LIBERTY

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2024 INTEGRATED ANNUAL REPORT

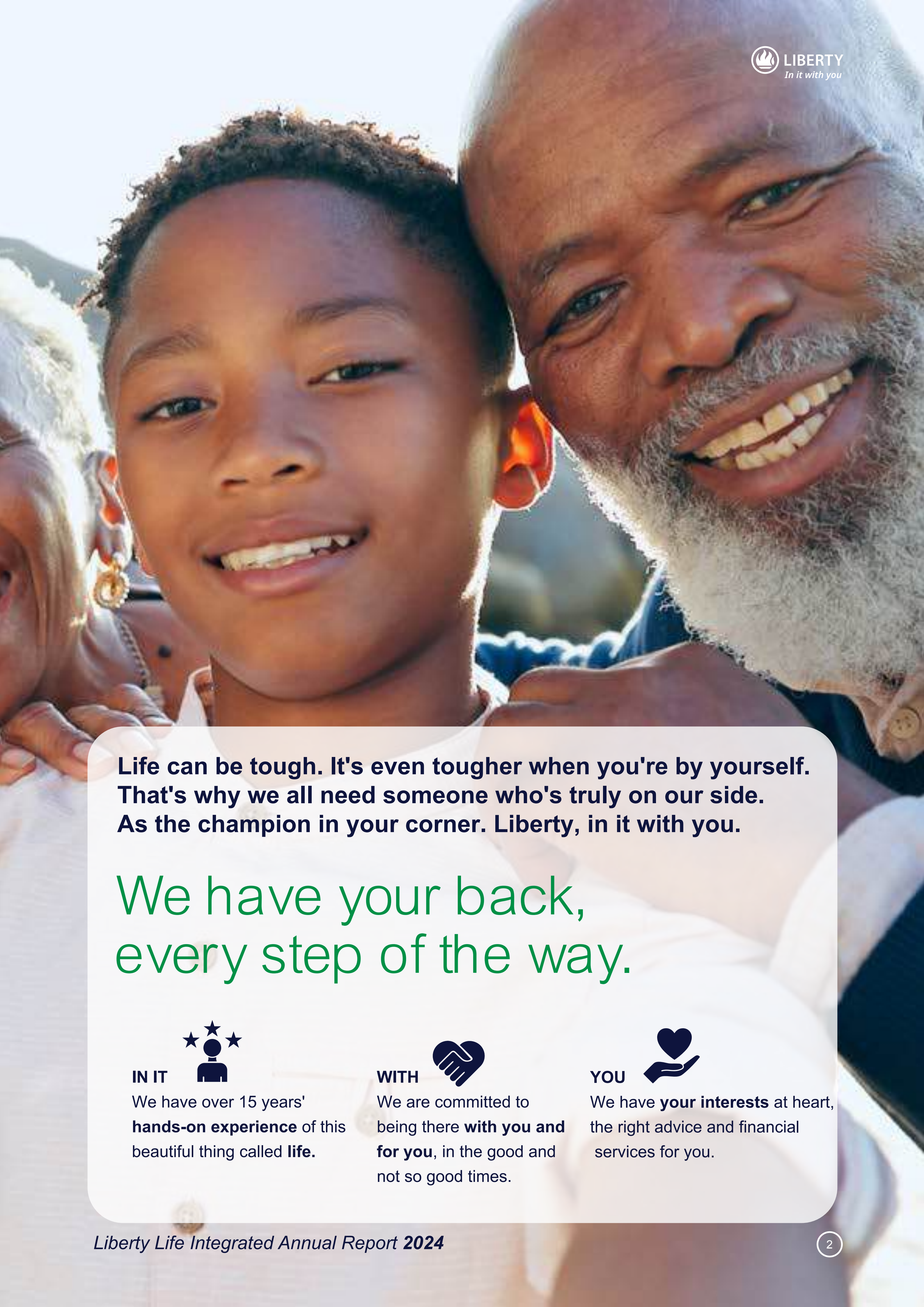
LIBERTY LIFE ASSURANCE UGANDA LIMITED

This is a Liberty Life Assurance Uganda Limited Integrated report incorporating financial and non-financial information for the year ended 31 December 2024.

The theme for this year's annual report is;

''Enhancing stakeholder confidence through resilient sustainability practices amidst a rapidly evolving world''.

Liberty Life Assurance Uganda Limited, Reg No. IN/023/2020 is regulated by the Insurance Regulatory Authority of Uganda.



LIBERTY
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Life can be tough. It's even tougher when you're by yourself. That's why we all need someone who's truly on our side. As the champion in your corner. Liberty, in it with you.

We have your back, every step of the way.

IN IT
We have over 15 years' **hands-on experience** of this beautiful thing called **life.**

WITH
We are committed to being there **with you and for you**, in the good and not so good times.

YOU
We have **your interests** at heart, the right advice and financial services for you.

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GENERAL INFORMATION

Country of incorporation and domicile....................Uganda

Nature of business and principal activities.............Long term insurance and medical

Directors who held office during the year and to the date of this report:

Gerald Ssendaula*	(Chairman)
Mayur M. Madhvani*	(Director)
Mike du Toit***	(Director)
Muljibhai Madhvani & Company Limited*	(Director)
Liberty Holdings Limited***	(Director)
East African Holdings Ltd****	(Director)
Patricia Adongo Ojangole*	(Director)

*Ugandan **British ***South African **** Bermuda

Registered office and business address
2nd Floor, Madhvani Building
Plot 99 - 101, Buganda Road,
P.O. Box 22938
Kampala, Uganda

Holding company
Liberty Holdings Limited
Incorporated in South Africa

Auditor
Ernst & Young
Certified Public Accountants
EY House
Plot 18, Clement Hill Road
Shimoni Office Village
P.O. Box 7215
Kampala, Uganda

Bankers
Stanbic Bank Uganda Limited
P.O. Box 7113
Kampala, Uganda

Company secretary
Koduvayur Parasuraman Eswar
Corporate Office, Madhvani Group
Plot 96/98, 5th Street Industrial Area
Kampala, Uganda

ACRONYMS

ACMA	Associate Chartered Management Accountant
AGM	Annual General Meeting
AI	Artificial Intelligence
AIC	Asset for Incurred Claims
ALM	Asset Liability Matching
ARC	Assets for Remaining Coverage
BCP	Business Continuity Plan
BDMs	Business Development Managers
BoU	Bank of Uganda
BUBU	Buy Uganda Build Uganda
CAE	Client and Adviser Experience
CAR	Capital Adequacy Requirement
CBR	Central Bank Rate
CEO	Chief Executive Officer
CGMA	Chartered Global Management Accountant
COVID-19	Corona virus Disease of 2019
CPA (U)	Certified Public Accountant of Uganda
CSI	Corporate Social Investment
CSM	Contractual Service Margin
CSR	Corporate Social Responsibility
DSAs	Direct Sales Agents
ECM/DFS	Emerging Consumer Market and Direct Financial Services
EE	Employee Experience
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance Risk
ESG	Environmental, social and governance
EXCO	Executive Committee
FAQs	Frequently Asked Questions
FCC	Financial Crime Compliance
FCCA	Fellow Chartered and Certified Accountant
FII	Fellow of Insurance Institute of India
FLMI	Fellow Life Management Institute
GDP	Gross Domestic Product
GMM	General Measurement model
GWP	Gross Written Premium
IAM	Insurance and Asset Management
IBNR	Incurred But Not Reported
IFRS	International Financial Reporting Standard
IIU	Insurance Institute of Uganda

Acronyms (continued)

IR	Integrated Reporting
IRA	Insurance Regulatory Authority of Uganda
KACITA	Kampala City Traders Association
KCCA	Kampala City Council Authority
KPI	Key performance Indicators
KYC	Know Your Customer
LHL	Liberty Holdings Limited
LibFin	Liberty Financial Solutions
LIC	Liability for Incurred Claims
LLAU	Liberty Life Assurance Uganda Limited
LRC	Liability for Remaining Coverage
MBA	Master of Business Administration
MBChB	Bachelor of Medicine and Bachelor of Surgery
MD	Managing Director
MDI	Micro Deposit Taking Institution
MMM	Mind My Money
MSC HSM	Master of Science in Health Services Management
NSSF	National Social Security Fund
NWP	Net Written Premium
OCI	Other Comprehensive Income
P&L	Profit and Loss
PAA	Premium Allocation Approach
PAT	Profit After Tax
PMP	Project Management Professional
PRI	Principles for Responsible Investment
SACCO	Savings and Credit Co-operative Society
SBG	Standard Bank Group
SDGs	Sustainable Development Goals
SEE	Social, Environment and Economic Impact
SMEs	Small Medium Enterprises
TBEM	Tata Business Excellence Model
UIA	Uganda Insurers Association
UN	United Nations
UPR	Unearned Premium reserve
URA	Uganda Revenue Authority
VFA	Variable Fee Approach
VoNB	Value of New Business

FINANCIAL DEFINITIONS

Insurance Revenue: For contracts measured under the Premium Allocation Approach it is the amount of gross written premium for the period adjusted for changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration, thus is the amount of expected premium receipts allocated to each period.
For contracts not measured under the Premium Allocation Approach it is the amount relating to services provided for each year representing the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration comprised of;

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.
- Allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue.

Insurance service expense: Amounts below arising from insurance contracts recognised in profit or loss when they are incurred.

- Incurred claims
- Directly attributable expenses
- Amortisation of insurance acquisition cash flows
- Losses on onerous contracts and reversals of such losses
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses
- Additional PAA liability for onerous contracts

Net expense/ income from reinsurance contracts held: Amount of reinsurance premiums paid less amounts recovered from reinsurers.

Risk Adjustment: Best estimate liability reflecting the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils its insurance contracts obligations.

Insurance finance income and expenses: Amounts comprising changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses.

Contract Service Margin: The unearned profit the entity will recognise as it provides services under the insurance contracts.

Gross written premium revenue: Amount of money charged by the insurer to the policy holder for the coverage set forth in an insurance policy

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Financial Definitions (continued)

Premium income ceded to reinsurers (Reinsurance premiums ceded): Amount of money charged by another insurance company (reinsurer) to the insurer to cover/hedge against risk on policies taken out especially where the primary insurer deems the risk too large for it to carry.

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

Gross claims and policy holder benefits: Total amount of money paid or payable to an insured or insured's beneficiary for the benefits provided by the insurance contract or for coverage of an incurred loss.

Claims recovered from reinsurers: A portion of the gross claims and policy holder benefits that are claimed by the insurer from the reinsurance company as a result of the existing reinsurance arrangement.

Net claims expense: Gross claims and policy holder benefits incurred less claims recovered from reinsurers.

Commission expense: A fee paid/payable by the insurer to a salesperson, agent or broker for in exchange for his or her services in either facilitating, supervising, or completing a sale.

Commission income: A fee earned by the insurer on the premium ceded to the reinsurer.

Net commission expense: Commission expense less commission income.

Underwriting profit/ loss: Profit or Loss from underwriting activities excluding non underwriting activities such as investment income. (Net insurance premium revenue – Net commission expense – Net claims expense – Administrative expenses)

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

Value of New Business (VNB) written: Present value at the point of sale of the projected stream of after-tax profits from that new business.

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

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

Reinsurance ratio: Ratio of facultative and treaty premiums ceded to reinsurers and to Gross written insurance premium revenue.

Claims ratio: Ratio of net claims expense to the net insurance premium revenue.

Combined ratio: Ratio of total expenses (Administrative expenses + Net Commission expense + Net claims expense) to the net insurance premium revenue.

Commission ratio: Ratio of net commission expense to net insurance premium revenue.

Expense ratio – gross: Ratio of the total administrative expenses to the gross written insurance premium revenue.

Net Expense ratio: Ratio of total administrative expenses to the net insurance premium revenue.

ABOUT OUR THEME

"Enhancing stakeholder confidence through resilient sustainability practices amidst a rapidly evolving world."

In an industry where risk assessment and management are fundamental, building resilient sustainability practices is essential to maintaining stakeholder confidence amid global volatility. This theme focuses on how Liberty integrates adaptive, transparent, and forward-looking sustainability strategies to effectively respond to emerging environmental, social, and economic challenges. By strengthening sustainability reporting frameworks and fostering clear communication with clients, regulators, and investors, Liberty enhances trust and demonstrate its commitment to long-term value creation and risk mitigation in an uncertain world.

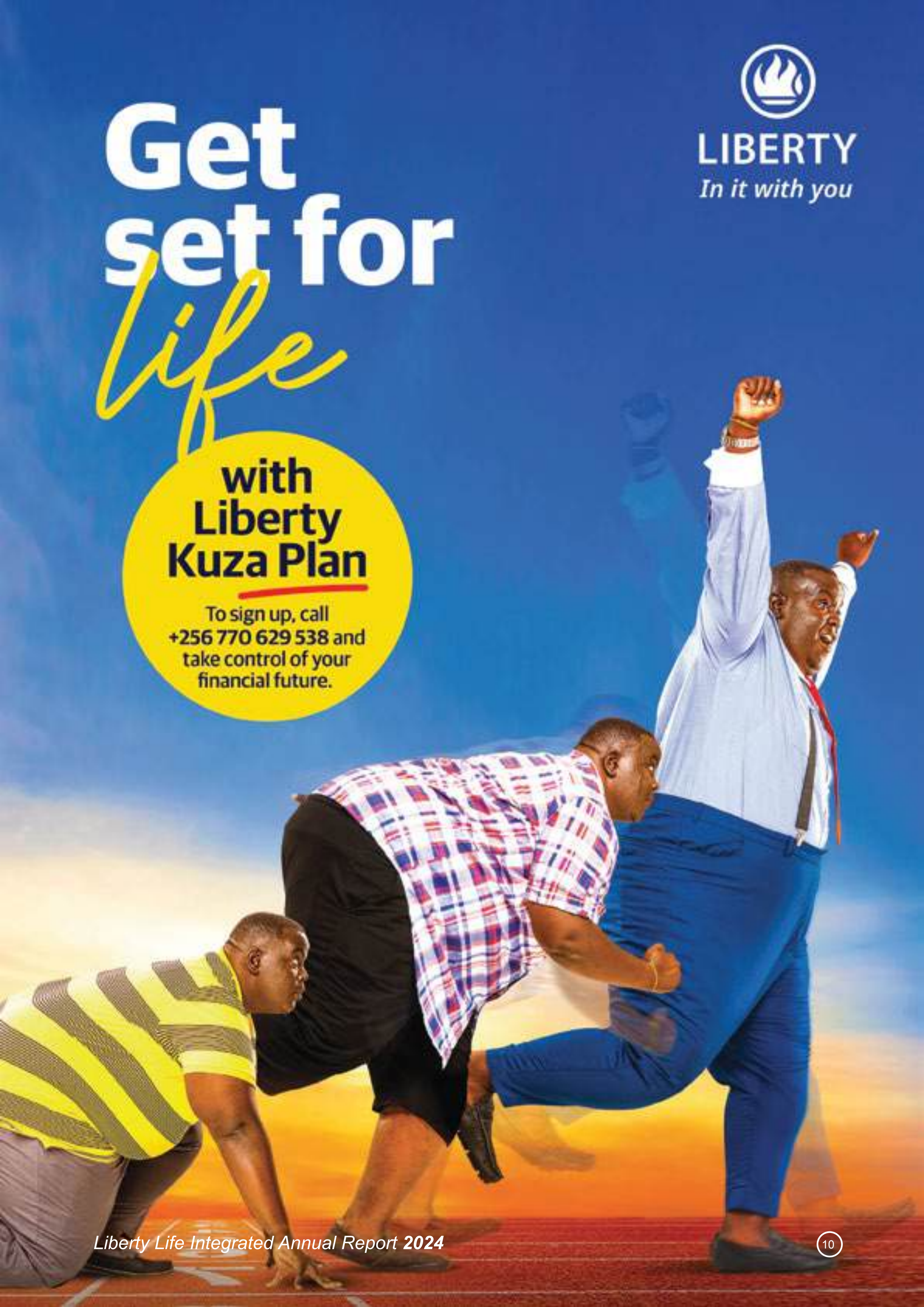
Liberty's purpose is to improve people's lives by making their financial freedom possible. We do this by ensuring we nurture our relationships and skilfully navigate risks. As a result, we deliver products aligned with our purpose and remain committed to wellness, financial and other education, and confronting climate change.

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.

We are invested in our social, economic and environmental strategy, which leverages our resources to create solutions that benefit society and creates growth, innovation and differentiation opportunities.

We strive to maximise our positive impacts while mitigating and managing potential negative impacts. We aspire to deliver shared value by focusing on issues that matter to our employees, financial advisers, clients, and society.

Our MD Mr Joseph Almeida (4th right), leads staff at the annual insurance gala.


Get set for life
LIBERTY
In it with you
with Liberty Kuza Plan
To sign up, call +256 770 629 538 and take control of your financial future.

ABOUT OUR 2024 INTEGRATED ANNUAL REPORT 2024

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 Life Assurance 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 has delivered on its purpose and against its strategy in 2024.

Framework and other reports

A team from the Finance Division produces the integrated report and supplementary information, under the supervision of our Country Head of Finance, CPA Joan Musiime – FM 1667. 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 https://www.liberty.co.ug.

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 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 83.

About our 2024 integrated annual report (continued)

Internal controls and assurance
Liberty 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.

Ernst &Young 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 117.
Refer to corporate governance report on page 53 for more details on our internal control and assurance.

Forward-looking statements
This report contains certain information about Liberty 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 business will not be a going concern for at least the next twelve months from the date of this statement.

The directors advise readers to use caution when interpreting any forward-looking. These include factors that could adversely affect our business and financial performance.

Directors' approval
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 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's strategic plans and ensured that these disclosures do not place Liberty 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.

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

Gerald Ssendaula
Chairman

Joseph Almeida
Managing Director

2024 HIGHLIGHTS

Financial Outcome

Return on Equity **14%,** 2023: **15%** Target **15-18%**	Value of new business margin **5.2%** 2023: **4.2%** Target **5%-10%**	Capital Adequacy-Ratio **360%,** 2023: **358%** Regulatory minimum **200%** Company Target -300%

Risk and Conduct

Number of Complaints **122** 2023: **154** Target **50**	Number of Regulatory Findings **1** 2023: **1** Target **0**	Managed within the risk appetite **YES**

Employee Engagement

Employee Net Promoter Score **52%**, 2023: **54%** Target > **50%**	Skills Development Spend **shs 116 million**, 2023: **shs 74 million** Budget **shs 130 million**	Diversity at senior management level **50%** Female **2023: 50%** Target **50%**

SEE Impact

Net Claims paid shs **7.1 billion** 2023: shs **6.2 billion** Budget – shs **7.7 billion**	CSI Spend shs **15 million** 2023: shs **18 million** Budget shs **50 million**	Environmental Impact Paper Usage **– 520kg** 2023: **540kg** Target – **1000kg**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Make smart moves for your Family
Secure a blissful retirement with Liberty KUZA's competitive savings rates.

MANAGING DIRECTOR´S STATEMENT

We made continued strategic and financial progress in 2024. Our focus remained clear – to deliver on our promise of improving people's lives by making their financial freedom possible, to execute with excellence, and deliver sustainable growth and value to our shareholders and other stakeholders.
We remain well on track to deliver against the targets to which we are committed for 2025, and we will continue to do everything in our

Mr. Joseph Almeida
Managing Director

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We remain well on track to deliver against the targets to which we are committed for 2025, and we will continue to do everything in our power to drive sustainable growth.

A year of continued steady progress

Economic environment

The economy showed significant resilience in 2024 having some of the highest growth rates in the region and lowest inflation rates. The growth outlook was more optimistic, with economic growth in the range of 6.0 to 6.5% in FY24/25, and over 7.0% in the medium term, boosted by stronger regional growth, global supply chain normalization, oil production and the agricultural sector especially. Inflation remained below the central bank's medium-term target of 5% throughout 2024 printing 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.

Insurance industry

The Ugandan Insurance Industry continues to grow steadily. In 2024, the sector's GWP reached a new record high of shs 1.763 trillion, up from shs 1.603 trillion in 2023. A slight drop was noticed, with a growth rate of 10% in 2024 versus 11.3% in 2023. The Industry Growth has averaged 13.5% across 7 years. The Market Penetration Rate in 2023 was 0.87%, a slight increase from prior year (0.867% in 2023) majorly attributed to an increase in the country's population as of the latest census study.

Life Insurance

We continued to operate in a highly competitive environment, with six players in the insurance industry dealing in Life Insurance. 2024 reflected a 22.5% growth rate from shs 606.6 billion in 2023 to shs 742.9 billion in 2024 for the life insurance business thus the Life Business made up 41.5% of the Insurance Industry in the country. Liberty Life Assurance Uganda currently holds 9.2% of the Life market share with a GWP of shs 68.1 billion, a 19% increase from 2023 (shs 57.3 billion).

Managing director´s statement (continued)

The Company also stands as the largest Group Life Insurer in the Market as of 2024, with a Market share of 28.5%, more than a quarter of the market and growing. (Source; Insurance Regulatory Authority Annual Industry Market Report 2024).

With the insurance penetration in Uganda is still under 1% of GDP, as well as below the global averages, this gap presents opportunities for the Company to grow through its strategic pillar of new engines of growth mainly through introduction of new products, cross selling, strategic partnerships and differentiation.

Regulator's impact on the business
Under the Insurance Act of Uganda, the Insurance Regulatory Authority of Uganda is mandated to use Risk Based Supervision as a supervisory approach of regulating licensees for both insurance companies and HMOs on a risk sensitive basis. In line with this, the regulator requires maintaining a minimum Capital Adequacy Ratio (CAR) of 200%. The Company complied with capital requirements as at 31 December 2024 with the CAR at 360% (2023: 358%). We continue to monitor changes in the regulatory environment and key emerging risks as disclosed in note 39 of the financial statements, the relevancy of these to the Company's business, including risks and opportunities and respond to the same accordingly.

Business performance
During the year ended December 2024, the company made a net profit of shs 3.7 billion, which was 46% lower than the budgeted profit of shs 6.9 billion and 2% above the prior year's net profit of shs 3.6 billion. The health business contributed shs 429 million to the net profit whilst the life business contributed shs 2.4 billion and Shareholders fund contributed shs 881 million. We paid a dividend of shs 2 billion (2023: shs 2 billion) to our shareholders in the current year.
The balance sheet also remains strong with total assets at shs 48.3 billion (2023: shs 41.8 billion), liquidity ratio of 2:1 and a positive shareholder's equity of shs 25.9 billion (2023: shs 24.2 billion) indicating the Company's ability to meet short term and long term obligations.
Details of the Company's performance are included in the financial review section of this report on page 35.

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
- Drive operations, data, digitalisation and innovation
- 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

Managing directors´statement (continued)

Looking ahead
We continue to make progress in extending affordable financial services to previously underserved individuals through innovative digital solutions, and to small and micro-enterprises through platforms such as Mind my money financial literacy program. Our long-term strategic partnership with various banks, micro finance institutions, hospitals and brokers continues to support provision of insurance cover to various groups of people. Our teams are dedicated and doing everything we can to make trading as simple, painless and reliable as possible.

We continue to invest in our people and are delighted by the enthusiasm and commitment with which they have embraced our skills development program. In the near-term, we intend to transform the experience of our clients and advisers through our engagement platform, which empowers meaningful engagement with clients. We strive to be transparent and accountable for our impacts. As always, we welcome your feedback.

Appreciation
On behalf of Management, we would like to thank our shareholders, board, employees and financial advisers for their exceptional efforts in responding to our needs of ensuring this business moves forward.

We are grateful to our clients, investors, suppliers, and the communities in which we operate for their continued support. We're in this together to deliver the promises to all stakeholders in this business as we hope for future success.

Joseph Almeida
Managing Director

FLEXI PROTECT

Family Coverage That Fits Your Life

Insure your whole circle with one plan that's flexible, affordable and ready in minutes.

EXECUTIVE COMMITTEE PROFILES

Mr. Joseph F. Almeida
Managing Director
Associate of the Chartered Insurance Institute (ACII UK)
Joined Liberty:2005 and Joined EXCO:2005

Mr Joseph Almeida is the Managing Director of Liberty Life Assurance (U) Limited since 2007.
He has a passion for insurance, reading and financial research, and has over 40 years of working experience in life and pensions, investment services, business development, people management and Strategy.

