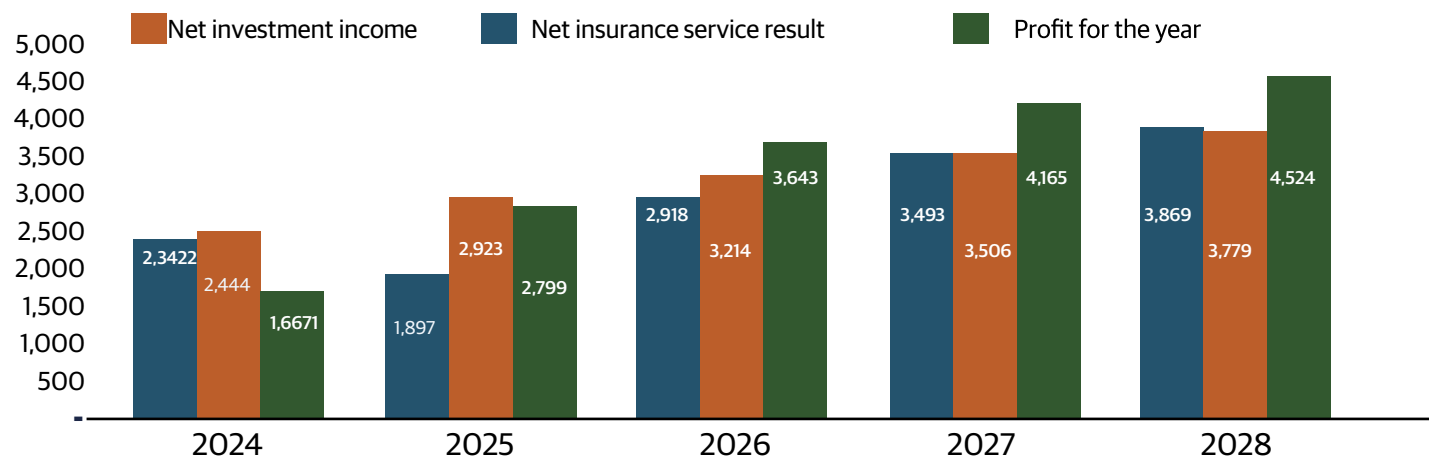
Cash flow from financing activities represented an outflow of Shs 452 million (2023: Shs 331 million), relating entirely to scheduled payments for lease liabilities. The Company did not take on new debt, reflecting our conservative and sustainable financial structure.

The Company demonstrated robust financial health in 2024, generating **Shs 2.7 billion** in cash from operating activities, an **80% increase** from the Shs 1.5 billion generated in 2023. This **significant growth** underscores the underlying **profitability and effective working capital management** of our core insurance operations.

Strategic outlook and Financial forecast summary



Financial Projections 2024-2028 (Shs M)



Period	2024	2025	2026	2027	2028
Metrics	Shs'M	Shs'M	Shs'M	Shs'M	Shs'M
Headline Earnings	1,667	2,799	3,643	4,165	4,524
NBV	1,384	2,323	3,024	3,457	3,755
Jaws	-12	16%	6%	15%	10%
CTI	25%	20%	20%	19%	18%
ROE	9%	13%	14%	14%	13%
Equity for ROE	19,537	23,536	28,741	34,691	41,154
Client Net Promoter score	83%	60%	70%	75%	80%
Employee Net Promoter Score	43%	50%	60%	65	70%

Our five-year forecast (2024-2028) demonstrates that sustainability is the cornerstone of our strategy for navigating global uncertainty. We are building a resilient organisation through disciplined financial management, with a focus on growing sustainable profitability. Profit for the year is projected to reach Shs 4.5 billion and more than doubling our equity base to ensure long-term stability. This financial strength is complemented by a drive for operational agility, as seen in our target to lower the Cost to Income Ratio to 18%, making us more efficient and scalable in a volatile economic climate.

Critically, our strategy includes intentional investment in our social capital. We are strengthening our foundation by elevating our Employee Net Promoter Score to 70%, fostering an engaged workforce capable of driving innovation. Simultaneously, we are making strategic, forward-looking adjustments to our client offerings, with a clear path to restoring an elite Client Net Promoter Score of 80% by 2028. This holistic approach ensures we are not only financially robust but also built on strong, trusted relationships, positioning us to deliver consistent value through uncertain times.

A focused drive to elevate our Employee Net Promoter Score to 70% underscores our belief that an engaged workforce is essential for navigating change and driving innovation.



Trusted by Clients Recognized for Excellence

Recent reviews by courts and the IRA complaints bureau show that LGIUL consistently maintains exceptional compliance and client-focused service.

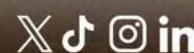


COMPLIANCE

Visit our Website: www.liberty.co.ug

Liberty Life Assurance Uganda is regulated by the Insurance Regulatory Authority of Uganda

Follow us online —



Managing Director's Report

Dear Shareholders,

It is my pleasure to present Liberty General Insurance's Annual Integrated Report for the year 2024. Despite an uncertain and challenging environment, our team has remained resilient, delivering strong performance while maintaining a solid financial position.

We have continued to prioritise our clients, ensuring reliable service and protection, while carefully managing risks and safeguarding shareholder value. Our employees and executives have shown remarkable dedication, driving progress even in difficult times.

As we look ahead, Liberty General Insurance is well-positioned to navigate uncertainty, seize growth opportunities, and achieve our long-term strategic objectives. I am confident that, together with our clients, partners, and communities, we will continue to strengthen our business and create sustainable value for all stakeholders.



Peter Makhanu
Managing Director

Operating environment

The 2024 economic environment presented a mixed landscape for short term insurance. Rising inflation and increasing cost of claims, particularly in motor and property segments, put pressure on underwriting margins. Interest rate volatility influenced investment returns, while heightened market competition challenged premium growth. Despite these headwinds, demand for comprehensive insurance products remained steady, supported by businesses and individuals seeking protection against emerging risks.

The growth outlook was more optimistic, with economic growth in the range of 6% to 6.5% in FY24/25, and over 7% in the medium term, boosted by stronger regional growth, global supply chain normalisation, oil production and the agricultural sector especially. Inflation remained below the central bank's medium-term target of 5% throughout 2024 closing at 3.3% for the year ended December 2024, compared to 2.9% for the prior year because of increases in services inflation. The Uganda Shilling remained relatively stable from increased exports and high commodity prices despite earlier volatility on the currency gaining about 3.18% against the US Dollar for 2024.

Overall, insurers navigated a cautious but resilient market, balancing risk management with opportunities for sustainable growth.

Insurance industry

The Ugandan insurance industry continues to grow steadily. In 2024, the sector's Gross Written Premiums reached a new record high of Shs 1.763 trillion, up from Shs 1.603 trillion in 2023. The Industry Growth has averaged 13.5% across 7 years. The market penetration rate in 2024 was 0.87%, a slight increase from prior year (0.867% in 2023) majorly attributed to an increase in the country's population.

General Insurance

In 2024, Uganda's short-term (non-life) insurance sector experienced steady growth. According to the Insurance Regulatory Authority (IRA), Gross Written Premiums for non-life insurance increased by 5.83%, rising from UGX 932 billion in 2023 to UGX 986 billion in 2024. This segment maintained a dominant market share of 55.95%, although slightly lower than the 58.14% share in 2023 with LGIUL's market share remaining steadily the same at 4% despite the decline of market share of general business year on year. (Source: IRA). This growth was primarily driven by increased demand for motor, property, and health insurance products.

Business performance

Our FY24 insurance revenue recorded a strong 6% increase year on year, rising from Shs 36.5b billion in 2023 to Shs 38.5 billion in 2024. This milestone not only demonstrates our ability to expand our revenue base a clear indication of growing market confidence and effective execution of our business strategy.

Profit after tax declined by 5%, closing the year at Shs 1.7 billion compared to Shs 1.8 billion in the prior year. This dip in profitability was primarily driven by an adverse claims experience, which placed additional pressure on margins during the financial year. The increase in claims, while impacting short-term earnings, highlights the company's commitment to meeting its obligations to policyholders and honouring its promise of protection when it is most needed.

Despite this decline, the company successfully preserved overall profitability, underscoring the resilience of its underlying business model and its ability to absorb shocks within a challenging operating environment. Importantly, shareholders' equity recorded a notable improvement, growing by 9% to Shs 19.5 billion from Shs 17.9 billion in 2023. This growth reflects prudent capital management practices, careful risk oversight, and a deliberate strategy of reinvesting earnings back into the business to sustain long-term value creation.

Our balance sheet remains robust, highlighted by a capital adequacy ratio of 256%, comfortably exceeding the regulatory minimum of 200% and our target of 245%. This strong capital position ensures that the company not only meets regulatory requirements but is also well equipped to finance its expansion plans, absorb potential market shocks, and support sustainable future growth. It provides assurance to policyholders,

shareholders, and regulators that Liberty remains financially sound and resilient.

Details of the Company's performance are included in the business review section of this report on *page 32*.

Strategy Execution

The board and Exco team are confident in the future of our business and the Company's strong capital position and remain committed to responsible investment to deliver sustainable value for all our stakeholders. We are committed to ensuring that our strategy is consistent with and contributes to society's needs and priorities, as expressed by the *United Nations Sustainable Development Goals (UN SDGs)*. Our pace to pinnacle strategy for 2025 and beyond will continue to focus on our key strategic themes and initiatives as summarised below.

- **Partner of choice for provision of both retail and corporate insurance solutions**
- **People want to work for Liberty**
- **Drive operations, data, digitalisation and innovation**
- **Risk conscious culture**
- **New engines of growth**
- **Enhanced customer experience**
- **Part of fabric of society**
- **Delivered on investor expectations**

Looking ahead

We are steadily advancing in providing accessible financial services to underserved individuals through innovative digital solutions, and to small and micro-enterprises via initiatives like the Mind My Money financial literacy program. Our enduring partnerships with banks, microfinance institutions, and brokers remain key in extending insurance coverage to diverse groups. Our teams are committed to making every interaction as simple,

seamless, and reliable as possible.

We continue to invest in our people and are encouraged by the dedication and enthusiasm they bring to our skills development programs. In the near term, we aim to enhance the experience of our clients and advisers through our engagement platform, fostering meaningful interactions and stronger connections. We remain committed to transparency and accountability in all our actions, and we always welcome feedback from our stakeholders

Appreciation

On behalf of Management, we extend our sincere gratitude to our shareholders, board, employees, and financial advisers for their outstanding commitment in driving the progress of our business. We also appreciate our clients, investors, suppliers, and the communities where we operate for their ongoing support.

Together, we remain united in fulfilling our commitments to all stakeholders, working collaboratively toward continued growth and future success.

We continue to invest in our people and are encouraged by the dedication and enthusiasm they bring to our skills development programs. In the near term, we aim to enhance the experience of our clients and advisers through our engagement platform, fostering meaningful interactions and stronger connections. We remain committed to transparency and accountability in all our actions, and we always welcome feedback from our stakeholders

Chairman's Report

Dear Shareholders,

In this environment, one truth stands clear; stakeholder confidence must be earned not through promises, but through resilience, transparency, and meaningful action. At Liberty Uganda, we are embedding sustainability at the heart of our strategy ensuring that our governance, products, claims processes, and investments are built to withstand shocks while delivering value to customers, shareholders, regulators, and the communities we serve.

On behalf of the Board of Directors of Liberty General Insurance Uganda Limited, I am honoured to present the integrated Annual Report and the audited financial statements for the year ended 31 December 2024. I am equally delighted to highlight the Company's sustained strategic momentum and strong financial performance, achieved in spite of a challenging operating landscape. Throughout the year, the Board has continued to exercise diligent oversight and provide strategic guidance, ensuring the Company remains agile in navigating uncertainty while consistently delivering sustainable growth and long-term value.



Peter Kabatsi
Board Chairman

Our strategy and outlook

We remain steadfast in aligning our strategy with society's needs and priorities, guided by the United Nations Sustainable Development Goals (UN SDGs). We are confident that our strategy is being executed with diligence and will continue to enable us to fulfil our purpose while positioning the Company for sustainable growth. Our focus remains on the critical actions necessary to adapt and expand responsibly in line with our long-term vision.

Transformation and economic inclusion remain central to our agenda. We are committed to fostering a culture of inclusivity within our business and making a meaningful contribution to broader transformation efforts. Our corporate social investment initiatives continue to prioritise education and financial literacy, equipping communities with the knowledge and tools to thrive.

Our clients are at the heart of everything we do. We are dedicated to providing trusted advice and tailored financial solutions that help them plan for the future and manage risk in an uncertain environment. Looking ahead, Liberty General Insurance will continue to innovate customer-focused products, leverage technology, and pursue strategic partnerships to deliver relevant and sustainable risk solutions.

The Board remains skilled, engaged, and committed to serving the long-term interests of the Company. We will continue to consider the legitimate expectations of all stakeholders, uphold strong governance standards, and provide effective oversight and challenge to the Managing Director and the Executive team. In doing so, we are confident that the Company will build a resilient foundation for sustainable profitability and growth.

Our environmental, social and governance drivers

Sustainability lies at the heart of our strategy, reflected in our strategic value drivers, financial commitments, and the way we track our impact and progress. With ESG considerations high on the global agenda, Liberty General Insurance is fully aligned with embedding strong ESG risk management into our policies, processes, and governance frameworks to support long-term, sustainable growth.

At the core of our philosophy is humanity. We are deeply mindful of the future our clients, employees, and stakeholders will one day retire into. Within our "drive sustainable growth and value" strategic pillar, we prioritise our social, environmental, and economic (SEE) impact, ensuring that we create value for society while living our purpose. Through our social and environmental initiatives, we continue to uplift communities and reduce our environmental footprint.

We also recognise that regulatory and policy shifts influence both our immediate performance and long-term direction. The Board, therefore, attaches great importance to fostering constructive and collaborative relationships with regulators and policymakers, ensuring that Liberty General Insurance operates responsibly within its markets while positioning the business for future success.

Details of our various stakeholder engagements are included in our sustainability report on page 72.

Business performance

Investors have every reason to be encouraged by our 2024 financial performance, which reflects both resilience and steady growth in a challenging operating environment. Our FY24 insurance revenue recorded a strong 6% increase year on Year, rising from Shs 36.5b billion in 2023 to Shs 38.5 billion in 2024. This milestone not only demonstrates our ability to expand our revenue base a clear indication of growing market confidence and effective execution of our business strategy.

Profit after tax declined by 5%, closing the year at Shs 1.7 billion compared to Shs 1.8 billion in the prior year. This dip in profitability was primarily driven by an adverse claims experience, which placed additional pressure on margins during the financial year. The increase in claims, while impacting short-term earnings, highlights the company's commitment to meeting its obligations to policyholders and honouring its promise of protection when it is most needed.

Despite this decline, the company successfully preserved overall profitability, underscoring the resilience of its underlying business model and its ability to absorb shocks within a challenging operating environment. Importantly, shareholders' equity recorded a notable improvement,

growing by 9% to Shs 19.5 billion from Shs 17.9 billion in 2023. This growth reflects prudent capital management practices, careful risk oversight, and a deliberate strategy of reinvesting earnings back into the business to sustain long-term value creation.

The strengthening of equity not only demonstrates disciplined financial stewardship but also enhances the company's capacity to pursue new opportunities, expand its product portfolio, and continue investing in innovation and digital transformation. With a stronger capital base, the company is better positioned to withstand market volatility and support its growth ambitions, ensuring value creation for both policyholders and shareholders.

Our balance sheet remains robust, highlighted by a capital adequacy ratio of 256%, comfortably exceeding the regulatory minimum of 200% and our target of 245%. This strong capital position ensures that the company not only meets regulatory requirements but is also well equipped to finance its expansion plans, absorb potential market shocks, and support sustainable future growth. It provides assurance to policyholders, shareholders, and regulators that Liberty remains financially sound and resilient.

Looking ahead, the board is confident that Liberty General Insurance has significantly strengthened its foundations and is now well positioned to grow and reclaim its rightful place as a leading player in the market. With an enhanced financial base, a resilient balance sheet, and a clear growth trajectory, Liberty General Insurance is poised to capitalise on emerging opportunities. The board remains committed to working closely with and supporting the executive team as they drive the ongoing journey of modernisation, digital transformation, and innovation to

deliver sustainable value to all stakeholders.

A detailed review of our performance and the underlying drivers are included in the business review on page 32.

Appreciation

On behalf of the board, we would like to extend our heartfelt gratitude to all employees for their invaluable contributions to Liberty General Insurance over the years. We also sincerely thank the company's executive team for their outstanding efforts in delivering the strong results for 2024. Their dedication and hard work not only drove these achievements but also give us the confidence to pursue our 2025 financial and strategic objectives, advance our long-term growth ambitions, and fulfil our overarching purpose.

We equally wish to express our appreciation to our clients, investors, suppliers, and the communities where we operate for their ongoing support and trust. It is through this collective commitment that we continue to strengthen our organisation, deliver consistently on our promises to clients and advisers, and remain a source of hope and support within the wider community.

With these foundations in place, we are confident that Liberty General Insurance is well positioned to sustainably enhance shareholder value over the medium and long term.



Peter Kabatsi
 Chairman, Board of Directors
 20 March 2025



**We are committed to protecting clients
and maintaining the highest standards.**

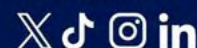
Regular audits and reviews confirm
our market-leading practices

Ethical, fair, and
industry-aligned policies

Visit our Website: www.liberty.co.ug

Liberty Life Assurance Uganda is regulated by the Insurance Regulatory Authority of Uganda

Follow us online —



DIRECTORS' PROFILES



Peter Kabatsi
Chairman Board

Certificate in Human Rights (CHR) Strasbourg, France
Law Development Centre; Post Graduate Diploma in
Legal Practice LLB from Makerere University
APPOINTED- May 2017
Committee: None



Mike du Toit
Non-Executive Director

Career banker with extensive experience in the financial
services field across Sub Saharan Africa having worked and
lived amongst others, Botswana, Mozambique, Kenya, South
Africa and Uganda.
APPOINTED: March 2017
Committee: Investment Committee



Esther Kasirye Nabasirye
Non-Executive Director

B. Com (Hons.) – Makerere University, Association of
Certified Public Accountants (UK), MBA-The University of
Manchester and University of Wales Bangor Certified Coach
and member of the International Coaching Federation
APPOINTED: 12th November 2020
Committee: Audit and Risk



Nabasa Pheona Gladys Wall
Non-Executive Director

LLB – Makerere University,
LLM- University of the West Indies
APPOINTED: 2024
Committee: None



Peter Makhanu
Managing Director

Associate of the Chartered Institute of Insurance, London
(ACII)
Fellow of the Chartered Institute of Insurance, London (FCII)
Fellow of the Insurance Institute of Kenya (FIKK)
APPOINTED: 2017



Mayur M. Madhvani
Non-Executive Director

Joint managing Director of the Madhvani group of compa-
nies, a family controlled diversified conglomerate with
business interest in East Africa, India North America and
Canada, entrepreneur with a wealth of experience in de-
veloping businesses in challenging circumstances
APPOINTED- May 2007
Committee: None



Gustav S Jenkins
Non-Executive Director

Post Graduate in Executive Leadership
Development – University of Capetown
Post Graduate in Actuarial Science –
University of Stellenbosch Degree in
Mathematical Statistics
APPOINTED: March 2021
Committee: Investment Committee and
Audit and Risk Committee

The Liberty Executive Committee



Peter Makhanu
Managing Director

Associate of the Chartered Institute of Insurance, London (ACII)
Fellow of the Chartered Institute of Insurance, London (FCII)
Fellow of the Insurance Institute of Kenya (FIK)
Joined Liberty: 2017
Joined Exco: 2017



Kenneth Kyamanywa
Chief Finance Officer

Fellow, Association of Chartered Certified Accountants (FCCA)
MBA-Accounting and Finance—Makerere University Business School
Bsc. Applied Accounting and Finance
Joined Liberty: 2024
Joined Exco: 2024



Bisaso Raphael
Head of Marketing and Distribution

Bachelor's degree in Actuarial Science, Diploma in Marketing - chartered institute in Marketing UK
Joined Liberty: 2019
Joined Exco: 2019



Tito Gunghima
Risk and Compliance Manager

Bachelor of Management Science -Kyambogo University
International certificate in Enterprise Risk Management from the Institute of Risk Management London UK
Joined Liberty: 2021
Joined Exco: 2021



Richard Sajjabi
Head of Information Technology

Bachelor of Information Technology – Makerere University
PGB Information Technology – Uganda Management Institute
Joined Liberty: 2015
Joined Exco: 2019



Balasundar K
Country Head of Operations

Fellow of Insurance Institute of India
Joined Liberty: 2001
Joined Exco: 2001



Marion Akoth Mlama
Head of underwriting

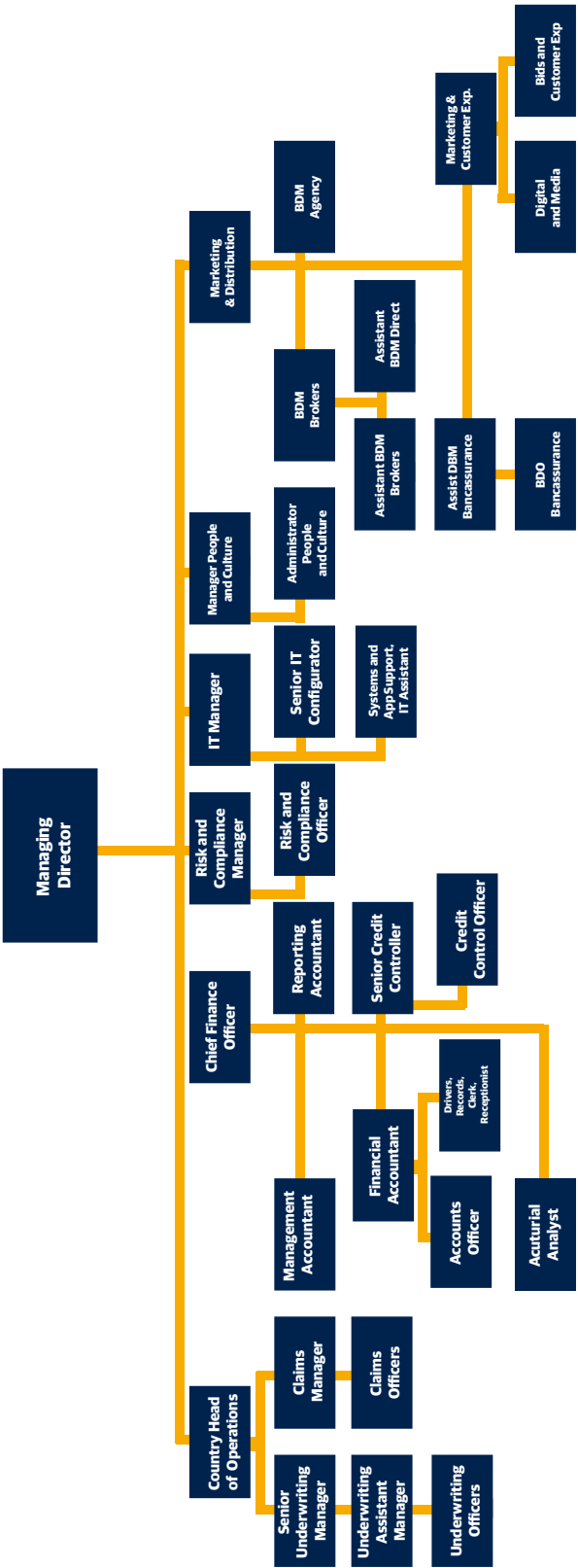
Bachelors Degree in Economics (Hons),
Diploma in Insurance -Chartered Insurance Institute (DIP CIUUK),Diploma in Insurance- Insurance Training College Uganda (DIP ITC).
Joined Liberty: 2021
Joined Exco: 2021



Samuel Nangira
Head of Human Resources

Bachelor of Human Resource Management- Makerere University Business School
Postgrad in Human Resource Business Partnering
Joined Liberty: 2024
Joined Exco: 2024

LGIUL organogram





Our governance structures continue to ensure rigorous compliance with all relevant regulations. We remain devoted to upholding these principles, fostering trust, and creating long-term value through responsible and transparent governance. Our dedication extends beyond the interests of the business and our stakeholders; it reflects our fundamental belief in doing what is right.

Our Corporate Governance Philosophy Corporate Structure

Liberty Uganda is committed to the highest standards of governance, business integrity, ethics and professionalism. Corporate governance is the cornerstone of the company's approach to doing business and ensures that the company always operates responsibly at all times.

Good governance enables us to live our values through enhanced accountability, corporate responsibility, a strong risk and performance management culture, transparency and effective leadership. Liberty Uganda focus on the core elements of good governance, including transparency, integrity, sound policy, stakeholder participation, accountability and anti-corruption. We ensure the relevance and sustainability of our business by monitoring the macro environment, as well as the needs of our stakeholders and the future generation. We continuously evaluate our governance architecture and philosophy as part of best practice.

Our ecosystem is designed to adapt to external changes as well as internal growth. We constantly monitor the legal, governance and regulatory landscape to ensure that we are aware of all trends and emerging risks that could impact our stakeholders, and take appropriate steps to protect their interests.

Liberty Uganda's approach to governance is focused on continuously improving and entrenching good corporate governance practices across the company, to enable the Board and management to exercise their fiduciary duties through effective oversight and support high quality decision-making. In the spirit of good corporate governance, we strive to apply the principles and practices of the King IV Report on Corporate Governance.

As of 31 December 2024, our shareholder composition includes Liberty Group Limited, which holds a 51% stake and Madhvani Group Limited, a prominent private enterprise in Uganda, with a 49% share. We continue to operate under Licence number IN/010/2020, as per the Insurance Act, 2017 of the Laws of Uganda. Our corporate structure is methodically crafted to align with our strategic goals, underscoring our unwavering commitment to leadership and excellence in the insurance industry.

Governance Framework: A Pillar of Excellence

Liberty Uganda's governance framework, which is fortified by a comprehensive policy suite derived from the broader Group's policies, is tailored to align with the company's articles of association. At the heart of this governance structure lies the Board of Directors, who are entrusted with embodying key corporate values such as proactivity, integrity, and a steadfast focus on maximising value for both shareholders and policyholders.

Our governance framework guides us to ensure the effective and efficient management of our business. These guidelines establish sound and prudent management and oversight of Liberty's business. We are also guided by specific frameworks relating to risk management, financial capital management and human capital.



LGIUL's governance structures and process create value for all stakeholders by:

- *Enhancing our understanding of risks*
- *Balancing upsides return opportunities with the cost of risk*
- *Allocating financial capital and resources to value creating activities*
- *Building legitimacy through ethical leadership*
- *Protecting our brand and reputation through responsible behaviour*
- *Adopting an inclusive approach to business*

The Code of Ethics serves to clearly define our company's ethical standards and to communicate these principles to employees and stakeholders alike. It offers guidance for aligning workplace behaviour with our organisational values, ensuring that all interactions with our company reflect our commitment to ethical conduct. By supporting our efforts to manage ethics effectively, the Code fosters an environment where ethical behaviour is the standard and integral to our corporate culture.

Operating in a dynamic environment characterised by increasing complexity and rapid regulatory changes, the Board remains steadfast in its commitment to providing effective oversight and meeting the evolving expectations of shareholders and stakeholders alike.

The Board's approach integrates traditional oversight responsibilities with a forward-looking perspective, considering macroeconomic trends and digital transformation in the insurance industry.

Regulatory and corporate governance framework

An essential component of our governance framework is ensuring clarity of roles between the shareholder, the Board and management, to achieve our strategic priorities within the legislative, regulatory and policy environment in which we operate. Clear accountability for decision-making is assigned through our delegation of authority policy and significance and materiality framework, which guide the

referral of matters from management to the Board.

Other new legislation included the Competition Act 2023 and Companies (Beneficial Owners) Regulation 2023. The new legislation majorly affected our customer onboarding process with the introduction of the beneficial owner register requirement for all corporate clients.

Within the year, the Management proactively informed the board on the various changes in the legislative and governance environment both via round robin and through the quarterly reports submitted and presented at the physical board and committee meetings. The board supported and positively reacted to review of policies in line with the ever-changing regulatory climate.

Our regulatory climate is majorly comprised of:

- *Uganda Companies Act, 2012*
- *Uganda Insurance Act, 2017*
- *Insurance (Licensing & Governance) Regulations 2020*
- *Insurance (Capital Adequacy & Prudential Requirements) Regulations 2020*
- *Articles of Association of Liberty General Insurance Uganda Limited*
- *King IV Report on Corporate Governance as adopted by Liberty Insurance Uganda Limited*
- *Board/Committee mandates & Policy*

Framework

Liberty General Insurance Uganda Limited is regulated by the Insurance Regulatory Authority and ensures compliance with all regulatory requirements pertaining to Uganda Revenue Authority, Financial Intelligence Authority, and the Personal Data Protection Office.

Commitment to excellent leadership, ethics, and corporate governance

Our dedication to ethical conduct and our responsibilities to clients, advisors, shareholders, employees, representatives, suppliers, the public, and regulatory bodies are articulated in our comprehensive Code of Ethics. Liberty pledges to uphold the highest standards of integrity, ensuring that our actions are aligned with ethical principles and comply with all relevant laws and regulations in both public and private sectors. This unwavering commitment reflects our resolve to lead with excellence and maintain the trust placed in us by all our stakeholders.

At Liberty Uganda, our Board of Directors are entrusted with the critical role of steering our company with integrity and sound judgment. We are committed to fostering an environment where ethical decision-making and leadership are paramount. This commitment permeates every level of our organisation, guiding our employees and representatives to embody our core values, build trust, and inspire confidence in our brand.

Reporting ethics misconduct

Liberty Uganda remains committed to strong partnerships within the financial sector and with law enforcement to progress the criminal prosecution of ethical matters, and we actively drive industry-wide collaboration to combat the scourge of fraud in Uganda. Our forensics and risk departments protect our clients and business by preventing financial crime,

fraud, theft and corruption.

Liberty has zero tolerance for fraud and theft and cultivates a culture of honesty and integrity within the business. Liberty Uganda's Forensic Services is a member of the Association of Certified Fraud Examiners, an international body that provides guidelines, standards and training in fraud risk management.

Our board approved fraud risk management, whistleblowing and conflict of interest policies that detail our approach to preventing, detecting, investigating and remediating fraud and corruption. Our employees and intermediaries receive fraud awareness and training via several mediums to maintain a risk-conscious culture across the organisation. We conduct regular fraud risk assessments within the business to ensure that our control environment is robust to detect and mitigate fraud risk.

Our independently operated ethics hotline is a safe space for employees and other stakeholders to report ethical breaches and misconduct within the business. Reporting can be done anonymously if preferred, while our responsible review system ensures that information is comprehensively verified. Employees can also report ethics misconduct through their manager, the People and Culture department, the Employee Relations department or Forensic Services. These channels represent a safe route for employees and other stakeholders to report knowledge of misconduct without threat of retribution.

Reflecting on our social, economic and environmental impact

The board is supported by our risk committee with the implementation of Liberty Uganda's positive impact value driver. The risk committee ensures that Liberty Uganda is a responsible corporate citizen that always acts ethically. Our Managing Director, Peter Makhanu, serves as Liberty General Insurance ethics

champion and is supported by our head of risk and compliance.

Our risk management committee oversees and manages our stance on transformation, social and economic development, client fairness, ethical conduct, good corporate citizenship, sustainability, the impact on our brand, marketing and stakeholder management.

In an environment marked by high unemployment and inflation, which pose challenges to economic growth, Liberty General Insurance Uganda remains steadfast in its commitment to bolstering the Ugandan economy. Our contributions are substantial, encompassing both direct and indirect taxes amounting to Shs 8.9 billion, which we collect and remit on behalf of the government. Through our efforts, we provide ongoing financial protection to our clients, empowering them to secure their futures.

Our commitment to innovation is exemplified by our notable product advancements. Additionally, our 2024 Insurance Innovation Awards Judge's Special Award-winning Church of Uganda App provides the Church of Uganda congregation an online portal for accessing Liberty's insurance product offerings. Moreover, our growth is evidenced by our expanding workforce, which has increased from 31 to 39 staff members.

Our social, economic and environmental working group

The working group comprises members from relevant business units/ departments to encourage collective action and integrate ESG factors into business processes. The working group is headed by our Managing Director/ Principal officer – who is the personnel in charge of sustainability risks and opportunities in the organisation and is supported by the head of risk and compliance. Reports on sustainability related issues are submitted to the board and the risk management

committee on a quarterly basis.

The working group meets quarterly and includes ad hoc focus groups for specific workstreams. The working group's goal is to assign responsibility to the relevant business areas and to reduce duplication and/or misalignment of related efforts, reporting and outputs. The key tasks of the group are to:

- *Develop, track and set targets for social, economic and environmental metrics*
- *Manage social, economic and environmental and climate activities*
- *Maximise positive social, economic and environmental impact*

Strategy, performance and reporting

The Board, supported by several committees, is the focal point of our governance framework and is accountable to the shareholder for performance against financial, operational and other business expectations. Furthermore, the Board is responsible for providing strategic direction to the organisation and ensuring its sustainability and prosperity. The Executive Management Committee is accountable for exercising executive control over day-to-day operations and to deliver on the strategy set out by the Board.

The board considers the impact of strategic actions on financial targets, the planned risk profile and capital demand and supply. The respective business units determine and implement operational strategies. Business performance measurement involves the calculation of the key performance metrics used by stakeholders to determine whether management has successfully implemented the strategy.

Performance is assessed against targets which incorporate assessments of risk established through the strategic planning process. Details of the 2024 performance assessment against the above metrics are included in the business review on page (32)

Regarding the 2024 insurance industry performance targets, LGIUL market share was 4%, representative of gross written premiums for the year of Shs 39 billion as a percentage of the non-life insurance industry total of Shs 986 billion. (Source: Insurance Regulatory Authority Industry Market Report, 2024).

There is an assessment of the constraints likely to impact the achievement of the Company's objectives. These are the main categories of risks:

- *Strategic and business Risk*
- *Fraud and Insurance Risk*
- *Market Risk*
- *Credit Risk*
- *Information and Cyber Security Risk*
- *People Risk*
- *Third Party Risk (Health Service Providers)*

Details of the impact of the above risks and the measures taken to address them are included in the Risk management and control report on page (62)

The board oversees the preparation of publicly available quarterly and annual financial reports, ensuring they present comprehensive, integrated information. This provides users with a holistic, clear, and concise understanding of Liberty General Insurance performance, highlighting its contribution to sustainable value creation within its social, economic, and environmental context.

Relationship with Shareholders

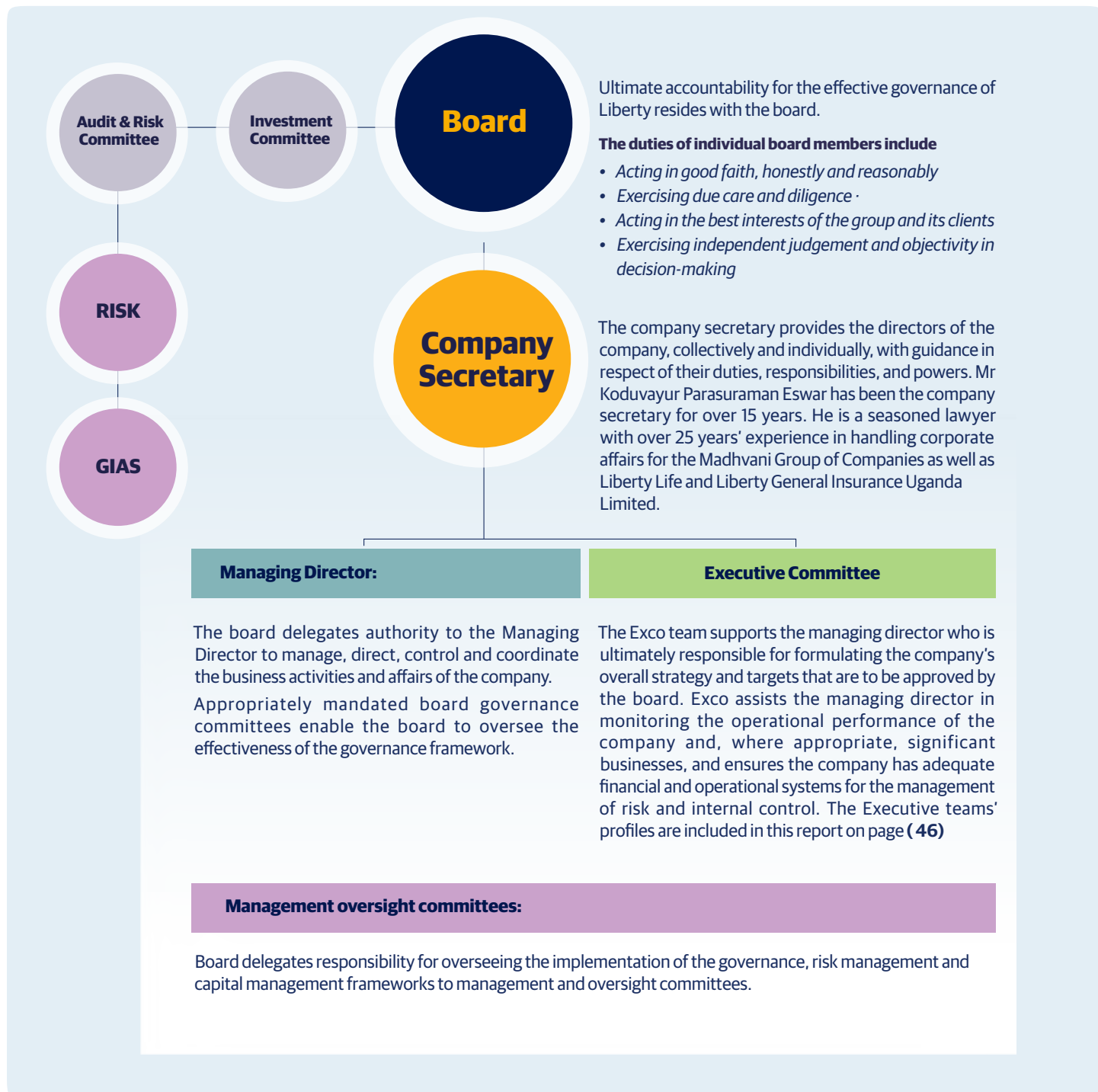
The Board acts as the steward of the business on behalf of its shareholders, to whom it remains fully accountable. A key element of this stewardship is maintaining a robust and transparent relationship with shareholders, recognising that effective engagement not only strengthens the Company's reputation but also fosters trust in its governance and strategic direction.

The Annual General Meeting (AGM) serves as a cornerstone for shareholder interaction, offering a unique and invaluable forum for direct dialogue with both the Board and executive management. During this pivotal event, shareholders are provided the opportunity to engage in meaningful discussions, pose questions, and gain insights into the Company's performance, vision, and future plans.

By fostering open communication, the Board ensures that shareholders remain well-informed and confident in the company's leadership, while also reinforcing their crucial role in shaping its long term success. This collaborative relationship between the Board and shareholders lies at the heart of the Company's commitment to transparency, accountability, and sustained value creation.

Our governance and leadership structure

The board responsibly manages the business within our approved risk appetite through committees and subsidiary boards.



Board of Directors



The Directors and members of Management pose for a photo moment after the Quarter 4 2024 Board meeting.

The Board comprises directors with diverse skills and competencies, extensive international and local experience and insight of the business areas in which Liberty Uganda operates. The Board has the requisite skills and experience across its committees to discharge its responsibilities. The Board acknowledges the importance of board balance and the need to have a sufficient number of independent directors. Independent directors bring immense value: an independent and objective view; new skills, knowledge and experience with positive impact on strategy development and oversight; safeguarding the interests of minority shareholders and other stakeholders; and providing reassurance to external shareholders that the company's affairs are being run in an effective manner and is in line with the requirements of the Insurance Regulations guidelines.

At Liberty Uganda, the Board of Directors serve as the ultimate custodians of the business, bearing responsibility for driving both its short- and long-term success. They ensure the company's sustainability and value maximisation, benefiting shareholders and stakeholders alike. While the day-to-day operations are delegated to key executives and senior management, the

Board's governance oversight remains critical, particularly in navigating challenges that have arisen during past crises.

Liberty General Insurance operates with a unitary board structure, deemed both effective and appropriate for the size and scope of the group. The Board's composition is carefully balanced in terms of skills, experience, tenure, independence, and diversity in gender and race. The clear division of responsibilities ensures that no single director holds undue influence, preserving a healthy balance of power. This delegation of authority enables the Board to focus on strategic decision-making, while expertise at both the committee and management levels is harnessed to oversee critical areas of the business.

The Board's effectiveness is regularly assessed, and directors are kept updated on relevant legislation, regulations, industry trends, and standards. Both internal and external experts provide ongoing training to ensure that the Board is well-equipped to steer the Company in a rapidly evolving business environment. The Board also schedules additional time outside of formal meetings for strategic discussions.

The Board is supported by key committees the Investment, Audit, Risk, and Remuneration

Committees which provide specialised oversight in their respective areas. These committees enhance the Board's governance by ensuring that Liberty General Insurance remains financially sound, strategically aligned, and properly managed from a risk perspective. Liberty General Insurance continues to leverage international expertise from the Liberty Group to ensure best in class advice for achieving its strategic goals.

In alignment with best governance practices, the roles of the Chairman and the Managing Director are clearly separated, with the Chairman being an independent leader. Liberty's leadership remains committed to the highest standards of competence, integrity, and professionalism, with a fit and proper policy in place to ensure that all responsible persons fulfil their roles effectively.

Composition of the board

We recognise that a well balanced board is essential for sustainable value creation. We embrace the value of each unique contribution. Our diversity policy describes our approach to promoting diversity on our board. We review the board's composition annually, considering skills, experience, background, culture, race and gender. We also continuously evaluate our progress in promoting diversity on the board. Currently, the board consists of seven non-executive directors, six of whom are male and one female, a structure deemed appropriate for the Company's size and needs.

The directors' profiles are included in this report on page (45) Specific roles of the Chairman include;

- *providing leadership to the Board in relation to all Board matters*
- *Ensuring that Board meetings are held regularly throughout the year*
- *Overseeing Board performance, appraisal, and succession*
- *Guiding the Board agenda and conducting all Board meetings*

Recruitment and Succession Planning

The Company's recruitment process for Directors and Senior Management is a thorough and transparent procedure. Candidates are chosen based on merit and assessed against specific criteria related to their skills and experience. An external consultant assists in developing a pool of qualified candidates, with selections made to address both current and future gaps identified through an annually updated skills matrix. This process adheres to the Company's Articles and Memorandum of Association. Candidates undergo interviews by a panel of select directors, and those who succeed are recommended to the Board for approval. Appointments are then confirmed at the Annual General Meeting (AGM).

The Board maintains an ongoing review and refreshment of its succession plan for both the board and senior management. This approach ensures alignment with the organisation's strategic objectives and identifies candidates with the necessary skills, experience, and expertise to support the company's vision and direction.

Succession management is a structured process conducted across Liberty with a view to;

- *Identify and mitigate organisational risk in the context of business continuity and scarce and critical capabilities required to achieve the business's strategic goals*
- *Minimise succession gaps for critical positions through proactive sourcing and developing a strong talent pool of future leaders and critical specialists*
- *Provide opportunities for top talent to develop the skills necessary for future roles*
- *Drive talent mobility across the business for talent retention*
- *Enable and support our transformation goals*

Our current areas of focus include:

- *Improving female representation through succession planning*
- *Identifying successors and evolving meaningful development plans to enable promotions*
- *Ensuring successor strength for anticipated retirements (five years ahead of retirement)*
- *Transforming our junior, middle and senior representation in line with our sector targets*

Director Induction, Board Development and Evaluation

Continuous development is essential for upholding effective governance. The Board participates in regular learning opportunities, including workshops, seminars, and online courses, on crucial topics such as AML/CFT, digital transformation, and risk management. New directors benefit from a thorough induction program that acquaints them with the company's operations and governance framework.

The Board's annual evaluation process is pivotal for maintaining accountability, transparency, and effective governance. In 2024, an external corporate governance expert conducted the evaluation, which explored various aspects including board structure and composition, roles and responsibilities, key functions and processes, information architecture, board dynamics, and the performance of board committees and individual directors.

The positive outcomes of this evaluation, combined with valuable feedback, have been crucial in developing the Board Evaluation Action Plan. This plan is reviewed quarterly to ensure continuous progress and to address any identified areas for improvement.

Delegation of authority

Our governance framework is meticulously crafted to promote both effective and efficient management of the business. Its implementation guarantees prudent oversight and responsible stewardship, safeguarding the interests of all stakeholders. Complementing this overarching framework are specialised structures for risk management, financial capital management, and human capital management, ensuring a comprehensive and robust approach to the sustainable governance of Liberty Insurance Uganda's operations. As the principal guardian of corporate governance, our board ensures a clear separation of duties by delegating specific roles and responsibilities to the appropriate individuals, teams, or committees.

The day-to-day operations of Liberty Insurance Uganda are entrusted to our Managing Director and senior leadership, fostering a transparent and accountable culture throughout the organisation. The executive committee plays a strategic and advisory role and is the custodian of the strategy as approved by the board. The committee assists the Managing Director and other senior executives in managing, directing, controlling and coordinating Liberty Insurance Uganda's business activities. The committee also acts as a communicator and coordinator between business units, the board, shareholders, regulators and other key stakeholders.

Our board meets quarterly, with additional meetings arranged as and when necessary. The board is satisfied with its compliance with applicable governance and regulatory requirements, and governance framework best practices are regularly reviewed.

The key functions of the committee are summarised as below:

- *Reviews the company's risk and capital philosophy, strategy, policies and processes. These include the Environmental, Social and Governance Risk (ESG), Strategic, business and Insurance Risk,*
- *Provides oversight on the financial, actuarial, audit and regulatory reporting processes, the combined assurance process*

and its effectiveness, the system of internal controls and compliance with laws and regulations

- *Responsible for formulating remuneration strategies and policies and monitoring the implementation of such policies*
- *Responsible for determining and evaluating the adequacy, effectiveness, efficiency and appropriateness of the group's governance structure, practices, and processes in line with regulatory requirements*
- *Manages Liberty's stance on transformation, social and economic development, client fairness, ethical conduct, good corporate citizenship, sustainability, the impact of brand, marketing, and stakeholder management*

The AGM is the major point of contact between the shareholders, management, and the board of directors. The Company's shareholders are represented on the board of directors and its respective committees.

Dividends

The Company adheres to a dividend policy that outlines the strategies and considerations for dividend distribution. Our approach is to ensure dividends grow steadily over time, remain sustainable, and appropriately reward shareholders for their capital investment. At the same time, the dividends paid should not compromise the Company's capital strength, liquidity needs, or hinder its strategic growth objectives.

The policy allows for dividends to be declared when the Company's Capital Adequacy Ratio (CAR) exceeds the regulatory minimum of 200%. As of 31 December 2024, the Company achieved a CAR of 256%, reflecting its strong capital position and consistent profitability, even amidst inflationary pressures throughout the year. However, this is subject to board approval for the actual dividend pay-out.

Board & Committee Meetings

The Board meets regularly in accordance with the Company's Articles of Association. Non-executive Directors also hold separate meetings at least once annually. Board and committee meetings are conducted at least quarterly to support effective and efficient decision-making.

The Board benefits significantly from the specialised support provided by its committees, which streamline its governance responsibilities. The Audit Committee ensures rigorous oversight of financial reporting and internal controls, offering the Board independent, expert assessments that enhance transparency and accountability. The Investment Committee refines the Board's investment strategy, delivering informed recommendations and performance evaluations to align with the company's risk appetite and strategic objectives. The Risk Management Committee integrates risk assessment into strategic planning, enabling the Board to make informed decisions while safeguarding the company's assets and reputation. The Remuneration Committee ensures that compensation policies align with strategic goals and ethical standards, facilitating objective decision-making on executive remuneration. Collectively, these committees simplify the Board's role by providing detailed analysis, recommendations, and oversight, allowing the Board to focus on strategic direction and overall governance.

The committees, each consisting of four members with the Managing Director, Chief Financial Officer and the Head of Risk and Compliance attending by invitation, meet at least three times a year. They have approved Mandates to execute their responsibility towards the Board of Directors as highlighted below;

Board & Committee Meetings

Audit Committee: The Audit Committee ensures accurate financial reporting and compliance with accounting standards by reviewing financial statements and disclosures. It assesses internal controls and risk management, oversees the external audit process, ensures regulatory compliance, and evaluates the internal audit function to enhance controls and operational effectiveness. Key functions are as summarised below;

- *Provides oversight on the financial, actuarial, audit and regulatory reporting processes, the combined assurance process and its effectiveness, the system of internal controls and compliance with laws and regulations.*
- *Responsible for determining and evaluating the adequacy, effectiveness, efficiency and appropriateness of the group's governance structure, practices, and processes in line with regulatory requirements.*

The ARC is committed to the use of current technological trends in performing its duties to achieve efficiency in financial reporting and improve audit coverage. During the year 2024, the ARC used the diligent board packs software to access and review all the committee reports submitted online by management. No physical printing of hard copy board packs was done.

There was training of the committee members mainly on key accounting standard changes such as IFRS 17-Insurance Contracts to enhance their knowledge on these.

The ARC is satisfied that the Company's finance function is adequately staffed and has the required skills and knowledge to effectively execute their duties.

There was an effective communication flow between the audit committee, management, internal and external auditors, the country head of finance and finance department, as well as the board of directors through various engagements and report submission both via round robin and physical meetings

and through submission of various reports as required.

For the year ended 31st December 2024, the ARC was satisfied that it had fulfilled its responsibilities in line with the ARC mandate, and further reflections on the activities performed during the year regarding the financial statements, integrated report, key audit matters, regulatory compliance and coordination of assurance services deemed these reasonable and sufficient for the Company's operations.