Danish Mohammad Eqbal
Chief Executive & Principal Officer
Chartered Global Management Accountant (CGMA®), CIMA
Fellow of Insurance Institute of India (FIII – P&C Insurance),
Fellow Life Management Institute (FLMI), LOMA
Joined Liberty: February 2023 and Joined EXCO: February 2023

Mohammad Danish Eqbal has around 15 years of professional experience in the areas of corporate and business strategy, strategic project management and transformation, business excellence, data science, AI and enterprise innovation, risk management, strategic alliances, financial planning and analysis and insurance operations among others.

Joan Musiime Mwondha
Country Head Finance
Bachelor's degree in commerce (B. Com Hons.)-Makerere University
Certified Public Accountants of Uganda (CPA-U)
Fellow of the Association of Chartered Certified Accountants (FCCA)
Master of Business Administration-Edinburgh Business School (ongoing)
Joined Liberty: 2018 and Joined EXCO:2018

Joan has over 22 years combined experience in Assurance and Advisory Business services, Management Advisory services and Financial Management. She has over 15 years' experience in the insurance sector.

Executive committee profiles (continued)

Frank Tindyebwa
Country Head Health
Bachelor's degree in education from Makerere University.
Joined Liberty:2013 and Joined EXCO:2015

Frank has 29 years of expertise in the health insurance industry. He is currently in charge of developing and implementing Liberty Health's business growth strategy and is well-versed in marketing, customer growth and retention, business development, and strategic planning.

Davis Mugabi
Head of risk and compliance
Diploma in Law-Law Development Centre
International Certificate in Banking Risk and Regulation- Global Association of Risk Professionals
BCom (Accounting) - Makerere University
Bachelor of Laws (ongoing) – Kampala International University
Joined Liberty:2020 and Joined EXCO:2020

Davis is an experienced Risk and Compliance professional with over 15 years work experience. This experience spans across Auditing, Banking and Insurance with skills of developing and setting up policies, common processes, competencies, accountabilities, reporting, and the enabling technology to ensure business growth and compliance.

Mr. Richard Sajjabi
Head of IT
PGD – Information Technology
BSC. Information Technology
Linux Administrator - Certified by Linux Professional Institute
Network Administrator - Certified by Cisco Networking Academy
Joined Liberty:2014 and Joined EXCO:2022

Richard is a highly accomplished IT professional with over 10 years of experience and a strong background in managing and supporting enterprise-wide IT infrastructure in the insurance sector.

Ms. Cissy Nanfuka
Head Corporate Sales
Diploma in Nursing from Kyambogo school of Health Sciences,
Certificate of Insurance practice.
Joined Liberty:2015 and Joined EXCO:2018

Cissy is an experienced Business Development and Sales Manager with a demonstrated history of working in the insurance industry for 17 years now in the fields of Medical and Life Insurance sector.

Executive committee profiles (continued)

Dr. Francis Kasozi
Head of Health Operations
Mbarara University of Science and Technology, MBCHB degree
Nkozi University, Master of Science in Health Services Management, MSC HSM
Nkozi University, Master of Science in Business Administration, MBA (ongoing)
Joined Liberty:2014 and Joined EXCO:2017

Francis is a qualified medical doctor with over 10 years' experience in Leadership and Management of Medical Insurance Services in Uganda's Insurance Industry, as well as 22 years of working experience.

Ms. Gloria Besigye
Head of Operations and Customer Service/Data Protection Officer
Bachelor's in library and information science – Makerere University
Master's in business administration -University of East London, Administration - Ongoing
Joined Liberty:2007 and Joined EXCO:2021

Gloria has a professional career of over 17 years in Operations. Her role entails overall management and oversight of the Operations function of Liberty Life Uganda as well as driving the department's strategy which includes customer service, data management, data privacy, mitigation of risk and compliance.

Mrs. Juliet Murungi Okwi
Head of Marketing
Bachelor of Business Administration from Nkumba University
Postgraduate Diploma in Marketing from the Chartered Institute of Marketing
Master of Business Administration - Herriot-Watt University in Scotland's Edinburgh Business School (ongoing)
Associate of the Chartered Institute of Marketing -(ACIM UK)
Joined Liberty:2022 and Joined EXCO:2023

Juliet is a chartered marketer with a proven track record of working in the financial services and insurance industries for the past ten years as a Business Development and Marketing Manager. Extremely knowledgeable and enthusiastic about brand awareness, communication, and customer experience.

Agatha Namara
Head Retail Business
Master of Science in Finance and Accounting, Bachelor of Business Administration- Makerere University,
Diploma in Insurance (ongoing)
Joined Liberty:2014 and Joined EXCO:2017

Agatha has over 20 years of professional experience under her belt, she has extensive experience from previous roles in the areas of Business Development, Strategy management, People management, Relationship management and Insurance operations.

Executive committee profiles (continued)

Ms. Olive Adera
Executive PA, Board Officer and Strategic Projects Manager
Post Graduate Diploma in Marketing Management (UMI)
Associate of the Chartered Institute of Marketing -(ACIM UK)
Certified SAFe 5 Advanced Scrum Master (SASM)
Chartered Personal Executive Assistant (CPEA)
Joined Liberty: 2013 and Joined EXCO: 2018

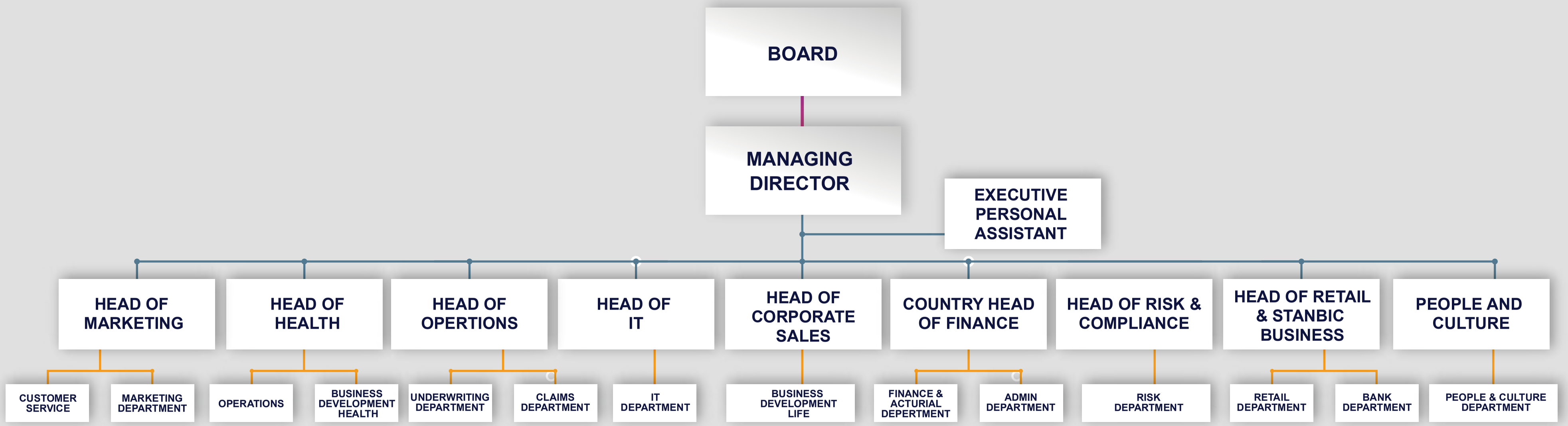
Olive leverages her 18 years of working experience to identify and satisfy customer requirements profitably, strategically, and sustainably in her current role.

Mr. Samuel Nangira
Head of Human Resources
Bachelor of Human Resource Management- Makerere University
Postgrad. in Human Resource Business Partnering
M.B.A. in Strategy from the European International University (Ongoing)
Joined Liberty: May 2024 and joined EXCO: May 2024

Samuel leads the Human Resources function for both Liberty Life and Liberty General. Samuel brings a wealth of experience and expertise in HR management spanning over thirteen years. He is passionate about fostering a positive work environment and developing strong, effective teams. He is instrumental in driving Liberty's HR initiatives forward, including talent development, enhancing employee engagement, and strengthening organisational culture.

Liberty Life Exco team pose for a group photo at the head office.

ORGANOGRAM


BOARD
MANAGING DIRECTOR
EXECUTIVE PERSONAL ASSISTANT
HEAD OF MARKETING
HEAD OF HEALTH
HEAD OF OPERTIONS
HEAD OF IT
HEAD OF CORPORATE SALES
COUNTRY HEAD OF FINANCE
HEAD OF RISK & COMPLIANCE
HEAD OF RETAIL & STANBIC BUSINESS
PEOPLE AND CULTURE
CUSTOMER SERVICE
MARKETING DEPARTMENT
OPERATIONS
BUSINESS DEVELOPMENT HEALTH
UNDERWRITING DEPARTMENT
CLAIMS DEPARTMENT
IT DEPARTMENT
BUSINESS DEVELOPMENT LIFE
FINANCE & ACTURIAL DEPERTMENT
ADMIN DEPARTMENT
RISK DEPARTMENT
RETAIL DEPARTMENT
BANK DEPARTMENT
PEOPLE & CULTURE DEPARTMENT

Meet the Lovely staff of

Liberty Life Assurance Uganda Limited

"Our dear customers LLAU appreciates the opportunity you have given us to serve you."

LIBERTY
In it with you

WHO WE ARE

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

Liberty has over 15 years of exceptional customer service experience, offering comprehensive financial services suite, built to comprehensively meet our customers' needs at every step of their life journey. We offer a comprehensive range of short or long-term insurance products, value-added services, health solutions, retirement income facilitation, investment and lifestyle risk solutions for both the retail and corporate markets.

Our Vision

Transforming Liberty to be the trusted leader in Uganda and 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 Purpose

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

We nurture our relationships and skilfully navigate risks to deliver products that help our clients mitigate life's traumatic events and increase their wealth.

SUSTAINABLE DEVELOPMENT GOALS

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

Do what matters | Act with **humanity** | **Imagine** it's possible

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

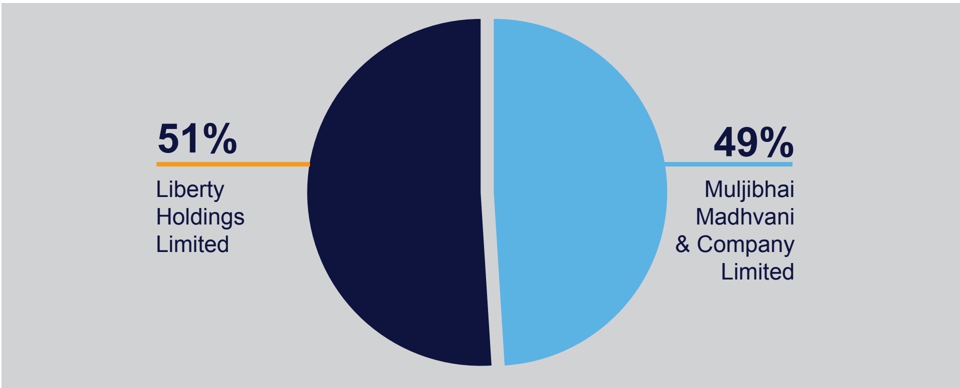
The future of Liberty lies in augmenting the power of the human-to-human engagement between our advisers and clients, with the power of a scalable digital engagement platform where we will provide simple and intuitive tools and solutions grounded in the best advice.

Our execution framework

Who we are (continued)

Our Sttructure
Liberty was established in 2006 and is a specialist life insurance company. It is a subsidiary of Liberty Holdings Limited, which is 100% owned by Standard Bank Group a holding Company of various operating subsidiaries engaged in the provision of financial services including long-term and short-term insurance, investment and asset management services.

The minority shareholder of Liberty is Muljibhai Madhvani & Company Limited, which is one of Uganda's largest and most esteemed private enterprise groups with significant interests in almost all sectors of the economy.



Core Values

Customer Service
We provide service level agreements where we document our promise in terms of service, timelines for delivery.

Claims Settlement
We promise claims settlement within a week of receipt of all respective documentation.

Team
We have qualified team ready to serve our clients at any one time.

Premium Payment Options
We provide flexible premium payment options like mobile money, points of sale and debit orders and monthly instalments.

Innovation
We constantly work at keeping in line with the changes in market demands and needs in terms product offerings and service.

Professionalism
We guarantee a professional engagement with our mutual clients and yourselves. We also guarantee nonparticipation in price wars so as to provide sustainable insurance solutions to our clients.

One stop shop
We have acquired a short-term insurance (Liberty General) and are also able to provide you with short term insurance benefits as well.

Who we are (continued)

Our Value Driver Model
We use strategic value drivers to anchor the Liberty's strategy, and to monitor and report our performance. A strategic value driver has been identified for each of Liberty's key stakeholder groups, enabling the application of the liberty's resources, and projecting desired outcomes for Liberty and its stakeholders. The value drivers and their icons used in this report are:

CLIENT AND ADVISER	EMPLOYEE ENGAGEMENT	RISK AND CONDUCT	FINANCIAL OUTCOME	SEE IMPACT
Placing the client at the heart of our business and understanding the critical role that our financial advisers play	Providing an environment for our people to thrive	Enhancing our reputation and building trust	Delivering competitive sustainable returns	Creating societal value and preserving our natural capital

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:

- Manufactured Capital
- Financial Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Who we are (continued)

How we operate

Our operating model is designed to provide our clients and advisers with an experience that builds strong, long-term relationships throughout our clients' life journeys.

The CAE team is focused on driving our efforts to embed an advice centric and client needs-driven culture through a progressive advice philosophy, a client and adviser workbench, and the transformation of advice channels

ECM is dedicated to building on the opportunities for long-term retail insurance products offered to the middle market through appropriate channels, including direct channels.

LibFin is a centre of excellence for the management of market, credit and liquidity risk, in addition to managing the performance of the shareholder investment portfolio in the life insurance business.

Business development provides insurance and investment solutions to corporate clients and retirement funds. Specific areas include Liberty Corporate and Liberty Health

Sanlam Investment provides asset management capabilities for our unit trust fund investments.

Operations are responsible for client and adviser interactions, from onboarding to claims processing, through the execution of the connected experience concept, and deploying human capital and technology to fulfil client and adviser expectations

Retail solutions design, develops and launches retail insurance and investment products

- Internal Audit
- Risk and Actual
- Legal and Compliance
- Information Technology
- Human Capital
- Marketing and Communications
- Finance

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.

Who we are (continued)

How we will achieve the future Liberty

We execute our strategy across all of Liberty's business units.

Retail business

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:

1. **Advice tools and enablement** – the adoption of the adviser workbench powered by Salesforce
2. **Advice partnerships** – advice and servicing standards for existing advisers will become far more onerous as Liberty drives the ongoing engagement and connection with clients
3. **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
4. **Remuneration models and recognition** –to measure and reward advisers for the experience that Liberty intends delivering to our clients
5. **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 ofunderstanding 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 asthe technology partner to enable the digital engagement platform

Who we are (continued)

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

Small and medium enterprises

develop and embed an experience which links the business owners and decision-makers capabilities and/or platforms

Optimise

provide greater shareholder and client value through administration and product optimisation

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

WHAT WE DO

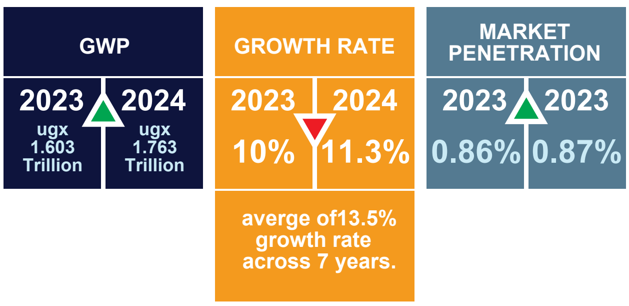
We create products and services based on real human needs and insights, building on our founding goal of enabling financial freedom. We offer our clients responsible savings, investment and protection, and provide risk advice through our financial adviser force. We strive to play a meaningful role in society while operating a responsible and ethical business.

Clients and advisers
Clients today demand seamless, technology-driven financial services that prioritize a client-first approach and deliver transparency and efficiency. As the millennial generation enters peak purchasing power, digital engagement and automated processes are becoming integral to day-to-day operations, while traditional face-to-face interactions continue to play an important role. Adviser fee models are evolving to ensure stronger alignment with client needs, greater product transparency, and effective management of longevity risks, thereby safeguarding value for both clients and shareholders. Broader generational and employment changes are further reshaping expectations across the industry. At Liberty, a dedicated team of business development professionals, actuaries, and other specialists works closely with clients to provide tailored solutions that respond to their unique requirements.

Technology
Technology will continue to empower clients, advisers, and employees, remaining a dominant force in shaping the insurance industry's future. To support sustainable growth, online and digital marketing strategies are increasingly critical for reaching and engaging digital-first consumers. Liberty Life has successfully created synergies across its African operations through the integration of IT platforms and processes—enhancing efficiency, consistency, and scalability.
The competitive advantage lies not in the technology itself, but in how it is designed, developed, and implemented to serve clients and advisers. Organizations that embrace thoughtful deployment of technology will lead in delivering value-driven, client-centric experiences.

Regulation
The company is supervised and regulated by the Insurance Regulatory Authority of Uganda that was established under the Insurance Act Cap. 191 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 and IFRS 17 Insurance Contracts that standardised the global insurance accounting landscape, improving risk management, transparency and comparability of insurance contract information.
Liberty is licenced under license number IN/023/2020.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.

The Insurance Industry
The Ugandan Insurance Industry continues to grow steadily. In 2024, the sector's GWP reached a new record high of **shs 1.763 trillion,** up from **shs 1.603 trillion in 2023**. A slight drop was noticed, with a **growth rate of 10% in 2024** versus **11.3% in 2023.** The Industry Growth has averaged **13.5% across 7 years.** The Market Penetration **Rate in 2023 was 0.87%,** a slight increase from prior year (0.867% in 2023) majorly attributed to an increase in the country's population as of the latest census study. (Source; Insurance Regulatory Authority Annual Industry Market Report 2024).



What we do (continued)

Liberty Uganda Operations

As an organisation Liberty Life Assurance Uganda (LLAU) plays a vital role in the financial well-being of its members. We take pleasure in presenting to our clients, product solutions and benefits through proposals that aid in the protection of the financial futures of both our Retail and Corporate customers.

Our product offerings are distributed through various channels as listed below;

- Directly to Individuals/ Organisations
- To Groups through Worksite Marketing
- To Affinity Partners
- Through Brokerage Firms
- Through Franchises

Retail product offerings

Funeral This is designed as a cash benefit that pays out a lumpsum in the event of death to a client or family member that was declared. That's why Liberty Life has developed the Liberty Funeral Plan, providing you and your family with peace of mind and financial freedom during these difficult times.

Accidental Plan With many unexpected life changing events, you never know when an accident will occur and when it does, it's always unexpected. These unfortunate events can lead to a loss of life or income which could cause financial strain to you and your family. Liberty's comprehensive Accident Protection Plan will help ease the burden of worrying about the financial implications of such an accident.

Critical Illness Being diagnosed with a critical illness could be a painful and stressful time for you and your family. It could require large health care resources or life sustaining medical technology. Your financial freedom and peace of mind is important to us.That is why we've designed a Critical Illness Plan that will give you a lump sum to help ease the financial burden that you could suffer due to a critical illness.

Simple Life Plan With a comprehensive Simple Life Plan from Liberty Life, you can leave a legacy. Should you pass away, your family will get a lump sum to help pay off your debts and continue living the fulfilling life you planned for them and reflect on the beautiful memories you left behind. And the additional benefits will help you in the unfortunate event that you can no longer earn an income.

Education Protector As a parent, you work hard to protect your children and ensure that your child receives a good education, thus protecting their future. Education Protector seeks to take care of your children's education costs when you are no longer there or cannot earn an income due to an impairment resulting in you being unable to pay for your child's education.

What we do (continued)

Solace Farewell Plan The life of a loved one needs to be honoured with dignity. In the unfortunate, but certain event of loss of life, you and your family should not have to worry about the costs for the funeral service arrangements. The Solace Farewell Plan offers one stop funeral service packages that would ensure that you and your loved ones receive a respectable farewell.

Soma Plan Purpose of Soma Plan is to help parents save for the education of their children. Liberty provides a tool to help policy holders to plan in terms of how much they need to save.
Regular contributions paid to be invested by Liberty. It also offers the Retrenchment benefit and no surrender penalties.

Kuza Plan The basic benefit is a saving which pays the policyholder on maturity, death before maturity, surrender or withdrawal based on policyholders accumulated premiums. The Kuza plan also comprises the Critical Illness and Physical Impairment benefits making it a comprehensive solution.

My Life Plus - The Plan shall mean the Personal Accident and Hospital Cash Back Benefit Plan which includes a Funeral Benefit. This plan will pay out certain defined benefits, during the term of the Plan, in the event of:

a) Accidental Loss of Life or Accidental Disability, (Personal Accident Benefit)

b) Hospitalization because of an Accident of the Insured Person (Hospital Cash Back Benefit)

c) Natural or accidental death to cover funeral related expenses of the insured person/s (Funeral Benefit)

What we do (continued)

Corporate product offerings
Our products are created to limit the financial impact one can suffer because of illness, injury, and death. When we develop these solutions, we focus on providing you with simple, affordable products which are not only competitive but relevant. These solutions include:

Benefit	Description
Death Benefit	The benefit provides the member with the peace of mind that their loved ones will be taken careof if they are no longer there to cater to their needs. Pays out a lump sum in the event of death of the client/member before the end of the loan term or while still in employment.
Permanent & Total Disability (PTD)	The benefit protects the member against the loss of earning potential if he or she becomes disabled and is unable to work. It pays a lump sum in the event of a permanent disability of the member before the end of the loan term or while still employed.
Physical Impairment (PI)	The benefit protects the member against the loss of earning potential if he or she becomes physically impaired and is unable to work. It pays a proportional lump sum in the event of the physical impairment permanent disability of the member.
Temporary & Total Disability (TTD)	The benefit provides a monthly instalment to a loan holder/member in the event of them becoming disabled and unable to work. Payments are made monthly until the loan holder can return to work, the debt is repaid, or until the end of the payment period.
Critical Illness (CI)	The benefit provides a lump sum to help ease the financial burden of an outstanding loan or medical bills that the loan holder/member could suffer due to a critical illness.
Embedded Funeral	This benefit is designed to assist with the costs associated with funeral arrangements. The Funeral benefit pays out a lump sum in the event of the death of the member.

Number of lives covered

Product	January - December 2024
Group All Risk	10,236
Embedded Funeral	14,759
Credit Life	1,986,003
Health	19,120
Total	2,030,118

FINANCIAL REVIEW

Joan Musiime Mwondha
Country Head of Finance

We recognise that we must show leadership from the ESG perspective in building a responsible financial services sector to foster sustainable economic growth. We do so through our commitment to excellent governance, quality education, environmental sustainability, and allocating resources diligently to deliver attractive shareholder returns.

Five-year performance

Year	2024	2023	2022 Restated	2021 Restated	2020 Restated
Statement of comprehensive income (Shs'M)					
Insurance revenue	67,098	57,294	48,566	43,496	40,056
Insurance service expense	55,333	(44,653)	(37,504)	(35,609)	(31,234)
Net expense/income from reinsurance contracts held	1,037	(1,174)	17	(1,744)	(1,391)
Insurance service result	**12,802**	**11,467**	**11,079**	**6 143**	**7,431**
Net investment income	2 ,835	2,182	1,893	1,814	1,855
Net insurance finance expenses	(283)	(73)	(15)	(2)	(5)
Profit share allocations under bancassurance	(7,502)	(6,501)	(6,442)	(3,917)	(4,026)
Net insurance and investment result	**7,852**	**7,075**	**6,515**	**4,038**	**5,255**
Administrative and other (losses)/ income	10	159	24	22	21
Other finance costs	(174)	(254)	(231)	(197)	(81)
General marketing and administration expenses	(2,650)	(1,942)	(1,771)	(1,593)	(1,493)
Profit before income tax	**5,038**	**5,038**	**4,537**	**2,270**	**3,702**
Income tax expense	**(1,303)**	**(1,368)**	**(1,097)**	**(565)**	**(1,099)**
Profit after tax	**3,735**	**3,670**	**3,440**	**1,705**	**2,603**
Statement of financial position (shs'M)					
Financial instruments	22,591	19,499	20,394	16,253	15,594
Total Assets	48,363	41,799	36,766	30,778	31,660
Insurance Contract Liabilities	10,507	7,309	4,049	3,243	6,675
Total liabilities	22,412	17,583	14,221	11,672	15,045
Shareholders' Equity	25,951	24,216	22,546	19,106	16,616
Return on Equity	14%	15%	15%	9%	16%
Statement of cashflows (shs'M)					
Net cash from operating activities	2,882	2,088	4,842	470	814
Net cash from investing activities	(1 081)	2 436	(4 245)	(1 081)	(2 175)
Net cash used in financing activities	(2 426)	(2 215)	(219)	(86)	(265)
Total cash at the end of the year	5,039	5,661	3,355	2,984	3,704
Key ratios					
Capital Adequacy Ratio	360%	358%	289%	277%	307%
Net claims ratio	16%	16%	15%	28%	18%
Management expense ratio	41%	39%	43%	39%	39%

Financial review (continued)

Key performance measures

Our financial performance for the 2024 was measured against three key performance metrics namely Capital Adequacy Ratio (CAR), Value of New Business (VoNB) margin and Return on Equity (ROE). Performance against these targets is as summarized below.