Investment Committee: Its key functions include setting and monitoring the company's overall investment strategies and policies, reviewing and approving the use of investment managers, recommending investment strategies and mandates, monitoring asset performance, and managing capital requirements in line with regulatory standards. Key functions are as summarised below;

- *Determine and monitor the company's overall investment strategies and policies.*
- *Review and approval of the engagement and continued use of investment managers.*
- *Recommend investment strategies, investment mandates and appropriate asset managers.*
- *Monitor performance of the assets against agreed mandates.*
- *Capital management in terms of minimum regulatory capital requirement and solvency capital requirements as set by Liberty Holdings.*
- *Exercise oversight with respect to the Financial Markets Risk being taken by Liberty General Insurance by ensuring that the expected returns/benchmarks for the Financial Markets Risks taken are appropriate*



Risk Management Committee: The Risk Management Committee is tasked with identifying, assessing, and managing risks to ensure that risk management practices are thoroughly integrated into the company's strategic and operational processes. This committee plays a crucial role in safeguarding the company's assets and reputation. Key functions are as summarised below;

- *Reviews the company's risk and capital philosophy, strategy, policies and processes. These include the technological, Environmental, Social and Governance Risk (ESG), Strategic, business and Insurance Risk.*
- *Manages Liberty General insurance's stance on transformation, social and economic development, client fairness, ethical conduct, good corporate citizenship, sustainability, the impact of brand, marketing, and stakeholder management.*

The risk committee proactively monitors cyber risk through review of the IT status report submitted by management quarterly. Management through the IT and risk and compliance department proactively monitor, identify and respond to any IT and cyber risks. They also conducted training for all staff in the various IT security areas to minimise risk of attacks.

Remuneration Committee: The Remuneration Committee is responsible for overseeing the company's remuneration policies and practices, ensuring they align with strategic goals and promote ethical conduct. It provides recommendations on executive compensation and staff performance incentives. Key functions are as below.

- *Responsible for formulating remuneration strategies and policies and monitoring the implementation of such policies.*

The Directors' attendance of scheduled main Board meetings for the year 2024 was as below.

Board Member	March 2024	August 2024	October 2024
Mr. Peter Kabatsi	P	P	P
Liberty Holdings Limited	P	P	P
Mr. Kamlesh M Madhvani	P	P	P
Ms. Esther Kasirye	P	P	P
Marasa Holdings Limited	P	P	P
Independent Sugar Estates Limited	P	P	P
Mr. Gustav Jenkins	P	P	P

The Investment Committee meetings attendance during the year 2024 was as below.

Director	March 2024	August 2024	October 2024
K. N. Nair	P	P	P
Mike du Toit	P	P	P
Jenkins Gustav	P	P	P
Pammi Sammi	P	A	A
Mr. Rao C**	P	P	P

The Audit Committee meetings attendance during the year 2024 was as below.

Director	March 2024	August 2024	October 2024
Esther Kasirye	P	P	P
K. N. Nair	P	P	P
Gustav Jenkins	P	P	P
Pammi Sammi	P	A	A
Mr. Rao C**	P	P	P

Independence

The directors are required to be independent of management and free from any business relationship or other circumstance that could materially interfere with their exercise of independent judgement.

The independence of each director is assessed annually by the Board as part of its annual Board effectiveness review. There were no independence issues identified and reported during the year 2024.

Conflict of interest

The group framework and board mandate enumerate in detail the management of conflict-of-interest procedure which includes standard agenda item for disclosure of conflicts of interest at all board meetings, requirements to declare any actual or potential conflict of interest prior to appointment, as and when it arises and annual declaration of interests.

This ensures that the directors have a statutory duty to avoid situations in which they have or may have interests that conflict those of the Company. The Board has in place procedures and guidance to deal with the actual or potential conflict of interest such as exclusion of the director from discussion on a specific agenda item in which they may have interest and obtaining confirmation in form of a conflict-of-interest form circulated by the Company secretary at the start of the meeting and all declared interests are recorded in a Register of interests maintained by the company secretary.

In situations where a conflicted director is the sole expert on the matter under discussion, the Board may allow for the presentation of his or her expert input; however, the director will not participate in the deliberation and voting on the matter. If a declared conflict be to such an extent that it interferes with the director's ability to fulfil their fiduciary duties or cause reputational damage to the Company, the director may be required to resign.

The Board is satisfied that the directors discharged their responsibilities effectively.

Board Remuneration

LGIUL remuneration structures are designed to attract and retain talent at all levels, with an appropriate mix between fixed and variable pay. Remuneration packages are geared to the individual's level of influence and role complexity. The balance between guaranteed and variable pay is appropriately structured and does not reward risk taking outside the board-approved risk mandates.

LGIUL has a formal and transparent procedure for setting remuneration for the Directors, Exco team as well as the rest of the employees. This is through an established remuneration policy and set of procedures, approved by the board, and endorsed by shareholders.

The standards and practices drive appropriate decision-making and behaviours, in line with

business strategy, risk management practices and long-term interests. This function is performed by the remuneration and HR committee of the board.

All employees have some level of variable pay. Long-term service agreements are not entered at senior management level and notice periods do not exceed three months. The primary role of variable remuneration is to drive performance within risk appetite, retain key employees and ensure alignment between executives, shareholders, and clients.

Annual performance contracts exist for every role, defining and clarifying the objectives and outputs required of each person. Performance contracts and incentive structures identify and clarify measurable (financial and non-financial) deliverables and indicators against which performance can be measured over defined periods. Formal reviews of these performance contracts take place to ensure transparency in performance feedback, to identify development needs and to determine corrective action where appropriate.

The remuneration of the non-executive directors of the board is determined in line with a set out criteria and approved by the shareholders. The fees received comprise of an annual retainer and sitting allowances. The fees paid to the Managing Director and non-executive directors as below:

Directors Emoluments 2024	Board Committees sitting allowances	Services as directors	Salaries and wages	Gratuity	Other benefits	NSSF Contributions	Total
Managing Director			820,155	58,903	1,500	82,016	962,574
Non-Executive Directors	101,500	28,200					129,700
Total	101,500	28,200	820,155	58,903	1,500	82,016	1,092,274

Directors Emoluments 2023	Board Committees sitting allowances	Services as directors	Salaries and wages	Gratuity	Other benefits	NSSF Contributions	Total
Managing Director			770,946	55,368	1,410	77,095	904,819
Non-Executive Directors	101,500	28,200					129,700
Total	101,500	28,200	770,946	55,368	1,410	77,095	1,034,519

Note: All director emoluments are in Ugandan Shillings.

Access to information

The Board and its committees are supplied with full and timely information, including detailed financial information, to enable the Directors to discharge their responsibilities. The board may also invite members of management, the external and internal auditor and any other non-executive director or employee to the board and committee meetings to ensure that they properly informed about the performance of and any issues affecting the Company.

Management

The board aims at having a diverse leadership team with regards to skills, professional expertise, and gender as well. The Company has in place formal procedures for appointment of senior management. These include advertisement of vacant positions, conducting oral and written interviews, performance of a due diligence, engagement with the Liberty Group Human Resource team and obtaining approval from the Insurance Regulatory Authority (IRA) before confirmation of the best suited candidate. On joining the company, the persons are required to undertake induction and tailored training to enhance their knowledge and understanding of the business processes.

The board has delegated responsibility of the day-to-day management of the Company to the managing director and his executive management team, it however retains the mandate of approval of the Company strategy. Management team has the responsibility of availing regular and timely information about the Company's performance, as well as implementation of the Company's strategy and policies as agreed by the Board.

The Exco team is currently comprised of eight (8) members. The Exco team is led by the managing director and is supported by the various heads of department. Profiles are included on page 46 of this report. The managing director, supported by the head of risk and compliance department oversee sustainability related risks and opportunities at Liberty General Insurance Uganda.

The Company has completed the mapping of key roles and responsibilities in the Company and has a succession plan in place for these across the various departments.

The Board is satisfied that the Exco team is adequately staffed and has the required skills and knowledge to effectively execute their duties. Furthermore, the Board considered the remuneration for key members of the management team, and these were sufficient, reasonable and aligned to the long-term performance of the Company.

Group Internal Audit Services (GIAS)

Liberty General Insurance Uganda does not have its own internal audit function. Internal audit services are provided by Group Internal Audit Services (GIAS). GIAS is responsible for providing independent and objective assurance to management and the board on the adequacy and effectiveness of the group's risk management, governance, business processes and controls. GIAS is responsible for validating compliance to the group's overall risk framework and risk governance structures and for providing independent assurance to management and the board on the effectiveness of the first and second lines of defence.

Internal audits are based on an assessment of risk areas, as well as on issues highlighted by GAAC and management. GIAS maintain a formal "Findings Tracking System" to ensure that all audit findings raised are addressed through clear action plans in a timely manner.

The group internal audit charter that defines the role and associated responsibilities and authority of the internal audit function as well as the internal plan for 2024 were presented to the audit committee and approved in the audit committee meeting held on 22nd March 2024.

External Auditor

The Company has a formal and transparent procedure for appointment of the External Auditor.



LGIUL Exco team 2024

The company proactively engages various stakeholders including employees, shareholders, customers, Regulators, and suppliers. Details of the stakeholder engagement are included in the sustainability report on page (72)

This is through an open bidding system where applications are received from various approved audit firms out of which selection of the best one is done based on set out criteria. Appointment of the external auditor is approved by the shareholders.

The Company's external auditor, Price Waterhouse Coopers (PwC), was appointed in 2021 and having served the four-year term, Ernst and Young were appointed as the incoming external auditors in accordance with Section 167(2) of the Companies Act, 2012 Laws of Uganda and Section 51 of the Insurance Act, 2017 Laws of Uganda.

The Company interacts with the external auditors through the various ways below:

- *Presentation of the External Audit plan to the Audit committee. This includes a discussion on various matters mainly the identified significant risks, audit approach and methodology, materiality, and audit fees. The audit fees are set based on factors such as the inflation rate, the complexity and quality of the audit.*
- *Onsite meetings with Management and audit fieldwork. This is mainly through the kick-off meetings at the start of the audit, show-me meetings with departmental heads and audit closure meeting at the close of the audit.*
- *Presentation of the Management letter and the Audit report to Management and the Board respectively. This is done at the quarterly audit committee meetings.*

For the year 2024, the external auditors held meetings to discuss key matters with the audit committee chairperson before the quarterly audit meetings held on 22nd March 2024, 23rd August 2024 and 24th October 2024.

The significant matters that the Audit and risk Committee considered in relation to the 2024 financial statements are as below:

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities	Our audit procedures are summarised as follows:
Insurance contract liabilities comprise the liability for remaining coverage and the liability for incurred claims. As at 31 December 2024, the Company had total insurance contract liabilities of Shs 46 billion. For more details on insurance contract liabilities, refer to Note 19 of the financial statements.	<ul style="list-style-type: none"> We tested a sample of claim payments to confirm whether the amounts recorded in respect of the claims agree to the source data. We also reconciled the claims data used by management to calculate reserves to the underlying financial information.
We considered valuation of insurance contract liabilities as a key audit matter because:	<ul style="list-style-type: none"> We tested management's calculation of the discount rate used to compute the present value of the liability for incurred claims.
Determination of the liability for incurred claims requires calculation of a risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns.	<ul style="list-style-type: none"> We assessed the reasonableness of methodology and assumptions used by management in estimating the risk adjustment for non-financial risk.
For onerous contracts, calculation of the loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of these insurance contracts.	<ul style="list-style-type: none"> We recalculated the loss component and the loss recovery for onerous contracts

External Auditor

The audit committee is satisfied that Price Waterhouse Coopers are independent of the company. This conclusion was arrived at, inter alia, after considering the following factors:

1. The representations made by Price Waterhouse Copers Certified Public Accountants Uganda to the Audit Committee.
2. The auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefits from the company.
3. The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditors.
4. The auditor's independence was not prejudiced because of any previous appointment as auditor.
5. The criteria specified for independence by the independent regulatory Board for Auditors and international regulatory bodies were met.

Responsibilities of the external auditor and their involvement with management, as well as the audit opinion for the year 2024 are set out in the external audit report included in the financial statements section on page **103**.

Going Concern

The Directors have assessed the ability of the Company to continue as a going concern and have sufficient reason to believe that the Company has adequate resources to continue operating as a going concern for at least the next 12 months from the date of this statement.

Client-Focused Insurance Solutions

**We make sure you understand your policy
and feel confident in your coverage.**

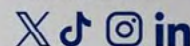
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Risk Management and Control Report 2024



Tito Gunghima- Risk and Compliance Manager

Effective risk management is fundamental to creation and protection of value, enabling us to achieve our purpose and objectives. Our stakeholders including customers, regulators, shareholders, and business partners recognise its importance: customers expect it, regulators require it, shareholders demand it, and our business partners have embraced it.

To ensure sustainable growth, we have embedded robust and sound risk management practices into our activities, policies, processes, and governance structures across the Company. This integrated approach empowers us to proactively identify, assess, and actively manage risks, supporting informed decision-making and long-term success.

Our ultimate goal for risk and conduct value is to manage our business in a safe, secure, and profitable manner benefiting all stakeholders, building trust, and enhancing our reputation premium. We are committed to responsible business practices, from managing our environmental footprint to safeguarding the personal information of our clients and other stakeholders.

We strive not only to meet but to anticipate and exceed the evolving regulatory requirements of the insurance industry. At its core, insurance is about assuming and spreading risk to protect both policyholders and shareholders from adverse financial outcomes.

At LGIUL, business sustainability means extending enterprise risk management to encompass environmental, social, and governance (ESG) risks. By integrating ESG frameworks into our operations, we have strengthened our ability to manage sustainability risks effectively.

During the year ended 31 December 2024, we demonstrated our commitment to our principal stakeholders by diligently fulfilling all our obligations including the prompt payment of claims, meeting regulatory financial requirements, honouring tax responsibilities, and providing for staff retirement benefits. Our steadfast risk management principles ensure that we consistently underwrite the right business, in the right way, as we pursue our strategic objectives.

Addressing Material Matters

Material matters are those issues that have the potential to significantly impact our ability to create long-term,

sustainable value for our stakeholders. During the year, we identified these matters by assessing our top risks those that are elevated, could emerge within a short timeframe, or are currently top of mind for our board of directors and executive management.

The material matters identified include:

- *Shifts in the operating environment due to a changing regulatory landscape, including onerous regulatory and statutory requirements (such as new intermediary models agency, brokerage, bancassurance and amendments to tax laws).*
- *Cybersecurity and resilience threats that could compromise our operations and stakeholder trust.*
- *Data and information risks, particularly around the protection and management of sensitive information.*
- *Insurance risks, particularly the increase in insurance fraud, resulting in elevated claims and greater financial exposure.*
- *Technology infrastructure challenges, specifically the need to ensure our systems meet performance expectations.*

Risk Strategy

At Liberty, our primary risk-taking activity is providing insurance solutions tailored to a diverse range of clients including individuals, corporates, and those with specialised or customised needs. Our core competency lies in understanding the unique insurance requirements of each client, ensuring their needs are fully addressed. By taking the time to understand our clients' businesses and lifestyles, we deliver the most appropriate and effective insurance solutions whether for personal assets, business operations, cargo in transit, or travel. The strategies include the following:

- **Strong Corporate Governance:** Upholding robust governance standards to ensure compliance with all internal and external requirements, including regulatory and statutory obligations.
- **Effective Internal Control Systems:** Maintaining a comprehensive internal control framework that supports the board, management, and stakeholders, providing reasonable assurance over operational, financial reporting, and compliance objectives.
- **Sound Risk Culture:** Fostering a risk-aware culture throughout the organisation to support strategic execution.
- **Skilled Resources:** Ensuring access to the necessary skills and services to support our operations.
- **Capital Adequacy:** Maintaining sufficient capital and liquidity to support strategy execution and withstand risk events.
- **Product Design Insight:** Understanding key economic and non-economic variables in product development.
- **Industry Engagement:** Actively participating in regulatory and business forums to help shape the business environment.
- **Technology and Consumer Trends:** Staying abreast of technological

advancements and evolving consumer needs and investing resources accordingly.

- **Clear Risk Authority Framework:** Establishing clear risk parameters and authorities aligned with board-approved risk appetite.

Risk management is overseen by the Board, with day-to-day integration and embedding of risk practices led by management through the Head of Risk and Compliance. Each department maintains and regularly updates a risk register, ensuring that risks are monitored both at departmental and enterprise-wide levels. Our risk management principles and policies are aligned and consistent with those of the wider Standard Bank Group.

Risk appetite

Risk Appetite is an expression of judgement by management about the maximum level of risk that Liberty is willing to take in pursuit of its financial and strategic objectives. Risk appetite is quantified in terms of risk tolerance limits, which act as boundaries for decision-making. Defining a risk appetite and monitoring to ensure that it is complied with, minimises surprises/unexpected losses.

At Liberty General Insurance Uganda Limited, our risk appetite is set with input from key stakeholders and is guided by our commitment to deliver strong insurance solutions for clients through prudent maintenance of the Company's solvency. We carefully balance the dual sometimes conflicting objectives of creating shareholder value and minimising risk by establishing clear risk limits.

Our strategic plans are shaped by a deliberate trade-off between risk and reward, always considering the risk appetite and targets approved by the Board. The Company's risk appetite framework includes both quantitative limits for measurable risks and qualitative boundaries that define acceptable and unacceptable behaviours in pursuit of our

business objectives.

As part of formulating our quantitative risk appetite statement, Liberty General Insurance Uganda Limited considers three key dimensions to effectively measure and manage risk:

- **Regulatory Capital Coverage**

Meeting regulatory capital requirements remains a top priority, as it is a key indicator of financial strength and stability. This metric is critical in building trust with prospective clients and demonstrating our ability to meet policyholder obligations. Maintaining adequate capital also helps us avoid regulatory intervention and the reputational risks that may arise from non-compliance.

- **Economic Value at Risk (EVaR)**

This metric quantifies the potential financial loss the Company could face over a specified time horizon at a given confidence level. It provides insight into the maximum expected loss under normal market conditions, enabling informed decision-making and proactive risk management.

- **Earnings-at-Risk (EaR)**

EaR captures the potential impact of various risks on the Company's earnings. It is a valuable tool for monitoring and managing risk exposures across different business levels, helping to prevent excessive risk-taking that could lead to significant earnings volatility. Importantly, this metric supports strategic flexibility while ensuring that risk exposures remain aligned with the Company's overall objectives.

The Company's risk appetite statement is reviewed regularly to ensure it remains aligned with evolving business objectives and market conditions. In addition to quantitative measures, our qualitative risk appetite outlines clear boundaries for acceptable and unacceptable conduct, particularly in areas affecting our reputation and ethical standards.

Risk culture

At Liberty, our risk culture is an integral part of our overall organisational culture, reflecting the tone set by leadership and a shared set of attitudes, values, behaviours, and practices that guide how risk is considered in daily activities.

We have established a robust risk culture framework that promotes a proactive, integrated, and transparent approach to risk management. Our culture encourages open communication, continuous learning, and accountability, empowering all employees to understand and manage the risks relevant to their roles. We view risk not only as a challenge but also as an opportunity for growth and innovation, always aligned with Liberty's strategic ambitions and appetite for responsible risk-taking.

We foster an environment where every individual is accountable for ensuring that business is conducted ethically and resources are managed responsibly. All employees are expected to recognise the importance of effective risk management, to understand the risks associated with their roles, and to ensure these risks are appropriately managed and reported. Timely transparent, honest communication of risk related insights is encouraged at all levels, and lessons learned from past incidents are used to drive continuous improvement.

This culture is championed by the Board and executive management, who reinforce its importance through their communication, decision-making, and incentive structures. Managers and leaders consistently model and promote behaviours that support effective risk management, ensuring that every individual understands their role in safeguarding the organisation's success. LGIU's risk culture framework.

Risk Management processes/lifecycle (Identification, Assessment, Measurement, Treatment/Control, Monitoring and Reporting)

Risk identification and assessment serve as a critical bridge between day-to-day risk management and the achievement of long-term business objectives. Through a structured, top-down process, both current and emerging risks that could impact the business model, strategy, or sustainability are systematically identified and assessed.

Staff and managers evaluate all identified risks using both qualitative and quantitative approach, considering the adequacy and effectiveness of existing controls. Expert judgment is applied to rate risk events, enabling effective prioritisation for action, escalation, or reporting. To ensure consistency and facilitate group-wide aggregation and ranking, risks are categorised using a standardised framework.

Risk measurement supports a comprehensive understanding and management of the Liberty's risk profile. Regular and robust quantification is conducted at the aggregate, departmental, and material risk type levels. This ensures that risk exposures remain within defined risk appetite and limits, and close to target ranges. Both current and anticipated future risk levels are measured under baseline and stressed scenarios, supporting proactive risk management and informed decision-making.

After the consideration of risk appetite/ risk limits, risk decisions of pursuing the upside opportunity and/ or minimising the downside must be made. Available treatment options are: Avoid, Transfer or share, Mitigate or reduce and accept and monitor.

Monitoring: Both the risk environment and the control environment are subject to continuous, organisation-wide monitoring. Independent assurance is provided by risk management teams, Group Internal Audit, external auditors, and other combined assurance providers. This integrated approach ensures:

- **Comprehensive Coverage:** All lines of defence are covered through ongoing reviews and verification of management's self-assessment results.
- **Combined Assurance:** Assurance providers collaborate both jointly and independently to review risks and controls across different areas of the Liberty. This enables them to share findings, rely on each other's work, and confidently use each other's review reports.
- **Integrated Assurance Opinion:** The combined efforts of all assurance providers result in a holistic and reliable assurance opinion, strengthening the Liberty's risk management and control environment.
- **Industry Engagement:** Actively participating in regulatory and business forums to help shape the business environment.
- **Technology and Consumer Trends:** Staying abreast of technological advancements and evolving consumer needs and investing resources accordingly.
- **Clear Risk Authority Framework:** Establishing clear risk parameters and authorities aligned with board-approved risk appetite.

Reporting:

- *Transparent Communication: Material risks, control effectiveness, and relevant disclosures are reported from operational levels up to the Board and external stakeholders.*
- *Regular & Ad-Hoc Reporting: Reports are provided quarterly, half-yearly, annually, and as needed, ensuring timely and informed*

Top Risks

Top risks are elevated, material risks that may materialise within a relatively short time frame and that are currently on the minds of the board of directors and executives.

Emerging Risks

Emerging risks are trends or conditions that could significantly impact the institution's financial strength, competitive position, or reputation in the longer term (>five years). These involve a high degree of uncertainty.

Risk Register

A risk register is a central tool for recording and tracking information about individual risks and their management. It facilitates communication with stakeholders by highlighting significant risks and documenting key details, including:

- *All identified risks across the company*
- *The likelihood and potential impact of each risk*
- *Actions being taken to mitigate or manage each risk*
- *Assigned risk owners responsible for ongoing active management*

At Liberty, the risk register is decentralised at the departmental level, empowering risk owners and first-line managers to identify, capture, and propose mitigation strategies for risks specific to their areas. The risk department regularly reviews these departmental registers in collaboration with risk champions during "risk cafes." Insights from these sessions are consolidated into a single enterprise risk register each month, enabling continuous tracking, escalation, and mitigation of risks across the organisation.

Liberty's risk preferences

Liberty classifies its risk preferences into two main categories:

Actively Sought Risks: These are risks that the company deliberately pursues as part of its core business activities, such as underwriting and risk management. These value-enhancing risks are essential to achieving Liberty's strategic objectives and are managed to optimise returns.

Non-Actively Sought Risks: These risks arise incidentally from conducting business but are not intentionally pursued. Liberty manages these risks to an acceptable level in order to protect and preserve value, ensuring they remain within the company's risk appetite and do not threaten sustainability. This approach enables Liberty to balance value creation with value protection, aligning risk-taking with the company's overall strategy and objectives.

Risk environment

LGIUL's significant risks are categorised into three main groups: Strategic and Business Risks, Financial Risks, and Non-Financial Risks (NFRs). These categories ensure a comprehensive approach to risk management across the organisation.

- **Strategic and Business Risks:** Includes strategic risk, business risk, and reputational risk—risks that could impact Liberty's long-term objectives, business model, or brand value.
- **Financial Risks:** Encompasses risks directly related to financial performance and stability, such as Insurance Risk, Market Risk, Credit Risk and Liquidity Risk
- **Non-Financial Risks (NFRs):** Covers operational, business conduct, legal, and compliance risks—factors that may not have a direct financial impact but can affect operations, regulatory standing, and stakeholder trust.

Ref	Risk Category	Risk Type
1	Strategic Risk	Strategic Risk Business Risk Image and Reputation Risk
2	Financial Risk	Insurance Risk Market Risk Credit Risk Liquidity Risk
3	NFR Risk Type	Business Disruption Risk Compliance Risk Conduct Risk Cyber Risk Environmental, Social and Governance (ESG) Risk Financial Accounting Risk Financial Crime Risk Fraud Risk Information Risk Legal Risk Model Risk People Risk Physical Assets, Safety and Security Risk Tax Risk Technology Risk Third-party Risk Transaction Processing Risk

LGIUL's top risks

The top risks are identified through a top-down identification and assessment process that enables us to detect those issues that could prevent our business from achieving its objectives. We also evaluate discussions held by the board and its committees, assess the outcomes of our strategy session, and consider legitimate concerns of our stakeholders to ensure we have a holistic view of the matters most material to our business.