Metric	Progress	2024	2023	Target	Explanation
Capital Adequacy Ratio	▲	360%	358%	300%	This is a measure of the Company's capital expressed as a percentage of the weighted risk exposures, done with an objective of maintaining adequate levels of capital required to cover regulatory and internal capital adequacy requirements and growth of the Company's asset base. The Company is solvent as at 31 December 2024 with the Capital Adequacy Ratio increasing by 1% from the prior year. This was mainly driven by the growth in the shareholders' funds from the profit generated during the year. The CAR of 360% was above the prescribed regulatory minimum CAR of 200% and was also above the internal target of 300%.
Value of new business (VoNB) margin	▲	5.2%	4.2%	5%-10%	This measures the present value of the projected net profit expected from business covered arising from sale of new policies and from one off premium increase arising from increase in benefits offered on existing business, with an objective of determining the profitability of new business written and the Company's ability to generate future profit. The Company's value of new business increased to 5.2% as at 31 December 2024 as compared to 4.2% as at 31 December 2023. The increase is mainly due to the increase in the new business written in the current year for the group credit life product line.
Return on Equity	▲	14%	15%	15-18%	This is a measure of how the Company effectively generates profits from the shareholders' funds invested, with an objective of delivering consistent and significant returns for the shareholders within a target range of 15-18%. The return on equity decreased to 14% from 15% in the prior year, mainly driven by the profitability and dividend pay out of shs 2 billion across the two years. Achieving sustainable returns underpins our ability to fulfil our promises to policyholders and other stakeholders.

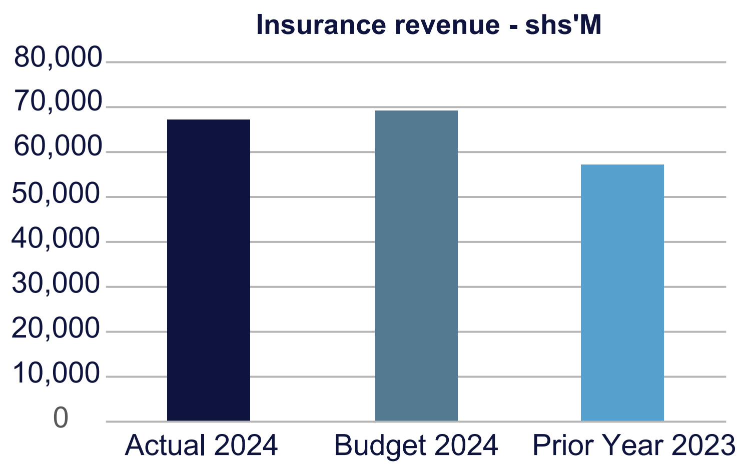
Financial review (continued)

2024 Financial performance overview

Supporting transparency, integrity and accountability in the financial reporting process remains an important part of who we are. The summary income statement below shows the revenue generated and costs incurred by our business activities, compared against prior year and budget with material income statement line items explained.

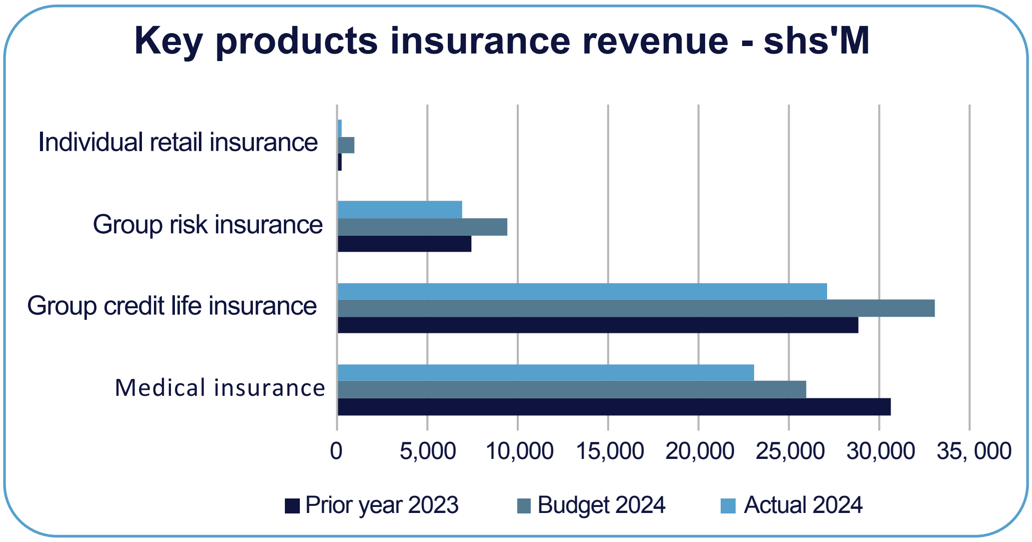
FIVE-YEAR PERFORMANCE

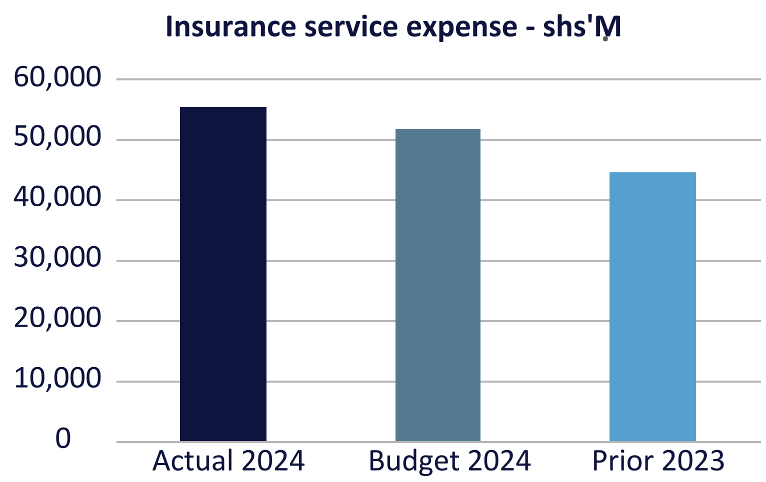
Details	Actual 2024	Budget 2024	Prior year 2023	% change Actual Vs Budget	% change Actual Vs Prior year
Insurance revenue	67,098	69,372	57,294	(3%)	17%
Insurance service expense	55,333	51,804	44,653	7%	24%
Net expense/income from reinsurance contracts held	(1,037)	1,384	1,174	(175%)	(188%)
Insurance service result	**12,802**	**16,184**	**11,467**	(21%)	12%
Net investment income	2 835	3,257	2,182	(13%)	30%
Net insurance finance expenses	283	-	73	100%	288%
Profit share allocations under bancassurance and other agreements	7 502	7 090	6,501	6%	15%
Net insurance and investment result	**7,852**	**12,351**	**7,075**	(36%)	11%
Administrative and other (losses)/ income	10	-	159	100%	(94%)
Other finance costs	174	-	254	100%	(31%)
General marketing and administration expenses	2,650	2,476	1,942	7%	36%
Profit before income tax	**5,038**	**9,875**	**5,038**	(49%)	0%
Income tax expense	1,303	2,962	1,368	(56%)	(5%)
Profit after tax	**3,735**	**6,913**	**3,670**	(46%)	2%



Insurance revenue is the amount of expected premium receipts allocated to each period. The key drivers for this number are mainly the number of new clients booked for the period as well as the existing client renewals, our product offerings and pricing, level of economic and client activity and competition. Insurance revenue for the year of Ushs 67.1 billion is 3% lower than the budgeted amount of Ushs 69.4 billion and 17% higher than previous year's premium of Ushs 57.3 billion, with the growth being driven by the 46% increase in the new business written mainly for the personal loan protection, group life assurance, group credit life products and group medical product line to Ushs 36.6 billion from Ushs 25.1 billion in the prior year and the minimal 3% budget shortfall due to delayed launch of our new endowment product.
Contribution of the key classes of business (products) to the year's insurance revenue is as below.

Financial review (continued)

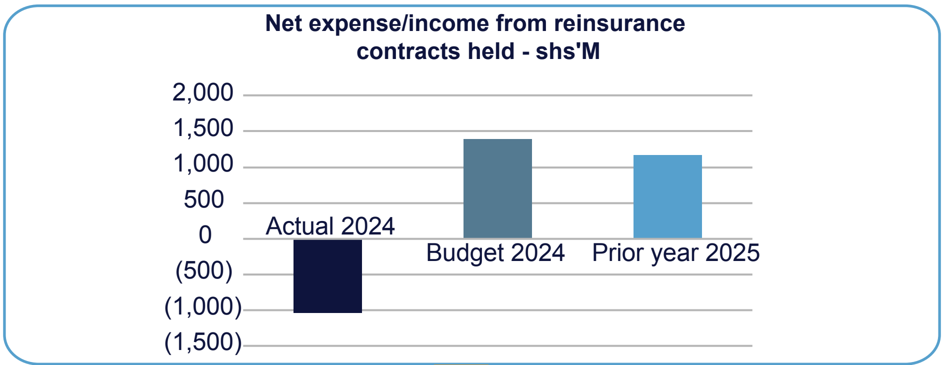




This comprises of expenses incurred in issuance of insurance contracts mainly, the Incurred claims, directly attributable expenses, amortization of insurance acquisition cash flows, losses on onerous contracts and reversals of such losses, adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein, impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses and the additional PAA liability for onerous contracts.

24% and 7% growth on prior year and budget respectively was mainly due to the high claims experience on the group credit life, group life and medical schemes during the period. Commission expenses also grew due to the growth in the insurance revenue year on year and directly attributable expenses grew due to the increased retail and marketing expenses incurred in line with the Company strategy to grow these lines of the business. There was also an increase in the provision for claims incurred but not reported for the medical business due to the growth in the number of lives covered.

Financial review (continued)



Net income/expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.
The current year's amount is positive and over 100% the budget and prior year due to the claim recoveries on health being higher than the reinsurance expense. Total claim recoveries for the year were Ushs 21 billion compared to Ushs 16.1 billion in 2023. This led to an insurance service result of Ushs 12.8 billion which is 21% lower than budget of Ushs 16.2 billion and 12% higher than prior year insurance service result of Ushs 11.6 billion.

The reinsurance ratio closed at 33%, which is in line with the current year's performance on gross written premium. The above ratio is a measure of how much risk is being passed on to reinsurers out of the GWP; which is important for the company to limit potential losses that may arise out of high uncertain claims, to create stability and consolidate financial strength.

22% increase in the reinsurance expense year on year (2024: Ushs 22.5 billion Vs 2023: shs 18.5 billion) is in line with the growth in the gross written premium as explained above.

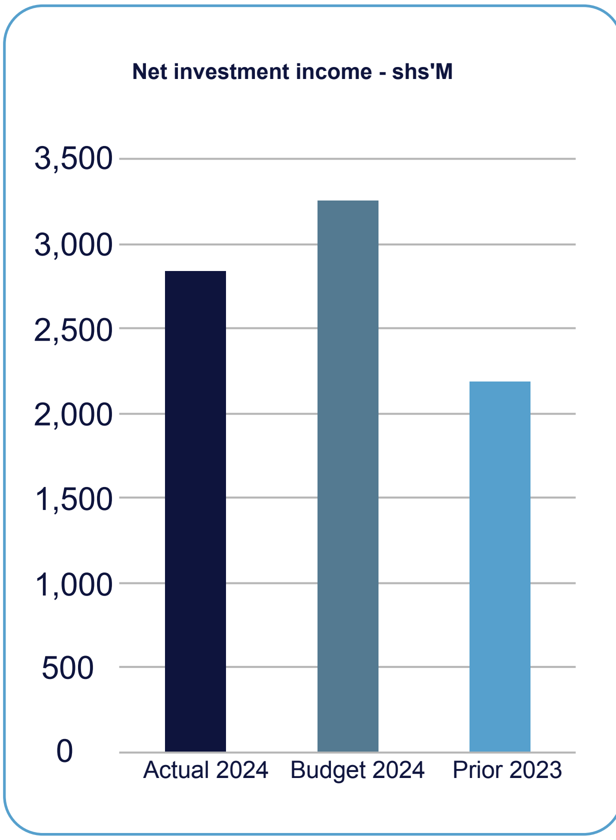
	Stanbic Credit Life	Group Credit Life	Group Risk	Medical	Total
	Ushs'm	Ushs'm	Ushs'm	Ushs'm	Ushs'm
Reinsurance premiums	(339)	(2 446)	(992)	(18 737)	**(22 514)**
Claim recoveries	-	322	-	20 648	**20 970**
Reinsurance commission margin	59	104	207	-	**370**
LLAU share of reinsurance profit	-	398	161	-	**559**
Increase in net reserves	(5)	(33)	(14)	(256)	**(308)**
Reinsurance profit(loss)	**(285)**	**(1 655)**	**(638)**	**1 655**	**(923)**

The reinsurance loss to the company in 2024 was Ushs 923 million as shown in the table above split into a Ushs 1.7 billion profit for the medical business and a Ushs 2.6 billion loss for life insurance.

On the life insurance book, the claim recoveries were low in 2024 on the ZEP Re led reinsurance treaty due to the low claims experience on the Life insurance business overall with most claims falling within the retention limit. The reinsurance profit share was estimated at Ushs 0.6 billion at the time of reporting. The reinsurance profit on the medical schemes is related to the higher claim recoveries in 2024 on the 95% quota share medical treaty compared to the reinsurance premium which is booked after various deductions from the gross premiums as per the medical treaty commercial terms. In general, reinsurance losses are expected on average as it is not uncommon to cede some profits to reinsurers in exchange for risk protection.

Reinsurance is important to mitigate, amongst other things, solvency risk and to reduce earnings volatility. However, the reinsurance loss should be carefully managed so that it does not reduce earnings materially.
The reinsurance terms and arrangements are reviewed regularly to ensure the cost of reinsurance is justified by the benefits of reinsurance obtained by the Company namely risk protection and technical support and services. LLAU carries out such reinsurance reviews annually to continually optimize its reinsurance arrangements.

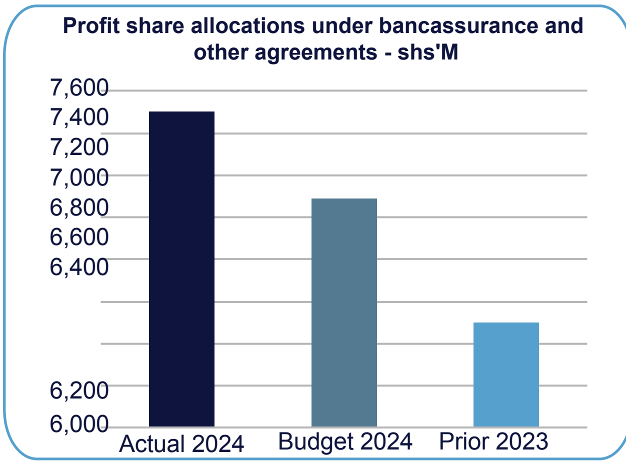
Financial review (continued)



This is mainly comprised of interest income earned on government of Uganda treasury bills and fixed deposits held with various commercial banks.

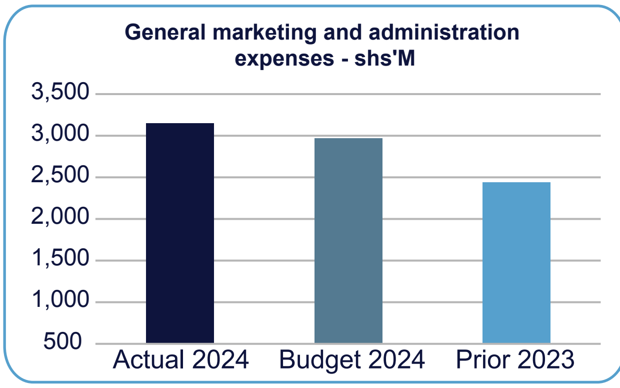
30% increase in the investment income year on year is mainly attributed to the increase in the interest rates on treasury bills and fixed deposits in the current period in line with market movements and due to new/ additional investment placements of Ushs 4.6 billion during the current period whilst 13% budget shortfall is due to a lower than budgeted total investment portfolio held for the period (2024 actual portfolio of Ushs 22.6 billion compared to prior year of Ushs 19.5 billion and budget of Ushs 25.9 billion).

Management continues to focus on investment in well secured institutions which deliver good returns with oversight of the investment committee of the board of directors.



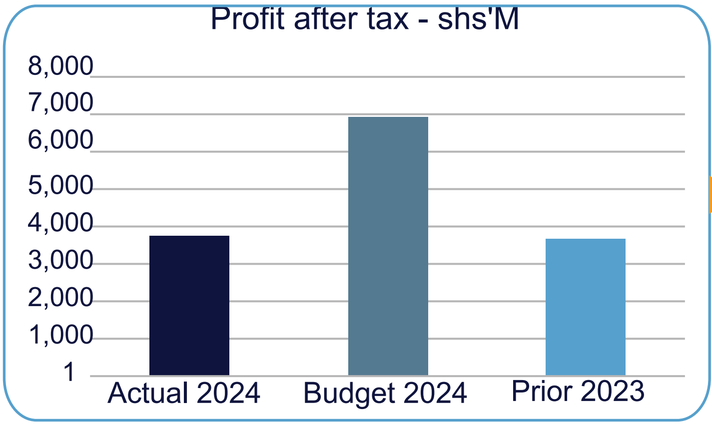
The profit share payable in respect of the 2024 financial year was Ushs 7.5 billion, this was 6% above the budgeted amount of Ushs 7 billion and 15% above the prior amount of Ushs 6.5 billion.

This growth was in the profit share payable was due to the 14% net earned premium income growth achieved under the bancassurance channel during the current period, which is the key driver for this profit share.



These are mainly non-directly attributable expenses which were 7% above budget and 36% above prior year mainly due to the increase in the individual retail business and marketing expenses during the year because of the renewed focus on these areas of business in the current year.

Financial review (Continued)



During the year ended December 2024, the Company made a net profit of Ushs 3.73bn and was 46% below budget of Ushs 6.91bn and 2% above the prior year profit of Ushs 3.67bn.
The medical business contributed Ushs 429 million to the bottom line whilst the life business contributed Ushs 2.4 billion, and Shareholders fund contributed Ushs 881 million. This growth was driven by the key financial statement line items explained above.

Statement of financial position

Total assets

The total asset base as at 31 December 2024 was shs 48.4 billion, representing a 5% shortfall on the budgeted total assets of Ushs 50.6 billion and 16% growth on the prior year total assets of Ushs 41.8 billion. This was mainly comprised of 47 % investment in financial instruments of Ushs 22.5 billion, 19% reinsurance contract assets of Ushs 9.2 billion, 10% cash and bank balances of Ushs 5.8 billion and 12% other assets of Ushs at 5.8 billion. Disclosures on the various assets held by the Company during the year are included in notes 18 to 26 of the financial statements.

Management is focused on the growth of the asset base through premium revenue growth and investment in well secured institutions that deliver good returns.

Total liabilities

The company's total liabilities increased by 27% to Ushs 22.4 billion in 2024 from Ushs 17.5 billion in 2023 and were 3% below the budgeted amount of Ushs 23.1 billion. The increase was mainly due to increase in key liabilities mainly insurance contract liabilities, other financial liabilities – relating to profit share payable under bancassurance agreements and other payables in line with the business growth during the year. These were subsequently settled in line with the respective service level agreements. Disclosures on the liabilities during the year are included in notes 27 to 32 of the financial statements.

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. As at 31 December 2024, the Company's CAR was 360% (2023: 358%) which is above the stipulated regulatory minimum CAR requirement of 200% and the internal budgeted ratio of 300%.

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 summarized 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 adequacy/Solvency level and the decrease in the share capital would have a negative impact on the solvency.

Financial review (Continued)

Value of new business (VoNB) margin

This is affected by the business risk whereby the company may not be able to grow its market share in the future, hence a reduction in the future premium revenue and profitability. And a future increase in the new business would have a positive impact on the company's profitability.

Return on Equity:

Excluding new business growth explained above, the other key driver of the company's income is the interest income on investments. 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.

Liquidity Management Strategy

Liquidity risk represents the risk that the Company cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due (funding liquidity risk) or can only do so at materially disadvantageous terms (market liquidity risk). The Company is registered as a financial institution thus required to hold minimum capital liquid assets to reduce policyholder exposure to the entity's liquidity risk. As at 31 December 2024, the company held a mandatory statutory security deposit of Ushs 837 million as disclosed in note 20 of the financial statements.

The Company has an Asset Liability Matching (ALM) mandate that specifies the short- and long-term assets that may be used to cover 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 long-term commitments are adequately backed by the respective assets. All variances above the acceptable limit are investigated and resolved by management. The company did not have any capital commitments for the current period, and none budgeted/ planned for the next year. Further details on the company's liquidity profile are included in note 5(d) of the financial statements.

Financial review (Continued)

Capital Expenditure

Through its annual budgeting process, the company 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 Life Uganda. The capital expenditure for 2024 against budget and prior year as below. The current year capital expenditure forecast is included as well.

Details	Actual 2024 Ushs' M	Budget 2024 Ushs' M	Var %	Prior year 2023	Var %	Forecast 2025
Computer Equipment	69	95	(27%)	90	(23%)	12
Fixtures, Furniture and Fittings	183	113	62%	15	1120%	2
Office equipment and office machines	122	230	(47%)	45	171%	50
Motor vehicles	0	100	(100%)	123	(100%)	-
Grand Total	**374**	**538**	**(30%)**	**273**	**37%**	**70**

Statement of cashflow analysis

The Company's cashflow from operating activities increased by 38% from Ushs 2.1 billion in 2023 to Ushs 2.8 billion in 2024. The movement in the operating cashflows was in line with the movements in the cash receipts and cash payments during the period.

Cashflow from investing activities decreased by over 100% in 2024 to Ushs (1.1 billion) compared to Ushs 2.4 billion in 2023 mainly explained by a cash outflow resulting from withdrawal done from investments for the profit share pay out during the period.

There was a 10% increase in the cashflow used in financing activities to Ushs 2.4 billion from Ushs 2.2 billion in 2023, mainly due to payment of a dividend of Ushs 2 billion in the current year. The rest of the balance relates to interest charge on the finance lease liability in line with the requirements of IFRS 16.

Overall, there was a net cash outflow of Ushs 626 million compared to cash inflow of Ushs 2.3 million in 2023.

In conclusion, our business remains well capitalized and financially sound, and we remain resolute on keeping our stakeholders well informed on the details of our operational and financial performance to enable them to achieve their objectives.