The top risks were as summarised below;

Risk	Likelihood	Impact	Key Preventive controls
Strategic and business risk The risk of strategic and core business outcomes differing adversely from expectations such as revenue, new business and profitability	High	High	<ul style="list-style-type: none"> Diversification into various new products and distribution channels so as to grow market share Social media marketing campaigns such as thought leadership, branding, sales and distribution.
Fraud and Insurance risk Staff, customers and service providers pose risk of fraudulent activities such as fraudulent claims applications and forged documentation.	Medium	High	<ul style="list-style-type: none"> Continuous improvement of the internal control environment such as through regular spot checks, maker checker controls , formulation of policies and training of staff.
People risk Undesirable impact on business objectives due to inability to attract, develop, manage and retain the required talent. It encompasses consequences due to the impact of decisions of people, inside and outside of Liberty. The risk of breaching employment legislation and mismanaging employee relations	Medium	Medium	<ul style="list-style-type: none"> Roll out of enhanced employee wellness programs Succession planning for key roles/ employees, and creating awareness on the evolution of work from building blocks to new digital constructs. Upskilling the Workforce: Liberty is committed to continuously upskilling its workforce by encouraging and supporting employees to enrol in professional qualifications and participate in Continuing Professional Development (CPD) programs. This approach ensures that staff remain current with industry best practices, regulatory requirements, and emerging trends, thereby strengthening organisational capability and maintaining a competitive edge.
Data, Information and Cyber Security risk The risk of accidental or intentional unauthorised use, access, modification, disclosure, dissemination or destruction of information resources, which would compromise the confidentiality, integrity and availability of information which would potentially harm the business.	Medium	High	<ul style="list-style-type: none"> Cyber security awareness training for all staff Roll out of enhanced IT and data security measures such as end point encryption and patching.
Market Risk The risk of a change in the value of assets, the value of liabilities, or the income to be received on assets as a result of market movements	Low	Low	<ul style="list-style-type: none"> Continuous monitoring of the market rates movement and performance of monthly revaluation to ascertain materiality of the risk. Stress testing on liquid assets to ascertain the Company's ability maintain a profitable investment portfolio.

Reporting Risk

Effective internal risk reporting is a critical component of Liberty General Insurance Uganda's risk management framework. It ensures that senior management and the Board receive relevant, accurate, and timely information on the organisation's risk profile. This process provides assurance that the business is operating within approved risk appetite and limits, highlights emerging risks, and promptly escalates adverse events requiring management intervention.

Management is responsible for reporting all material risks and any significant changes to the risk profile to the appropriate governance committees and oversight functions. Any breaches of risk limits must be reported to the committee that approved the respective limit. Progress on management actions to address material risks and limit breaches is also tracked and reported.

External risk reporting to stakeholders including shareholders, analysts, customers, and regulators, is equally important. These reports demonstrate effective risk management and provide transparent feedback on the Liberty General Insurance Uganda's risk position and performance.

Risk Management

Liberty General Insurance Uganda adopts an enterprise risk management (ERM) approach, anchored in the Solvency Assessment and Management (SAM) framework. The Board holds ultimate accountability for risk governance and delegates oversight through the three lines of defence model:

First Line: Management identifies, assesses, and implements mitigation strategies for prioritised risks within the Board-approved risk appetite.

Second Line: The risk function oversees and challenges the effectiveness of risk mitigations and controls.

Third Line: Internal and External auditors provide independent assurance on the

adequacy of controls and the overall risk management process. This structure ensures that risks are managed proactively, controls are robust, and governance remains effective across the organisation.

Combined Assurance

Combined assurance is a coordinated approach to obtaining assurance over risk management, built on Liberty General Insurance Uganda's Enterprise Risk Management (ERM) process and the three lines of defence model. This approach provides the Board with confidence that risk governance and ERM processes are operating effectively across the organisation.

Liberty General Insurance Uganda's combined assurance model clearly aligns roles and responsibilities with the three lines of defence. Regular communication and collaboration occur between business unit management, heads of control functions, and independent assurance providers—including internal and external audit. Through these assurance functions, the Board receives regular updates on the management of key risks, ensuring comprehensive oversight and effective risk management.

Regulatory change management

Liberty General Insurance Uganda operates within a complex and evolving regulatory landscape shaped by international trends and Ugandan priorities, including consumer protection, prudential regulation, tax reform, and broader economic and financial inclusion goals. Significant effort is dedicated to anticipating and understanding emerging regulations to identify potential risks and opportunities that may impact the business.

Regulatory management at Liberty General Insurance Uganda is overseen through a robust review and oversight process, jointly administered by the group risk and compliance functions. This process identifies, prioritises, and assesses pending regulatory requirements, enabling the development of appropriate organisational responses that consider both the proximity and potential impact of new regulations, as well as their strategic implications. The key remittances to regulators in 2024 include the following:

Regulator	Contribution	2024 (Shs M)	2023(Shs M)
URA	Taxes	8,949	7,948
NSSF	Employer and employee contributions	687	568
IRA	Premium Levy and Annual License	562	530
ITC	Training Levy	186	175
KCCA	Local Service Tax	3.4	2.9
Grand Total		10,388	9,224

In 2024, our total contributions to national and local regulatory bodies increased to Shs 10.4 billion, up from Shs 9.2 billion in 2023. This growth of 13% reflects our expanding operations and our unwavering commitment to compliance and good corporate citizenship. These remittances directly support national development and social security.

Cybersecurity and resilience

At Liberty General Insurance Uganda, we recognise that technological advancement must be integrated with human insight to deliver secure, accessible, and engaging experiences for employees, advisers, and clients. Our approach balances digital innovation with human interaction across all client engagements.

Management proactively monitors, identifies, and responds to IT security risks, including cyber threats. In response to an increasingly complex cyber risk landscape, significant progress was made in 2024 through the implementation of enhanced remediation controls. Efforts were focused on strengthening capabilities across governance, people, processes, and technology to improve threat detection and response.

Liberty General Insurance Uganda has also launched several innovative cybersecurity initiatives in partnership with Standard Bank Group, further strengthening our security posture and resilience.

Enterprise IT and data governance.

Enterprise IT and data governance remain a strategic priority at Liberty General Insurance Uganda, with ongoing oversight from the Board and executive leadership. In 2024, the Group IT Committee met quarterly, fulfilling its governance responsibilities as outlined by King IV Report on Corporate Governance. An independent review conducted in the third quarter confirmed Liberty's strong IT governance maturity and highlighted notable progress across all IT domains. The findings are guiding a multi-year roadmap to further enhance IT governance.

Liberty General Insurance Uganda's IT regulatory environment is closely monitored, with continued focus on cybercrime trends and data protection compliance. The IT strategy was refreshed to align with the Liberty General Insurance Uganda's key priorities, centering on three focus areas, client and adviser centricity, digitalisation, and integration supported by six foundational elements: always-on availability, robust security, new ways of working, data and analytics, IT employee engagement, and simplification.

The primary objective is to ensure Liberty General Insurance Uganda is future-ready: innovative, cost-effective, client-centric, agile, and data-driven. The new IT operating model has fostered greater collaboration and accelerated delivery, supporting Liberty General Insurance Uganda's transformation from a service-based to an agile, digital organisation.



Capital Adequacy Ratio/ management 256%

Liberty General Insurance Uganda continues to maintain a strong capital position, with a solvency capital adequacy ratio of 256%, well above the minimum regulatory requirement of 200% and our target of 245%. This increase reflects sustained business growth and disciplines financial management throughout the year. The company's robust risk management framework has supported the development of a strong balance sheet, resulting in solid liquidity and capital ratios that ensure ongoing financial stability and regulatory compliance.

Reputation

We will not deliberately and knowingly engage in any business, activity, or relationship which, in the absence of any mitigating actions, could result in reputational damage to Liberty General Insurance Uganda today and into the future. We proactively protect and uplift the Liberty General Insurance Uganda's brand in all our interactions.

Conduct

We place the client at the centre of everything we do, ensuring that fairness and ethical behaviour underpin all our business activities and relationships. Liberty General Insurance Uganda has zero tolerance for any deliberate or knowing breach of legislative, regulatory, or internal policy requirements.

Business Continuity Plan

At Liberty General Insurance Uganda, our commitment to operational resilience is anchored in a comprehensive Business Continuity Plan (BCP), which is a core element of our risk management strategy. The BCP is designed to ensure that, in the event of unforeseen disruptions, critical business activities can continue with minimal impact on our operations and customers. Our Business Continuity and Crisis Management Policy provides a clear framework for swift and effective response, prioritising the safety of our people and the continuity of our services. This policy is regularly reviewed and updated to remain robust and relevant in a dynamic risk environment.

In 2024, we conducted a rigorous crisis simulation exercise to test our preparedness for operational disruptions. Insights gained from this exercise have further strengthened our response capabilities and enhanced our ability to maintain uninterrupted service. Our proactive approach to business continuity reflects our unwavering dedication to protecting both the company and our customers, ensuring we remain resilient and responsive in the face of adversity.

COMPLIANCE RISK

Compliance risk is the risk of legal or regulatory sanctions, financial loss, or reputational damage resulting from Liberty's failure to comply with applicable laws, regulations, codes of conduct, internal policies, or industry standards.

Liberty General Insurance Uganda closely monitors the regulatory environment to ensure timely implementation of new or amended requirements, thereby avoiding unnecessary fines, penalties, or license revocation. The company has zero tolerance for deliberate breaches of regulatory or compliance policies and maintains a very limited appetite for unforeseen breaches.

The Board delegates compliance matters to the compliance control function, with oversight provided by the Audit and Risk Committees, which approves the compliance mandate. The risk and compliance manager submits quarterly reports on the status of compliance risk management, significant non-compliance issues, and key regulatory

interactions.

In 2024, Liberty General Insurance Uganda Limited remained materially compliant with all relevant legislation, including the Companies Act, Insurance Act, data protection and privacy regulations, and anti-money laundering and counter-terrorism financing laws.

Compliance Risk Management Process

The Head of Risk and Compliance guides the company in fulfilling its statutory, supervisory, and regulatory obligations through a structured Compliance Risk Management Process. This process includes the identification, assessment, management, monitoring, and reporting of compliance risks and exposures.

The effectiveness of Liberty General Insurance Uganda's risk management and internal control systems is periodically reviewed through ongoing monitoring and independent assessments, such as those conducted by the Group Internal Audit team. This ensures that controls remain robust and effective in supporting the organisation's objectives.

In 2024, Liberty General Insurance Uganda Limited was materially compliant with the Companies Act, 2012 and the Insurance Act, 2017 of Uganda.

Compliance risk management plans (CRMPs)

In collaboration with management, the Head of Compliance develops Compliance Risk Management Plans (CRMPs) for all material legislation. Regulatory risks are assessed based on their potential impact and likelihood, and appropriate controls are designed and implemented to address identified risks. Statutory, supervisory, and regulatory requirements are embedded into all business processes.

CRMPs are reviewed at least annually, or whenever there are legislative changes, to ensure that controls remain adequate and effective. The Head of Compliance uses CRMPs as part of the ongoing monitoring process to test and validate the effectiveness of implemented controls.



Compliance monitoring and reporting

The Head of Compliance conducts regular compliance monitoring reviews in line with approved monitoring plans. These reviews provide assurance to the Board and executive management (Exco) regarding the company's adherence to statutory, supervisory, and regulatory requirements.

Compliance mandatory training

The Head of Compliance is responsible for ensuring that all employees complete mandatory compliance training. This training equips staff with a clear understanding of the statutory, supervisory, and regulatory requirements applicable to Liberty General Insurance Uganda Limited, helping to foster a culture of compliance throughout the organisation.

Compliance Risk Appetite

Liberty General Insurance has established a risk appetite framework that assigns specific risk tolerances to all risk types, ensuring alignment with the company's strategy, objectives, core values, mission, and vision. The Board has adopted a zero-tolerance stance toward any deliberate breach of statutory, supervisory, or regulatory requirements, as outlined in the compliance risk appetite statement.

Compliance risk exposures

While unforeseen breaches of statutory, supervisory, or regulatory requirements may occasionally occur, immediate remedial action must be taken to mitigate these risks effectively. Each exposure should be thoroughly investigated and resolved, with controls assessed and strengthened as needed to prevent recurrence.

Employees are required to report any identified compliance risk exposures immediately to the Head of Compliance and Exco, ensuring that appropriate corrective actions are implemented. Progress on addressing the root cause of each exposure must be tracked and reported until fully resolved.





Kenneth Kyamanywa - Chief Financial Officer

Our Sustainability Overview

At Liberty Insurance Uganda, we remain committed to advancing our sustainability goals across all strategic areas. We deliver superior customer experiences, ensure our people are aligned with our purpose, and uphold ethical business practices. By leveraging technology and data, we protect and serve our clients more effectively, allocate resources responsibly to deliver strong shareholder returns, and create value for society by enabling financial freedom and improving lives.

As one of Uganda's leading short-term insurers, we recognise our role in fostering a sustainable economy that empowers people to build better futures. Our social, economic, and environmental strategy focuses on creating solutions that benefit society while driving growth, innovation, and differentiation in the insurance sector.

We are committed to doing business the right way guided by integrity and responsibility. This shared value reflects our awareness of the broader impacts of our actions, not only on the societies where we operate but also on future generations. To strengthen this commitment, we embed the SEE approach, ensuring that the Social, Economic, and Environmental impacts of every project or transaction are carefully considered and addressed.

Our sustainability report provides a holistic assessment of the Company's performance for the year ended 31 December 2024. The report has been developed to show how Liberty General Insurance seeks to play a meaningful role in society by strengthening communities, understanding, and managing our environmental impacts and contributing to the economies in which we operate.

".....Through our Sustainability Practices at Liberty General Insurance, we aim to create meaningful social impact by operating responsibly and ethically. We remain conscious of how our actions affect the economy, the environment, and society at large, while aspiring to build a better future for generations to come..."

Our Sustainability Statement.

At Liberty General Insurance, we are dedicated to enhancing our positive contributions while carefully managing and reducing potential negative impacts. Our goal is to create shared value by addressing the issues that matter most to our employees, financial advisers, clients, and society. In doing so, we embed the SEE approach, ensuring that the Social, Economic, and Environmental dimensions are integral to every decision we make.

Our Sustainability Approach

At Liberty General Insurance, our strategy is designed to create lasting Social, Economic, and Environmental (SEE) impact while delivering exceptional value to all our stakeholders. We focus on interventions that not only address sustainability priorities but also enhance the overall experience for our clients, ensuring that every interaction is seamless, transparent, and aligned with their needs. By transforming the client experience, we strengthen trust, deepen engagement, and foster long-term relationships that benefit both our clients and society.

Execution excellence is central to our approach. We integrate robust ESG risk management practices into every aspect of our operations, carefully assessing potential risks and opportunities to

ensure that our business decisions are responsible, resilient, and aligned with sustainable growth objectives. This disciplined approach allows us to manage resources effectively, optimise performance, and create value for shareholders while simultaneously contributing to societal and environmental well-being.

We track our progress and impact through ESG performance metrics, which serve as a key indicator of our sustainability outcomes. These metrics enable us to measure the effectiveness of our initiatives, refine our strategies, and ensure that our actions deliver meaningful, measurable benefits. By embedding these principles into our operations, Liberty General Insurance not only drives sustainable growth and operational excellence but also strengthens its role as a responsible corporate citizen committed to improving lives and supporting a sustainable economy for future generations.

Value creating activities and products

Advice

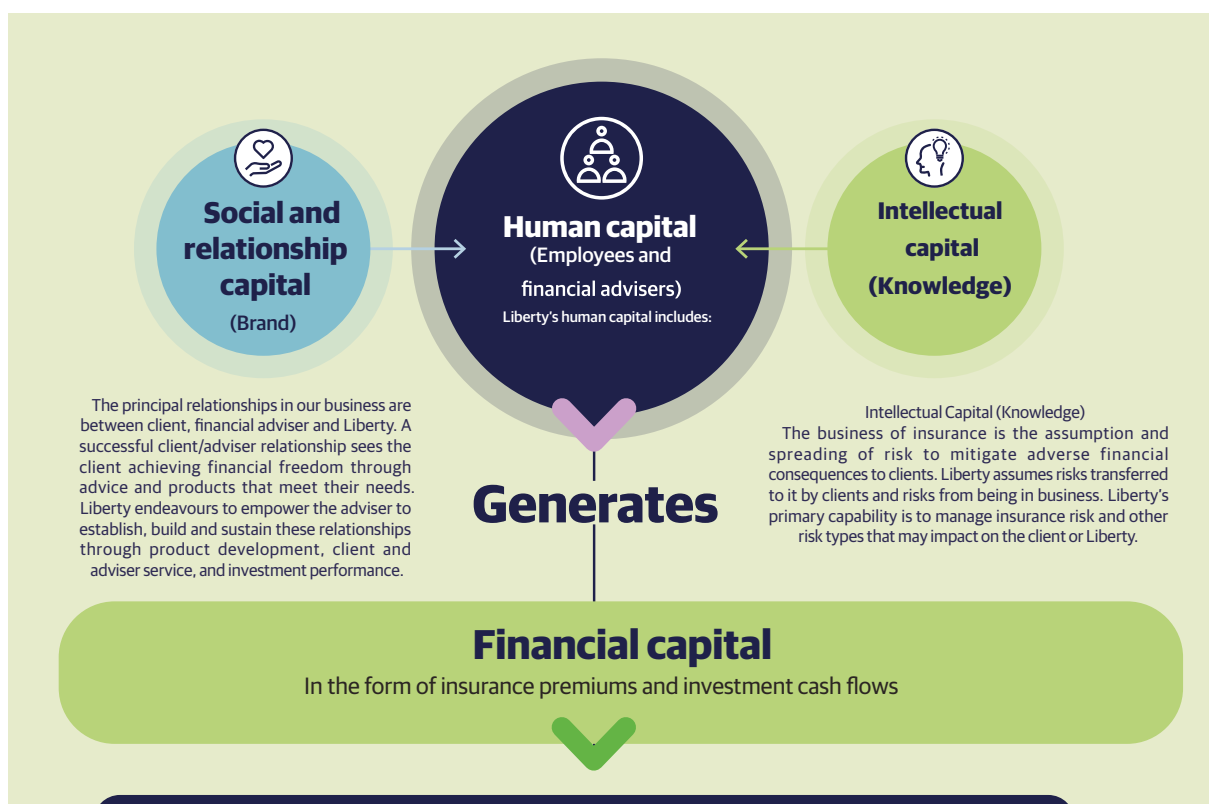
An advice philosophy that places the client at its heart and delivers a human, living and outcomes-oriented experience, via the best advisers with smart enablement.'

- Professionally trained financial advisers
- Appropriate financial guidance

Insurance

Certainty in uncertain times. Products that provide clients and their dependants with peace of mind and protection from the financial impact of their property such as accidents, fire, theft, burglary

Capital transformation and outcomes



Outcomes

01

Enhanced Liberty brand by delivering on our promises

02

Enhanced financial capital to be applied to growth initiatives or returned to shareholders

03

Enhanced social and relationship and intellectual capitals by attracting and retaining the best employees

04

Reduced operating costs and enhanced brand reputation

05

A positive social and environmental impact

Value added statement for the year ended 31 Dec 2024

Value Added	2024 shs 000	% of wealth	2023 shs 000	% of wealth
Net insurance service result	2,893	127%	(25)	-1%
Investment income	2,444	107%	3,200	143%
Finance expense	(551)	-24%	(113)	-5.1%
General marketing and administration expenses	(2,507)	-110%	(823)	-37%
Wealth created	2,280	100%	2,239	100%
Distribution of wealth				
Employees	342	15%	336	15%
Government	456	20%	448	20%
Shareholders	1,231	54%	1,164	52%
Retention to support future business growth	251	11%	297	13%
	2,280	100%	2,239	100%

The Value Added Statement demonstrates how we generate wealth from our core activities and distribute it to key stakeholders. It reflects our commitment to sustainable value creation, even in a period of market uncertainty. In 2024, we created Shs 2,280 million in wealth, a stable result compared to Shs 2,239 million in 2023, showcasing the resilience of our business model.

How Wealth Was Created: A Story of Operational Turnaround

The sources of our wealth reveal a significant strategic achievement. A substantial improvement in our core underwriting performance was the key driver.

Net Insurance Service Result: Generated Shs 2,893 million, a dramatic turnaround from a loss of Shs 25 million in 2023. This 127% contribution to wealth created highlights our enhanced underwriting discipline and operational efficiency.

Investment Income: Contributed a solid Shs 2,444 million (107% of wealth). While lower than the prior year's exceptional performance, it remains a crucial pillar of our profitability.

Cost Management: We increased investment in marketing and administration to support future growth. While this reduced net wealth, it was more than offset by our strong operational performance.

How Wealth Was Distributed: A Balanced Commitment

We believe sustainable success is achieved by balancing the interests of all stakeholders. The distribution of wealth illustrates this commitment.

- **Employees (15% - Shs 342m):** Rewarding our team for their contribution to our success.
- **Government (20% - Shs 456m):** Our contribution to public finances through taxes and levies.
- **Shareholders (54% - Shs 1,231m):** Providing a stable and significant return for our investors.
- **Reinvested in the Business (11% - Shs 251m):** Retained earnings to fund innovation, strengthen our capital base, and ensure future growth.

Our balanced approach to value distribution underscores our sustainable business model, ensuring shared prosperity while maintaining a strong foundation for continued resilience.

Our Social, Economic and Environmental (SEE) Strategy

We create value by living our purpose and achieving our vision through diligent execution of our strategy. Our strategic value drivers measure our strategic progress, allowing us to focus on the value we aspire to create for all our stakeholders. Liberty's execution framework and strategic value drivers to implement their strategic journey in 2024 are;



Our Social, Economic and Environmental (SEE) impact

In a year marked by economic uncertainty, our commitment to sustainable growth remained steadfast. We navigated challenges by focusing on resilient economic contributions, targeted social empowerment, and continuous environmental improvement. The following highlights our key performance metrics against prior year and budget.

Impact Area & Key Metric	2023 Actual	2024 Actual	2024 Budget	Performance Insight
ECONOMIC RESILIENCE				
Fiscal Contribution	Shs 9.2 bn	Shs 10.4 bn	Shs 10.0 bn	Exceeded target, reinforcing our role as a stable contributor to the national economy.
Spend on Local Suppliers	98%	98%	90%	Consistently strong performance, far exceeding our goal to support local enterprise
SOCIAL EMPOWERMENT				
Net Claims Paid	Shs 5.4 bn	Shs 4.4 bn	Shs 6.4 bn	Lower claims volume, a positive indicator of member risk reduction, allowed for strategic resource allocation.
CSI Spend	Shs 20 mn	Shs 120 mn	Shs 100 mn	Increased investment in communities, with a focused approach to ensure meaningful impact despite a constrained environment.
ENVIRONMENTAL STEWARDSHIP				
Paper Usage	1,592 kg	1,420 kg	<1,000 kg	A 10.8% reduction, demonstrating clear progress in our digital transition journey.
Fuel Consumption	19,296 L	23,476 L	<20,000 L	Increased due to expanded essential operations. New efficiency strategies are a key priority for the year ahead.

Our Strategic Response to a Dynamic Year

The past year required agility and a reinforced commitment to our core values. Our performance tells a story of adaptation:

- *Economic strength provided a foundation for stability, allowing us to exceed fiscal targets and powerfully sustain local partnerships.*
- *Social initiatives were strategically focused. We channelled resources effectively, prioritising deep community impact over pure expenditure.*
- *Environmental progress continued, though we face a clear challenge in fuel efficiency. We are addressing this with targeted action plans.*

Our Social, Economic and Environmental (SEE) Impact (continued)

Our Social, Economic and environmental (SEE) Material impact assessment Liberty General Insurances' strategy is centred on the intervention that advance positive outcomes across these priority areas while reinforcing our ESG risk management practices. ESG performance serves as a key measure of our overall sustainability impact.

Our SEE material matters	Management actions	SDG we contributed to
Enabling financial freedom, inclusion, and access to financial services	As a responsible corporate citizen, we recognise the importance of leading the way in building a responsible financial services sector and thus enabling sustainable economic growth. We support economic inclusion and significant transformation by implementing several initiatives relating to, among others, employment equity, financial literacy and enterprise and supplier development (ESD).	 
Promoting inclusive economic growth through quality education	<p>We believe that education is key to fostering meaningful economic development. We are therefore dedicated to investing in educational initiatives that will empower our communities, and thus enable sustainable inclusion and participation in the economy.</p> <p>We have prioritised three areas where we believe we can positively contribute:</p> <ul style="list-style-type: none"> • Increasing employment through faster economic growth • Improving the quality of education, skills development, and innovation • Partnering to build the capability of educational institutions 	 
Responding to stakeholder expectations, with a focus on ESG principles and climate change	We have an active approach to stakeholder engagement and continue to consider their needs and expectations to ensure we align our product offerings and services to address their concerns. Our stakeholders expect us to be leaders in matters of ESG, and with our commitment to excellent governance, quality education, environmental sustainability, financial and economic inclusion, we believe we are positively executing our strategy and creating long-term value.	 
Managing and protecting our physical environment, as well as the health and safety of our employees	We remain cognisant of our impact on the environment as well as our contribution to climate change, and we are committed to responsibly and transparently stewarding the natural resources that our business depends on. We therefore track specific targets to ensure we reduce our negative impacts. We are committed to protecting the health and safety of our employees and clients. We continue to ensure that we cultivated an environment that is conducive to excellent health and safety practices.	
Funding national infrastructure development and transitioning to a green, low-carbon economy	<p>We understand that we need to adapt to the constantly changing environment in which we operate. We therefore continue to invest significantly in innovation, technology, and infrastructure to prepare our business for the future, thereby ensuring we can create value for our stakeholders in the long term.</p> <p>This commitment is further supported by our centre for innovation and cross-collaboration through which we build a culture of innovation across our business.</p> <p>We constantly find ways to leverage technological advancements to create solutions that address client needs and business challenges</p>	
Contributing to national economic and social transformation	At Liberty, we embrace diversity and actively develop a culture of inclusion among our employees. Furthermore, we aim to contribute to the transformation of the financial sector to reflect the demographics of our country more accurately. We seek to play a meaningful role in society by strengthening our broader communities and contributing to the economy while creating sustainable value for our stakeholders. We support Uganda's National Development Plan to eliminate poverty and reduce inequality and have aligned our strategic SEE objectives with those of Uganda Vision 2040.	

Our SEE Impact (Stakeholder engagements)

Guided by our SEE impact material matters, Liberty has prioritised seven SDGs we consider could have the most impact on the communities in which we operate. We believe that in doing so, we can meaningfully contribute to transformation and equality while creating prosperous futures for our employees, clients, shareholders, stakeholders, and communities.

We measure our contribution to our selected SDGs through, among others:

- Investments in CSI initiatives
- Our carbon, water, and waste footprints
- Taxes collected and paid
- Transformation

By measuring our progress, we create value for stakeholders.

A focus on our customers

Our customers include those who purchase our solutions (the client) and the intermediaries (financial advisers) who provide advice when selling the solutions. We place our clients at the heart of our business and understand the critical role that our financial advisers play in the conduct of our business.

Driving Client Centric Excellence

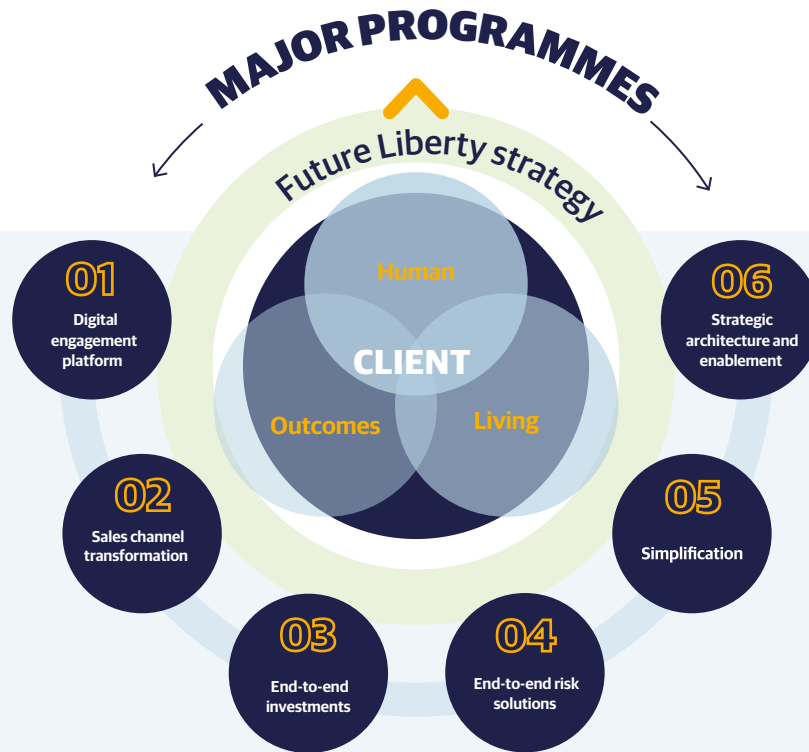
Our clients are the foundation of our business, and their loyalty is the true measure of our market success. This is captured by our Client Net Promoter Score (NPS), a vital benchmark of client satisfaction and advocacy. In 2024, we are proud to have achieved an outstanding NPS of 83%, a testament to the deep partnerships and exceptional value we delivered. While this represents a peak performance, we have undertaken a strategic review to ensure sustainable, long-term growth. Our forward-looking plan involves making significant, foundational investments in our service platforms and support structures. Consequently, we forecast a transitional period with a targeted NPS of 60% in 2025 as these changes are implemented, building steadily to 70% in 2026, 75% in 2027, and returning to a benchmark level of 80% by 2028. This deliberate pathway underscores our commitment to building an even more resilient and scalable client experience for the future.



LGIUL MD Mr. Peter Makhanu and Liberty Life CEO Mr. Mohammed Danish awarding a voucher of 400 bags of cement committed to St. Andrews Archdeaconry COU.



LGIUL MD Mr. Peter Makhanu handing over the company's financial support to Rotary Club of Kasangati leadership towards the construction of Kidudu Primary School in Fort Portal.



Delivered through
Advice culture | Smart enablement | Best advisers

KEY PILLARS OF DELIVERY

Engaged clients

Personalised sales
and servicing journeys

Empowered advisers

Transformed products and
new revenue streams

1. Digital engagement platform



The digital engagement platform programme is the key enabler of the platform business model to augment the power of the human-to-human engagement between our advisers and clients. The programme is a key component of the Transcend element of our strategic execution framework. The programme aims to implement a single digital engagement platform that enables clients, advisers, employees and solution partners to engage around the provision of solutions through digital interfaces enabled by:

- A standard digital engagement layer that enables conversations between Liberty, clients, advisers and solution partners
- A personalised digital experience grounded in a deeply human connection
- A common view of clients across the organisation and a deeper understanding of LGIUL's clients
- Artificial intelligence (AI) and analytical components within the platform to enhance the overall experience for clients and advisers

2. Sales Channel Transformation



The transformation of the group's sales channels is a foundational programme on our journey to deliver exceptional client and adviser experiences. LGIUL's sales channels are transforming from a sales-led approach to an advice-led approach, underpinned by our advice philosophy which places the client at the centre of what we do and empowers them through the delivery of a human, living and outcome oriented experience. We prioritise key programmes of work to accelerate transformation and these are;

Our approach in the sales channel transformation programme centres on delivering client experience outcomes and is intended to reinvigorate our current channels in a dynamic and transformational way while moving LGIUL towards an omni channel capability in which clients can engage with Liberty, when, where and how they choose.

Our omni channel strategy will drive three key objectives:

- Allow us the opportunity to expand our relationships with clients, bringing them closer to us and allowing us to further strengthen our relationship with them.
- Enhance our relationship with clients, driving longer-term loyalty in our distribution network.
- Improve our coordination efforts internally to focus on delivering a consistent, client-centric, multi-channel experience.

3. E2E Investments



The E2E investment programme of work is a core component of LGIUL's strategic execution framework and a critical part of the revitalisation of the business. The programme aims to refresh our group investment proposition with a focus on customer centricity, digitisation and improving market share.

We launched the first iteration of the Sales force workbench, the Advice+ tool and guided implementation approach, as well the default multi-strategy and discretionary fund management model portfolio ranges linked to our refreshed advice process.

4. E2E risk solutions



The E2E risk programme is at an early stage in its life cycle relative to the other business programmes and will leverage these programmes to deliver incremental value. The programme aims to deliver compelling risk solutions that build human connections between our advisers and clients with the power of a scalable digital engagement platform.

The E2E risk programme is a key component in our Evolve element of our strategic execution framework.

5. Simplification



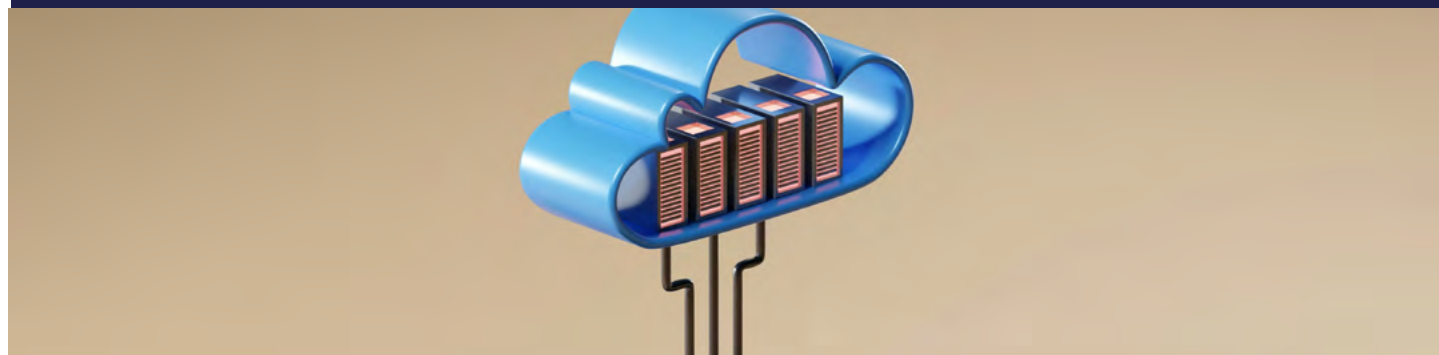
Simplifying our organisation aligns to LGIUL's strategic execution framework whereby Renovation of the business is an enabler of our transformation journey and will accelerate progress towards evolving and transcending our existing business.

Migrating the business into an architecture which enables effective management of modular and reusable propositional components will reduce current complexity and increase business agility.

The rationalisation of legacy applications provides an opportunity to leverage innovative technologies such as Advice+ and Sales force, Migrations to a more modern and suitably architected platform will improve the quality and accessibility of client and policy data. This will enable Liberty to meet clients' needs through individualised service and advice.

The simplification programme made considerable progress against the goals of reducing the number of products and portfolios.

6. Strategic Architecture and enablement



The strategic architecture and enablement programme centres on three focus areas: application transformation, cloud, and data. These focus areas form part of initiatives that will help LGIUL renovate, evolve and transcend as we move towards a platform-based business.



LGIUL End of Year party 2024

Our Greatest Asset : Employees

We aim to ensure our employees are motivated, empowered and equipped with the necessary skills and expertise to help us achieve our strategic goals. At the same time, we are committed to meaningful transformation through various programmes related to employment equity, financial literacy and enterprise and supplier development (ESD). For Liberty, it is imperative that employees immerse themselves in our culture of We seek to create value for all our employees. We offer competitive pay and benefits aligned to the market for different functions and skills. Other value metrics are qualitative, such as meeting our strategic objective to "provide an environment for our people to thrive". Such an environment is represented not only by the physical working conditions but by a collegiate

culture underpinned by common ethics. We want our people to be proud to work for Liberty and truly consider their colleagues as family.

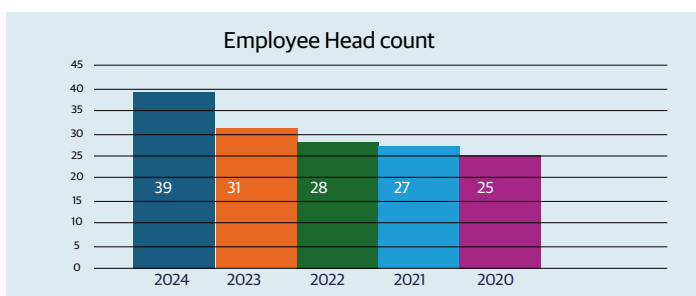
SDG 8: Decent work and economic growth is about promoting inclusive and sustainable economic growth, along with gainful employment. Liberty's purpose of improving people's lives by making financial freedom possible strongly aligns with these objectives.

Investing in Our People in Uncertain Times

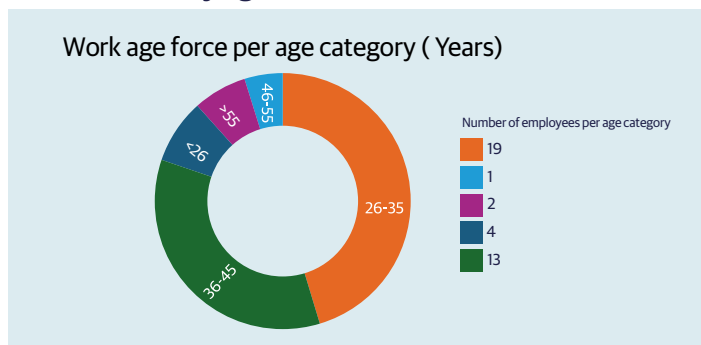
Amidst a dynamic economic landscape, our most strategic response has been to deepen our investment in our people. We recognise that a skilled, engaged, and diverse workforce is the ultimate source of resilience and innovation. This year, we significantly accelerated our investment in talent development and maintained our commitment to fostering an inclusive environment, even as we experienced substantial growth.

A Growing, Stable, and Experienced Team

Our consistent growth is a testament to our stability and success. Employee headcount has grown to 39 in 2024, up from 25 in 2020, reflecting our expansion and commitment to creating employment opportunities.



Our Workforce by Age (2024)

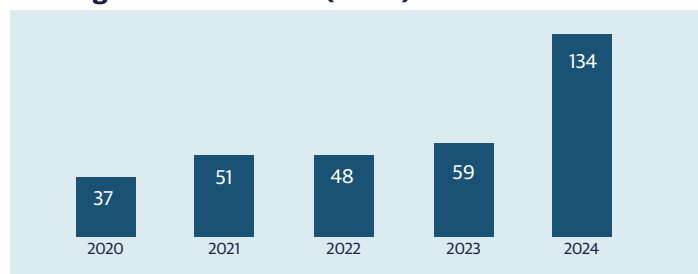


This distribution highlights a robust, experienced core (ages 26-45) that provides stability and mentorship, balanced with younger talent that brings fresh perspectives. This blend is crucial for navigating current challenges and building for the future.

Accelerating Investment in Skills and Development

We believe that continuous learning is non-negotiable. In 2024, we more than doubled our investment in training, with a spend of Shs 134 million, a significant increase from Shs 59 million in 2023. This massive increase underscores our commitment to equipping our team with the skills needed to excel in a complex world and drive the company's strategic goals forward.

Training Investment Trend (Shs M)

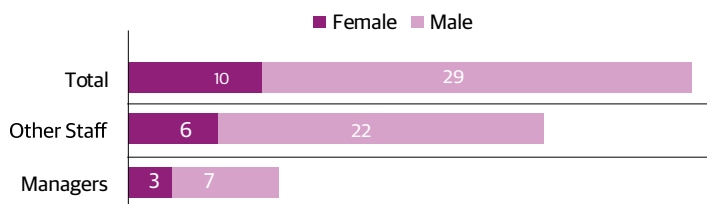


Our Commitment to Gender Diversity

We are committed to building a diverse and inclusive workplace. While our overall gender composition in 2024 shows a majority of male staff (29 male vs 10 female), we are focused on analysing and improving our pipeline at all levels.

A key area of focus is gender representation in leadership. Currently, our managerial team consists of 3 women and 7 men. We acknowledge this gap and are implementing targeted strategies in leadership development and succession planning to ensure a more balanced representation in the future.

Managerial and Gender staff dynamics



The Employee Experience: Our Commitment and Our Trajectory

Our people are the core of our success, and we are committed to cultivating a workplace where they feel engaged, supported, and motivated. This commitment is measured by our Employee Net Promoter Score, a key indicator of employee sentiment and advocacy. We are proud to report a favourable 43% employee NPS for 2024, a solid foundation upon which we will build. Looking ahead, our strategic investments in culture, development, and leadership are targeted to drive this metric steadily upward, with a forecast to reach 50% in 2025, 60% in 2026, and ultimately achieving our goal of a world-class 70% by 2028. This ambitious pathway reflects our unwavering dedication to making our company an exceptional place to work.

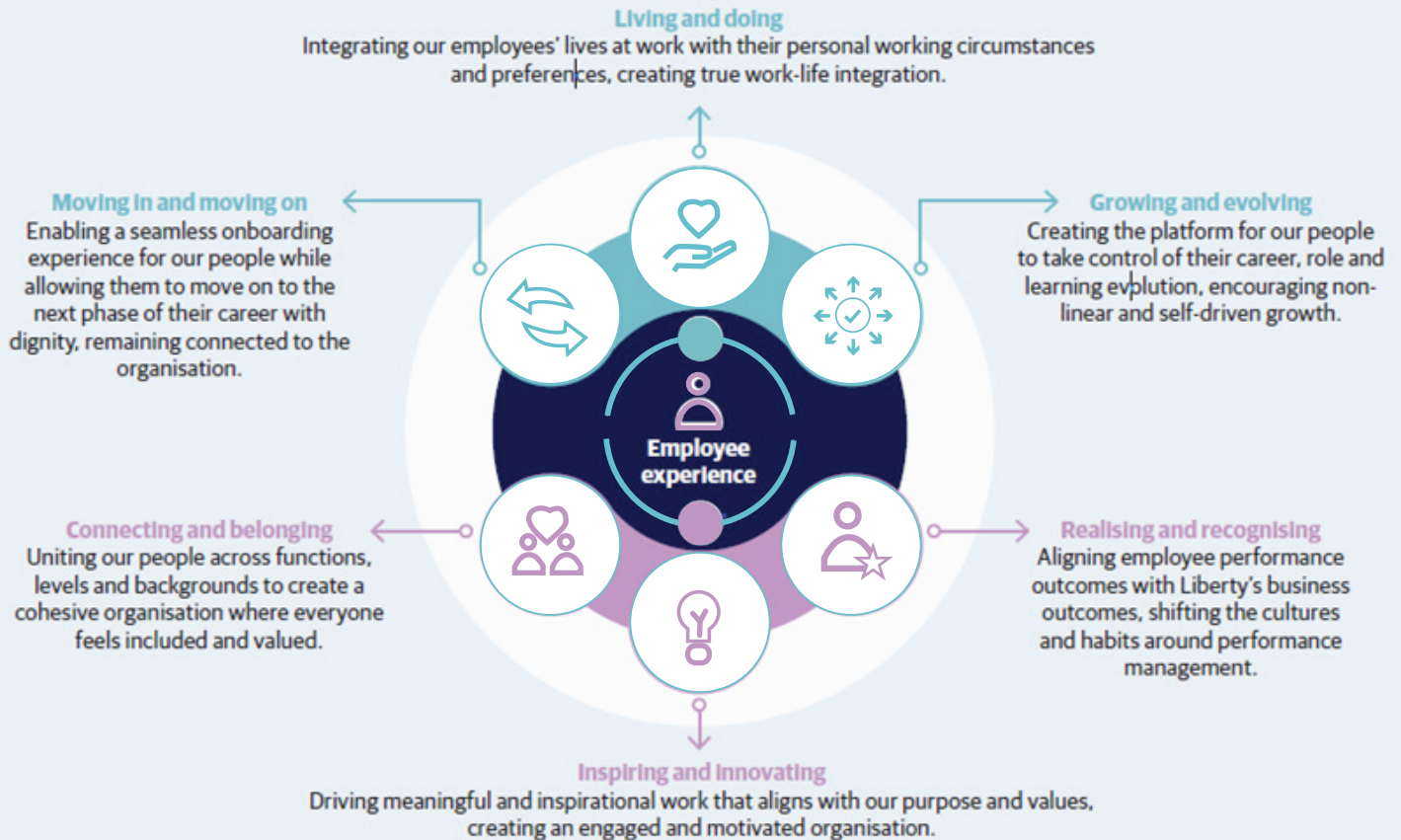
Our People are Our Future

Navigating uncertainty requires a capable and confident team. Our strategic investments in hiring, training, and fostering diversity are not merely operational costs; they are fundamental to our long-term resilience and ability to create sustainable value for all stakeholders. We are proud of our growing team and remain dedicated to being an employer of choice where every individual can grow and contribute to our shared success.

Employee experience, leadership principles and growth mindset

In 2024 we continued to embed our employee experience, leadership principles and growth mindset throughout Liberty. We believe that for everyone at Liberty to thrive, we must be doing our best work and living our best lives.

The pillars of our employee experience



Employee Experience

We want our employees to thrive and, to help them do so, we continue to provide fair, performance-related remuneration, comprehensive skills training and education, and career development opportunities while also striving to create an inclusive work environment. We structure remuneration packages according to employees' skills and functions, providing a balance between guaranteed and variable pay.

Promoting good health and wellbeing

SDG 3: Good health and wellbeing aims to ensure healthy lives and promote wellbeing for all at all ages.

It is essential to sustainable development. Widening economic and social inequalities, urbanisation, threats to the climate and environment, the continuing burden of HIV and other infectious diseases, and emerging challenges such as non-communicable diseases represent global health priorities that can only be addressed through universal health coverage.

Future focused development

Empowering and upskilling our people is at the forefront of enabling financial freedom, and we are committed to investing in a lifetime of growth and development. By creating opportunities for learning and advancement, we help our employees reach their personal financial goals while also securing Liberty's sustainability.

Skills Development Spend - Shs 134 million, (2023: Shs 54 million), Budget - Shs 116 million

Our learning and development programmes follow a targeted approach, with a focus on enabling Liberty to achieve its digital transformation objectives. We are building a learning culture that is suited for the evolution of work, and continue to enhance the technical, leadership and compliance capabilities of our employees. Our development initiatives are designed to be flexible and varied, and we create learning initiatives that are self-driven so our employees can take responsibility for managing their careers and development.



Reducing Inequalities

SDG 10:

Reduced inequalities. Widening wealth and income disparities require the empowerment of the world's bottom percentile income earners and the promotion of economic inclusion.

Liberty is committed to creating an inclusive and diverse workplace, uniting our people across all functions, levels and backgrounds to build a cohesive organisation where all employees feel included and valued.

At Liberty, we encourage employees to bring their differences to the table – we believe there is strength in diversity and creating a cohesive community where every person is heard. There is a clear link between diversity and enhancing innovation, and we want to harness those values to craft a competitive edge while creating a sense of belonging at Liberty.

We focus our transformation efforts on gender equality, diversity and education in the workplace, placing particular emphasis on African women and persons with disabilities. We comply with regulatory requirements, such as the Employment Equity Act, 55 of 1998, and the amended Financial Sector Code (FSC).

Total employees

39

Women employees

10(26%)

Fulfilling our Regulatory Obligations

We continue to navigate the evolving regulatory environment by embracing, anticipating and managing change and leverage our knowledge of the different laws, regulations and legislation.

Our stakeholders expect us to manage business risk and behave in an ethical manner that ensures compliance with the form and substance of laws, regulations, codes and standards. Through our governance structures and processes we aim to anticipate, meet and exceed the requirements of the increasing regulation of our industry.

Ultimately, our risk and conduct value driver goal is to manage our business in a safe, secure and profitable manner for the benefit of all stakeholders, build trust and enhance our reputation.

Our Regulatory Universe

- *Insurance Regulatory Authority*
- *Bank of Uganda*
- *Uganda Revenue Authority*
- *National Social Security Fund*
- *Financial Intelligence Authority*
- *Uganda Insurer's Association*
- *Insurance Training College*



LGIUL believes in constructive and productive relationships with regulators and policymakers of our industry. We engage with governments and regulators in the geographies in which we operate

The development of regulations is targeted at enhancing trust and integrity in the financial sector, as well as improving customer outcomes and benefiting society at large. ESG and sustainability disclosures and reporting continue to be an area of focus, with a shift towards more standardised reporting expected. Climate change is the key ESG challenge and is a dominant theme. Transformation and

LGIUL supports these regulations and continues to develop strategic responses to new and emerging regulations, and to leverage our capabilities to monitor and assess the implications of regulatory developments and engage with external stakeholders to understand and constructively influence regulation.

Our engagements with Uganda's main Insurance industry regulators, the Insurance Regulatory Authority of Uganda (IRA) continued in 2024. Our senior management team continued to represent the Company at various engagements with the IRA. We successfully engaged with other regulatory authorities during the year, including the Bank of Uganda, Uganda Revenue Authority, National Social Security Fund and Financial Intelligence Authority.

The Company further continued to engage the Insurance Industry bodies mainly Uganda Insurers Association and Insurance Training College on key areas affecting the sector.

We held a number of engagements with IRA relating to client complaints. We are pleased that discussions were successful and to the benefit of clients.

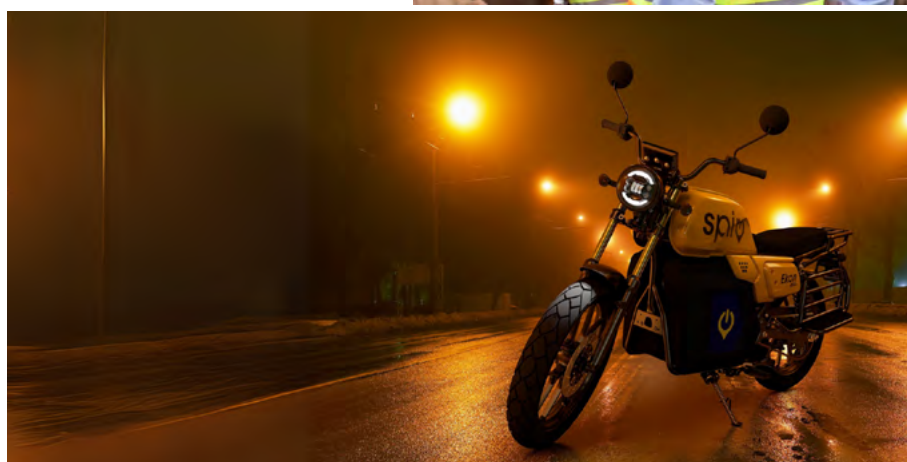
Priorities and concerns of regulators

- Fair treatment of clients
- Capital adequacy
- Employment equity in Uganda
- Skills development
- Compliance

- Cybercrime and the upgrading of information systems
- Protecting personal information
- Broader access to financial services
- Unit trust fund administrative cost

Operational Excellence

LGIUL is focused to increase the digital transactions with the customers. In 2024, Liberty General has partnered with Safeboda and Jumia to promote online interactions with clients as they purchase their products



We support efficient and ESG-focused mining projects with future ready insurance solutions.