OUR PRODUCTS

LIBERTY HEALTH COVER

IN-PATIENT

- Hospital treatment and related services
- Emergency ambulance services
- Specialised radiology
- Maternity childbirth
- Neonatal care
- External medical appliances
- Intensive care
- High care
- Prostheses
- PsychiatricHospitalisation

OUT-PATIENT

- Acute conditions
- Maternity
- Dentistry and Optometry
- Chronic Benefits
- International Emergency
- Medical evacuation
- Compassionate travel
- Repatriation of Mortal
- Remains

LIBERTY LIFE COVER

INDIVIDUAL LIFE INSURANCE SOLUTIONS

- Funeral plan
- Accidental disability cover
- Simple life plan
- Critical illness
- Education Protector
- Hospital Cash Back Plan
- Business owners life insurance
- Soma Plan
- Solace Farewell plan
- Afya plan

GROUP INSURANCE SOLUTIONS

- Group Life Assurance
- Permanent and total disability
- Temporary and total disability
- Permanent Health insurance
- Critical illness
- Group funeral
- Family support
- Tomb stone

OUR DISTRIBUTION CHANNELS

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

Our product offering distributed through various channels as listed below;

1 Bancassurance

Distribution of our products through financial institutions mainly banks and micro deposit taking institutions (MDIs) e.g Stanbic Bank.

2 Brokers

Through licenced corporate entities that distribute our products to various companies.

3 Affinity Partners

Distribution of our products to clients through partnerships with various organisations Eg sale of our funeral cover through Uganda Funeral Services.

4 Direct Sales Agents

Through licenced individual Agents employed by the company and deployed in various branches across the country Eg Mbarara, Kampala and Jinja.

5 Work sites

Distribution of our products to employees of various employer groups. Eg Kakira Sugar works Ltd.

1 Clients

Through walk in clients.

2 Corporate Agents

Sale of our products through licenced insurance brokers E.g Minet Uganda.

OUR CLIENTS

AWARDS AND RECOGNITIONS

Financial Reporting Awards 2024 Winner – Insurance Companies - Life Business.

The Liberty team led by the country head of finance Mrs Joan Musiime Mwondha (holding award)recieve the FiRe Award at ceremony held at Kampala Serena Hotel in November 2024.

Insurance Innovation Awards 2024 Winner – Judges Special Awards

The Liberty team led by the head of Marketing Mrs Murungi Okwi (second left), recieve the Judges Special Award for Church of Uganda Mobile App from the CEO of Insurance Ragulatory Authority Al Haj Dr.Kaddunabbi Ibrahim Lubega at the award ceremony held at Kampala Serena Hotel in March 2024.


LIBERTY
In it with you
Provide your family
with a safe space
Talk to us on
0312 304 000

CHAIRMAN´S STATEMENT

Increasingly, investors and broader stakeholder groups have come to recognise that the success of a company cannot be understood by only its financial performance. At Liberty, we have long realised that sustainability and business resilience go hand in hand. The board will continue to encourage and support the executive team on the journey to modernise and transform our business, while remaining alert to the ESG issues that Liberty faces every day.

Hon Gerald Ssendaula
Chairman Board of Directors

Overview

Dear Shareholders,

On behalf of the board of directors of Liberty Life Assurance Uganda Limited, I am pleased to present the Integrated Annual Report and audited financial statements for the year ended 31 December 2024. I am further pleased to report the Company's continued strategic progress and commendable financial performance despite the challenging operating environment. The board continued to provide the oversight and input required to ensure that the Company remains adept at managing uncertainty and change and that we deliver sustainable growth and value.

Our strategy and outlook

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). We remain confident in the Company's strategy and that it is being diligently executed and will enable the Company to continue to fulfil our purpose. We will continue to focus on the prioritised actions required to adapt and grow our business sustainably as set out in the Company strategy.

Transformation and economic inclusion remain a priority. We are committed to ensuring that we create a culture of inclusivity within our business and meaningfully contribute to transformation. Our corporate social investment programmes continue to have a strong focus on education and financial literacy.

Our clients remain our key priority, providing trusted investment advice and products to help them to plan and to manage the uncertainty and risk they face. The structures established will continue to focus on the prioritised actions required to adapt and grow our business sustainably. Liberty will also continue to develop innovative customer tailored products, invest in the right technology, and develop strategic partnerships to deliver appropriate risk solutions.

The board remains appropriately skilled and engaged to act in the best long-term interests of the Company. The board will continue to give due consideration to the legitimate and reasonable needs and expectations of all material stakeholders. We continue to adhere to robust governance principles, support and challenge the Managing Director and his Executive team as they focus on building the robust base required to ensure reliance and profitable growth going forward.

Chairman´s statement (Continued)

Our environmental, social and governance drivers

Sustainability is central to our strategy. This is evidenced by our strategic value drivers, our financial commitments, and how we measure our impact and progress. ESG issues are top of the global agenda, and Liberty is no exception. We have incorporated robust ESG risk management into our policies, processes, and governance structures, to ensure that we can drive sustainable growth.

Humanity is our core principle, and we care about the future that our clients, employees and stakeholders will retire into one day. One of the drivers in our “drive sustainable growth and value” strategic pillar includes our social, environmental, and economic (SEE) impact and how we can create value for society by living our purpose. Our social and environmental programmes uplift societies and reduce our environmental impact.

Regulatory and policy changes affect both our short-term performance and longer-term strategy. Accordingly, the board places great importance on constructive and effective relationships with the regulators and policymakers who supervise our business and markets.
Details of our various stakeholder engagements are included in our sustainability report on page 80.

Business performance

Investors will have reason to be pleased with our 2024 financial outcomes. Our insurance revenue for the year grew by 17% and crossed the Ushs 60 billion mark to Ushs 67.1 billion verses Ushs 57.3 billion in 2023. Our profit after tax grew by 2% to Ushs 3.73 billion from Ushs 3.67 billion in 2023. The shareholders’ equity grew by 7% to Ushs 25.9 billion compared to Ushs 24.2 billion in 2023.

The balance sheet also remains strong with capital adequacy ratio at 360% well above the regulatory minimum of 200% and sufficient to meet our future growth aspirations.

During the year, the directors approved and paid an interim dividend of Ushs 2 billion or Ushs 44,444.44 per share (2023: Ushs 2 billion or Ushs 44,444.44).
The board believes that Liberty is now in a much stronger position to grow and regain its rightful position in the market. The board will continue to encourage and support the executive team on the journey to modernise and transform our business.
A detailed review of our performance and the underlying drivers are included in the financial review on page 35.

Appreciation

On behalf of the board, we wish to express our sincere appreciation to the employees for their significant contribution to the Liberty over many years. Finally, we are deeply grateful to the company’ executives for the pleasing outcomes achieved for 2024. Even more importantly, their hard work and dedication enable us to look forward with the confidence to meet our 2024 financial and strategic objectives, to reach our longer-term goals and growth ambitions, and to fulfil our purpose.

We would also like to thank our clients, investors, suppliers, and the communities in which we operate for their continued support. Together, we are stronger, and we will continue to deliver on our promises to clients and advisers while remaining a beacon of hope and support for all within our community. I am confident that we are on track to sustainably grow shareholder value over the medium to longer term.

Gerald Ssendaula
Chairman, Board of Directors
Date: 20 March 2025

BOARD OF DIRECTORS

Mr. Gerald M. Ssendaula - Chairman Board
Independent Non-Executive Director
Bachelor of Commerce-University of Nairobi
Diploma in Banking -Institute of Bankers
APPOINTED- May 2013, Committee: None

Mr. Gerald M. Ssendaula is a former Minister of Finance, Planning and Economic Development, a senior presidential advisor on financial matters and a crop and animal farmer. he is also a seasoned banker; and a director at Private Sector Foundation, National Union of Coffee Agribusiness and Farm Enterprises, Uganda Revenue Authority, East African Business Council, Tropical Bank and Madhvani Tourism Sector.

Mr. Mike du Toit - Non-Executive Director
APPOINTED: March 2010
COMMITTEE: Investment Committee, Remuneration and HR committee

Mr. Mike du Toit is a professional banker with qualifications from South Africa and the United Kingdom. He joined Liberty in 2008 and served as the Managing Director for Liberty Kenya Holdings and Liberty Group's Regional Executive for East and Central Africa until March 2022, during which he was primarily responsible for strategic growth initiatives, governance and stakeholder engagement. His extensive experience and strategic leadership extend to his roles on the boards of all Group associated insurance companies across the region.

Mr. Mayur M. Madhvani - Non-Executive Director
APPOINTED: May 2007
COMMITTEE: None

Mr. Mayur M. Madhvani is the Joint Managing Director of the Madhvani Group of companies, a family-controlled diversified conglomerate with business interests in East Africa, India, North America and Canada. He is a second-generation entrepreneur with a wealth of experience in developing businesses in challenging circumstances.

Board of Directors (Continued)

Patricia Adongo Ojangole - Independent Non-Executive Director
B. Com (Hons.) – Makerere University,
Fellow of the Association of Certified Public Accountants (UK)
Member of the Institute of Internal Auditors
Member of Institute of Certified Public Accounts of Uganda
MBA-Eastern and Southern Africa Management Institute (ESAMI)
Master of Philosophy in Development Finance-University of Stellenbosch
PhD in Development Finance – On going
APPOINTED: 12th November 2020
COMMITTEE: Audit committee, risk committee

Patricia is the Managing Director of Uganda Development Bank since 2013, a key policy organ of Government, helping the country accelerate economic growth by intervening in accordance with its mandate in productive economic sectors. She has over 20 years of working experience in the banking sector, audit and advisory, Investment Services, and Strategy.
She is committed to high levels of governance practices as well as strategic contribution to organizations aimed at enabling organizations achieve their strategic goals and objectives through leading and inspiring teams.

Mr. Joseph F. Almeida
Managing Director
Chartered Insurance Institute (UK)
APPOINTED:2005
COMMITTEE: None

Mr Joseph Almeida is the Managing Director of Liberty Life Assurance (U) Limited since 2007.
Joseph has a passion for insurance, reading and financial research. He has 40 years of working experience in Life and Pensions, Investment Services, Business Development, People Management, Strategy.

CORPORATE GOVERNANCE REPORT

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.

Corporate Structure

Liberty'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 venerable and prominent private enterprise in Uganda, with a 49% share. We continue to operate under Licence number IN/023/2020, as per the Insurance Act, 2017 of the Laws of Uganda. Our corporate structure is meticulously 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's governance framework, which is fortified by a comprehensive policy suite derived from the broader Group's policies, is meticulously 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 maximizing 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.

Liberty'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 organizational 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 characterized 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.

Corporate Governance Report (Continued)

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 and Governance) Regulations 2020
- Insurance (Capital Adequacy and Prudential Requirements) Regulations 2020
- Articles of Association of Liberty Life Assurance Uganda Limited
- King IV Report on Corporate Governance as adopted by Liberty Life Assurance Uganda Limited
- Board/Committee mandates and Policy Framework

Liberty Life Assurance Uganda Limited is regulated by the Insurance Regulatory Authority, 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, 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 organization, guiding our employees and representatives to embody our core values, build trust, and inspire confidence in our brand.

Reporting ethics misconduct

Liberty 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'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 detail our approach to preventing, detecting, investigating and remediating fraud and corruption. Our employees and intermediaries receive fraud awareness and training via several

Corporate Governance Report (Continued)

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's positive impact value driver. The risk committee ensures that Liberty is a responsible corporate citizen that always acts ethically. Our Managing Director, Joseph Almeida, serves as Liberty's 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 of our brand, marketing and stakeholder management.

In an environment marked by high unemployment and inflation, which pose challenges to economic growth, Liberty remains steadfast in its commitment to bolstering the Ugandan economy. Our contributions are substantial, encompassing both direct and indirect taxes amounting to shs 7.6 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. Among these, the "Sunset Product," accessible via the Airtel platform, stands out for its accessibility and convenience,"Flexi-Protect," offers flexible funeral cover options, allowing clients to choose between lump-sum payouts or prepaid funeral services and "Kuza plan" that encourages people to save for the future. 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 48 to 60 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 Chief Executive and 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:

Corporate Governance Report (Continued)

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 financial review on page 35.

Regarding the 2024 insurance industry performance targets, Liberty's market share for 2024 was 9.2% representative of the gross written premiums for the year 2024 of shs 68.1 billion as a percentage of the life insurance industry total of shs 742.9 billion. (Source: Insurance Regulatory Authority Quarter 4 2024 Report).

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 70.

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's 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, recognizing 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 business within our approved risk appetite through committees and subsidiary boards.

Board: Ultimate accountability for the effective governance of Liberty resides with the board.

The duties of individual board members

include

- Acting in good faith, honestly and reasonably
- Exercising due care and diligence
- Acting in the best interests of the group and its clients
- Exercising independent judgement and objectivity in decision-making

Company secretary:
The company secretary provides the directors of the company, collectively and individually, with guidance in respect of their duties, responsibilities, and powers.
Mr Koduvayur Parasuraman Eswar has been the company secretary for over 15 years. He is a seasoned lawyer with over 25 years' experience in handling corporate affairs for the Madhvani Group of Companies as well as Liberty Life and Liberty General Insurance Uganda Limited.

Managing Director:
The board delegates authority to the managing director to manage, direct, control and coordinate the business activities and affairs of the company.
Appropriately mandated board governance committees enable the board to oversee the effectiveness of the governance framework.

Executive team:
The Exco team supports the managing director who is ultimately responsible for formulating the company's overall strategy and targets that are to be approved by the board. Exco assists the managing director in monitoring the operational performance of the company and, where appropriate, significant businesses, and ensures the company has adequate financial and operational systems for the management of risk and internal control. The Executive Teams' profiles are included in this report on page 19.

Management oversight committees:
Board delegates responsibility for overseeing the implementation of the governance, risk management and capital management frameworks to management and oversight committees.

Board of Directors
At Liberty, 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 maximization, 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 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 namely the Investment, Audit, Risk, and Remuneration Committees – which provide specialized oversight in their respective areas. These committees enhance the Board's governance by ensuring that Liberty remains financially sound, strategically aligned, and properly managed from a risk perspective. Liberty 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.

Corporate Governance Report (Continued)

Composition of the board
We recognize 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 51.
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 organization'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;

1. Identify and mitigate organisational risk in the context of business continuity and scarce and critical capabilities required to achieve the business's strategic goals

2. Minimise succession gaps for critical positions through proactive sourcing and developing a strong talent pool of future leaders and critical specialists

3.Provide opportunities for top talent to develop the skills necessary for future roles

4. Drive talent mobility across the business for talent retention

5. 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

Corporate Governance Report (Continued)

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 specialized structures for risk management, financial capital management, and human capital management, ensuring a comprehensive and robust approach to the sustainable governance of Liberty'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 are entrusted to our Managing Director and senior leadership, fostering a transparent and accountable culture throughout the organization. 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 chief executive and other executive directors in managing, directing, controlling and coordinating Liberty'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.

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 theregulatory minimum of 200%. As of 31 December 2024, the Company achieved a CAR of 360%, reflecting its strong capital position and consistent profitability, even amidst inflationary pressures throughout the year.

Despite these economic challenges, Liberty maintained a healthy balance sheet and delivered solid financial performance, allowing for a dividend payout of shs 2 billion for 2024. The Company's commitment to prudent financial management ensures that this distribution is aligned with shareholder expectations while continuing to support its long-term growth and strategic ambitions.

Corporate Governance Report (Continued)

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 specialized 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 Executive Officer, Country Head of Finance 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;

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

Corporate Governance Report (Continued)

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 LAI.
- Exercise oversight with respect to the Financial Markets Risk being taken by LLAU by ensuring that the expected returns/benchmarks for the Financial Markets Risks taken are appropriate and that appropriate peer group performance tracking measurements are identified.

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'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.

Corporate Governance Report (Continued)

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

Name	11th April 2024	28th August 2024	31st October 2024
Mr. Gerald Ssendaula - Chairman	✓	✓	✓
Mr. Mike du Toit	✓	✓	✓
Ms Patricia Adongo Ojangole	✓	✓	✓
Mr. Jenkins Gustav	✓	✓	✓
Mr. Mayur Madhvani	✓	✓	✓
Mr. K. P. Eswar	✓	✓	✓
Mr. K. N. Nair	✓	✓	✓

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

Name	10thApril 2024	22ndAugust 2024	23rdOctober 2024
Mr. Gerald Ssendaula - Chairman	✓	✓	✓
Mr. Mike du Toit	✓	✓	✓
Mr. Jenkins Gustav	✓	✓	✓
Mr. Rao Chalapathi	✓	✓	✓

The Remuneration and HR Committee meetings attendance during the year 2024 was as below.

Name	10thApril 2024	22ndAugust 2024	23rdOctober 2024
Mr. Mike du Toit - Chairman	✓	✓	✓
Mr. Jenkins Gustav	✓	✓	✓
Mr. K.N. Nair	✓	✓	✓
Mr. Rao Chalapathi	✓	✓	✓

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

Name	10thApril 2024	23ndAugust 2024	24rdOctober 2024
Ms Patricia Adongo Ojangole- Chairperson	✓	✓	✓
Mr. Jenkins Gustav	✓	✓	✓
Mr. K.N. Nair	✓	✓	✓
Mr. Rao Chalapathi	✓	✓	✓

Corporate Governance Report (Continued)

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

Name	10thApril 2024	23ndAugust 2024	24rdOctober 2024
Mr. Jenkins Gustav -Chairperson	✓	✓	✓
Ms Patricia Adongo Ojangole	✓	✓	✓
Mr. K.N. Nair	✓	✓	✓
Mr. Rao Chalapathi	✓	✓	✓

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
Liberty's 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.

Liberty 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

Corporate Governance Report (Continued)

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 executive and non-executive directors as below:

Directors' Emoluments 2024 Ushs' M	Board committees sitting allowances	Services as directors	Salary and wages	Gratuity	Other benefits	NSSF Contributions	Total
Executive Directors	-	-	1 592	343	267	159	**2 361**
Non-Executive Directors	75	168	-	-	-	-	**243**
Total	**75**	**168**	**1 592**	**343**	**267**	**159**	**2 604**

Directors' Emoluments 2023 Ushs' M	Board committees sitting allowances	Services as directors	Salary and wages	Gratuity	Other benefits	NSSF Contributions	Total
Executive Directors	-	-	1 309	278	241	131	**1 959**
Non-Executive Directors	75	168	-	-	-	-	**243**
Total	**75**	**168**	**1 309**	**278**	**241**	**131**	**2 202**

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 twelve members of which are six females and six are males. The EXCO team is led by the managing director and is supported by the various heads of department. Profiles are included on page 19 of this report.

Corporate Governance Report (Continued)

The managing director, supported by the head of risk and compliance department oversee sustainability related risks and opportunities at Liberty.

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.

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 80.

Group Internal Audit Services (GIAS)

Liberty Life Uganda does not have its own internal audit function. Internal audit services are provided by 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. 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, Ernst & Young, was appointed during the year and being eligible for reappointment, has expressed willingness to continue in office 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.

Corporate Governance Report (Continued)

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 the liability for incurred claims	
The value of the liability for incurred claims is the sum of the present value of expected future cash flows and a risk adjustment and was Ushs 7.7 billion as at 31 December 2024 (2023: Ushs 5.6 billion). The Company's approach for the classification of insurance contracts for the purpose of measurement of insurance liabilities consists of assessing the various terms and conditions of each product type and analysing the following: • Benefits offered under the contract, to ascertain whether there is any transfer of insurance risk from the policyholder to the Company; • Circumstances including risk events under which a benefit become payable to the policyholder; and, • Contract clauses such as the premium review, cancellation and termination clauses which are used to determine when the contract boundary or coverage period of the contracts ends. Most of the Company's products are eligible for the Premium Allocation Approach ("PAA") as the premiums are usually annually reviewable resulting in a contract boundary of 12 months, except for the education saver product and the deposit administration fund. The most significant assumptions made in the valuation of the liability for incurred claims as it relates to the Company's insurance contracts are the future cash flow projections and a risk adjustment for non-financial risk. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim	• Our audit procedures included, but were not limited to: • Understanding the Company's claims handling and reserve setting process and the related key controls. • Evaluating that the Company's policies on insurance contracts are in accordance with IFRS 17. • Involving our actuarial specialists to evaluate whether the actuarial valuation process and methodologies used by the Company are in accordance with the principles of determining liabilities for incurred claims, including the risk adjustment, under IFRS 17, and the assumptions and judgements applied by management are reasonably supported. • On a sample basis, we tested the data used in the model calculating the IBNR liability by comparing the data to the claims information in the underlying system such as date of loss, gross claim amount paid, gross outstanding claims amount and claim number. We assessed completeness of the data by testing the claims data in the underlying system and the data applied in the model used to determine the liability for incurred claims. • On a sample basis, for outstanding claims, we tested the claims information recorded in the underlying system (such as loss event, claim estimate, and item being claimed) by tracing the claims to the relevant documentation which detailed the loss event. We further compared the claim values used by management to the loss assessment reports. We assessed the validity of the claims by agreeing the nature of the

Corporate Governance Report (Continued)

Key audit matter	How our audit addressed the key audit matter
numbers based on the observed development of earlier years and expected loss ratios. The best estimate provision for liability for incurred claims relates to claim events that have occurred before or at the reporting date, whether the claims arising from these events have been reported (outstanding claims) or incurred but not reported claims (IBNR). 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. We considered the valuationof the liability for incurred claims to be a matter of most significance to the current year audit due to the following: • The significant judgement and estimation uncertainties in the future cash flow projections and the risk adjustment for non-financial risk; and • The magnitude of the liability. We also considered that the following disclosures on these contract liabilities are critical to the understanding of the financial statements: • Note 4G on accounting policies for insurance contracts • Note 5v on insurance risk management • Note 32 on the details on the related balances	claim in the assessment reports to the insured item in the policy records. We evaluated the adequacy of the Company's disclosures on liabilities for incurred claims in terms of IFRS 17 Insurance Contracts

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

1. The representations made by Ernst & Young 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.

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 121.

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.

LIBERTY

In it with you

A prepared future for generations to come

RISK MANAGEMENT AND CONTROL

Effective risk management is crucial to enable us to achieve our purpose and objectives. We have incorporated robust risk management into our policies, processes, and governance structures across the Company, to ensure that we can drive sustainable growth.

Davis Mugabi
Head of risk and compliance

Overview

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. We strive to conduct our business in a responsible manner from managing our environmental footprint to protecting clients' and employees' personal information. We aim at anticipating, meeting, and exceeding the requirements of the increasing regulations of Insurance industry.

The business of insurance is the assumption and spreading of risk to mitigate adverse financial consequences for both policyholders and shareholders and at Liberty, business sustainability extension means applying enterprise risk Management to environmental, social and governance (ESG)-related risks. As we move forward, activating ESG framework in our business operations has enabled us to effectively manage sustainability risk.

During the year ended 31 Dec 2024, in recognition and commitment to the Insurance's principal stakeholders, we vigorously engaged in the payment of claims through all means mandated under the law. Our steadfast risk management principles are pivotal to ensuring we consistently underwrite the right business the right way in pursuit of our strategic objectives.

Addressing Material Matters

Our material matters are those matters that have the potential to significantly impact our ability to create long term, sustainable value for our stakeholders. During the year, the Company identified these through consideration of the top risks, which are elevated, material risks that could emerge within a short time frame and those that are currently top of mind among our board of directors and executive management.The material matters are as below:

- Changes in the operating environment as a result of the changing regulatory landscape
- Inadequate cybersecurity and resilience
- Data risk
- Substantial complexity due to inadequate legacy management and an inadequate control environment for new initiatives
- Inadequate management of Liberty's technology infrastructure to ensure that it meets performance expectations

Risk strategy

The Company's main activity from a risk-taking perspective is to provide long term insurance risk cover to individual, corporate and group schemes. The company's core competency is to understand the life and long-term

Risk management and control (Continued)

insurance risk needs of individuals and design sustainable products that provide financial security to policyholders and their families in times of sickness, death, and disability.

Liberty's risk strategy is integrally linked to the business strategy, with risk mitigating actions designed to improve the prospects of achieving the business goals.
The key elements of our risk management strategy are:

- Maintaining sufficient economic capital and liquidity to withstand risk events.
- Understanding the significant economic and non-economic variables in product design.
- Strong corporate governance including relevant and reliable management information and internal control processes.
- Ensuring significant and relevant skills and services are available consistently to the company.
- Influencing the business environment by being participants in the relevant regulatory and business forums.
- Keeping abreast of technology and consumer trends and investing capital and resources where required; and
- Establishing an appropriate risk framework of authority that management with the risk parameters acceptable to the board of directors.

Risk management is performed by the company's management under the oversight of the Board. The management – through the head of risk and compliance oversees the integration and embedding of risk management in the business activities and culture of the organisation. This is done through requiring each department/ business unit to maintain/ update a departmental risk register containing risks specific to that department that is monitored both at the departmental level and at the Company risk and compliance level. The risk management principles and policies applied are consistent with those applied in the wider Standard Bank Group.