Digital Development:

LGIUL introduced the LIBA App which simplified client onboarding and claims management.

Financial Outcome

LGIUL's main line of business that generates value is through the sell of short term insurance.

Additional value is created by the efficient management and investment of available capital, being the financial capital held for regulatory requirements.

Financial performance

Liberty's basis of value measurement for investors is profitability, normalised return on equity, growth in equity value and capital adequacy ratios.

256% 

Capital Adequacy ratios
(2023: 231%)

Shs 1.7M 

Net profit of Shs 1.7 million
(2023: 1.8 million)

9% 

Return on Equity - (9%)
(2023:10%)

Shareholders

The past year presented a complex economic environment. Despite these headwinds, we delivered a resilient financial performance, successfully meeting our core profit and net book value targets and exceeding our Return on Equity (ROE) goal. This demonstrates the underlying strength of our business model and our disciplined focus on creating sustainable shareholder value.

Priorities and concerns of shareholders

- *Concentration of investment assets in shareholder funds*
- *Value of new business and earnings*
- *Delivery of strategy*
- *Capital adequacy*
- *Dividends*
- *Investment performance*
- *Governance, ethics, market conduct and internal controls*
- *ESG issues and performance*

Our focus remains on prudent capital management, strategic growth, and navigating market dynamics to protect and enhance shareholder value. We are confident that our disciplined approach positions us well for sustained profitability and continued returns in the year to come.

Creating social value and preserving our natural capital

Liberty aims to create value for society by living our purpose of improving people's lives by enabling their financial freedom. Through our brand promise, "in it with you," we want stakeholders to experience how we live their journey with them while we preserve the natural capital our business depends on and work towards a prosperous and thriving society.

We adopt a shared value approach to our SEE strategy, leverage our resources to create solutions that benefit society.

We foster innovation – developing products that understand our clients' needs and help them on their life journeys, and we concentrate on nurturing our relationships with all stakeholder groups. We are invested in our SEE strategy, and believe SEE issues create opportunities for growth, innovation and differentiation.

At Liberty, we focus on seven SDGs that we consider to be most impactful on the communities in which we operate. Prioritising these SDGs allows us to meaningfully contribute to transformation, equality and financial freedom for all our stakeholders.

We create societal value and preserve our natural capital by:

Contributing to skills development and financial literacy through various programmes offered to the society. This enables beneficiaries to improve their life situations and work towards economic and societal inclusion. This has been achieved through our Financial Fitness Academy programme.

- Promoting an employee volunteerism programme that encourages employees to add value on a personal level. Employees donate their time, money or knowledge.
- Nurturing relationships with our stakeholders through engagement and support during important and life-changing events.
- Implementing a robust transformation programme to encourage diversity, inclusion and gender equality. Our transformation focus is on human rights with an emphasis on ethical culture.
- Implementing resource management programmes focused on water and energy use and waste management. We continuously find innovative ways to reduce our consumption and contribute towards a more sustainable environment.
- Documented sustainability and climate change policies that guide us in contributing to a climate resilient economy. Our extensive reporting creates transparency and helps us mitigate our risks and impacts.
- Facilitating impact investing that benefits both communities and the environment, with a view to creating a sustainable, peaceful and prosperous future for all.

**SUSTAINABLE
DEVELOPMENT
GOALS**



We measure our contribution to our SDGs through:



**Investments in CSI
initiatives**



**Our carbon, water
and waste footprints**



**Taxes collected
and paid**



**Transformation
(B-BBEE)**

Our Vision for the future



We envisage a future where our clients live longer and demand integrated, crosscategory services aligned to their digital lives.

While they want digital connectivity, they value human interaction even more than they have in the past.

Our vision of the Future Liberty augments the power of human-to-human engagement between our advisers and clients through a digital platform to provide simple and intuitive tools and solutions grounded in the best advice.

The Insurer of the Future



Let's Talk



+256 312 246 500
Liberty General Insurance





**Live the magic of Uganda with
insurance that travels with you.**



We are Uganda's
no.1 tourism fan.



@Liberty Uganda

Corporate Social Responsibility Report



Rooted in Resilience: Our Commitment to Community in Uncertain Times

At Liberty General Insurance Uganda, our purpose extends beyond providing financial security. We believe that true resilience is built collectively. In a year marked by economic challenges, we deepened our commitment to corporate social responsibility (CSR), strategically partnering with organisations to create lasting impact in the areas of education, health, and cultural preservation. Our contributions, though mindful of the economic climate, were targeted to empower communities and build a more sustainable future.

Strategic Community Investments in 2024

Our CSR philosophy is centred on partnerships that deliver tangible, long-term benefits. In 2024, we focused on foundational pillars of community development:

Investing in Education Infrastructure

Recognising education as the bedrock of national development, we contributed to projects that create a conducive learning environment.

- *Mengo SS Dormitory Project: Supported the Church of Uganda Mothers Union fundraising run for the construction of a boys' dormitory, promoting student welfare and academic focus.*
- *Kidudu Primary School, Fort Portal: Partnered with the Rotary Club of Kasangati with a significant contribution towards the construction of teachers' quarters. This investment helps attract and retain quality educators in the region, directly improving the quality of education.*



LGIUL staff inspecting the teachers' quarters construction at Kidudu Primary School.

Advancing Health and Well-being

We continued our support for critical health initiatives, acknowledging that a healthy community is a productive one.

Rotary Cancer Run: Our contribution to this cause supports the fight against cancer, aiding in awareness, prevention, and treatment efforts that benefit countless Ugandans.



LGIUL senior staff receiving Rotary cancer run kits.

Preserving Culture and Empowering Youth

We understand that sustainable development is rooted in cultural identity and strong values. Ekisaakaate Kya Nnabagereka: We were proud to support this transformative mentorship program, which empowers young people with cultural knowledge, leadership skills, and ethical values, shaping the next generation of responsible leaders.



LGIUL staff facilitate the financial fitness training with the learners as part of The Ekisaakaate Kya Nnabagereka programme.

Our Approach: Partnership Over Philanthropy

In these uncertain times, we moved beyond mere donation to strategic partnership. By aligning with established, reputable organisations like the Rotary Club and the Ekisaakaate, we ensured that every shilling was leveraged for maximum, verifiable impact. This approach allows us to be effective stewards of our resources while genuinely addressing community needs.

Living Our Purpose: Building a Financially Inclusive Society

Our brand promise, “In it with you,” is a commitment to walk alongside our community on the journey toward prosperity. A cornerstone of this effort is our Financial Fitness Academy programme, which translates our purpose of improving lives into tangible action. By providing free financial education and personalised planning, we are equipping individuals with the confidence to take control of their financial destinies.

In the past year, we extended this empowerment to the students and staff of Aga Khan Primary School-Uganda, Madhvani Group staff and Sheraton Hotel. Through the over 500 participants engaged, we have witnessed first hand the power of financial knowledge to transform lives. We are proud to have welcomed about 50 of these individuals as new Liberty clients, a testament to the trust built through this program and a clear step towards our vision of a more financially resilient and thriving society education workshops.

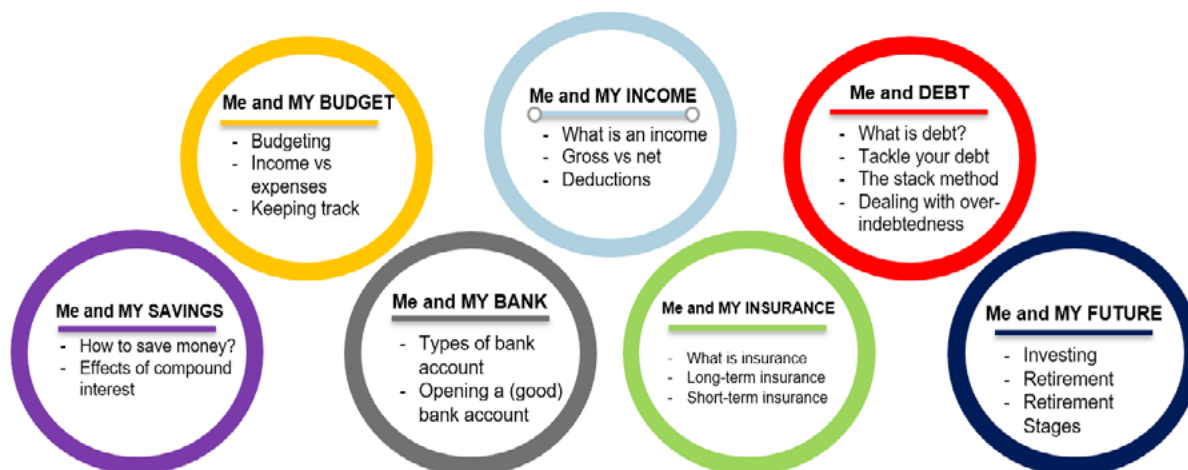


LGIUL staff conducting the Financial Literacy training for Aga Khan Primary School-Uganda

Looking Ahead

Even as we navigated a complex operating environment, our commitment to social investment remained unwavering. These initiatives reflect our core belief that Liberty's strength is intrinsically linked to the prosperity and well-being of the communities we serve. We remain dedicated to building partnerships that foster resilience, empower individuals, and contribute to a brighter, more secure future for all Ugandans.

TOPICS THAT WE BRING TO PARTICIPANTS



Aligned to our industry Expertise and Solutions



Experience birding, rafting and gorilla trekking with total travel protection



We are Uganda's
no.1 tourism fan.



Liberty Uganda is regulated by the Insurance Regulatory Authority of Uganda

Management Contacts

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Liberty in Pictures



LGIUL End of Year party 2024



LGIUL staff at the 2024 Sports Gala



LGIUL staff at the 2024 Team Building



LGIUL staff at the 2024 Sports Gala



LGIUL staff customer service week



LGIUL MD Mr. Peter Makhanu (front row 3rd left) together with the leadership of Rotary club Kasangati



LGIUL Women's day 2024



LGIUL MD (3rd left) accompanied by the CEO Liberty Life pose for a photo moment with the Kiira Motors Corporation CEO (2nd left) and his staff.



**Business performance
overview (2020-2024)**

Five year performance(2020-2024)

	December 2024	December 2023	December 2022 Restated	December 2021 Restated	December 2020 Restated
	Shs'M	Shs'M	Shs'M	Shs'M	Shs'M
Insurance revenue	38,494	36,470	28,820	24,091	18,270
Insurance service expenses	(37,509)	(30,815)	(45,348)	(12,679)	(11,081)
Net expense from reinsurance contracts held	1,909	(5,681)	15,368	(10,671)	(7,176)
Net Insurance service result	2,893	(25)	(1,160)	741	13
Interest revenue	3,221	2,654	1,697	1,491	1,301
Other income/expenses	(777)	546	431	(370)	216
Net investment income	2,444	3,200	2,127	1,121	1,518
Finance expenses from insurance contracts	(2,069)	(1,275)	277	604	528
Finance income from reinsurance contracts	1,518	1,162	(205)	(562)	(378)
Net insurance finance expenses	(551)	(113)	72	42	150
Net insurance and investment result	4,786	3,062	1,039	1,904	1,680
Other operating expenses (non-attributable)	(2,507)	(823)	(814)	(2,031)	(1,822)
Profit before income tax	2,280	2,239	225	(127)	(142)
Income tax expense/(credit)	(612)	(483)	21	(183)	108
Profit before income tax	1,667	1,757	246	(310)	(33)
Other comprehensive income					
Fair value gains/(losses) on quoted shares	(15)	21	(85)	(81)	35
Deferred tax effect on fair value gains/losses	5	(6)	26	24	(10)
Other comprehensive (loss)/income	(11)	15	(59)	(57)	24
Total comprehensive income for the year	1,657	1,772	187	(367)	(9)
Metrics					
Headline Earnings	1,667	1,757	246	(310)	(33)
NBV	1,384	1,458	204	(- 257)	(- 28)
Jaws	-12%	14%	26%	20%	20%
CTI	25%	22%	25%	32%	38%%
ROE	9%	10%	2%	-2%	-0.2%
Net assets or Equity	19,537	17,881	16,109	13,397	13,763

Directors Report



Capital and funds

The total share capital as at 31 December 2024 was Shs 9 billion (2023: Shs 9 billion). A total of Shs 7,232 million has been transferred to retained earnings from the contingency and capital reserves in accordance with regulatory guidance. Below is the position of the capital and reserves of the Company at the date of the balance sheet.

	2024	2023
	Shs'M	Shs'M
Share capital	9,000,000	9,000,000
Contingency reserves	-	6,376,854
Capital reserve	-	855,325
Fair value reserve	418,679	429,423
Retained earnings	10,118,620	1,218,947
Total	19,537,299	17,880,549

Cash flow activities

Below is a summarised statement of cash flows:

	2024	2023
	Shs'M	Shs'M
Net cash generated from operating activities	2,706,663	1,496,245
Net cash used in from investing activities	(2,555,149)	(2,402,865)
Net cash used in financing activities	(452,320)	(331,431)
Decrease in cash and cash equivalents	(300,806)	(1,238,051)

There is a proper system of budgetary control in place. The Finance and Investment Committee monitors performance regularly. Extensive reporting on all major operational aspects of the Company is done on a regular basis. The Company's reinsurance program is critically monitored in order to minimise risks and costs.

Pending litigation

The Company is a defendant in some legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss.

Subsidiary companies

The Company does not have any subsidiaries.

Directors Report (continued)



The current members of the board are as shown on page 45. During the year, Ms. Phiona Nabasa Wall was appointed to replace Mr. Andrew Mashanda while Rao Chalapathi was appointed to replace Sarma Pammi

Prospects of business and action plan for the next year

The directors expect that business will grow substantially, as a result of expanded distribution channels and footprint as well as the growth in Bancassurance business.

Statutory requirements

Share capital

Under the insurance regulations, a company carrying on non-life insurance business is required to have a paid-up capital of at least Shs 6 billion. The Company has met this requirement. Currently, the Company has issued share capital of Shs 9,000 million divided into 900,000 ordinary shares of Shs 10,000 each. (2023: 9,000 million)

Statutory deposits

Under Section 38(1) of the Insurance Act of Uganda 2017, the Company is required to maintain a statutory deposit of at least 10% of the prescribed paid-up capital. The Company has a statutory deposit amounting to Shs 1,330 million (2023: Shs 1,215 million) and it has therefore fulfilled this requirement.

Deposit with a commercial bank

Under Section 29(2) of the Insurance Act of Uganda, the Company is required to maintain a further deposit equivalent to 20% of the minimum-security deposit in a commercial bank. The Company has satisfied this statutory requirement by making deposits with various commercial banks. At 31 December 2024, the total amount fixed with commercial banks was Shs 7.4 billion (2023: Shs 8.2 billion)

Employees

The number of persons employed by the Company at the end of the year was 39 (2023:31). Out of the 39 members of staff employed by Liberty General Insurance Uganda Limited as at 31 December 2024, 29 are male and 10 are female.

Auditor

The Company's auditor, PricewaterhouseCoopers Certified Public Accountants, was appointed in accordance with the provisions of Section 167(2) of the Ugandan Companies Act and Section 108 of the Ugandan Insurance Act.

Approval of the Financial Statements:

The Financial Statements were approved at the meeting of the directors held on 20 March 2025.

Director

Director

Statement of directors' responsibilities



The Company's directors are responsible for the preparation and fair presentation of the financial statements of comprising the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policy information and other explanatory notes, in accordance with IFRS Accounting Standards and the requirements of the Ugandan Companies Act and the Ugandan Insurance Act.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards and in the manner required by the Ugandan Companies Act and the Ugandan Insurance 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 profit in accordance with IFRS Accounting Standards and have been prepared in the manner required by the Ugandan Companies Act and the Ugandan Insurance Act. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have assessed the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next twelve months from the date of this statement.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Liberty General Insurance Uganda Limited, as indicated above, were approved and authorised for issue by the Board of Directors on 20 March 2025.

Peter Kabatsi
Board Chairman



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIBERTY GENERAL INSURANCE UGANDA LIMITED

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Liberty General Insurance Uganda Limited ("the Company") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and have been prepared in the manner required by the Ugandan Companies Act and the Ugandan Insurance Act.

What we have audited

The financial statements of Liberty General Insurance Uganda Limited comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("the IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matter

A key audit matter is one that, in our professional judgment was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on it.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIBERTY GENERAL INSURANCE UGANDA LIMITED (continued)

Report on the audit of the financial statements (continued) Key audit matter (continued)

Valuation of insurance contract liabilities

Insurance contract liabilities comprise the liability for remaining coverage and the liability for incurred claims. As at 31 December 2024, the Company had total insurance contract liabilities of Shs 46 billion.

For more details on insurance contract liabilities, refer to Note 19 of the financial statements.

We considered valuation of insurance contract liabilities as a key audit matter because:

- The determination of the liability for incurred claims involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. In addition, the liabilities are adjusted for the time value of money based on historical settlement patterns. Judgement is applied in estimating these future settlement patterns and the related discount rate.
- Determination of the liability for incurred claims requires calculation of a risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns.
- For onerous contracts, calculation of the loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of these insurance contracts.

Our audit procedures are summarised as follows:

- We tested a sample of claim payments to confirm whether the amounts recorded in respect of the claims agree to the source data. We also reconciled the claims data used by management to calculate reserves to the underlying financial information.
- We tested the reasonableness of the methodology and assumptions used by management's actuary in estimation of the insurance contract liabilities as at 31 December 2024.
- We tested management's calculation of the discount rate used to compute the present value of the liability for incurred claims.
- We assessed the reasonableness of methodology and assumptions used by management in estimating the risk adjustment for non-financial risk.
- We recalculated the loss component and the loss recovery for onerous contracts.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIBERTY GENERAL INSURANCE UGANDA LIMITED (continued)

Report on the audit of the financial statements (continued)

Other information

The Directors are responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and in the manner required by the Ugandan Companies Act and the Ugandan Insurance act, as amended and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIBERTY GENERAL INSURANCE UGANDA LIMITED (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LIBERTY GENERAL INSURANCE UGANDA LIMITED (continued)

Report on other legal and regulatory requirements

The Ugandan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Clive Mayombwe

- P0349.

Certified Public Accountants
Kampala
31 March 2025

CPA Clive Mayombwe

Statement of comprehensive income		2024	2023
	Notes	Shs '000	Shs '000
Insurance service revenue	6	38,493,754	36,470,284
Insurance service expense	7	(37,509,402)	(30,814,516)
Net income/ (expense) from reinsurance contracts held	8	1,909,126	(5,680,675)
Insurance service result		2,893,478	(24,907)
Interest income	9(i)	3,220,667	2,654,023
Other (expenses)/ income	9(ii)	(776,580)	546,124
Net investment income		2,444,087	3,200,147
Finance expense from insurance contracts issued	19	(2,069,279)	(1,274,846)
Finance income from reinsurance contracts held	14	1,518,175	1,161,613
Net insurance finance expense		(551,104)	(113,233)
Net insurance and investment result		4,786,461	3,062,007
Other operating expenses (non-attributable)	10	(2,506,803)	(822,602)
Profit before income tax		2,279,658	2,239,405
Income tax expense	11(a)	(612,164)	(482,523)
Profit for the year		1,667,494	1,756,882
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss)/ gain on quoted equities	17(a)	(15,348)	20,968
Deferred income tax		4,604	(6,084)
Other comprehensive (loss)/ income net of tax		(10,744)	14,884
Total comprehensive income for the year		1,656,750	1,771,766

Statement of financial position		2024	2023
	Notes	Shs '000	Shs '000
ASSETS			
Cash and bank balances	18	401,010	701,816
Equity investments	17(a)	946,537	1,296,382
Financial assets at amortised cost	17(b)	26,669,859	24,171,558
Statutory deposits	17(c)	1,330,072	1,214,832
Reinsurance contract assets	14	31,696,644	18,749,923
Other receivables	16	7,424,898	8,755,395
Income tax recoverable	11(b)	1,424,374	1,393,303
Property and equipment	13(a)	298,835	192,857
Intangible assets	13(b)	320,531	269,243
Deferred income tax asset	12	1,220,640	1,348,822
Right-of-use assets	21(a)	1,370,589	1,765,274
Total assets		73,103,989	59,859,405
EQUITY			
Share capital	22	9,000,000	9,000,000
Contingency reserve	22(a)	-	6,376,854
Capital reserve	22(b)	-	855,325
Fair value reserve	23	418,679	429,423
Retained earnings	24	10,118,620	1,218,947
Total equity		19,537,299	17,880,549
LIABILITIES			
Lease liabilities	21(b)	1,392,273	1,757,265
Other payables	20	4,180,066	2,976,634
Amounts due to related parties	15(c)	1,624,552	1,048,231
Insurance contract liabilities	19	46,369,799	36,196,726
Total liabilities	24	53,566,690	41,978,856
Total liabilities and equity		73,103,989	59,859,405

The financial statements were approved by the board of directors on 20 March 2025 and were signed on its behalf by:



Director


Director

Statement of changes in equity

	Notes	Share capital Shs'000	Contingency reserve Shs'000	Capital reserve Shs'000	Fair value reserve Shs'000	Retained earnings Shs'000	Total Shs'000
1 January 2023		9,000,000	5,647,448	766,737	414,539	280,059	16,108,783
Profit for the year		-	-	-	-	1,756,882	1,756,882
Transfer to contingency and capital reserves	22(a) & (b)	-	729,406	88,588	-	(817,994)	-
Other comprehensive income: Other comprehensive income - net of tax	23	-	-	-	14,884	-	14,884
31 December 2023		9,000,000	6,376,854	855,325	429,423	1,218,947	17,880,549
Profit for the year		-	-	-	-	1,667,494	1,667,494
Transfer to contingency and capital reserves	22(a) & (b)	-	(6,376,854)	(855,325)	-	7,232,179	-
Other comprehensive income: Other comprehensive income - net of tax	23	-	-	-	(10,744)	-	(10,744)
Balance at 31 December 2024		9,000,000	-	-	418,679	10,118,620	19,537,299

Statement of changes in cash flows		2023	2023
	Notes	Shs'000	Shs'000
Operating activities			
Profit before income tax		2,279,658	2,279,658
Adjustments for:			
Depreciation and amortisation	21	138,827	64,534
Foreign exchange (gain)/ loss on lease liabilities	21	(51,499)	16,589
Movements in right-of-use assets and lease liabilities			(110,586)
Write-off of property and equipment		1,787	-
Working capital changes:			
Insurance contract liabilities		10,173,073	(12,164,432)
Reinsurance contract assets		(12,946,721)	15,335,466
Other receivables		1,330,497	(4,372,316)
Amounts due to related parties		576,321	(145,357)
Other payables		1,203,432	660,734
		3,217,112	1,938,248
Tax paid	11(b)	(510,449)	(442,003)
		2,706,663	1,496,245
Net cash generated from operating activities			
Cash flow from investing activities			
Purchase of intangible assets	13(b)	(87,463)	(77,505)
Purchase of property and equipment	13(a)	(188,642)	(83,790)
Net reinvestments of fixed deposits and other investments		(2,279,044)	(2,241,570)
Net cash used in investing activities		(2,555,149)	(2,402,865)
Cash flow from financing activities			
Payment of lease liabilities	21	(452,320)	(331,431)
Net cash used in financing activities		(452,320)	(331,431)
Decrease in cash and cash equivalents		(300,806)	(1,238,051)
At start of year		701,816	1,939,867
At end of year	18	401,010	701,816

1 REPORTING ENTITY

Liberty General Insurance Uganda Limited is incorporated in Uganda under the Ugandan Companies Act, regulated by the Insurance Regulatory Authority of Uganda and is domiciled in Uganda. The immediate holding Company is Liberty Holdings Limited, incorporated in South Africa.

At 31 December 2024, the immediate holding Company held 51% (2023: 51%) of the share capital of the Company.

The address of its registered office is:

*P. O. Box 22938
99 Buganda Road
Kampala, Uganda*

For Ugandan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income in these financial statements.

The Company is licensed to underwrite short term (*or general*) insurance business. General insurance business relates to all other categories of insurance business other than life written by the Company, analysed into several sub-classes of business based on the nature of the assumed risks.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) BASIS OF PREPARATION.

The financial statements are prepared on a going concern basis in compliance with IFRS Accounting Standards. They are presented in Uganda Shillings (Shs), which is also the functional currency, rounded to the nearest thousand. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of estimates and assumptions. It also requires the Directors to exercise its judgement in the process of applying the accounting policies adopted by the Company. Although such estimates and assumptions are based on the Directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in Note 3.

(i) Changes in accounting policy and disclosures

New and amended standards adopted by the Company

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024. These did not have a material impact on the Company's financial statements.

Material accounting policy information (continued)

(a) Basis of preparation (continued)

(i) Changes in accounting policy and disclosures (continued)

New and amended standards adopted by the Company(continued) New and amended standards adopted by the Company (continued).

Title	Key requirements
Classification of liabilities as current or non-current and non-current liabilities with covenants – Amendments to IAS 1	<p>The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:</p> <ul style="list-style-type: none"> • the carrying amount of the liability; • information about the covenants; and • facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants. <p>The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.</p> <p>The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p>
Lease liability in sale and leaseback – Amendments to IFRS 16	<p>The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable.</p>
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	<p>On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said that they urgently needed more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.</p>

Material accounting policy information (continued)

(a) Basis of preparation (continued)

(i) Changes in accounting policy and disclosures (continued)

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company's financial statements.			
	Amendment/ new standard	Summary	Effective date
	Amendments to IAS 21 - Lack of Exchangeability	The IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	Annual periods beginning on or after 1 January 2025 (published August 2023)
	Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.	Annual periods beginning on or after 1 January 2026
	IFRS 19 Subsidiaries without Public Accountability: Disclosures	Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.	Annual periods beginning on or after 1 January 2027
	IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.	Annual periods beginning on or after 1 January 2027

(b) INSURANCE CONTRACTS

Measurement approaches

The Company uses the Premium Allocation Approach (PAA) measurement approach to measure insurance contracts issued and reinsurance contracts held with coverage of one year or less and those that pass the other eligibility criteria prescribed by IFRS 17.

The company does not have any insurance contracts issued or reinsurance contracts held that do not meet the PAA eligibility criteria or with direct participating features.

Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The Company uses judgement to assess whether a contract transfers insurance risk (*that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis*) and whether the accepted insurance risk is significant.

If a contract has a legal form of insurance but does not transfer significant insurance risk and expose the Company to financial risk, it is classified as investment contract and accounted for under IFRS 9. No such contracts have been issued by the Company.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired and reinsurance contracts held, unless otherwise stated.

Unit of account

The Company manages insurance contracts issued by classes prescribed by the Insurance Regulatory Authority, where each product line includes contracts that are subject to similar risks. All insurance contracts within a class represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

(i) *contracts that are onerous at initial recognition;*

(ii) *contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or*

(iii) *a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.*

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous

contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts.

The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company assesses the profitability of the contracts issued based on the facts and circumstances to determine if they are onerous at initial recognition.

For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is done at the portfolio level.

Since all the Company's insurance contracts are measured using the PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise.

If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Portfolios of reinsurance contracts held are assessed for further aggregation separately from portfolios of the insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (*annual cohorts*) into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;

(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and

(iii) remaining contracts in the portfolio, if any.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that must be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated.
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have contracts with any of the three components that require further separation or combination

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - i. the beginning of the coverage period of the group; and
 - ii. the initial recognition of any underlying insurance contract.
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held unless the Company entered the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the

annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified, and additional criteria discussed below are met.

When an insurance contract is modified by the Company because of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the Fulfilment Cashflows (FCF), unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract is not within the scope of IFRS 17, results in different separable components, results in a different contract boundary or belongs to a different group of contracts.
- b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised because of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the PAA eligibility, component separation requirements, and contract aggregation requirements. When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment.*
- b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or*
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.*

Measurement

Fulfilment cash flows (FCF)

Fulfilment cash flows within contract boundary.

The FCF are the current estimates of the

future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out from claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- a) are based on a probability-weighted mean of the full range of possible outcomes.*
- b) are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and*
- c) reflect conditions existing at the measurement date.*

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other

disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a) the Company has the practical ability to reprice the risks of the policyholder or change the level of benefits so that the price fully reflects those risks; or*
- b) both the following criteria are satisfied:*
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and*
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.*

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs.

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

a) costs directly attributable to individual contracts and groups of contracts; and

b) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is

recognised, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognised.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Initial and subsequent measurement – Groups of contracts not measured under the PAA.

The Company has not issued insurance contracts and does not hold reinsurance contracts which are not measured under the PAA.

Initial and subsequent measurement – groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less. This approach is used for all insurance classes other than engineering and miscellaneous as each of the contracts in all classes other than engineering and miscellaneous have a coverage period of one year or less.

The Company carried out both quantitative and qualitative analysis of the PAA eligibility criteria for engineering and miscellaneous classes which have coverage periods of more than one year and concluded that there is no significant difference between the carrying amount of insurance contract liability determined under the general measurement method and PAA method. As a result, the classes qualify to be measured under the PAA.

For insurance contracts issued, intermediary commissions paid are deferred and recognised over the coverage period of the contracts in a group, while all other insurance acquisition cash flows are recognised as they are incurred. For reinsurance contracts held, commission income and broker fees are recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Company measures the Liability for Remaining Coverage (LRC) at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of the prepaid acquisition cash flow asset.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant prepaid acquisition cashflow asset.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a) the LRC; and
 b) the Liability for Incurred Claims (LIC), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a) the remaining coverage; and
 b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a) increased for premiums received in the period;
 b) decreased for insurance acquisition cash flows paid in the period;
 c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
 d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period;
 b) increased for broker fees paid in the period; and
 c) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance

premiums are due within the coverage period of contracts, which is one year or less.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money for insurance contracts that typically have a settlement period of over one year

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein. Because of the short-term nature of the general insurance contracts, the FCF determined under GMM are not adjusted for time value of money.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of

onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are disaggregated between net income from reinsurance contracts held and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein in proportion to the disaggregation applied to the changes in the underlying loss component.

Amounts recognised in statement of comprehensive income

Insurance service revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of

promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period based on the passage of time.

Insurance service expense

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred and comprise;

- a) incurred claims and benefits, excluding investment components;
- b) other incurred directly attributable expenses;
- c) insurance acquisition cash flows amortisation;
- d) changes that relate to past service – changes in the FCF relating to the LIC; and
- e) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time. Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income(expenses) from reinsurance contracts held, comprising the following amounts:

- a) reinsurance expenses;
- b) incurred claims recovery;
- c) other incurred directly attributable insurance service expenses;
- d) effect of changes in risk of reinsurer non-performance; and
- e) changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses

Insurance finance income or expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, and the effect of financial risk and changes in financial risk.

IFRS 17 provide entities with an accounting policy choice between including insurance finance income and expenses for the period in profit or loss: or essentially disaggregating a portion into profit or loss and other comprehensive income (OCI).

The choice essentially allows an entity, to

the extent it is discounting and incurring finance cost or receiving finance income, to separate out any change in the underlying discount rates and therefore current value of the IFRS 17 contract into OCI. This election is done per portfolio of insurance contracts, at inception. A portfolio is defined as insurance contracts with similar risks that are managed together.

The OCI option may be beneficial if the respective investment assets portfolio backing policyholder obligations are measured at amortised cost or fair value through other comprehensive income.

The Company includes all insurance finance income or expenses for the period in profit or loss (that is, the profit or loss option (the PL option) is applied. For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

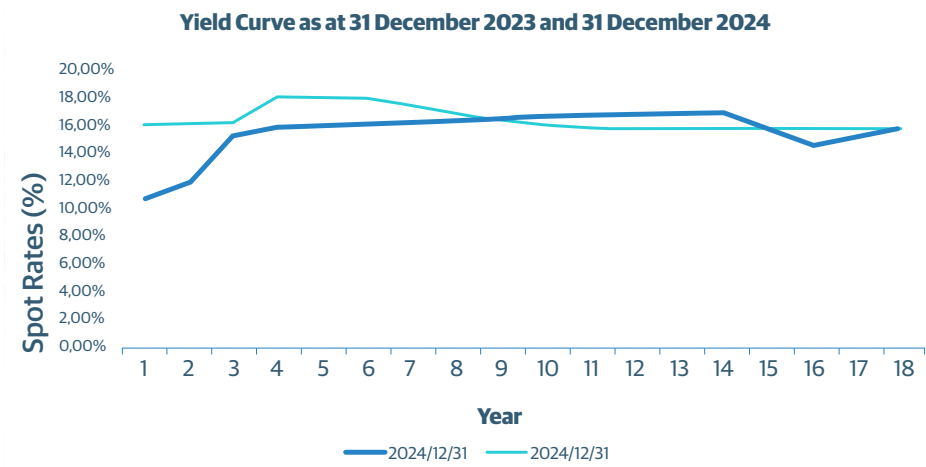
- a) interest accreted on the LIC; and
- b) the effect of changes in interest rates and other financial assumptions.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. All changes in risk adjustment for non-financial risk are presented under insurance service result.

The Company has no significant insurance contracts that generate cash flows in foreign currency, and therefore it has chosen not to separate the foreign exchange differences from the other FCFs.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. Management uses judgement to assess the liquidity characteristics of the liability cash flows and determine the illiquidity premium



Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions, and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing, and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method and other methods. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups or gross written premiums.

Acquisition costs that are not directly attributable to individual contracts are allocated to groups of contracts based on the gross written premiums or number of acquired policies. The Company does not allocate acquisition cash flows to future contracts expected to be issued because of the recurrent nature of most of the expenses and uncertainty of the renewals.

Claims settlement-related expenses (*like claims processing staff costs*) are allocated based on the number of claims handled in that period for a given group of contracts.

For the Company, uncertainty in the estimation of future claims and benefit payments arises primarily from the severity, timing and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

Significant methods and assumptions used are discussed below.

Expenses

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense ratios. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads.

The Company has not changed its methods or assumptions used to project expenses in 2024. Possible increases in expenses assumptions increase the liability for incurred claims and loss component on onerous contracts.

Claims

The Company estimates insurance liabilities in relation to claims incurred for all products. Estimates are performed on an accident year basis.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or

groups of accident years within the same type of contract.

The most common methods used to estimate general insurance claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods, which are the industry standards for this type of business.

The chain-ladder technique involves an 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 yet fully developed, to produce an estimated ultimate claims cost for each accident year.

The chain-ladder technique is the most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Company does not have a developed claims history for a particular type of claim.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure, such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined, using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (*that is, in relation to recent accident years or new products*).

The Company has not changed the methods used to estimate incurred claims in 2024. In its claims incurred assessments, the

Company uses internal and external data. Internal data is mainly obtained from the Company's management reports. Market data consists of inflation projections, large claims threshold, large claims quantity, market claims ratios and other.

Where the contracts measured under PAA become onerous and GMM must be applied to estimate the loss component, the Company estimates the future expected claims. This is done using the average loss ratio of the recent five complete fiscal years, obtained from the management accounts.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a 75% confidence level (*probability of sufficiency*) for short-boundary contracts issued. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

(c) Foreign currency translation

(i) Functional and presentation currency Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency

using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

(d) Property and equipment

Recognition and measurement

All categories of property and equipment are initially recorded at cost, and subsequently measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's 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 are charged to the statement of profit or loss account during the financial period in which they are incurred.

Depreciation

Depreciation on property and equipment is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives (for the current and comparative periods) and is generally recognised in the statement of profit or loss.

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The current rates are as below;

<i>Furniture, fixture and fittings</i>	<i>10 year</i>
<i>Motor vehicles</i>	<i>4 years</i>
<i>Office equipment</i>	<i>10 years</i>
<i>Computer</i>	<i>3 years</i>

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the statement of profit or loss

(e) Intangible assets

Initial recognition

Software acquired by the company is measured at cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits

embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date that it is available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Amortisation of intangible assets

Amortisation of intangible assets is charged to profit or loss. The expected useful lives are as follows:

<i>Item</i>	<i>Useful life</i>
<i>Computer software</i>	<i>10 years</i>

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (*regular way trades*) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortised cost (debt instruments)*
- *Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)*
- *Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)*
- *Financial assets at fair value through profit or loss*

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- *The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost includes government securities, deposits with financial institutions, statutory deposit, income tax recoverable and other receivables.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- *The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company had no debt instruments at fair value through OCI at year-end.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading.

The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through

OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded

derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss. The Company had no financial assets at fair value through profit or loss at year-end

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired; or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- *The Company has transferred*
- *substantially all the risks and rewards of the asset, or*
- *The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset*

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the

rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's holding in financial liabilities represents mainly insurance liabilities, payable under deposit administration contracts, unearned premium and unexpired risks provision, creditors arising from reinsurance arrangements and other liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The Company had no held-for-trading financial liabilities at end-year-end.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the

respective carrying amounts is recognised in the statement of profit or loss.

(a) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

(b) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs.

(g) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost under IFRS 9. 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 statement of financial

position.

(h) Retirement benefits

(i) Retirement benefit obligations. The Company operates a defined contribution 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 Company and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme.

(ii) Voluntary Retirement Benefit Scheme.

The Company also contributed to a voluntary staff benefit scheme held with ICEA Asset Management Uganda Limited.

(i) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Company has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement

date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'equipment' and lease liabilities in 'other payables and accruals' in the statement of financial position

Short term leases and leases of low value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Provisions

Provisions are recognised when the Company has a present obligation (*legal or constructive*) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Investment income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(l) Foreign exchange differences

Translations during the period are translated into Uganda shillings at rates ruling at the transaction dates.

Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Uganda shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the period in which they arise.

(m) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

(n) Contingency reserve

The contingency reserve is set up under Section 47(2) (c) of the Insurance Act, 2011. Although this Act was repealed and replaced with the Ugandan Insurance Act 2017, the regulations of the new Act are yet to be finalised by the Regulator, IRA. However, under the Insurance (*Capital Adequacy and Prudential Requirements*) Regulations, 2020, insurance companies are no longer required to maintain contingency reserves as statutory reserves. Consequently, Shs 6,377 million has been transferred from the contingency reserve to retained earnings in 2024, in accordance with the regulatory guidance.

(o) Capital reserve

Capital base reserve is set up as a requirement under the Insurance Act, 2011, by which every insurer should transfer from its profits each year, before any dividend is declared and after tax provision, 5% of profits to the capital base growth fund which subsequently will be transferred to the paid up capital to facilitate capital growth. Although the 2011 Act was repealed and replaced with the Ugandan Insurance Act 2017, the regulations of the new Act are yet to be finalised by the Regulator, IRA.

However, under the Insurance (*Capital Adequacy and Prudential Requirements*) Regulations, 2020, insurance companies are no longer required to maintain capital reserves as statutory reserves. Consequently, Shs 855 million has been transferred from the capital reserve to retained earnings in 2024, in accordance with the regulatory guidance.

(p) Taxation

(i) Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Uganda Income Tax Act.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss.

Deferred income tax is determined using

tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Valuation of insurance contract liabilities

The uncertainty inherent in the financial statements of the Company arises mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions.

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a

similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, risk adjustment, delays in settlement and changes in foreign currency rates.

The carrying amounts of the insurance contract liabilities and detailed analysis of these assumptions and judgement have been presented in Note 2.

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios, and the relevant inputs used. Further disclosures relating to impairment of financial assets are also provided in Note 3.

The Company adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes.

The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.

Income taxes

The Company is subject to various government taxes under the Ugandan tax

laws. Significant estimates and judgments are required in determining the provision for taxes on certain transactions. For these transactions, the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

Fair value measurements

The fair value of the company's held to maturity investment securities and other financial assets and liabilities approximate the respective carrying amounts.

Fair value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy.

- *Fair value measurements classified as Level 1 include exchange-traded prices of fixed maturities, equity securities and derivative contracts measured at fair value with reference to publicly available quoted prices in active markets. A financial instrument is regarded as being quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing service or regulatory agency and the prices quoted represent actual and regularly occurring market transactions conducted at an arm's length basis.*

- *The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Uganda securities Exchange (USE) equity investments (shares in BAT, Kenyan Airways and New Vision) classified at fair value through other comprehensive income.*

- *Investments classified as Level 2 primarily include government and agency securities and certain corporate debt securities, such as private fixed maturities. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined utilising relevant information generated by market transactions involving comparable securities. They are often based on model pricing techniques that effectively discount prospective cash flows to present value using appropriate sector-adjusted credit spreads commensurate with the security's duration, also taking into consideration issuer-specific credit quality and liquidity.*

These valuation methodologies have been studied and evaluated by the Company and the resulting prices determined to be representative of exit values. Observable inputs generally used to measure the fair value of securities classified as Level 3 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

Additional observable inputs are used when available, and as may be appropriate, for certain security types, such as pre-payment, default and collateral information for purpose of measuring the fair value of mortgage. The predominance of market inputs is actively quoted and can be validated through external sources or reliably interpolated if less observable. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Investments classified as Level 3 primarily include corporate debt securities, such as private fixed maturities. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement.

These investments are measured at fair value based on prices with reference to valuation techniques (models) that use significant inputs that are unobservable. These measurements include circumstances in which there is little, if any, market activity for the asset or liability. As at 31 December 2024, the Company had investments in Uganda Reinsurance Company (Uganda Re) and the Oil and Gas Consortium which have been classified under Level 3 hierarchy.

The shares in Uganda Reinsurance Company have been valued at the fair value. In assessing reasonableness of the price of the shares, we have made reference to the current replacement cost of the shares and noted that they are fairly stated. Cost per share as at 31 December 2024 was Shs 3,137,000 (2023: Shs 3,137,000). The cost per share reflects the recent transaction prices declared by Uganda Reinsurance Company for the current period.

4. INSURANCE RISK MANAGEMENT

Introduction

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Insurance risk

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the

portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome. 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 so as 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.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of government regulation through legislation and trade union structures leading to awards for the damage suffered within workmen's compensation cases.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (*for example, subrogation*).

The reinsurance arrangements include excess of loss, surplus treaties and catastrophe coverage. The effect of such reinsurance arrangements is that the

Company should not suffer total net insurance losses of more than predetermined amounts for any one risk in any one year.

Sensitivity analysis to underwriting risk variables

The following table presents information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact on insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. These are contracts measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

	LIC as at 31-Dec-24	Impact on LIC	Impact on profit before income tax	Impact on equity		LIC as at 31-Dec-24	Impact on LIC	Impact on profit before income tax	Impact on equity
Insurance contract liabilities	35,035,677					24,551,173			
Reinsurance contract assets	(27,960,465)					(16,900,548)			
Net insurance contract liabilities	7,075,212					7,650,625			
Unpaid claims and expenses - 5% increase									
Insurance contract liabilities		1,751,784	(1,751,784)	(1,226,249)			1,227,559	(1,227,559)	(859,291)
Reinsurance contract assets		(1,398,023)	1,398,023	978,616			(845,027)	845,027	591,519
Net insurance contract liabilities		353,761	(353,761)	(247,633)			382,532	(382,532)	(267,772)
Expenses - 5% increase									
Insurance contract liabilities		63,896	(63,896)	(44,727)			130,203	(130,203)	(91,142)
Reinsurance contract assets		—	—	—			—	—	—
Net insurance contract liabilities		63,896	(63,896)	(44,727)			130,203	(130,203)	(91,142)

5. FINANCIAL RISK MANAGEMENT POLICIES

The Company’s activities expose it to a variety of risks, including credit risk and the interest rates. The Company’s overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the management that comprises of Managing Director, Head of Operations, and Head of Finance under policies approved by the Board of Directors. Management identifies, evaluates, and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

The Board receives quarterly reports from the Management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Liberty Group’s internal auditors also review the risk management policies and processes and report their findings to the Audit and Risk Committee. Internal day-to-day risk management is also monitored by the Company’s Risk and Compliance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group’s competitiveness and flexibility. Further details regarding these policies are set out below:

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; foreign exchange rates (currency risk) and market prices (price risk).

Currency risk

Foreign exchange currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company’s financial assets are primarily denominated in the same currencies as its insurance contract liabilities, which mitigate the foreign currency exchange rate risk. The currency risk is also effectively managed by ensuring that the transactions between the company and other parties are designated in the functional currencies of the individual companies.

The Company transacts in Ugandan shillings and only upon the request of specific clients does management transact in US dollars. Premiums arising from foreign denominated policies constitute

58% of total premiums. The Company maintains a dollar account to receive dollar premiums and settle dollar payments such as rent, interest charges among others. The Company has not designated any derivative instruments as hedging instruments.

Currency risk sensitivity analysis

The following sensitivity analysis illustrates the Company’s exposure to changes in foreign currency. Strengthening or weakening of the Uganda shilling by 500 basis points against the United States Dollar as at 31 December 2024 would have increased/ (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Change in dollar rate	500 basis point increase Shs '000	500 basis point decrease Shs '000
Effect on profit after tax and equity (2024)	116,560	(116,560)
Effect on Profit after tax and equity (2023)	83,276	(83,276)

5. FINANCIAL RISK MANAGEMENT POLICIES

Price risk

The Company is exposed to equity securities price risk through its investments in quoted shares measured at fair value. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Company.

All shares held by the Company are either quoted or traded on the Uganda and Nairobi Securities Exchanges (USE and NSE respectively) or unquoted.

At 31 December 2024, the USE and NSE Indices decreased the previously recorded market value of the shares leading to a fair value loss of Shs 15 million (2023: gain of Shs 21 million).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

In the normal course of its business, the Company incurs credit risk

from financial institutions and accounts receivable. The credit risk exposure is, however, limited due to management's constant monitoring of the status of financial institutions where deposits are maintained, and by the terms of the transaction agreement with the customers.

The Company manages the levels of credit risk it accepts by placing limits on its exposures to a single counterparty, or groups of counterparties and to geographical and industry segments. Such risks are subject to regular review.

The exposure to individual counterparties is also managed through other mechanisms such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Directors includes details of provisions for impairment on receivables and subsequent write-offs. Exposures to individual policyholders and Company of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous Company of policyholders, a financial analysis is carried out by management.

With regard to credit exposure arising out of deposits with financial institutions, the Company has policies in place to ensure that it only deals with financial institutions which have a strong credit rating. There are no significant concentrations of credit risk within the Company.

The following table summarises the Company's maximum exposure to credit risk before collateral held:

	2024 Shs'000	2023 Shs'000
Deposits with financial institutions	8,009,012	8,741,716
Government securities at amortised cost	19,423,809	16,741,552
Uganda Oil and Gas Consortium	674,055	-
Receivable from intermediaries	6,497,271	8,380,052
Cash and bank balances	397,288	698,540
	35,001,435	34,561,860

Reconciliation of expected credit losses for financial assets measured at amortised cost for the year:

	At start of year Shs'000	Charge/(credit) through P&L Shs'000	At end of year Shs'000
As at 31 December 2024			
Financial assets			
Deposits with financial institutions	37,522	38,794	76,316
Government securities at amortised cost	59,356	(28,727)	30,629
Receivable from intermediaries	371,164	188,514	559,678
Cash and bank balances	278	-	278
	468,320	198,581	666,901
As at 31 December 2023			
Financial assets			
Deposits with financial institutions	34,780	2,742	37,522
Government securities at amortised cost	53,542	5,814	59,356
Receivable from intermediaries	556,326	(185,162)	371,164
Cash and bank balances	250	28	278
	644,898	(176,578)	468,320

Notes (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities. On a weekly basis, management monitors the liquidity levels through cash flow statements. On a monthly basis, two (2) months projected cash flows, and current investment positions are circulated to the Finance and Investment Committee. Management monitors rolling forecasts of the Company liquidity reserve on the basis of expected cash flow.

As an insurance Company, Liberty General Insurance Uganda Limited is registered as a financial institution and is required to maintain minimum capital levels to reduce policy holders' exposure to the entity's liquidity risk. The Insurance Regulatory Authority as the regulatory authority regularly reviews compliance with these minimum requirements.

The table below analyses the Company's financial assets and liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	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
Contractual maturities of non derivative financial assets						
Cash and bank balances	401,010	-	-	-	-	401,010
Financial assets at amortised cost	5,858,805	7,819,352	12,991,702	-	-	26,669,859
Equity investments	-	-	-	-	946,537	946,537
Statutory deposits	-	-	1,330,072	-	-	1,330,072
Receivable from intermediaries	-	2,266,052	4,231,219	-	-	6,497,271
	6,259,815	10,085,404	18,552,993	-	946,537	35,844,749
Contractual maturities of financial liabilities						
Other payables	-	-	1,267,532	-	-	1,267,532
Lease liabilities	-	111,286	352,938	1,158,143	-	1,622,367
Amounts due to related parties	-	-	1,624,552	-	-	1,624,552
	-	111,286	3,245,022	1,158,143	-	4,514,451
Net liquidity gap	6,259,815	9,974,118	15,307,971	(1,158,143)	946,537	31,330,298
31 December 2023						
	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
Total assets	5,032,862	6,241,226	23,194,170	-	1,296,381	35,764,639
Total liabilities	-	113,900	4,366,565	1,671,847	-	6,152,312
Net liquidity gap	5,032,862	6,127,326	18,827,605	(1,671,847)	1,296,381	29,612,327

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of issued capital, reserves and an accumulated surplus. Reinsurance is also used as part of capital management.

An important aspect of the Company's overall capital management process is the setting of target risk-adjusted rate of return which is aligned to performance objectives and ensures that the Company is focused on the creation of value for shareholders. The Company's paid up share capital of Shs 9 billion is above the minimum amount of Shs 6 billion required by the regulations.

The Company has a number of sources of capital available to it and seeks to optimise its investment securities structure in order to ensure that it can consistently maximise returns to shareholders. The Company considers not only the traditional sources of capital funding but the alternative sources of capital including reinsurance, as appropriate, when assessing its deployment and usage of capital. The Company manages as capital all items that are eligible to be treated as such for regulatory purposes.

The Company is regulated by the Insurance Regulatory Authority and is subject to insurance solvency regulations which specify the minimum amount and type of capital that in accordance with these rules, has embedded in its risk management framework the necessary tests to ensure continuous and full compliance with such regulations. The Company has complied with the solvency requirements throughout the year.