Risk appetite
A risk appetite statement is a high-level statement that considers broadly the level of risks that management deems acceptable in achieving organizational 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, minimizes surprises/unexpected losses.

At Liberty Life Assurance Uganda Limited, setting the level of risk appetite is based on stakeholder input and driven by the requirement to deliver high levels of financial security for clients through appropriate maintenance of the Company's ongoing solvency. The dual and, at times, conflicting objectives of creating shareholders' equity and minimising risks are controlled through these limits. The Company's strategic plans are subject to a trade-off between risk and reward, considering the risk appetite and risk targets approved by the board. The company's risk appetite contains statements which express the quantitative limits for measurable risks that can be taken by the business as well as qualitative definitive constraints on acceptable and unacceptable behaviour in pursuit of business objectives.

As part of formulating our quantitative risk appetite statement, the following three dimensions are considered appropriate for the purposes of measuring risk:

- Regulatory capital coverage: Meeting regulatory capital requirements remains an important consideration for the Company as it is the primary metric used in communicating financial strength. Management has found this to be particularly true both in attracting prospective clients and in demonstrating our ability to meet policyholder obligations. Further to this, it is assumed that LLAU would like to avoid regulatory intervention as well as the reputational damage that will accompany it.

- Economic value at risk: this quantifies the potential loss to the Company over a specified period at a given confidence level. This enables the Company to show the maximum potential loss expected under normal market conditions.

Risk management and control (continued)

- Earnings-at-risk: this includes all risks to earnings and hence the risk metric is useful for monitoring and managing each risk type at different levels of the business and in preventing excessive risk-taking that could result in large earnings losses. Inclusion of this dimension will not place unnecessary constraints on the Company in its pursuit of strategic opportunities but will still enable the business to monitor its risk exposures and prevent large exposures to risks that are not in line with the strategy.

The Company's risk appetite statement is regularly reviewed to ensure its appropriateness to business objectives. The Company's qualitative risk appetite statement provides boundaries on what is acceptable and unacceptable in pursuit of business goals as it relates to conduct and reputation.

Risk culture
The risk culture, which forms part of Liberty's overall culture, encompasses the tone at the top and a set of shared attitudes, values, behaviours, and practices that characterise how individuals at Liberty consider risk in their day-to-day activities. We drive a culture where every individual takes accountability within their area of responsibility for ensuring that business is done in the right way and that our resources are managed responsibly. All individuals must understand the importance of effective risk management and must ensure that risks associated with their role are appropriately understood, managed, and reported. Individuals at all levels communicate risk related insights in a timely, transparent, and honest manner. Learnings are taken from previous incidents to ensure continuous improvement in the management of risk.

This culture is driven from the top by the Board and executive management through how they communicate, make decisions, and incentivise the business. Managers and leaders ensure that in all their actions and behaviours they continually reinforce the culture that the effective management of risk is critical to our success and that every individual plays a role in the management of risk.

Risk identification, assessment, and measurement
Risk identification and assessment provide a link between the ongoing operational management of risk and longer-term business goals and strategies. Current and emerging risks that could threaten the business model, strategy and sustainability are identified and assessed through a top-down process.

Staff and managers perform an assessment of all risks faced on a subjective and qualitative basis considering the adequacy and effectiveness of controls that have been implemented. Risk events are rated on an expert judgement basis to allow for them to be prioritised for action, reporting or escalation. To enable group-wide aggregation and ranking of risks, risks identified are also categorised using a standardised approach.

Risk measurement is performed to enable the understanding, monitoring, management and reporting of risk. The business performs regular and robust risk quantifications to measure the risk profile at an aggregate level, per legal entity, per business unit and at a material risk type level to ensure that the business is being managed within risk limits and risk appetite and close to the risk target range. Both the current and expected future levels of risk are measured under base and stressed scenarios.

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 management and control (continued)

Risk Register

A risk register is a document that is used as a risk management tool to identify potential setbacks/risks within an organisation. It records all the company's identified risks, the likelihood and consequences of a risk occurring, the actions you are taking to reduce those risks and who is responsible for managing them. At Liberty, the risk register has been decentralised at departmental level to enable risk owners/first line of defence identify, capture, and suggest possible mitigating strategies for various risks. The risk department reviews these departmental registers with the risk managers during risk cafes and later consolidates one enterprise risk register every month for continuous tracking and mitigation.

Liberty's Risk preferences

The Company's risk preferences are majorly classified into risks that are actively sought and those that are not actively sought. Risks that are actively sought because of being in the business of underwriting and managing risks are viewed as value enhancing risks which those that are not actively sought but arise because of being in business are managed to an acceptable level to protect value.

Risk environment

Liberty's significant risk categories are strategic and business, insurance, market, credit, liquidity, operational, business conduct, legal and compliance. Management continues to drive actions to enhance the control environment and value of new business as well as to deal with the risks the business is facing. Our significant risk categories are Strategic risk, financial risk (Insurance risk, Market risk, credit risk, Liquidity risk) and other Non-Financial

Ref	Risk Category	Strategic Risk
1	Strategic Risk	Insurance Risk
2	Financial Risk	Insurance Risk
		Market Risk
		Credit Risk
		Liquidity Risk
9	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

Risk management and control (continued)

Liberty'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. These were as summarised below;

Risk	Likelihood	Impact	Key Preventive controls
Strategic and business risk possibiity that Liberty will not meet its targets/ achieve its strategies such as revenue, new business and profitability due to various factors mainly the socio-economic impact.	High	High	• 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	• 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 Potential negative impact on the staff well being such as health, mental and emotional impact due to the challenges of the new ways of working as a result of the COVID-19 pandemic.	Medium	Medium	• Roll out of enhanced employee wellness programs • Contingency planning for key roles/ employees, and creating awareness on the evolution of work from building blocks to new digital constructs.
Information and Cyber Security risk Possibility of information leaks/ loss and strain on the IT infrastructure due to uncontrolled remote working structures.	Medium	High	• 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 New developments in the market especially the slowdown of economic activity, changes in interest rates and Foreign exchange rates have potential on the quality of Libery's investment portfolio.	Low	Low	• Continuos monitoring of the market rates movement and performance of monthly revalution to ascertain materiality of the risk. • Stress testing on liquid assets to ascertain the Company's ability maintain a profitable investment portfolio.
Credit Risk Risk resulting from clients' failure to pay their insurance premiums thus potential loss to the company or failure to meet contractual obligations.	Low	Low	• Bi-weekly Credit Control meetings to monitor the premium debtors position. • Use of alternative means of collections such as a debt collector where management has been unsuccessful in recovering such debts.

Risk management and control (continued)

Reporting Risk
Effective internal risk reporting is a key component of the risk management system that ensures that Senior management and the Board receive relevant, accurate and timely information regarding the level of risk within the organisation; receive assurance that the business is operating within agreed levels of risk; are informed of emerging risks; and are made aware of adverse events which require management action.

Management is required to report, and escalate as required, all risks deemed material and any material changes to the risk profile to the appropriate governance committees and oversight functions. Any limit breaches need to be reported to the committee which approved the limit in question. Progress on any management actions being taken to manage material risks and limit breaches must also be reported.

External risk reporting to stakeholders, such as shareholders, analysts, current and potential customers as well as the regulator is important. These reports provide evidence of effective management and present feedback on the business's performance.

Risk Management
Liberty has adopted an enterprise risk management (ERM) approach. Liberty's risk framework is substantially based on ERM principles and embodied in the Solvency Assessment and Management (SAM) framework.

The board is ultimately accountable for effective governance of risk management. The board delegates its oversight and responsibilities in terms of the three lines of defence risk governance model.

Once the level of risk Liberty is willing to take has been set by the Board, and risks ranked and prioritised, management (the first line of defence) is able to determine the mitigation strategy deemed to be most effective. Mitigants used depend on the risk type. The mitigants are subject to oversight by the second line of defence, and the controls are audited by the third line.

The 3-lines of defence Model
The three-line model uses a comprehensive approach to manage risk. Business units, compliance, audit, and other risk management employees are among the groups that make up the three lines of defence and each has a specific function.

It involves the process of identifying, assessing, and prioritizing risks, as well as developing and implementing strategies to mitigate or minimize those risks.

1st line of defence	2nd line of defence	3rd line of defence
Day to day management, control and reporting of business performance.	Oversight and monitoring ofrisk management and internalcontrol frameworks and policies, and over 1st line of defence.	Independent assurance of governance, risk management and internal control.
Business Units	Risk management and internal control functions	Internal Audit External Audit

Risk management and control (Continued)

Combined Assurance

Combined Assurance is the adoption of a coordinated approach to attaining assurance on the management of risk. It is built on the adoption of a robust risk management process; And at Liberty, it is the Enterprise Risk Management (ERM) process and the three lines of defence risk management model. Combined assurance provides the board with comfort that the ERM and risk governance model are operating efficiently and effectively to manage risk within Liberty.

Liberty's combined assurance model is aligned to the roles and responsibilities as articulated in the three lines of defence risk governance model. There is regular communication between business unit management, heads of control functions as well as independent assurance providers, including internal and external audit.

Assurance on the management of the key risks is provided to the board on a regular basis, through the above assurance functions.

Regulatory change management

Liberty operates in a complex and evolving regulatory landscape. The developing regulations in this environment are driven by international trends and Ugandan regulatory goals for consumer protection, prudential regulation and tax reform, and Ugandan political goals (including economic transformation and financial inclusion). Considerable effort is invested in anticipating and understanding emerging and developing regulation. This is necessary to ensure that risks and opportunities, which may impact on the existing operating environment, are identified and adequately prepared for.

The management of regulation at Liberty occurs through a robust regulatory programme review and oversight process, jointly administered by the group risk and compliance functions. This process identifies and prioritises pending requirements and develops the appropriate organisational response/s after assessing the proximity and potential impacts, as well as both positive and negative strategic considerations.

Cybersecurity and resilience

We believe technological advances are not separate from human concerns; integration is necessary to capture the full value of technology and human capabilities. We extend this balance of digital and human interaction across our client engagements, and to create engaging,accessible, secure and relevant experiences for our employees, advisers and clients.

Management proactively monitors, identifies and responds to IT security risks including cyber attacks if any. Against the backdrop of an increasingly complex and evolving cyber and information security risk landscape, significant progress was made during 2024 with implementing remediation controls. Activities were balanced across capability, governance, people, process and technology to improve the Company's ability to detect and respond to potential threats. Liberty has further embarked on multiple innovative initiatives in partnership with Standard Bank Group. Our security posture continued to improve, and great progress was made.

Enterprise IT and data governance

Enterprise IT and data governance at Liberty continued to receive focused and appropriate consideration from the board and executive leadership. During 2024, the group IT committee met each quarter,addressing all areas of accountability envisioned for the board by King IV™.

The results of an independent review of Liberty's IT domains,conducted in the third quarter of 2024, confirmed Liberty's IT governance capability maturity level. The positive feedback received in this report reflected good progress in 2024. The report also noted improved traction across each of the IT governance domains.The roadmap for Liberty's enterprisewide IT governance will continue over the next 18 to 24 months using the output of this report.

Liberty's IT regulatory universe continued to be closely monitored and we continued to monitor progress with the cyber crime trends and the implementation of general data protection regulation. Liberty's IT strategy was revisited and refreshed to closely align with the group's key focus areas.

Risk management and control (Continued)

Group IT identified three focus areas supported by six foundational elements:
Key Focus areas

Key Focus areas
- Client and adviser centricity
- Digitalisation
- Integration(UFSO*)
-

Foundamental IT elements
- Always on and always available
- Always secure(information security and cyber resilience)
- New ways of working(IT and business collaboration)
- Data and analytics
- IT employee engagement
- Simplification (simplicity for clients, advisers and employees)

The primary objective of this strategy is to ensure that Liberty is future ready. Future readiness implies Liberty is innovative and operates at a low cost, provides great client experience, is modular and agile, uses data as a strategic asset and is ecosystems ready.The new operating model for IT has resulted in greater collaboration and synthesis across the group and accelerated overall delivery traction. The Company adopted a roadmap for transforming from a service organisation to an Agile organisation that will mature into a digital organisation.

Capital management -360% (2023: 358%)
The Company continues to exceed minimum regulatory capital requirement of 200%. An increase in our solvency capital adequacy ratio to 360% compared to the 358% of 2023 is attributed to growth experienced in the business year on year.
The Company maintained financial discipline throughout the year and built a strong balance sheet underpinned by a robust risk management framework, resulting in solid liquidity and capital ratios.

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 today and into the future. We proactively protect and uplift the Liberty brand in all our interactions.

Conduct
We place the client at the heart of everything we do and operate in a manner where fair play and ethical behaviour underpin all our business activities and relationships. We have no appetite for deliberately and knowingly breaching legislative, regulatory, and internal policy requirements.

Business Continuity Plan
At Liberty our commitment to resilience and operational continuity is embedded in our comprehensive Business Continuity Plan (BCP), a cornerstone of our risk management strategy. The BCP is designed to be activated when unforeseen events disrupt the execution of critical business activities, enabling us to manage crises effectively while minimizing disruption to our operations and, most importantly, to our valued customers.

Our Business Continuity and Crisis Management Policy sets the framework for responding swiftly and decisively to such events, ensuring the safety of our people and the continuity of our services. This policy is regularly reviewed and updated to remain robust and fit for purpose in an ever-evolving risk environment.

In 2024, we conducted a rigorous test simulating the potential impacts of a crisis, reinforcing our preparedness for potential operational disruptions across the Organization. The lessons learned from this exercise have been instrumental in refining our response mechanisms and strengthening our ability to maintain uninterrupted service under challenging conditions.

Our proactive approach to business continuity reflects our unwavering dedication to protecting the interests of both the company and our customers, ensuring that we remain steadfast, even in the face of adversity.

Compliance risk
The risk of legal or regulatory sanction, inancial loss or damage to reputation that Liberty may suffer because of its failure to comply with laws, regulations, codes of conduct, internal policies, and standards of good practice applicable to its financial services activities.

Risk management and control (Continued)

The regulatory environment is monitored closely to ensure that the company implements new or amended legislation requirements promptly to ensure compliance and avoid unnecessary fines and penalties or the revocation of our license. Liberty has no appetite for knowingly breaching regulatory requirements or compliance related policies and have limited appetite for unforeseen breaches.

The Board delegates the responsibility of compliance management and monitors this through the compliance control function. Oversight of compliance risk management is delegated to the audit and risk committee, which approves the compliance mandate.

The risk and compliance manager provides a quarterly report on the status of the compliance risk management within the Company and significant areas of non-compliance as well as feedback on significant interactions with the regulators.

During the year 2024, Liberty Life Assurance Uganda Limited was compliant in all material aspects with the Companies Act, 2012 Laws of Uganda and the Insurance Act, 2017 Laws of Uganda

Compliance risk management process
The Head of Risk and Compliance provides guidance to the Company on how to discharge their responsibilities of complying with statutory, supervisory, and regulatory requirements by applying the Compliance Risk Management Process. The Compliance Risk Management Process consists of the identification, assessment, management, monitoring and reporting on compliance risks and exposures.

A periodic review of the effectiveness of the company's risk management and internal control systems is done through continued monitoring and assessment such as by the Group Internal Audit team to ensure that the controls are adequately operating for the success of the organisation.

During the year 2024, Liberty Life Assurance Uganda Limited was compliant in all material aspects with the Companies Act, 2012 Laws of Uganda and the Insurance Act, 2017 Laws of Uganda.

Compliance risk management plans (CRMPs)
Together with management, the Head of Compliance completes CRMPs for all material pieces of legislation. Regulatory risks are assessed in terms of "impact" and "likelihood". Adequate and effective controls for the identified risks are designed and implemented. Statutory, supervisory, and regulatory requirements are embedded in all our business processes.

These CRMPs are reviewed at least annually or whenever there are legislative changes, to ensure that existing or updated controls remain adequate and effective for changes in regulation or business processes. CRMPs are used by the Head of Compliance as part of the monitoring process to test the adequacy and effectiveness of the implemented controls.

Compliance monitoring and reporting
The Head of Compliance conducts compliance monitoring reviews in accordance with the approved monitoring plans to provide assurance to the respective Boards and management (Exco) on the level of adherence to statutory, supervisory, and regulatory requirements.

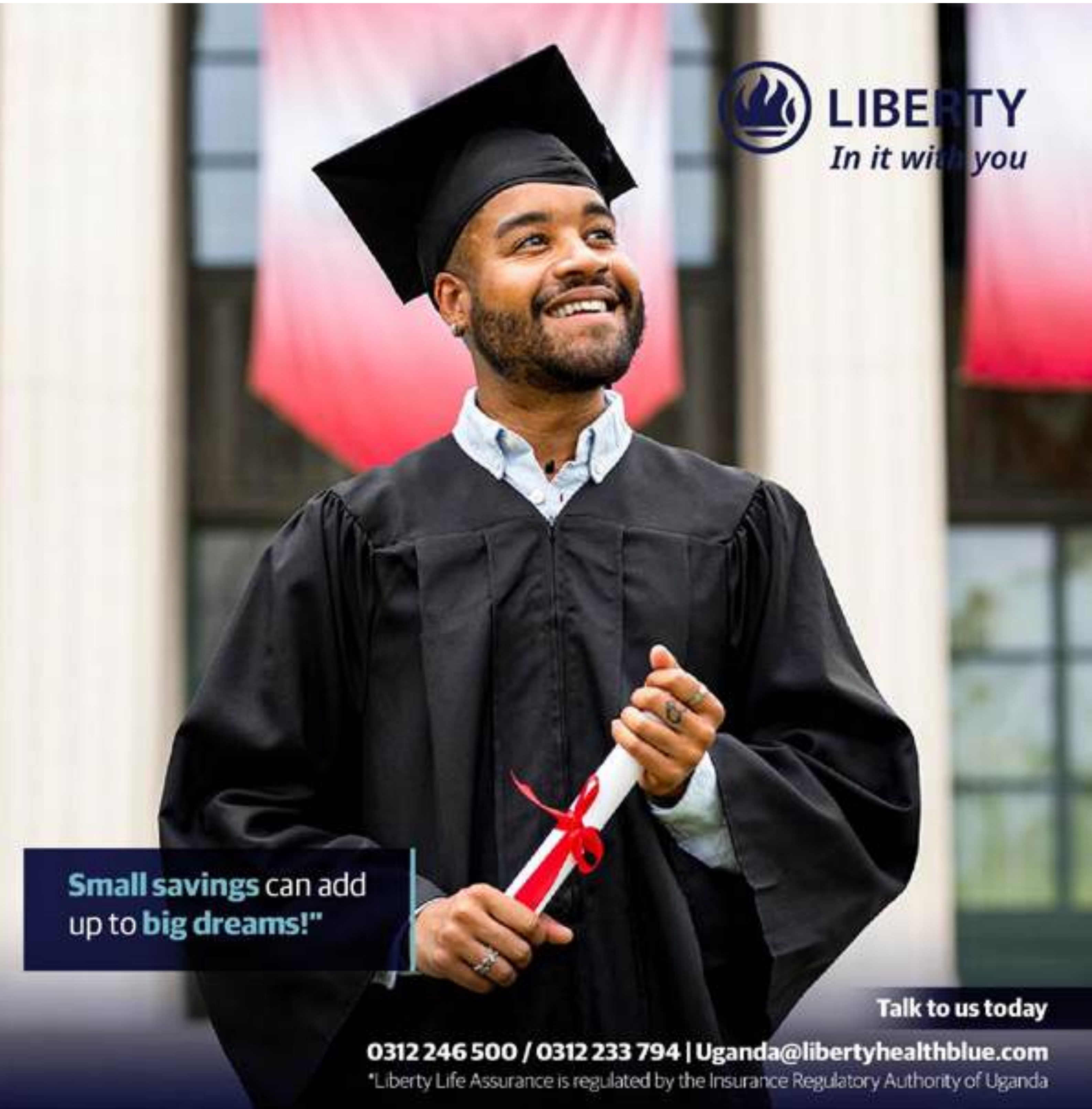
Compliance mandatory training
The Head of Compliance must ensure that all employees know and understand the statutory, supervisory, and regulatory requirements applicable to Liberty Life Assurance Uganda Limited by completing a mandatory compliance training.

Compliance risk appetite
The Board has adopted a zero tolerance to knowingly breaching statutory, supervisory, and regulatory requirements as prescribed in the compliance risk appetite statement.

Compliance risk exposures
Unforeseen breaches of statutory, supervisory, or regulatory requirements may occur from time to time however, remedial action must be taken immediately to mitigate such risks adequately and effectively. The exposure must also be appropriately investigated and resolved, and the respective controls must be assessed for adequacy and effectiveness to ensure that the breach is not repeated.

Risk management and control (Continued)

Compliance risk exposures identified by employees must be reported immediately to the Head of Compliance and Exco and ensure that appropriate corrective action is taken to address the exposure. Progress made on remediating the root cause of the exposure must be tracked and reported.



We strive to maximise our positive SEE impacts while mitigating and managing potential negative impacts. We aspire to deliver shared value by focusing on issues that matter to our employees, financial advisers, clients, stakeholders and society.

Gloria Besigye
Head of Operations and
Data Protection Officer

We aim to play a meaningful role in society while operating a responsible and ethical business. We care about how our business impacts society, the economy and the environment, and we aspire to contribute to the wellbeing of future generations. Liberty's purpose is to improve people's lives by making their financial freedom possible. We do this by ensuring we nurture our relationships and skilfully navigate risks. As a result, we deliver products aligned to our purpose and remain committed to wellness, financial and other education, and confronting climate change.

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.

Our report provides a holistic assessment of the Company's sustainability performance for the year ended 31 December 2024. The report has been developed to show how Liberty 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.

Our Sustainability approach

Our sustainability approach leverages resources to create solutions that benefit society. We are invested in our SEE approach and believe SEE issues create growth, innovation and differentiation opportunities.

We continue to use the SEE (Social Economic and Environmental) value proposition as we work to improve the realities of all our stakeholders by facilitating economic growth, social development, and environmental stewardship in the areas in which we operate. We considered the Global Reporting Initiative's (GRI) reporting principles and material topics relevant to our business when writing this report. We recognize that we have a diverse set of stakeholders with different information needs. We apply the six capitals model, adopted by the International Integrated Reporting Council in the International (IR) Framework, in managing and accessing our ability to create value over time and our sustainability performance. The following six capitals are fundamental to the long-term viability of our business: natural, social, human, intellectual, manufactured (or manmade) and financial.
At Liberty, we strive to maximise our positive impacts while mitigating and managing potential negative impacts. Our six value-driver model is based on our three strategic pillars, describing our approach to delivering sustainable growth and societal value.

Sustainability report (Continued)

OUR STRATEGIC PILLARS

01	02	03
Transform the client	Execute with Excellence	Drive Sustainable growth

OUR SIX VALUE DRIVERS

CLIENT AND ADVISER
Placing the client at the heart of our business and understanding the critical role that our financial advisers play.

+

EMPLOYEE ENGAGEMENT
Providing an environment for our people to thrive.

+

RISK AND CONDUCT
Enhancing our reputation and building trust.

+

OPERATION EXCELLENCE
Using technology and data to better serve andadvisers reduce costs and scale our platforms.

=

FINANCIAL OUTCOME
Delivering competitive sustainable returns.

SEE IMPACT
Creating societal value and preserving our natural capital.

Growth and Scale	Efficiency and Intelligence	Legitimacy
Client and Adviser; Employee Engagement	Risk and Conduct; Operation Excellence	Financial Outcome; SEE Impact

SUCCESS MEASURES

- Cultivating the next generation of financial adviser leaders
- Increased employee experience net promoter scores
- Women in active leadership
- Future-focused learning and development
- Annual compliance training
- Delivering innovative client solutions
- Enabling Financial inclusion
- Meeting TCFD recommendations

Sustainability report (Continued)

Our SEE strategy

The Board of Directors approved Liberty's Social, Economic and Environment (SEE) and Environment Social and Governance (ESG) impact framework and strategy that guides the entire business operations to ensure we achieve the positive social, economic, and environmental impacts to create shared value. The SDGs are an urgent call to action by all countries developed and developing to form a global partnership. As an urgent call for countries, both developed and developing, the SDGs aim to create a global partnership where the focus is on ending poverty, reducing inequality, improving education and health, preserving our environment, and tackling climate change. The SDGs provide a roadmap for a shared global vision for the private sector and civil society, one that can be incorporated into national development plans and strategies.

We align our approach to the UN SDGs we consider to be the most impactful to the communities in which we operate as shown below.

Good health and wellbeing	Our social focus is on financial inclusion, education, skills development, and financial literacy.
Quality education	We understand the value of education and its power to change lives.
Decent work and economic growth	As an employee centric organisation we are deliberate about crafting and embedding our culture.
Industry, innovation, and infrastructure	We assess emerging trends anticipate client needs and subsequently build creative and sustainable solutions and products.
Reduced inequalities	We focus our transformation efforts on gender equality, diversity, and education in the workplace.
Responsible consumption and production	As institutional investors we must at in our beneficiaries' long term-based interests. We recognise that ESG factors can influence the performance of investment portfolios to varying degrees overtime.
Climate action	We aim to be a catalyst for change by continuing to find innovative ways to save resources and reduce our environmental footprint.
Partnerships for the goals	Sound partnerships and processes should be in place to enable investment arrangements and activities that reflect and promote responsible investment.

Our SEE impact material matters

Material matters are those that have the potential to significantly impact Liberty's ability to create long-term, sustainable value for our stakeholders. Our focus is on the material issues that affect our stakeholders, and our ability to deliver on our purpose. We identify our material matters through detailed assessments, surveys, interviews and research whereby we consider strategy, stakeholder concerns and expectations, ethics and governance matters, and risks and opportunities. Further details on the process of identifying material matters are included in the risk management and control report on page 70. Our SEE material matters and management actions on the same during the year were as summarised below.

Our SEE impact material	Management actions
Enabling financial freedom, Inclusion and access to financlal services	We recognise that we must show leadership in building a responsible financial services sector to foster sustainable economic growth. We implement several initiatives relating to employment equity, financial literacy and enterprise and supplier development (ESD), among others, to support economic inclusion and transformation.
Promoting Inclusive economic growth through quality education	We believe that education fosters meaningful economic development. Therefore. we are dedicated to investing in educational initiatives that empower our communities. In this way, we contribute to sustainable inclusion and participation in the economy. We have prioritised three areas where we believe we can positively contribute: 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	Our active approach to stakeholder engagement ensures we consider their needs and expectations and allows us to align our product offerings and services to address their concerns. Our stakeholders expect us to show leadership from the ESG perspective in the finance industry. We do so through our commitment to excellent governance, quality education. environmental sustainability. and financial and economic inclusion.

Sustainability report (continued)

Value creation for all our Stakeholders

Liberty aims to create, manage societal value, and preserve the natural capital our business depends on. We understand that our success is linked to the prosperity and wellbeing of our society. Therefore, we focus on creating value for society by living our purpose of improving people's lives by enabling their financial freedom, along with our brand promise of being "In it with you".

To deliver our strategy and achieve our purpose, we must ensure that our business activities solve Uganda's challenges and deliver improved prosperity for Uganda's people. This approach enables us to generate attractive financial outcomes for our shareholders, while generating positive social, economic and environmental impact for the communities in which we operate.

Our stakeholder management mandate is aligned with the vision of building a superior image and reputation for Liberty in delivering financial freedom. Our vision is supported by the trust of our clients and advisers. Our legitimacy depends on demonstrating social relevance through creating and sharing value with all our stakeholders. This is achieved through a proactive approach to engaging with stakeholders.

Shared value means that as a responsible corporate citizen we leverage our resources to create solutions that will benefit society and build a more prosperous future for all. We nurture our relationships and skilfully navigate risks to deliver products that help our clients prepare for life's traumatic events and increase their wealth. At the same time, the value we create for our clients must benefit other stakeholder groups. Our key stakeholder groups are as below:

Business Partners and suppliers
We act ethically in our dealings with our partners and suppliers, building mutual trust and treating them fairly. We ensure that we pay our suppliers as agreed and on time, and provide education and resources to help their businesses flourish.

Civil Society
By understanding our country's context and our communityspecific needs, we can provide the appropriate support to uplift and create mutual resilience. We responsibly manage our natural resources to conserve the planet for the future.and resources to help their businesses flourish.

Clients
We act with honour and deliver on our promises, establishing trust with our clients and treating them respectfully. Doing so demonstrates that we care about their experiences.

Employees
We aim to inspire personal wellbeing while providing meaningful employment for our increasingly diverse and united workforce. We do so by creating an engaging and flexible work environment and clear processes and procedures, and providing fair, performance-related remuneration.

Financial Advisers
We build relationships of mutual trust with our advisers and empower them through transformation, innovation, empathy, quality education and personal growth.

Government
We support our government and country in building a better society as we manage our business in a sustainable and honourable manner.

Media
We build and maintain mutually beneficial relationships withthe media while adhering to our high ethical standards

Organised business and Professional bodies
We maintain fair and just business practices and support the role of organised business and industry bodies while working together to create scale and impact.

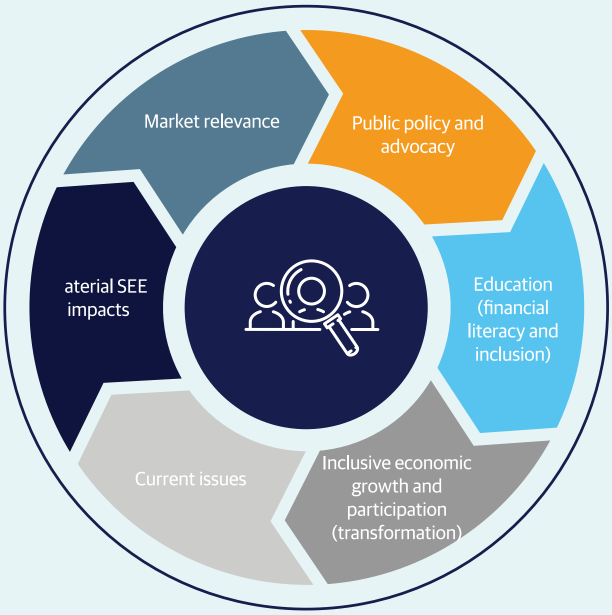
Regulation, policy and Law mkers
We operate within a measured risk and ethical conduct framework. Our policies ensure robust compliance while working with regulators to set high standards of excellence.

Sustainability report (continued)

Proactive engagement areas (PEAs)

In line with our strategy, we engage with our stakeholders in six PEAs. In identifying These fields, we considered context, objectives, stakeholder groups and action plans, including timelines and performance measures.

- Market relevance
- Public policy and advocacy
- Education (financial literacy and inclusion)
- Inclusive economic growth and
- participation (transformation)
- Current issues
- Material SEE impacts



Business partners and suppliers

Our business partners and suppliers expect us to provide fair business opportunities. They strengthen our capability and provide third-party expert or specialist advice, goods, and services. Our procurement policy aims at achieving significant and measurable commercial advantage whilst supporting the business to achieve its objectives through excellence in the procurement performance and leveraging economies of scale to create value for the company.

We have a list of preferred suppliers in place, and our procurement policies and guidelines are based on the principle of competitive bidding ensuring that the supplier offering the best terms as far as price, delivery times, and quality and where applicable after sales service is concerned. We purchase most of the goods and services from Ugandan SMEs who supply items that do not endanger the environment. This fosters the spirit of “Buy Uganda, Build Uganda” (BUBU) policy. 98% of our procurements during the year were done with local suppliers. (2023- 99%)

Key engagements in 2024

Medical service providers. In 2024, we had 260 medical service providers (2023:236 providers) mainly comprised of hospitals and other medical facilities across various regions of the country through which our clients received treatment using our Liberty medical cover. The total amount paid to medical service providers was Ushs 21.7 billion versus 2023 – Ushs 14.9 billion. In addition, 0ther service provider payments for 2024 were Ushs 2.8 billion compared to Ushs 1.7 billion in 2023.

Providing health screening with Ecopharm pharmacy

In June 2024, participated in a medical camp held at Ecopharm Naalya, collaborating with Ecopharm Pharmacy. The event offered free health screenings (blood pressure, blood glucose, BMI) and provided us with a platform for our insurance consultations which enabled us to build trust and strategic partnerships in the medical space. These were services were accessed by over 100 persons.

Liberty staff supporting clients at the medical camp set up at Ecopharm Pharmacy Naalya.

Eye safety campaign in partnership with Safe Boda and Lapaire

We took part in the eye safety campaign with the above partners on 26th November 2024 at the Safe Boda Academy in Kanyanya, where Lapaire Uganda offered free eye check-ups to emphasize the importance of clear vision during the road safety week. Research indicates that 23% of drivers experience vision related difficulties impairing their ability to make quick decisions and respond to road hazards. By prioritizing eye health and responsible riding, we can significantly reduce accidents and create a safer environment for everyone. This initiative benefited approximately 3 million road users.

The safe Boda Representative (L) and Lapaire Represenfaive (R) giving at speech at the Eye safety Campaign a the Safe Boda Academy.

Back to school medical check ups

In May 2024, Liberty Uganda, in partnership with Stanbic Uganda, provided free medical check-ups for clients who paid school fees using Flexi Pay and Stanbic agents at selected branches. Clients who paid fees at Metro, Kabalagala, Kyambogo, Mukono, Gulu, Arua, or Mbale branches or used Flexi Pay during the month of May were eligible for a free medical check-up. This offer was during the back-to-school season because a healthy start to the school term is crucial for a successful and productive learning experience. This initiative reached over 200 clients.

Sustainability report (continued)

Civil Society

The civil society expects Liberty to give back and be responsive to our potential social, economic, and environmental impacts as well as to have an improved understanding of our communities' needs. 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.

Launch of our low-cost insurance products

In June 2024, we partnered with Airtel Money Uganda and Stanbic Bank Uganda to launch the Sunset Funeral Cover, a new initiative offering affordable life insurance to Airtel Money customers. This cover has three annual packages, Standard cash plan with premiums payable of Ushs 22,800: Payout of Ushs 2 million, Plus cash plan with premiums payable of Ushs 57,000: Payout of Ushs 5 million and Premium cash plan with premiums payable of Ushs 114,000: Payout of Ushs 10 million. This pilot program signifies a commitment from all parties involved to provide financial security and peace of mind during difficult times. Customers can easily sign up for the Sunset Funeral Cover by dialling *185# and selecting option 7. As at 31 December 2024, we had signed up 76 persons to this platform.

Our CEO, Mr.Danish.M.Eqbal together with Mr. TichMakonese (R), from Stanbic Bank and Airtel Uganda Representative (L) at the sunset product launch.

Liberty Life Assurance unveiled the Kuza Plan, a groundbreaking financial product that merges savings with life and disability insurance, with monthly saving premiums as low as Ushs 235,000/= and minimum pay out of Ushs 20 million, maximum payout of Ushs 300 million depending on the monthly savings. The Kuza Plan promises unmatched benefits, flexibility, and peace of mind. To celebrate this launch, a dedicated event was held on Wednesday, May 15th, 2024, at the Sheraton Kampala Hotel's Rwenzori Ballroom. We had 304 policies written under this product as at 31st December 2024.

The MD Mr. Joseph Almeida (L), Head of Retail Ms Agatha Namara (C) and the CEO,Mr.Danish.M.Eqbal (R), cut the ribbon to launch the Kuza plan product

Sustainability report (continued)

In April 2024, in a collaborative effort, together with Stanbic Bank Uganda, and the Church of Uganda we successfully held a piloting launch event for the new church app. This was a digital initiative which enables various parishioners to access our insurance product offering as well as access other church services such as tithing, reading the bible and church programs. The pilot launch was extended to courtesy visits to St Andrew's Gayaza C.O.U, St Peter's C.O.U Kungu and St. Peter's Church Kisaasi.

Donation of 400 bags of Cement
In June 2024**,** together with Stanbic Bank Uganda we contributed 400 bags of cement to the redevelopment of St Andrew's Archdeacon Church of Uganda, Gayaza. This initiative was aimed at enhancing the infrastructure of church facilities and thereby support their role as centres of spiritual growth and community well-being. It also presented an opportunity to promote the recently launched Church of Uganda App mention in note (i) above, encouraging its uptake among congregants. This initiative is expected to benefit 2000 people in line with the expected sitting capacity of the church.

Liberty staff, led by the group head of Marketing Mr.Sameer Modan (c) h and over the bags of cement to the Clergy and Parishioners.

Kuza school challenge: Financial literacy for the young generation
Liberty successfully concluded the inaugural Kuza School Challenge at Kabojja International School, an initiative aimed at fostering financial literacy and social entrepreneurship among secondary school students. The program began in September 2024 at Kabojja International School, culminated in a celebratory event where participating students showcased their entrepreneurial projects and received seed funding to bring their ideas to life.
The Kuza School Challenge aligns with Liberty's commitment to empowering youth and addressing Uganda's financial literacy gaps. With only 32% of Ugandans financially literate and many small business owners lacking financial management skills, this initiative has paved the way for a new generation equipped to manage money, grow businesses, and contribute to societal well-being. The Company provided seed funding of Ushs 2 million to each winning team, enabling them to implement their business plans. This initiative benefited over 185 students and we look forward to bringing this initiative to more schools in the future.

The MD, Mr. Joseph Almeida (L) together with the head of Marketing Ms. Juliet Murungi (R)presenting cheque to the winner(C).

Sustainability report (continued)

Embracing Community through empowering the Youth with the Nnaabagereka Foundation

The 17th edition Ekisaakaate kya Nabagereka 2024 was a program open to children and youth up to 20 years old in Buganda, Uganda, that ran from January 4th to 21st 2024, at Hormisdallen School in Gayaza, focusing on traditional values and integrity, and aimed to prepare young people for modern life. We kicked off the year with a strong focus on youth empowerment through our partnership with the Nnaabagereka Foundation at Ekisaakaate Kya Nnaabagereka. Our team provided financial literacy training to the Basaakaate (learners), equipping them with essential knowledge on financial planning and responsibility.

Our Staff, Irene Nabuzaale (R) facilitating learners at the kisakaate.

Running for noble cause

On the 7th April 2024, Liberty staff participated in the 11th edition of the Kabaka's birthday run, at Bulange Mengo place, with the aim of ending HIV/AIDS by 2030. This run attracted over 110,000 participants from all walks of life united in solidarity, emphasizing the critical mission of spreading awareness on HIV/AIDS prevention. Liberty is committed to an inclusive environment and unwavering commitment to catalyze positive change in our community's fight against HIV/AIDS.


Liberty staff pose for a photo with the kits purchased for the Kabaka´s run.

Sustainability report (continued)

On the 25th August 2024, Over 50 Liberty staff participated in the 13th edition of the Rotary Cancer Run, at Millenium Park Lugogo Kampala. The aim for the run was to bridge the gap in the fight against the cancer scourge by building a one stop cancer screening and treatment centre at Nsambya Hospital – Kampala. The Rotary Cancer Run 2024 had a large fundraising goal of about 2.5 billion shillings with the aim of making a substantial contribution to the building of a radiotherapy unit at St. Francis Hospital Nsambya. Fighting cancer in Uganda, as in many other developing nations, necessitates a multifaceted strategy that requires research, improved healthcare, prevention, early diagnosis and treatment, community education and public awareness


Liberty life staff share a light moment at the cancer run event.


Some members of the Exco team pose for a photo after purchace of the cancer run kits.

In May 2024, we participated in the Uganda Marathon Masaka with an aim to raise funds for sustainable local community development projects mainly supporting local sports, promoting agriculture in schools, infrastructure development. It was attended by over 5,000 people and benefited over 1000 people in Masaka district.

Our MD, Mr. Joseph Almeida(R) Shares a light moment with Prince Wasajja of Buganda (L) at the Masaka run.


Our head of Marketing Mrs. Juliet Murungi Okwi (2nd Right) at the Masaka run together with other participants.

Sustainability report (continued)

Clients

Customers expect fair treatment, product performance and quality service from us and trust us to meet their obligations when they purchase and use our products and services. Our service offerings include investing and insurance.

We endeavour to create a holistic, relationship-based experience for our clients acknowledging the importance of the human experience. Our dedicated financial advisers develop and maintain relationships with our customers and apply their skills when assisting with purchase decisions.

Developing, preserving, and enhancing relationships between clients and Liberty is fundamental to our ability to deliver on our purpose.

Client feedback

We were excited to launch a new Net Promoter Score (NPS) program. The NPS allows us to gather valuable feedback directly from our valued customers. There is an increased level of engagement with our customers, of which most of them are promoters and passives thus these results were very pleasing. This has enabled us to measure customer loyalty and satisfaction and take corrective action where needed. Customers can now give us feedback via the link - https://forms.office.com/r/neXdXL1WjU.

SCAN THE CODE TO GIVE US FEEDBACK

Client complaints

With clients at the core of our business, we understand that resolving complaints and driving excellent service is critical to ensure client satisfaction and protect our brand reputation.

We made significant strides to improve our complaints-handling capabilities, with pleasing results. We will continue to focus on improving in all categories of customer satisfaction, and we are consistently improving our metrics across the board.

Our Key engagements

Launch of a new agency office to serve our clients better

We improved accessibility to our products and services by opening a new agents office at Africourts Building, Plot 107 Buganda Road. The offices are spacious and provide our clients with a one stop shop for all their insurance needs under one roof that is closer to the city centre. This is aimed at bringing our services closer to our customers.

The MD Mr Joseph Almeida (1ST Left) at the opening of the new office accompanied by some Liberty staff members.

Sustainability report (continued)

Honouring our promise to the customers through claim settlement

We continue to support our customers during tough times by paying death and disability claims to the tune of Ushs 5.9 billion (2023: Ushs 4.3 billion). We settled gross claims to the tune of Ushs 28.3 billion in 2024 (Ushs 22.3 billion in 2023). A special case in point is where we settled a group credit life claim of Ushs 100 million for a deceased member of one of our clients, Sese Oil Palm Growers Association (SOPAG) SACCO. Our Managing Director, Mr Joseph Almeida attended the hand over of the payment to the SACCO on 18th April 2024 and was quoted as below.

‘’Liberty Life Assurance profoundly reassures its commitment to honour claims of the SOPAG farming community whose legacy will endure through the support provided by their credit life insurance policy”.

“Mugumya Robert was not just a farmer; they were the embodiment of hard work, dedication, and resilience. Their passion for agriculture and commitment to his family were evident in every aspect of his life. Today, as we mourn with the family of their loss, we also celebrate the security and peace of mind that their credit life insurance policy has provided for their loved ones,” he added.

Our MD Mr. Joseph Almeida (C) and the head of Marketing Mrs Juliet Murungi on the (3rd right) handing over payment to sacco management in kalangala.

Spreading Cheer to our clients

We were able to recognize and thank our clients that have shown loyalty to us by visiting them at their premises, appreciating them and recognizing them during the annual customer service week.

MD Mr. Joseph Almeida handing over a gift to one of our clients.

Sustainability report (continued)

Launch of the Financial Fitness Academy (FFA).

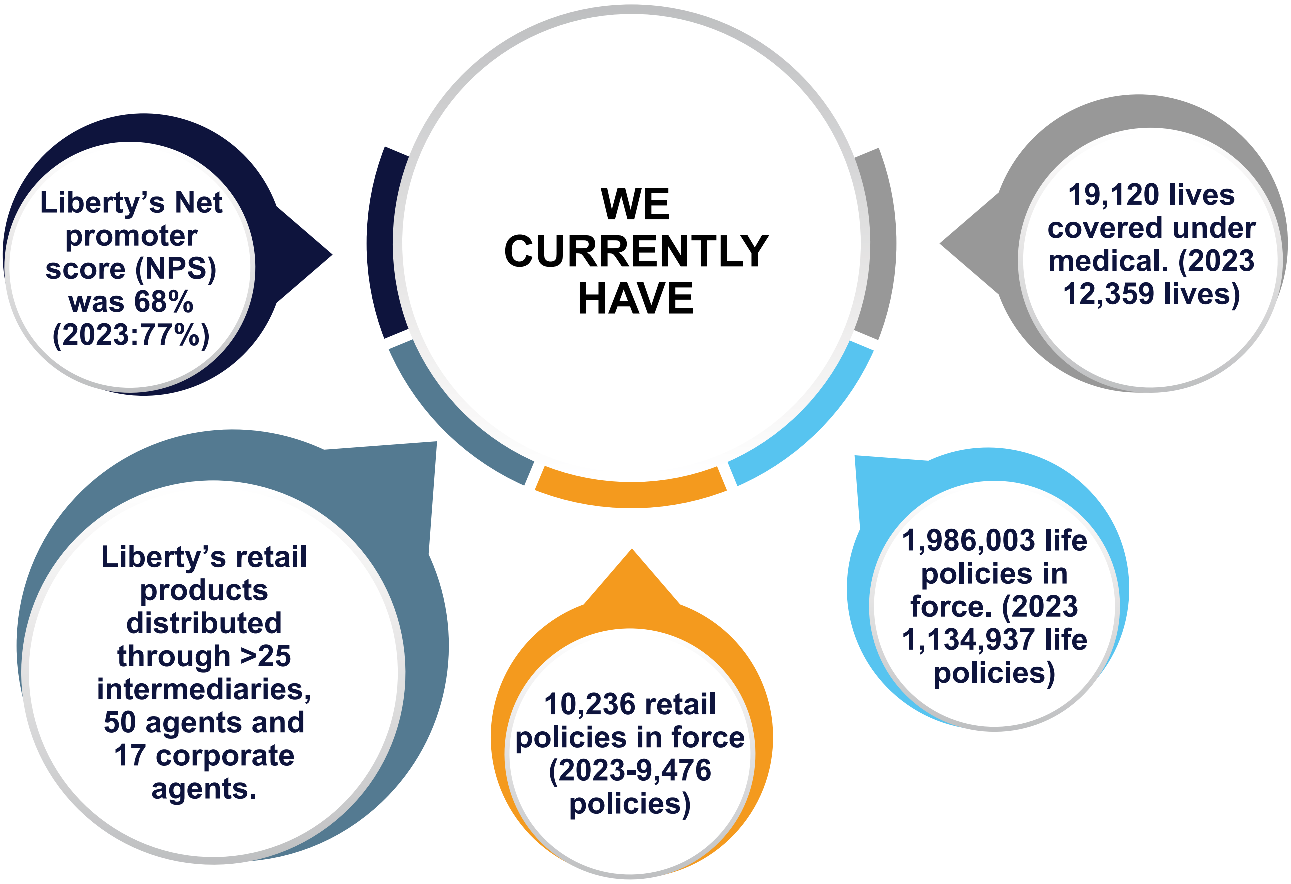
During the year, the Company introduced a Financial Fitness Academy with the aim of providing free financial literacy trainings to our clients in line with our purpose of improving peoples' lives by making their financial freedom purpose. Our financial literacy program also includes outreaches to staff of our clients. During the year we trained 9,575 (Target – 9,500) staff from 16 clients listed below through our Mind My Money Program dedicated at equipping them with essential skills in financial goal setting, saving, money multiplication and investments. Through this program, were also able to generate actual sales of our various products of Ushs 136 million against our target of Ushs 120 million and prior year of Ushs 66 million.

Gloria Besigye Head of operations (C) leads some of the liberty staff through a financial literacy training.

These are some of the clients where we have had our Financial Fitness Trainings.

- Sheraton Hotel Kamp
- Crown Beverages Limited
- Afrisafe Insurance Brokers Limited
- Kasangati Devine Center Members SACCO
- Lira Multipurpose cooperative
- Global Paints Limited
- Med Sans Frontier Limited
- Stanbic Bank Uganda Limited
- MUA insurance Brokers
- Research & Education Network Uganda
- Brookside Dairies Limited
- ala
- USAID – Chemonics Project
- Church of Uganda
- Aga Khan Primary School.
- Hima Cement
- Kabojja International school

Sustainability report (continued)



Financial Advisors
Our financial advisers expect competitive products and competitive fees from Liberty.

Developing, preserving, and enhancing relationships with our financial advisors, i.e. brokers, bancassurance partners, affinity partners, direct sales agents and corporate agents is fundamental to our ability to deliver on our purpose, and Liberty's financial success. We enable our financial advisers to succeed in their role through the provision of advice and product knowledge.
Our dedicated financial advisers develop and maintain relationships with our customers and apply their skills when assisting with purchase decisions.