Capital adequacy requirements

Under Ugandan Insurance Act, the Insurance Regulatory Authority of Uganda ("IRA") is mandated to use Risk Based Supervision (RBS) as a supervisory approach of regulating licensees on a risk sensitive basis. IRA introduced a framework for RBS to be implemented by insurance companies.

RBS in essence is divided into three pillars as shown below:

Pillar 1 – RBS sets out minimum capital requirements that insurance companies and HMOs are required to meet and specifies valuation of assets and liabilities.

Pillar 2 – Includes the supervisory review process, systems of governance and risk management.

Pillar 3 – Disclosure and supervisory reporting regime, under which defined reports to the regulator and public are required to be made.

Capital adequacy under the RBS framework is measured based on requirements which are enshrined in the Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2020. Capital required includes amount for: credit risk; market risk; operational risk, concentration risk, liquidity risk and insurance risk which are determined based on specifications set out in the regulations.

As at 31 December 2024, application of the RBS framework to the Company gave rise to a capital requirement as shown below:

	2024 Shs'000	2023 Shs'000
Capital available	15,320,570	14,508,240
Capital required	6,000,000	6,282,943
Capital Adequacy Ratio	256%	231%
Prescribed Capital Adequacy Ratio	200%	200%
Cash and bank balances	397,288	698,540

The Company's Capital Adequacy Ratio of 256% was above the required amount of 200%, which represents compliance with the Insurance (Capital Adequacy & Prudential Requirements) Regulations, 2020 ("the Regulations").

6. INSURANCE SERVICE REVENUE

	2024 Shs'000	2023 Shs'000
Revenue from insurance contracts measured under PAA	38,493,754	36,470,284

7. INSURANCE SERVICE EXPENSE

	2024 Shs'000	2023 Shs'000
Incurred claims	30,711,069	17,426,283
Other directly attributable expenses (note 10)	6,950,969	7,221,163
Changes that relate to past service – adjustment to LIC	(5,490,973)	54,619
(Reversals)/ losses on onerous contracts	(691,055)	609,524
Amortisation of insurance acquisition cash flows	6,029,392	5,502,927
Net claims and benefits	37,509,402	30,814,516

8. NET INCOME/ (EXPENSE) FROM REINSURANCE CONTRACTS HELD

	2024 Shs'000	2023 Shs'000
Contracts measured under the PAA	(18,725,026)	(18,032,346)
Claims recovered	26,516,662	11,959,724
Changes that relate to past service adjustment to incurred claims	(5,497,748)	59,377
(Reversals)/ losses on onerous contracts	(691,055)	609,524
Changes of loss recovery on subsequent measurement	(384,762)	332,570
Net income /(expense) from reinsurance contracts held	1,909,126	(5,680,675)

9. NET INVESTMENT INCOME*(i) Interest income*

	2024 Shs'000	2023 Shs'000
Interest income on fixed deposits	613,086	722,101
Interest income on government securities	2,273,281	1,810,196
Other interest income	334,300	121,726
Total interest income	3,220,667	2,654,023

(ii) Other (expenses)/ income

	2024 Shs'000	2023 Shs'000
Foreign exchange (losses)/ gains	(263,202)	575,096
Profit share allocations under bancassurance and other agreements	(513,378)	(28,972)
Total other (expenses)/ income	(776,580)	546,124

10. OPERATING EXPENSES

	2024 Shs'000	2023 Shs'000
Employee benefits expense (i)	3,834,098	3,202,952
Auditors' remuneration	220,634	122,362
Consulting fees and other outsourced arrangements	695,466	815,888
Depreciation of property and equipment (Note 13)	80,877	90,311
General marketing and administration costs	4,232,012	3,513,928
	37,509,402	30,814,516

(i) Employee benefit expense

	2024 Shs'000	2023 Shs'000
Salaries and benefits	2,876,013	2,476,323
NSSF contributions	274,904	207,777
Contribution to retirement benefits scheme	134,934	187,456
Other employee benefits	548,247	331,396
	3,834,098	3,202,952

	2024 Shs'000	2023 Shs'000
Profit before income tax	2,279,658	2,239,405
Income tax calculated at 30% (2023: 30%)	683,897	671,822
Tax effect of: Expenses not deductible for tax	51,402	62,447
Income taxed at 20% (2023 :20%)	(227,328)	(181,020)
Prior period under/ (over) provision for deferred income tax	104,193	(70,726)
Income tax expense	612,164	482,523

11. INCOME TAX**a) Income tax expense**

The tax charge for the year comprises the following:

	2024 Shs'000	2023 Shs'000
Current income tax charge	479,378	362,040
Deferred income tax charge	132,786	120,483
Income tax expense	612,164	482,523

b) Income tax recoverable

The movement in income tax recoverable is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	1,393,303	1,313,340
Tax charge	(479,378)	(362,040)
Tax paid	510,449	442,003
At end of year	1,424,374	1,393,303

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

12. DEFERRED INCOME TAX

Deferred tax is calculated, in full, on all temporary differences using a principal tax rate of 30% (2023: 30%). The movement in the deferred tax account is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	1,348,822	1,475,389
(Charge)/credit to profit and loss	(132,786)	(120,483)
Credit/ (charge) to other comprehensive income	4,604	(6,084)
(Reversals)/ losses on onerous contracts	(691,055)	609,524
At end of year	1,220,640	1,348,822

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

	At start of year Shs'000	Charged/ (credited) to P/L Shs'000	Charged/ (credited) to OCI Shs'000	At end of year Shs'000
Year ended 31 December 2024				
Deferred income tax liabilities				
Fair value gains on equity investments	172,440	-	(4,604)	167,836
Unrealised exchange gains/ (losses)	59,780	(167,203)	-	(107,423)
Accelerated tax depreciation	59,781	(3,512)	-	56,269
	292,001	(170,715)	(4,604)	116,682
Deferred income tax assets				
Bad debt provisions	(140,862)	(59,126)	-	(199,988)
Tax losses	(300,977)	300,977	-	-
Other deductible temporary differences	(1,198,984)	61,650	-	(1,137,334)
	(1,640,823)	303,501	-	(1,337,322)
Net deferred income tax asset	(1,348,822)	132,786	(4,604)	(1,220,640)

Deferred income tax (continued)

	At start of year Shs'000	Charged/ (credited) to P/L Shs'000	Charged/ (credited) to OCI Shs'000	At end of year Shs'000
Year ended 31 December 2023				
Deferred income tax liabilities				
	166,356	-	6,084	172,440
Fair value gains on equity investments				
Unrealised exchange gains	-	59,780	-	59,780
Accelerated tax depreciation	43,678	16,103	-	59,781
	210,034	75,883	6,084	292,001
Deferred income tax assets				
Bad debt provisions	(193,760)	52,898	-	(140,862)
Tax losses	(850,567)	549,590	-	(300,977)
Other deductible temporary differences	(641,096)	(557,888)	-	(1,198,984)
	(1,685,423)	44,600	-	(1,640,823)
Net deferred income tax asset	(1,475,389)	120,483	6,084	(1,348,822)

13. (a) PROPERTY AND EQUIPMENT

	Computer Equipment Shs '000	Furniture fixtures and fittings Shs '000	Motor vehicles Shs '000	Office equipment Shs '000	Total Shs '000
Cost					
1 January 2023	326,187	185,785	336,119	116,392	964,483
Additions	61,930	13,725	-	8,135	83,790
31 December 2023	388,117	199,510	336,119	124,527	1,048,273
1 January 2024	388,117	199,510	336,119	124,527	1,048,273
Additions	119,119	12,323		57,200	188,642
Write-off	-	-	(60,108)	-	(60,108)
31 December 2024	507,236	211,833	276,011	181,727	1,176,807
Depreciation					
1 January 2023	274,662	115,532	314,686	60,225	765,105
Charge for the year	40,164	19,180	19,646	11,321	90,311
31 December 2023	314,826	134,712	334,332	71,546	855,416
1 January 2024	314,826	134,712	334,332	71,546	855,416
Charge for the year	48,037	18,978		13,862	80,877
Depreciation -write-off	-	-	(58,321)	-	(58,321)
31 December 2024	362,863	153,690	276,011	85,408	877,972
Net book value					
31 December 2024	144,373	58,143		96,319	298,835
31 December 2023	73,291	64,798	1,787	52,981	192,857

13. (b) INTANGIBLE ASSETS

	2024 Shs'000	2023 Shs'000
Cost		
At start of year	363,185	285,680
Additions	87,463	77,505
At end of year	450,648	363,185
Amortisation		
At end of year	(93,942)	(68,366)
Charge for the year	(36,175)	(25,576)
At end of year	(130,117)	(93,942)
Net book value	320,531	269,243

14. REINSURANCE CONTRACTS ASSETS

The table below sets out the carrying amounts reinsurance contract assets and liabilities at the end of reporting date:

	2024 Shs'000	2023 Shs'000
Reinsurance contract assets	33,869,096	23,822,428
Reinsurance contract liabilities	(2,172,452)	(5,072,505)
	31,696,644	18,749,923

14. REINSURANCE CONTRACTS ASSETS (CONTINUED)

2024	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Analysis by remaining coverage and incurred claims					
Opening reinsurance contract assets	(5,072,505)			-	(5,072,505)
Opening reinsurance contract liabilities	6,537,118	384,762	16,622,284	278,264	23,822,428
Net balance as at 1 January	1,464,613	384,762	16,622,284	278,264	18,749,923
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	(18,725,026)				(18,725,026)
Claims recovered	-	-	26,451,841	64,821	26,516,662
Changes that relate to past service - adjustments to incurred claims	-	-	(5,497,748)		(5,497,748)
Recoveries and reversals of recoveries of losses on onerous contracts	-	(384,762)	-	-	(384,762)
Net (expense)/ income from reinsurance contracts held	(18,725,026)	(384,762)	20,954,093	64,821	1,909,126
Finance income from reinsurance contracts held	-	-	1,497,655	20,520	1,518,175
Total amounts recognised in comprehensive income	(18,725,026)	(384,762)	22,451,748	85,341	3,427,301
Cash flows					
Premiums paid	20,996,592	-	-	-	20,996,592
Recoveries from reinsurance	-	-	(11,477,172)	-	(11,477,172)
Total cash flows	20,996,592		(11,477,172)		9,519,420
Net closing balance	3,736,179		27,596,860	363,605	31,696,644
Closing reinsurance contract liabilities	(2,172,452)	-	-	-	(2,172,452)
Closing reinsurance contract assets	5,908,631		27,596,860	363,605	33,869,096
Net closing balance	3,736,179		27,596,860	363,605	31,696,644

	Asset for remaining coverage		Asset for incurred claims		
2023	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Analysis by remaining coverage and incurred claims					
Opening reinsurance contract assets	6,184,214	52,192	31,003,071	182,922	37,422,399
Opening reinsurance contract liabilities	(3,337,010)	-	-	-	(3,337,010)
Net balance as at 1 January	2,847,204	52,192	31,003,071	182,922	34,085,389
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	(18,032,346)	-	-	-	(18,032,346)
Claims recovered	-	-	11,995,205	(35,481)	11,959,724
Changes that relate to past service – adjustments to incurred claims	-	-	59,377	-	59,377
Recoveries and reversals of recoveries of losses on onerous contracts	-	332,570	-	-	332,570
Net income (expenses)/ income from reinsurance contracts held	(18,032,346)	332,570	12,054,582	(35,481)	(5,680,675)
Finance income from reinsurance contracts held	-	-	1,030,790	130,823	1,161,613
Total amounts recognised in comprehensive income	(18,032,346)	332,570	13,085,372	95,342	(4,519,062)
Cash flows					
Premiums paid	16,649,755	-	-	-	16,649,755
Recoveries from reinsurance	-	-	(27,466,159)	-	(27,466,159)
Total cash flows	16,649,755	-	(27,466,159)	-	(10,816,404)
Net closing balance	1,464,613	384,762	16,622,284	278,264	18,749,923
Closing reinsurance contract liabilities	(5,072,505)	-	-	-	(5,072,505)
Closing reinsurance contract assets	6,537,118	384,762	16,622,284	278,264	23,822,428
Net closing balance	1,464,613	384,762	16,622,284	278,264	18,749,923

15. RELATED PARTY TRANSACTIONS

The Company is controlled by Liberty Holdings Limited incorporated in South Africa. The Company's ultimate parent is Standard Bank Group Limited, incorporated in South Africa. There are other companies that are related to the Company through common shareholdings or common directorships.

The Company provides/ incurs some transactions with Stanbic Bank Uganda Limited (SBUL), a subsidiary of Standard Bank Group Limited and these are:

- provision of insurance services, payment of commissions to Stanbic Bank Uganda Limited and payment of claims.
- joint venture profit commission sharing agreement where the Company and SBUL share in the profits earned on the insurance business underwritten by Liberty General Insurance Uganda Limited through the bancassurance arm department of SBUL; and
- use of banking facilities provided by SBUL

a) Related party transactions	2024 Shs'000	2023 Shs'000
Administrative and related charges	1,496,927	1,591,394
Rent - Madhvani Group Limited	414,085	272,947
Sale of policies and commission paid	12,948,803	17,502,678
Claims paid	10,068,164	26,722,435
Directors' fees	261,000	246,000
	25,188,979	46,335,454
b) Amounts due from related parties		
Madhvani Group Limited	11,316	2,830
Jinja Sailing Club	2,054	1,821
Stanbic Bank Uganda Limited	825,410	1,243,953
Liberty Life Limited	186,747	205,470
Madhvani Group - Tea Division	31,556	2,937
Madhvani Group - Steel Division	77,296	79,352
Makepasi Match Co. Ltd	16,350	16,309
Mweya Safari Lodge	900	3,679
T.P.S.C Uganda Ltd	30,061	30,061
Paraa Safari Lodge Ltd	752	-
Chobe Safari Lodge Limited	1,193	-
East Africa Packaging Solutions Ltd	3,809	-
Kakira Sugar Limited	-	38,618
	1,187,444	1,625,030
c) Amounts due to related parties		
Liberty Holdings Limited	796,080	443,564
Madhvani Group Limited	569,690	470,454
Kakira Sugar Limited - Aviation	16,853	-
Kakira Sugar Limited	40,641	-
Stanbic Holding Uganda Ltd	201,288	134,213
	1,624,552	1,048,231

16. OTHER RECEIVABLES

	2024 Shs'000	2023 Shs'000
Deposits	47,306	47,306
Prepayments	64,892	71,485
Other advances	815,429	256,552
Amounts due from related parties (Note 15 (b))	1,187,444	1,625,030
Receivables from intermediaries	5,309,827	6,755,022
	7,424,898	8,755,395

The carrying values of the government securities, fixed deposits and other investments approximate their fair values. The government securities are all denominated in Ugandan Shillings, while some fixed deposits are denominated in US Dollars.

17. FINANCIAL INSTRUMENTS AND INVESTMENTS

a) Equity investments

The movement of equity investments during the year is as follows:

	2024 Shs'000	2023 Shs'000
At start of year	1,296,382	1,266,003
Fair value loss/ (gain)	(15,348)	20,968
Additions	28,231	9,411
Other movements	(362,728)	-
At end of year	946,537	1,296,382
Quoted shares		
BAT Uganda Limited	150,000	150,000
Kenya Airways Limited	6,374	5,665
New Vision Printing & Publishing Company Limited	21,600	37,657
	177,974	193,322
Unquoted shares		
Uganda Reinsurance Company Limited	768,563	740,332
Uganda Oil and Gas Consortium	-	362,728
	768,563	1,103,060
	946,537	1,296,382
b) Government securities, fixed deposits and other investments		
Treasury bills with a tenor of not more than one year	17,037,762	14,839,082
Fixed deposits with a tenor of not more than one year	7,380,550	8,160,725
Uganda Oil and Gas Consortium	674,055	-
Accrued interest	1,678,894	1,263,750
Expected credit loss	(101,402)	(91,999)
	26,669,859	24,171,558

c) Statutory deposits

	2024 Shs'000	2023 Shs'000
Treasury bills	1,335,615	1,219,711
Expected credit loss	(5,543)	(4,879)
	1,330,072	1,214,832

The deposits with financial institutions are all fixed at interest rate financial instruments. The Company, in line with section 38 (1) of the Insurance Act of Uganda, 2017, made a statutory deposit of Shs 1.3 billion (2023: Shs 1.2 billion).

d) Movement in expected credit losses

	2024 Shs'000	2023 Shs'000
At start of year	96,878	89,539
Movement in the period	10,067	7,339
At end of year	106,945	96,878

18. CASH AND CASH EQUIVALENTS

For purposes of the cashflow statement, cash and cash equivalents comprise the following:

	2024 Shs'000	2023 Shs'000
Cash at hand	4,000	3,554
Cash at bank	397,288	698,540
Expected credit loss	(278)	(278)
	401,010	701,816

19. INSURANCE CONTRACT LIABILITIES

The table below sets out the carrying amounts insurance contract assets and liabilities at the end of reporting date:

	2024 Shs'000	2023 Shs'000
Insurance contract liabilities	46,569,694	36,381,375
Insurance contract assets	(199,895)	(184,649)
	46,369,799	36,196,726

Reconciliation of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC)

2024	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
Opening insurance contract liabilities	10,981,254	848,949	24,035,146	516,027	36,381,376
Opening insurance contract assets	(184,650)	-	-	-	(184,650)
Net balance as at 1 January	10,796,604	848,949	24,035,146	516,027	36,196,726
Insurance revenue	(38,493,754)				(38,493,754)
Insurance service expenses					
Incurred claims	-	-	30,733,946	(22,877)	30,711,069
Other directly attributable expenses	5,650,174	-	1,300,795	-	6,950,969
Changes that relate to past service - adjustment to the LIC	-	-	(5,490,973)	-	(5,490,973)
Losses and reversals of losses on onerous contracts	-	(691,055)	-	-	(691,055)
Amortisation of insurance acquisition cash flows	6,029,392	-	-	-	6,029,392
Insurance service expenses	11,679,566	(691,055)	26,543,768	(22,877)	37,509,402
Finance expense from insurance contracts issued	-	-	2,037,837	31,442	2,069,279
Total amounts recognised in comprehensive income	(26,814,188)	(691,055)	28,581,605	8,565	1,084,927
Cash flows					
Premiums received	39,039,903	-			39,039,903
Incurred claims	-	-	(16,956,640)		(16,956,640)
Insurance acquisition cash flows	(10,960,384)	-			(10,960,384)
Other directly attributable expenses	(885,707)	-	(1,149,026)		(2,034,733)
Total cash flows	27,193,812		(18,105,666)		9,088,146
Net closing balance	11,176,228	157,894	34,511,085	524,592	46,369,799
Closing insurance contract liabilities	11,376,123	157,894	34,511,085	524,592	46,569,694
Closing insurance contract assets	(199,895)				(199,895)
Net closing balance	11,176,228	157,894	34,511,085	524,592	46,369,799

Reconciliation of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC) (continued)

	Liabilities for remaining coverage		Liabilities for incurred Claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	
2023					
Opening insurance contract liabilities	10,329,079	239,425	37,542,064	322,386	48,432,954
Opening insurance contract assets	(71,796)	-	-	-	(71,796)
Net balance as at 1 January	10,257,283	239,425	37,542,064	322,386	48,361,158
Insurance revenue	(36,470,284)	-	-	-	(36,470,284)
Insurance service expenses					
Incurred claims		-	17,376,218	50,065	17,426,283
Other directly attributable expenses	4,667,171	-	2,553,992	-	7,221,163
Changes that relate to past service		-	54,619	-	54,619
Losses and reversals of losses on onerous contracts		609,524	-	-	609,524
Amortisation of insurance acquisition cash flows	5,502,927	-	-	-	5,502,927
Insurance service expenses	10,170,098	609,524	19,984,829	50,065	30,814,516
Finance expense from insurance contracts issued		-	1,131,270	143,576	1,274,846
Total amounts recognised in comprehensive income	(26,300,186)	609,524	21,116,099	193,641	(4,380,922)
Cash flows					
Premiums received	37,179,807	-	-	-	37,179,807
Incurred claims		-	(32,123,644)	-	(32,123,644)
Insurance acquisition cash flows	(10,001,206)	-	-	-	(10,001,206)
Other directly attributable expenses	(339,094)	-	(2,499,373)	-	(2,838,467)
Total cash flows	26,839,507	-	(34,623,017)	-	(7,783,510)
Net closing balance	10,796,604	848,949	24,035,146	516,027	36,196,726
Closing insurance contract liabilities	10,981,254	848,949	24,035,146	516,027	36,381,376
Closing insurance contract assets	(184,650)	-	-	-	(184,650)
Net closing balance	10,796,604	848,949	24,035,146	516,027	36,196,726

20. OTHER PAYABLES

	2024 Shs'000	2023 Shs'000
Stamp duty and stickers	154,313	26,166
Sundry creditors	3,738,810	2,007,644
Internal and external audit fees	94,943	111,740
Other accrued expenses	192,000	831,084
At end of year	4,180,066	2,976,634

The carrying amounts of other payables approximate their fair values

21. LEASES

The movement in the right-of-use assets is as below:

(a) Right-of-use assets

	2024 Shs'000	2023 Shs'000
At start of year	96,878	89,539
Additions	10,067	7,339
Depreciation charge	(394,685)	(298,324)
At end of year	1,370,589	1,765,274

(b) Lease liabilities

	2024 Shs'000	2023 Shs'000
At start of year	1,757,265	185,474
Interest expense	138,827	64,534
Depreciation charge	–	1,822,099
Additions	(51,499)	16,589
Foreign exchange (gain)/ loss	(452,320)	(331,431)
At end of year	1,392,273	1,757,265

22. SHARE CAPITAL

The total authorised number of ordinary shares is 900,000 with a par value of Shs 10,000 per share. At 31 December 2024, 900,000 ordinary shares were in issue (2023: 900,000 ordinary shares). All issued shares are fully paid.

	2024 Shs'000	2023 Shs'000
Authorised: 900,000 ordinary shares of Shs 10,000 each	9,000,000	9,000,000
Issued and fully paid: 900,000 ordinary shares of Shs 10,000 each	9,000,000	9,000,000

23. FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income. The movement for the period is as follows.

	2024 Shs'000	2023 Shs'000
At start of year	429,423	414,539
Fair value loss/ (gain)	(15,348)	20,968
Deferred income tax	4,604	(6,084)
At end of year	418,679	429,423

24. RETAINED EARNINGS

The retained earnings relate to all other net gains and losses and transactions with owners (not recognised elsewhere. The movement in retained earnings for the year is as presented in the statement of changes in equity.

	2024 Shs'000	2023 Shs'000
At start of year	1,218,947	280,059
Profit for the year	1,667,494	1,756,882
Transfer from contingency and capital reserves	7,232,179	(817,994)
At end of year	10,118,620	1,218,947

25. CONTINGENT LIABILITIES

The Company, like other insurers, is subject to litigation in the normal course of its business. The Company does not believe that such litigation will have a material impact on its profit or loss and financial position. Management has carried out an assessment of all the cases outstanding as at 31 December 2024 and did not find any that warranted a provision.

26. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which require adjustment to or disclosure in the financial statements.

27. CLAIMS DEVELOPMENT

a) Gross claims development

Actual claim payments are compared with previous estimates of the undiscounted amounts of the claims in the table below on gross of reinsurance basis as at 31 December 2024.

Short - term insurance liabilities - gross claims paid in respect of reporting year

	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016 and prior
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
2024	16,804,872	3,134,876	3,379,495	8,645,322	189,431	420,348	1,012,586	21,634	1,180	-
2023	32,067,806		3,983,832	24,402,917	988,204	318,888	2,310,173	13,342	14,759	35,691
2022	12,565,485			4,381,919	2,769,011	1,871,211	3,483,311	31,780	3,308	24,945
2021	5,346,236				3,095,393	1,236,616	963,956	31,704	18,567	-
2020	3,881,561				-	618,951	2,886,575	136,805	221,066	18,164
2019	5,279,778				-	-	2,098,027	2,939,439	99,531	142,781
2018	3,585,094				-	-	-	1,900,629	1,142,623	541,842
2017	2,074,032				-	-	-	-	987,551	1,086,481
2016	2,585,461				-	-	-	-	-	2,585,461

Cumulative
payments
to date

84,190,325 3,134,876 7,363,327 37,430,158 7,042,039 4,466,014 12,754,628 5,075,333 2,488,585 4,435,365

b) Net claims development

Actual claim payments are compared with previous estimates of the undiscounted amounts of the claims in the table below on a net-of-reinsurance basis as at 31 December 2024.

Short - term insurance liabilities - net claims paid in respect of reporting year

	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016 and prior
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
2024	4,366,393	2,350,952	1,427,546	410,522	73,203	64,112	17,244	21,634	1,180	-
2023	5,376,367		2,681,528	1,757,189	657,486	172,676	43,696	13,342	14,759	35,691
2022	3,977,917			2,203,779	1,385,650	239,383	125,255	16,256	618	6,976
2021	2,329,320				1,706,401	559,583	29,786	20,576	12,974	-
2020	1,833,540					306,186	1,013,893	333,233	171,290	8,938
2019	2,425,772						905,466	1,404,524	47,558	68,224
2018	1,837,614							974,207	585,675	277,732
2017	1,554,106								739,988	814,118
2016	1,381,184									1,381,184

Cumulative
payments to
date

25,082,213 2,350,952 4,109,074 4,371,490 3,822,740 1,341,940 2,135,340 2,783,772 1,574,042 2,592,863



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