Key engagements:
Payment of commissions
We paid commissions to our business partners of Ushs 9.68 billion (2023: Ushs 8.17billion) against the business written through them during the year.

Sustainability report (continued)

Partnerships with bancassurance partners
and brokers plays a vital role in our growth and distribution strategy. Our bank partners provide access to their large customer base enabling us to integrate insurance products into everyday financial services. Brokers, on the other hand, offer specialized market knowledge, advisory services, and access to diverse client segments.

In November 2024, we initiated discussions with Equity Bank on embedding our insurance products into their banking products. These collaborations enhance product reach, improve customer convenience, and strengthen trust, while also creating new revenue streams for all parties involved.

In partnership with AAR Insurance Uganda and Weerinde Insurance Brokerage Services Limited and Buganda kingdom, we launched a ground-breaking life and health insurance solution named, 'Munno Mukabi Platinum' on 12th July 2024, aimed at offering affordable insurance services to the common person in the Central Region of Uganda for a premium of only Ushs 440,000 per year and covers protection against death, critical illness, permanent total disability, inpatient and outpatient and hospital cash benefits.revenue streams for all parties involved.

One of our sales agents show casing our products alongside weerinde insurance brokers.


Mr. Joseph Almeida (2nd Right) joins the Weerinde, AAR and Buganda kingdom delegates for a picture.

Reinforcing a culture of recognition

Recognizing the crucial role of the Bancassurance team, Liberty implemented specific programs to acknowledge and reward their contributions during the year as their dedication was instrumental in building lasting partnerships for the Company.


Our CEO hands over cheque to the stanbic team for excelling in selling Kuza plan product.

Sustainability report (continued)

Participation and sponsorship of the Insurance Brokers Association of Uganda (IBAU) annual conference

We participated and sponsored IBAU's 2024 annual conference themed "Adapting to the Evolving Business Landscape, held between 17th to 19th April 2024 at Mbale Resort Hotel. The conference was intended to create a platform for practitioners and experts from the insurance industry, business fraternity, government, local and regional community to deliberate on how to re-think, re-energize and re-shape how business is done. We had an opportunity to connect and interact various brokers and insurers at this event.

Our head of corporate sales, Mrs Cissy Nanfuka (C) signs a cheque for the IBAU sponsorship.

Liberty team hands over the IBAU sponsorship cheque to the IBAU representatives.

Training

We embarked on key training programmes for our financial advisors by equipping them with relevant skills including product knowledge, sales skilling, insurance knowledge, mental health wellness and financial literacy. The total agency spend was Ushs 939 million (2023: Ushs 694 million).

Sustainability report (continued)

Employees

Our employees expect Liberty to provide fair and transparent remuneration, rewards, career development and learning opportunities. They supply the necessary skills, expertise, and capacity to ensure Liberty continues to operate with high performance. We continue to embed our employee experience, leadership principles and growth mindset throughout Liberty. We invest in our human capital to ensure everyone at Liberty thrives, and we embrace the evolution of work as an enabler.

Our employee experience strategy ensures that our employees' purpose aligns with our organisation, while our culture programme highlights the areas and moments that matter most to our people. Investing in human capital and creating a unified human experience is important to attract and retain the right talent for our business. We must understand our employees' capabilities to match their talent to appropriate roles. In doing this, they will prosper and so will we.

Key Engagements

Annual staff team building event
We hosted a successful team-building event held on 21st June 2024, at the Extreme Adventure Park in Busika. Staff participated in a range of engaging activities designed to foster collaboration and strengthen company spirit. The focus wasn't just on fun, the strategic challenges allowed colleagues to collaborate, problem-solve, and celebrate each other's successes. This event served as a powerful reminder of the importance of teamwork and collaboration. With a renewed sense of unity, the Liberty Uganda staff was empowered to carry the "Liberty team spirit" forward within our spaces

Liberty staff participate in various activities at the team building event.

Sustainability report (continued)

Staff training

Staff training is a critical component in building organizational capacity and ensuring continuous improvement in performance. Regular training programs equip employees with the necessary knowledge, skills, and competencies to adapt to evolving business needs and industry standards. These initiatives not only enhance individual productivity and efficiency but also foster innovation, teamwork, and professional growth. By investing in staff development, the organization strengthens service delivery, supports employee engagement, and promotes long-term sustainability. During the year, we had seven staff who were enrolled for various study programs ranging from professional qualifications, postgraduate and master's programs. The total training spend in 2024 was Ushs 116 million (2023: Ushs 74 million). There were also other company wide trainings attended by all staff on numerous subjects such as product knowledge, internal controls, risk management, emerging trends and industry specific trainings conducted during the year.

The CEO, Mr Danish M Eqbal (c), leads the staff through an internal training session.

Sustainability report (continued)

Employee wellness

Employee wellness initiatives are essential in promoting a healthy and supportive workplace environment. Programs that encourage physical activity, mental health awareness, and general wellbeing contribute to improved productivity, reduced stress, and higher employee satisfaction. Integrating activities such as workplace workouts, wellness workshops, and health campaigns helps employees maintain balance between professional and personal demands. By prioritizing wellness, the organization fosters a motivated, engaged, and resilient workforce.

A private employee support through a toll-free number has been established to enhance the Employee Wellness Program. The support program extends mental health risk assessments and workplace counselling services. A professional fitness and physical wellness trainer was engaged twice a week to support employees in their journey to physical wellbeing.

Liberty staff led by Head of marketing Mrs Juliet Murungi Okwi (front center) participate in one of the physical wellness classes organised by the company.

Sustainability report (continued)

Staff safety programs

Staff safety protocols are fundamental in ensuring a secure and compliant workplace. These measures include adherence to occupational health and safety standards, regular risk assessments, and the implementation of preventive practices to minimize hazards. Training programs, emergency response drills, and provision of protective equipment further strengthen safety awareness and preparedness. By prioritizing staff safety, the organization not only safeguards employee wellbeing but also promotes operational continuity and organizational resilience. In September 2024, the Company organised a fire drill and all employees participated in this program that was aimed at refreshing their knowledge on the various safety procedures in case of a fire out break at work

Our fire marshals showing the staff various safety precautions at the LLAU main office building,Buganda Road.

Other staff engagements

Bravo Awards and Spotters Fee programs were held to recognize and reward high performers and value champions with outstanding contributions, high performance in sales and service to both our internal and external clients and value champions quarterly during the year. This enhanced the employee experience, improved job satisfaction, boosted performance and created a positive workplace culture.

We continued with the “Karibu” program for the welcome and orientation of new staff engaged at Liberty overall creating a more seamless onboarding experience for our people and creating an overall effective and productive workforce.

We continued the Liberty Exco leadership training and mentorship program where our Exco members were trained and equipped in various leadership skills to enhance value creation, create efficiencies and enhance employee engagement for overall organisational transformation.

The Company organised other events such as womens’ day celebrations to recognise the International Women’s Day and Africa day all with guest speakers that shared with the staff on various life lessons.

The Liberty ladies share on the power of female inclusion and entrepreneurship with the chief guest for the day, Mrs Emmanuella Mulondo (c in both photos, dressed in white), on the international women’s day evening.

Sustainability report (continued)

Our employee experience

Our employee experience vision and framework enable us to create a culture of success for our employees, working together towards a common goal. The framework helps our people feel connected to our purpose and clients and empowers them to fulfil their potential while being recognised for their efforts. Our six pillars are integrated to drive our way of working and guide us in creating employee satisfaction as we help our employees in their personal and professional life journeys. The employee experience strategy is as summarised below.

Creating a unified human experience

Our employee experience

The pillars of our employee experience:

- Growing andevolving
- Living and doing
- Moving in and moving on
- Realising and recognising
- Inspiring and innovating
- Connecting and belonging

Our wellness strategy

BetterMe, a fully integrated wellness channel:

- Career
- Body
- Emotional
- Social
- Financial

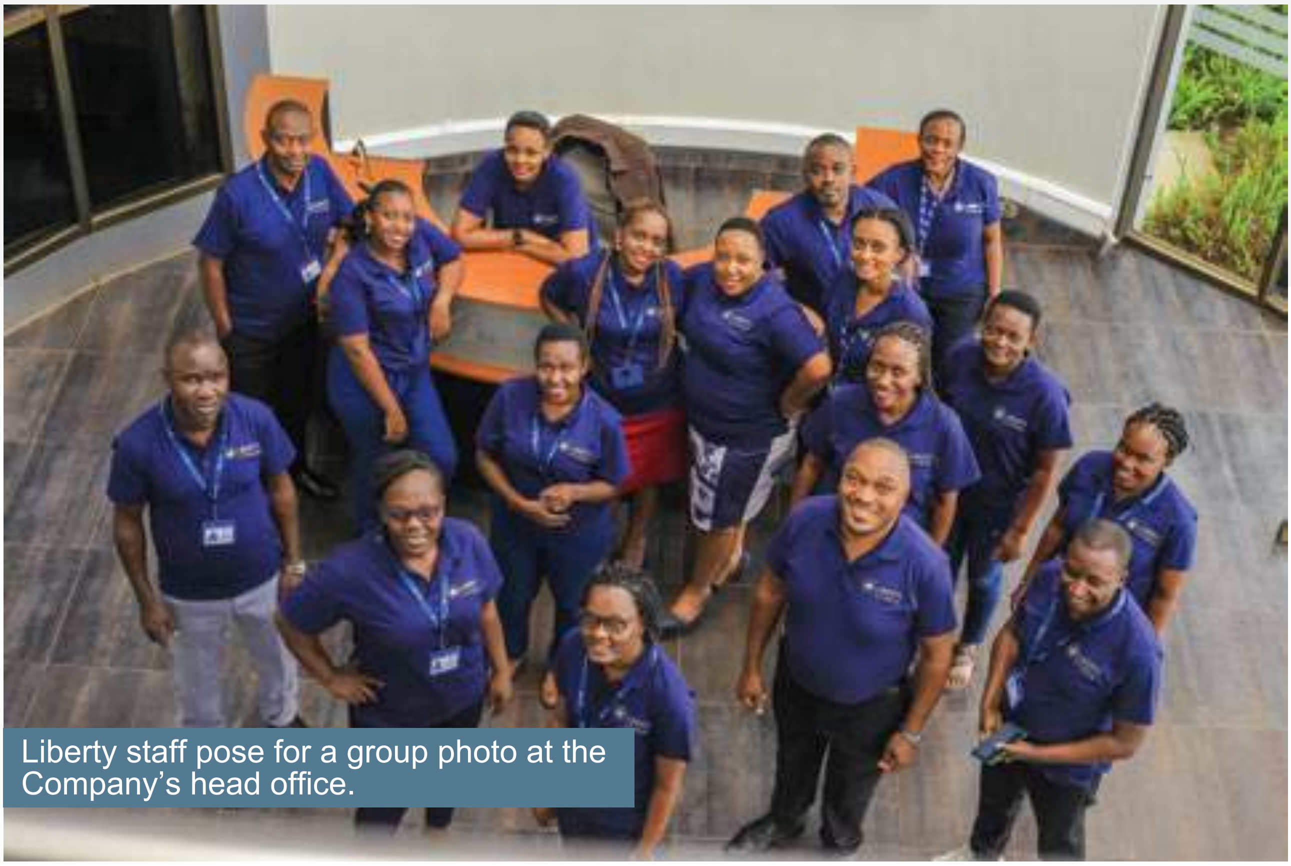
Our transformative tools

- Communication
- Change management
- Conversations
- Training
- Coaching
- A life-long learning mindset

Our culture

Our culture characteristics:

- Inclusivity
- #Initwithyou
- Humanity
- Human connection
- Holistic wellness
- Growth mindset



Liberty staff pose for a group photo at the Company's head office.

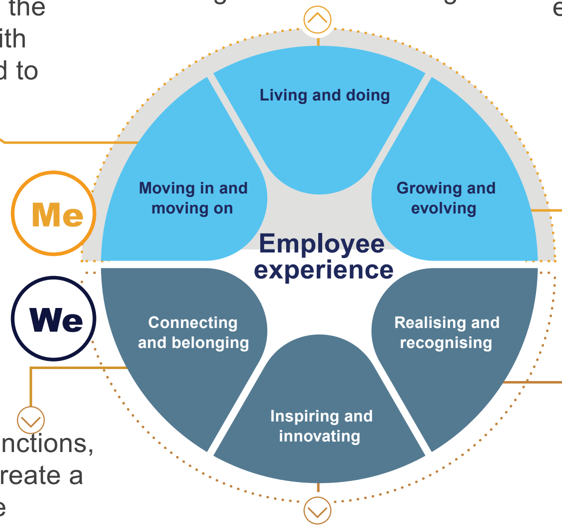
Sustainability report (continued)

The Pillars of our employee experience

Enabling a seamless onboarding experience for our people while allowing them to move on to the next phase of their career with dignity, remaining connected to the organisation.

Integrating our people's lives at work with their personal working circumstances and preferences, creating true work-life integration.

Creating the platform for our people to take control of their career, role and learning evolution,encouraging non-linear and self-driven growth.



Uniting our people across functions, levels and backgrounds to create a cohesive organisation where everyone feels included and valued.

Driving meaningful and inspirational work that aligns with our purpose and values, creating an engaged and motivated organisation.

Intentionally aligning employee performance outcomes and Liberty's business outcomes, shifting the cultures and habit around performance management.

The evolution of work

We optimise our employee experience to attract and retain the best talent by providing an environment where our people feel included and psychologically safe so they can flourish. One of the principles we emphasise is self-evolution of the individual. Our workforce model allows each business unit its differences while ensuring that the team is empowered for the future while being aligned with the company's needs.

Navigating change in the evolution of work

We are transitioning into a future where decision-making increasingly depends on ethics and behaviours as opposed to policies, procedures, standards, and guidelines. Our responsibility is to ensure our employees and leaders embrace this transition so they can thrive in the years ahead.

Our Coaching Framework for individual support

We recognise that coaching is an effective method of supporting and enabling individuals in both their personal and professional development.

Our Coaching Framework goals

- Enable employees to navigate imminent change and flux with a growth mindset
- Facilitate meaningful conversations to unlock the diverse potential of our people in contributing to individual, team and organisational performance
- Support in embedding leadership principles and behavioural competencies to deliver on our vision and strategy
- Increase employee engagement with culture initiatives

Checking in regularly

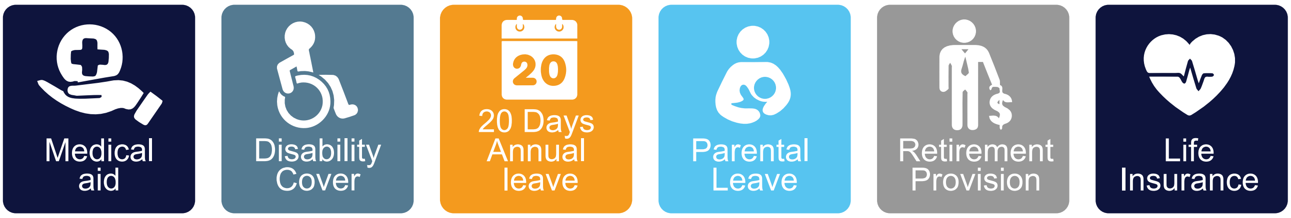
Our annual employee experience check-in survey helps us determine our employees' needs and whether they are met during the year. Our 2024 survey achieved an excellent 82.13% response rate – up from 89% in 2023.

Our employee net promoter score indicates overall employee satisfaction and loyalty and enables us to understand the underlying reasons contributing towards our employee sentiment. The score increased from 59% in 2023 to 67% in 2024.

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

Sustainability report (continued)

Employee benefits



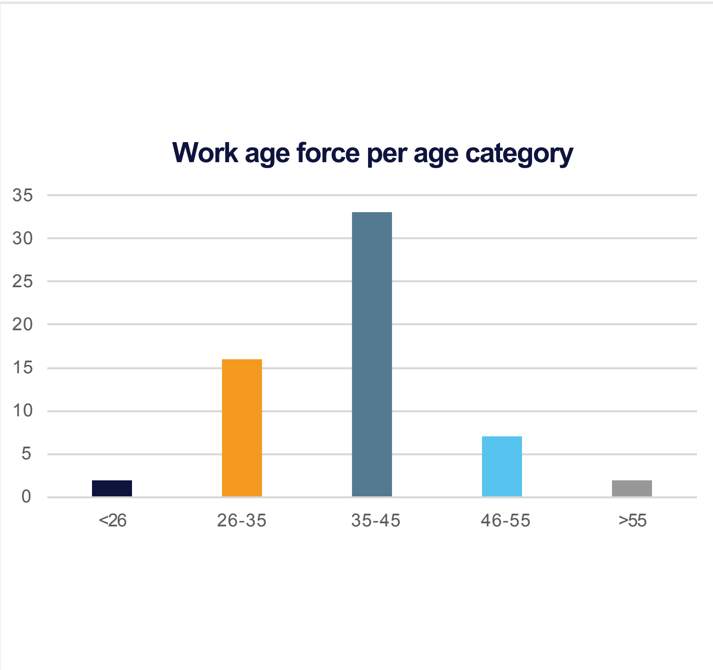
Internships, learnerships and bursaries
Our learnership and internship programmes allow matriculants and graduates to build a career in the financial services industry. In 2024, we enrolled two interns, of which one transitioned to a fixed term contract. This way, we keep exceptional candidates and grow our talent pipeline.

Our bursary programme allows employees to grow within their professional qualifications by obtaining a formal education in subjects relevant to their careers. In 2024 we had the following participation in conditional bursary program.

Year	2023	2022
Female	8	6
Male	6	7
Total	14	13

Succession Planning
An assessment on the impact of loss for critical roles within the business was conducted where the impact of loss on three out of the eleven critical roles was rated high and eight rated medium. There were three out of the eleven critical roles for which succession planning was completed and potential successors ready to take on the next roles. Eight of them were still in progress to be closed within a period of one to two years.

• Identifying young emerging talent (under 35) enables us to consider and identify talent deeper in our pipelines, to drive transformation and manage our succession bench strength of key leadership roles.



• We focus on initiatives that proactively manage retention, such as developing "the stay conversation", a practice and tool that enables and empowers leaders in managing retention of key talent. This tool will provide us meaningful insights and trends that can inform our investment in talent.

Sustainability report (continued)

Leadership
We invest a significant portion of our skills spend in developing leaders across all levels of the business. Our growth mindset programme continues to build our leadership initiatives on the principles of growth, inclusivity and psychological safety. Our leadership effectiveness programmes aim to help leaders and teams lead themselves, implement our culture and deliver our strategy effectively in the current Liberty context and beyond.

Improved performance management
In this fast-paced digital world, our success is determined by how well we connect with other people and through the conversations we have with those around us. This humanity is essential if we want to remain relevant, future-fit and high-performing. Our ability to have high-quality, impactful and meaningful conversations is Liberty's differentiator, and we encourage all employees to master this skill at all levels of the business. Our performance management system helps build this ability internally and with clients.

Financial peace of mind through education
We encourage our employees to achieve financial peace of mind by teaching them money management and planning, which is the foundation of financial literacy. Our Mind My Money masterclasses are a key pillar of our financial wellbeing strategy. They empower our people to adopt appropriate financial behaviours, such as avoiding and settling debt and creating a financial plan to guide their life journey.

Health and safety
Our health and safety policy spells out the different policies and procedures that Liberty follows to ensure that we provide a healthy and safe working environment for its most important resource which is People. We are responsible for the health, safety, and security of all our employees and customers. Our Risk and Compliance department takes responsibility with a specific focus on physical security. We continually assess and invest in the security of our stakeholders through world-class technical and operational systems, process, and procedures.

The Company premises are installed with firefighting equipment, smoke detectors, cameras and access door control system, alarm system, security lights and are guarded throughout the day and night and has emergency fire exits that are well labelled and easily accessible. The office premises are also air conditioned to offer a good ambience to all stakeholders. All company safety equipment is regularly serviced and tested for reliability. A well-stocked first aid box is available for use in emergency cases.

Some of the liberty staff members after a wellness aerobics workout.

There are extra precautionary measures put in place like emergency exits and fire extinguishers for the safety of Liberty members at the office in case of a calamity.

Sustainability report (continued)

Media

Media is a voice for society on responsible business conduct. The media expects transparent business practices and access to Liberty's management. During the year we engaged with various media houses to deliver thought leadership messages such as financial literacy talks on both television and radio stations such as UBC and NBS business shows, NRG Radio, KFM and Capital FM. We further had engagements on our social media handles mainly Twitter, TikTok, LinkedIn and Instagram. We also had various publications done through the New Vision, Daily Monitor, Finance and Trade Magazine and the Independent Newspapers regarding our services and performance. Our engagement on the various social media platforms in 2024 was as summarised below.

The head of marketing, Mrs Julie Murungi Okwi (L) and the MD, Mr Joe Almeida (R) at NRG radio for a financial literacy talk show.

Platform	Followers	Posts	Reach	Engage-ment	Leads Gathered	Leads Converted	TOTAL API
Facebook	10,416(-46)	57	18.2K+	99	0	0	0
Twitter(X)	2,604(+34)	158	n/a	978	7	1	7,800,000
Instagram	1242 (+67)	127	+9.5k+	21.1k+	12	0	0
Linkedin	2058(+226)	144	n/a	9.2k+	5	1	2,400,000
Tiktok	4518(+404)	60	n/a	109k+	-	0	0

Sustainability report (continued)

Organised business & professional bodies

Liberty is a member of various bodies such as Uganda Insurers Association, Forum for South African Business in Uganda (FOSABU), Agriculture Insurance Consortium, KACITA and Uganda Chamber of Mines and Petroleum and the staff are members to various professional bodies. Organised business and professional bodies act as a key conduit to organising business or industry role players on matters of common interest. They expect Liberty to act responsibly and pay our membership fees. Subscription fees to all the bodies as at 31st December 2024 was fully paid.

Key engagements during the year

Engagement with Women In Insurance (WIN)

Liberty women hosted the WIN executive represented by their president Hajjat Sebyala Aphwa.They discussed improving the insurance sector performance through identifying and addressing gender specific challenges that hinder ladies from progressing to the highest positions within the industry. Liberty Uganda further participated in the 5th edition of the Women in Insurance Convention and was a silver sponsor, a milestone celebration of half a decade of empowering women in the industry. The event highlighted Liberty's continued support for gender inclusion and leadership in insurance.

The MD, the Joseph Almeida (only gentleman on first row dressed in black shirt) poses for a group Photo with the WIN president, Hajjat Sebyala Aphwa (to his right) and the rest of the Liberty ladies after the WIN engagement session.

Hosting the South African High Commissioner

In commemoration of the above day, we had the distinct privilege of hosting Her Excellency Lulama Xingwana, the South African High Commissioner, at our head office on April 17th, 2024. Further to this, Her Excellency Lulama Xingwana invited Liberty as a member of FOSABU to the South African Freedom Day celebrations which were held on 30th, April,2024 and we attended this event.

The Liberty Exco team welcomes the South African High Commissioner, Her Excellency Lumala Xingwana (center, holding book) to the Liberty office.

Liberty Exco team attends the South African Day celebrations.

Sustainability report (continued)

2024 Financial Reporting (FiRe) Awards IRE Awards 2024

These were organized by the Institute of Certified Public Accountants of Uganda (ICPAU), to celebrate excellence in financial reporting, rewarding organizations that met International Financial Reporting Standards (IFRS) and demonstrated strong ESG principles. The 2024 winners were announced at a dinner on November 5, 2024, and Liberty was announced winner of the Insurance Companies – Life Business Award. The FiRe Awards aim to promote transparency, integrity, and accountability in financial reporting and encourage best practices among organizations in Uganda.

Our Country Head of Finance, Mrs Musiime Joan Mwondha(2nd left) poses for a photo with the FiRE Awards official (1st left), together with Hajarah(2nd right) and Joanita(1st right) from the Liberty finance team at the awards ceremony.

The Actuarial Association of Uganda's (TAAU) IFRS 17 Training

In November 2024, we sponsored and participated in the IFRS-17 training hosted by TAAU. This sponsorship was part of a commitment to fostering collaboration between the finance and actuarial communities and ensuring improved financial reporting practices under IFRS 17.

From L-R, Kenneth, Joan, Hajarah, Justin and Bolton from the Liberty finance team attend the IFRS 17 training.

Sustainability report (continued)

Regulators
We regularly engage with regulators, either directly or through industry bodies, and attend compliance management forums that enable us to identify and analyse emerging trends within the industry, along with any risks or opportunities that may arise ensuring that our business remains responsive and agile. With our combined risk and assurance departments assuring our internal controls, and external assurance providers supplying independent oversight, we ensure that compliance within Liberty remains a priority.

Regulators, policy, and lawmakers govern financial stability, market conduct and law-making and expect compliance from business. 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.

Managing our capital levels not only promotes regulatory compliance but also facilitates business growth, encourages client confidence, and creates value for our shareholders and other stakeholders. Our capital risk measures are those regulatory requirements applicable to our industry. Our capital adequacy requirement for 2024 was 360% (2023:358%) which was above the regulatory minimum of 200%.

Our capital position remains strong under the new Risk based regulatory regime and we place great importance on constructive and effective relationships with our various regulators.

There were no new insurance regulations released in 2024. The existing regulations released in summarised below are in still in force and applicable for the Company.

1) Insurance (Insurance Training College) Regulations 2020
2) Insurance (Licensing and Governance) Regulations 2020
3) Insurance (Reinsurance) Regulations 2020
4) Insurance (Fees) Regulations 2020
5) Insurance (Mobile Insurance) Regulations 2020
6) Insurance (Index Contracts) Regulations 2020
7) Insurance (Capital Adequacy and Prudential Requirements) Regulations 2020

We paid all our statutory obligations to Uganda Revenue Authority, National Social Security Fund, Kampala Capital City Authority (KCCA – for Local Service Tax).

We continued to engage with our tax consultants during the year on various tax issues to remain compliant.

We on a continuous basis engaged both URA and NSSF while sourcing for tax and social security contributions clearances that are needed while bidding for insurance services.

All required clearances were duly obtained. The taxes paid during the year were to the tune of Shs 7.6 billion (2023 -Ushs 5.2 billion).

The Insurance Regulatory Authority of Uganda (Annual Membership and Deposit Contribution), Uganda Insurers Association (Annual Membership) and the Insurance Training College of Uganda (Annual Membership, Training Levy and C.O.P fees for our agents and staff) were paid on time.

The Annual Contribution for 2024 was Ushs 969 million (2023 -Ushs 859 million). The 2024 license application was successfully submitted to IRA and all the necessary clearances were received from our stakeholders (Uganda RE, Insurance Training College of Uganda and the Uganda Insurers Association). All necessary returns to IRA were filed and communications from them adequately replied to. Interactions with the Registrar of companies also happened throughout the year and these included filing of annual company return and registration of Board of Directors resolutions.

Sustainability report (continued)

Key highlights:

Training levy paid to ITC – **2024 – shs 335M** **Vs 2023 – shs 286M**

Annual deposit contribution to IRA – **2024 – shs 969M** **Vs 2023 – shs 859M**

Local Service Tax paid to KCCA – **2024 shs 6.5M** **Vs 2023 shs 5.6M**

NSSF contributions paid – **2024 shs 1BN** **vs 2023 shs 939M**

Taxes paid to URA – **2024 – shs 7.6BN** **Vs 2023 – shs 5.2BN**

Key engagements.

ESG in Insurance Regulation Capacity Building Workshop
Liberty participated in the ESG in Insurance Regulation workshop hosted by the IRA under the theme "Integrating ESG in the Insurance Industry." We had an opportunity to engage with the regulator and other industry players on the topic for the day.
As a brand committed to sustainability, we continue to align with ESG principles ensuring a resilient future for Uganda's insurance sector.

Ms Bonita Barungi (L) from our marketing team with one of the officials at the ESG conference.

Participation in the annual Insurance Innovation Awards
On the 15th of March 2024, Liberty participated in the Insurance Innovation awards hosted by the Insurance Regulatory Authority of Uganda (IRA) at the Kampala Serena Hotel. We were honoured to win the Judges Special award for Afya plan, an innovative low cost product offering various life benefits mainly funeral and hospital cash cover.
We are grateful for our clients' belief in us and for embracing our products.

Mrs Juliet Murungi Okwi (2nd left) recieves the award from Alhaj Dr. Kaddunabi Ibrahim Lubega (2nd right), CEO IRA Uganda at the ceremony.

Sustainability report (continued)

Participation in the annual Insurance Gala

The Insurance Training College (ITC) hosted the 2024 Insurance Industry Sports Gala on June 29th at Kampala International School. The event, co-organized by industry regulators and associations, offered Liberty Insurance employees a chance to network and participate in various sports and team building activities. Joining an event co-organized by regulators and associations showcases Liberty Uganda's commitment to industry-wide collaboration.

Liberty staff participate in various activities at the annual insurance industry sports gala.

Annual Uganda Insurers Association (UIA) Agency Awards

We were pleased to be part of the 13th Annual UIA Insurance Agents Awards, which took place on April 27th, 2024, at Speke Resort Munyonyo. We acknowledged and appreciated the role of agents as catalysts of change in the insurance industry.

Liberty agents pose for a photo with the certificates recieved.

Sustainability report (continued)

Combating financial crime

We have dedicated and sophisticated group forensics, anti-money laundering, compliance and risk department that prevents, detects, and investigates fraud, financial crime, misconduct, theft, and corruption. Our fraud risk management policy details the processes and procedures we follow to prevent, monitor, and report fraud and corruption, including whistleblowing and conflict of interest policies. With a zero tolerance for fraud and corruption, we cultivate a culture of honesty and integrity within our organisation. All employees and agents of Liberty engage in fraud awareness and fraud risk training.

In 2024, we trained our 60 staff members on fraud awareness, and they all successfully completed the fraud risk programme on our e-learning platform. Our group forensics department issues a monthly newsletter that highlights new trends and emerging risks. The newsletter also provides information to help protect the business against these risks.

Investors

Investors provide capital to fund the company's operations and meet regulatory capital requirements, allowing business continuity and growth. Liberty is committed to creating sustainable economic value to enable its long-term vision. Our shareholders entrust us with their capital and expect competitive returns and capital appreciation on their investment. Maximizing shareholder value is key to our sustainability. Liberty prioritises ongoing sustainability above short-term maximisation of profits. We are fully committed to generating competitive and sustainable value for our shareholders.

Liberty's main lines of business that generate value are long-term insurance, health, and group risk insurance. We create additional value through the efficient management and investment of available capital (the financial capital held for regulatory requirements).

The nature of the long-term insurance business means that a high percentage of contracts extend well over 15 years, with variable terms that depend on events outside management control (such as policy lapses or the death of a client). Comprehensive valuation models that include forecasting of future long-term trends in investment markets and policyholder behaviour are therefore necessary to determine value and assess performance.

Under the new IFRS 17 reporting framework, Liberty made a net profit of Shs 3.74 billion for 2024 compared with a net profit (restated) of Shs 3.67 billion in 2023. The shareholder investment portfolio (SIP) asset value was Shs 10.7 billion for the year compared to Shs 9.8 billion in 2023. Return on equity was 14% compared to 15% for 2023. The value of new business (VNB) margin was at 5.2% compared to 4.2% in 2023.

More details on the financial performance of the Company are detailed in the Financial review on page 35.

The annual report and Annual General Meetings are also some of the ways in which contacts are maintained with the shareholders. The Board approved a dividend payment of Ushs2bn for the year 2024.

Caring for the planet for future generations

As a responsible corporate citizen, we are committed to playing a meaningful role in society, which includes understanding and managing our environmental impacts. We do this by focusing on both our direct and indirect impacts, where we can be a catalyst for change.
yu
We stringently monitor, measure, and analyse electricity supply, water usage and waste management throughout our business. We have comprehensive awareness campaigns aimed at positively influencing our employees' behaviour to assist our efforts to reduce consumption of scarce resources.

Sustainability report (continued)

We also assess the environmental impact of our supply chains and find measures to enhance our SEE strategy.

We continue to find innovative ways to save resources by reducing our energy and water usage and the waste we generate. We have an extensive resource management programme in place to guide our approach to renewable energy, water and waste efficiency, and initiatives aimed at reducing our footprint.

Managing our waste responsibly
At Liberty, we are committed to responsible waste management and continue to explore ways to minimise our impact on the environment by reducing our waste through initiatives such as installing composters and eliminating the use of plastics in our office. We appoint responsible and reputable contractors to dispose off or recycle our waste effectively, educate our employees, and encourage responsible behaviour. A waste assessment conducted in 2024 identified several opportunities for us to manage our waste more responsibly. managing organic waste at site.

In 2024, our printing and stationery costs were amounting to Ushs 24 million up from Ushs 20 million in 2023. We used 520kgs of paper in 2024 compared to 540kgs in 2023. We continue to promote power saving by use of energy saving equipment and energy saving bulbs across all our branches. In 2024 our energy consumption was 13,123 units up 14% from 11,520 units in 2023 due to various cost containment measures initiated by management.

Total water consumption at Liberty was down 3% to 116 units in 2024 from 120 units in 2023 due to cost containment measures initiated by management. Water consumption includes usage in kitchens and toilets.

Our waste management process involves dealing with the waste generated from day-to-day operational activities, food consumption, wear and tear of computer and office equipment, obsolete furniture and fixture and newspapers. For the year 2024, we saved 20 Kg of paper, 768 units of electricity and 16 units of water due to more efficient operation practices.
Overall, Liberty's carbon footprint is reducing due to the environmental projects we have participated in over the past few years. There has also been a reduction due to the impact of working remotely during the pandemic, however, we are cognisant that part of our carbon footprint has been transferred to our employees' homes and will again increase when employees return to the office.

Saying goodbye to single-use plastics
Our continued focus is to analyse the progress of this initiative at work and subsequently identify the steps we need to take to achieve zero plastic bags at our office. Part of this initiative is to create awareness of our own behaviour, and to educate our employees and clients on the risks for the environment associated with single-use plastics.

In 2024, we introduced an initiative to reduce single-use plastics. Posing a massive threat to the environment, these plastics take between 10 and 1 000 years to break down into microplastics, wreak havoc on ecosystems and eventually enter our food systems. To play our part, we removed all plastic cutlery, containers, and polystyrene cups from our office premises.

Liberty's governance around climate related risks and opportunities
Liberty's board is ultimately responsible for the effective governance of risk management and ensures that clearly defined risk management roles and responsibilities are in place for the CEO who is supported by the exco, various subcommittees and key functions. The board has delegated to the Audit and risk committee oversight of risk, capital management, and management of Liberty's approach to issues of, among others, good corporate citizenship, and sustainability

Looking ahead, Liberty expects to establish a groupwide ESG forum to further identify and monitor ESG-related matters, including climate-related risks and opportunities.

Sustainability report (continued)

Climate-related risk and opportunity impacton strategy and financial planning
The most significant risk to Liberty soon is potential reputational damage if we are seen as not responding adequately to threats relating to climate change, including those relating to the transition to a low-carbon economy. Stakeholder activism might increase in the short to medium term as society demands more environmentally friendly business practices, products, and services. It is unlikely that any direct, physical climate change-related risks will have a material impact on our business in the short term. However, responding to climate change-related risks remains a priority for the Company.

For ESG-related factors are a material investment consideration in line with its principles for responsible investing, an ESG forum was established to improve ESG awareness and culture across various investment platforms. Liberty also actively participates in opportunities to finance more sustainable investments.

Capital transformation and outcomes
Social and relationship capital
This capital includes relationships with key stakeholders, and the trust between the organisation and its stakeholders, including its brand reputation. Common values and behaviours underpin stakeholder relationships.
Tax paid-Shs 7.6 billion one of Uganda's large taxpayers
Annual Deposit Contribution paid to IRA Uganda Shs 969 million

Human capital
- Absolute numbers, discrete skills and the experience of employees all play a role in delivering on an organisation's purpose. Leadership, motivation, and a common sense of purpose underpin human capital.
- Employee gender profile 48% Female 52% Male
- Total Salaries and staff costs Shs 8.1 billion
- Employee satisfaction survey from 42% to 59%.

Intellectual capital
Liberty's intellectual capital includes our ability to manage insurance and other types of risk. Our skill in asset and liability matching underpins our ability to fulfil promises made to our clients, including whole life insurance benefits and embedded investment guarantees.

- Seven times winners of the Financial Reporting Awards in the Insurance category
- 2024 Winner – Judges Special Award – awarded by IRA Uganda (Church of Uganda app)

Financial capital
A sound capital base supports our operations
- Liberty's financial capital includes:
- Equity – Shs 25.9 billion
- 14% Return on investment

Shs 22.5 billion financial assets under investment

Manufactured Capital
Liberty has the following digital and physical infrastructures used in service delivery to its customers.
- Three Agent office in Jinja. Mbarara, Kakira and Kampala
- Online claims reimbursement portal
- Over 100 health service provider networks
- Diligent online board packs portal
- Liberty online retail system
- Everest and Orbit policy administration systems
- SAP and Fusion accounting systems

Natural Capital
Liberty enjoys several natural resources such as air, water, energy, and the natural environment.
- Participation in One Million Tree planting campaign.
- Print if a must campaign

Managing value creation
We manage the value creation process through our governance and management structures. Governance structures are designed to ensure that Liberty, through its employees and financial advisers, meets clients' expectations, acts ethically, is effectively controlled, delivers sustainable financial performance, and grows its brand and legitimacy.

Sustainability report (continued)

The Board is ultimately responsible for the continuous focus on provision of value over time for our stakeholders and the company's continued impact on economy, the social framework, and the environment. At the board and committee meetings carried out during the year, the Managing Director keeps the Board of Directors updated on the activities we have undertaken across each of our focus areas, as well as how we are striving to create shared value for our stakeholders.

Management structures focus on our strategic value drivers and respond to identified material matters. Our governance structures and processes are fully aligned to the principles and practices of King IV Report on Corporate Governance (King IV ™*).

Liberty's approach to remuneration is to promote the achievement of its client centric strategy, while considering the management of the risk, capital, and liquidity of the group. It also encourages individual performance through the setting and administration of a group policy that articulates and gives effect to fair, responsible, and transparent remuneration. Liberty's remuneration policy ensures as far as possible that employee and shareholder interests are aligned.

Our customer fairness principles are embedded in the business. Liberty's social, ethics and transformation committee ensures we prioritise client outcomes and customer fairness. The customer fairness committee makes decisions on customer fairness matters that have significant financial, operational, policy or stakeholder impacts on the business.

The product approval committee ensures effective and efficient groupwide governance of decisions relating to new product development and alterations to existing products, considering related risks, return on capital and customer fairness.

An overview of how our products create value

Our business model is based on developing products that ultimately create financial freedom and peace of mind for our clients during unforeseen circumstances. We believe in forming strong partnerships and we have experience in creating solutions that work for and benefit our existing partners. We work together with our partners to understand their needs, and the needs of their customers, so that we can design appropriate solutions.

Investing in Innovation to meet customer needs

We aim to simplify, connect, and enhance client experiences using Agile work methodologies. The adoption of the Agile methodology for software development and deployment allows Liberty's technology team to deliver incrementally throughout the year rather than provide complete solutions at some future date. We understand that the needs of our customers continue to change, both as they move through their life stages and as existing technology evolves. By understanding our customers' needs, both current and future, and then investing in the necessary innovation to meet these needs, we can offer advice and develop solutions that are attractive, affordable and deliver on our promise of creating financial freedom.

Risk products

Risk products, such as long-term insurance, provide financial protection in the wake of major life events, including critical illness, disability, retrenchment, or death. Risk cover provides value to clients by allowing them a measure of protection against the financial disadvantages that can occur when life throws something unwanted or unexpected their way. Clients can meet their obligations and, along with the promise of financial security, much of the burden of social spending is removed from government.

Investment products

With a varied portfolio of investment products, we help our clients save for themselves. While contributing to the capital required to grow the economy by saving for a personal goal (such as retirement), investors also personally benefit from the growth of their investment. Consumer spending supports the economy and helps ease the retirement burden on the government. Our soma plan Education Saver product was invested in the Sanlam Investments Limited money market fund

Sustainability report (continued)

effective 1st February 2024 and for January 2024 and prior periods, it was still held with ICEA Lion Asset Management. We created sustainable value for our clients by providing a return of 10.9% on amounts invested. The fund value was Ushs 922 million as at end of December 2024 (2023 – Ushs 643 million).

Value created for our stakeholders
We believe that for a company to be successful in creating shared value, it must acquire a deep understanding of the problems it is trying to solve and the customers it is hoping to serve. Liberty's approach to value creation is premised on the relationships we establish, build, and sustain and our ability to manage a variety of risks for both clients and us. In this section we provide the reader with feedback on our performance and value created in 2024 for each of our primary stakeholders.

Value added statement for the year ended 31st December 2024

Value Added	2024 Ushs'000	% of wealth Created	2023 Ushs'000	% of wealth Created
Insurance service result	12 801 688	101%	11 467 572	97%
Net investment income	2 835 960	22%	2 182 081	19%
Administrative and other (losses)/ income	9 869	0.08%	159 059	1.35%
Net insurance finance expenses	(283 273)	(2%)	(72 750)	(0.6%)
General marketing and administration expenses	(2 649 416)	(21%)	(1 943 138)	(16%)
Wealth created	12 714 828	100%	11 792 824	100%
Distribution of Wealth				
Employees	562 790	4%	470 963	4%
Government	1 566 849	12%	1 780 349	15%
Shareholders	7 502 291	59%	6 501 226	55%
Retention to support future business growth	3 082 898	24%	3 040 286	26%
	12 714 828	100%	11 792 824	100%

Our CSR Strategy
Our CSR initiatives and socio-economic development programmes empower communities to make informed decisions through education and financial literacy. We believe the path to financial freedom includes exposing individuals to the tools they need earlier, giving them the power to manage their futures and create financial wellbeing.

Our principles guide us in acting with humanity and doing what matters:

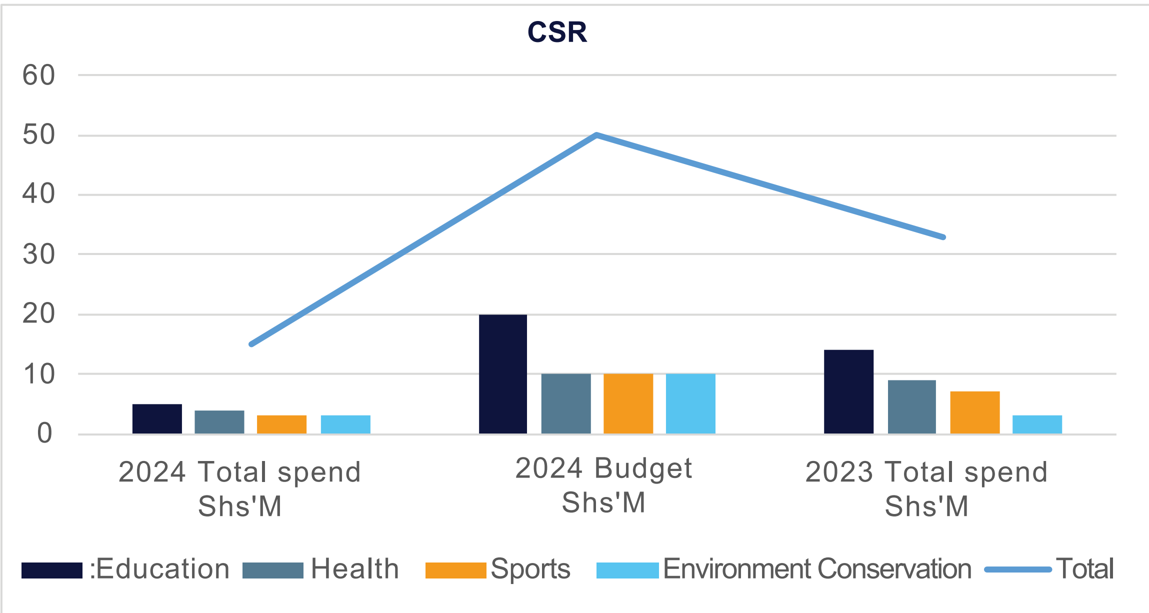
- Enabling enhanced performance in literacy and numeracy
- Providing tools for people to manage their futures and create financial wellbeing
- Empowering communities to make informed and prudent decisions through financial education
- Reaching disadvantaged or inadequately serviced communities
- Creating a shared culture of passionate employee volunteerism

Sustainability report (continued)

The total budget for CSR activities in 2024 was Ushs 50 million for CSR activities in various sectors mainly education, improved health care, environmental conservation, and sports contribution.

	Contribution towards education
	To contribute towards achievement of improved health care for less disadvantaged persons
	Contribution towards environmental conservation strategy; and
	Support towards the development of sports.

Details on the performance of the 2024 CSR program was as below.



The specific CSR initiative undertaken in 2024 was as summarized as below. Details on these have been included in the report above under key engagements with various stakeholders.

- Participation in the rotary cancer run.
- Sponsorship of the ghetto kids Uganda – for both medical and education insurance.
- Contribute to financial literacy through our MMM program.
- Tree planting Campaign.
- Sponsorship of the Tamil Sangam event under the Indian Association of Uganda.
- Donation to religious institutions.

Liberty Life Assurance Uganda Limited
Registration number 75913
Incorporated on 06 September 2005

Annual Report and Audited Financial Statements
for the year ended 31 December 2024

LIBERTY
In it with you

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DIRECTORS´ REPORT

Mr. Joseph Almeida
Managing Director

Directors' Report
The directors of Liberty Life Assurance Uganda Limited ("the Company") have pleasure in presenting their report together with audited annual financial statements of the Company for the year ended 31 December 2024.

1. General review
The Company's main business is long term insurance, health, and group risk insurance services. The Company commenced business in April 2007 and is licensed by the Insurance Regulatory Authority of Uganda to carry on its business.

2. Financial results
The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, Insurance Act Cap. 191 and Insurance Regulations, of Uganda. The accounting policies have been applied in consistency with those applied in prior years unless stated otherwise.

The Company's results for the year are set out in the statement of comprehensive income.

3. Share capital
Under section 6 of the Insurance Act Cap. 191 of Uganda, the Company is required to have a minimum paid up capital of four billion and five hundred million Uganda Shillings in the case of a Life (long-term) Insurance business. The issued share capital as at 31 December 2024 was Ushs 4.5 billion (2023: Ushs 4.5 billion).

4. Dividends
During the year, the directors approved and paid an interim dividend of Ushs 2 billion or Ushs 44,444.44 per share (2023: Ushs 2 billion or or Ushs 44,444.44). The dividend was subject to deduction of withholding tax where applicable.

5. Holding company
The Company is 51% owned by Liberty Holdings Limited (South Africa).

6. Auditor
The Company's auditor, Ernst & Young, being eligible for reappointment, has expressed willingness to continue in office in accordance with Section 167(2) of the Companies Act Cap. 106 of Uganda and Section 51 of the Insurance Act Cap. 191 of Uganda.

7. Directors
The directors that held office during the year and to the date of this report are indicated under the General Information.

8. Approval of financial statements
The financial statements were approved and authorized for issue at the meeting of the Board of Directors held on 20th March 2025

By order of the Board,

Company Secretary

Statement of directors' responsibilities

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of Liberty Life Assurance Uganda Limited comprising the statement of financial position as at 31 December 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, Insurance Act Cap. 191 and Insurance Regulations, of Uganda. The Tax Procedures Code Act Cap. 343 requires a taxpayer with an annual turnover of Ugandan Shillings 500 million to furnish, with the taxpayer's return of income, audited financial statements prepared by an accountant registered by the Institute of Certified Public Accountants of Uganda (ICPAU). The financial statements are prepared by the Company accountant with the oversight of the directors.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement.

The independent auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap. 106, of Uganda and Insurance Act Cap. 191 of Uganda.

Preparation and approval of the financial statements

The accountant who prepared the Company's financial statements is CPA Joan Musiime – FM1667.

Accountant

The financial statements of Liberty Life Assurance Uganda Limited, as identified in the first paragraph, were approved by the Board of Directors and authorised for issue on .... March 2025.

Gerald Ssendaula **Joseph Almeida**

Building a better working world

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Independent Auditors report

TO THE MEMBERS OF LIBERTY LIFE ASSURANCE UGANDA LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liberty Life Assurance Uganda Limited ("the Company") set out on pages 126 to 202 which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Liberty Life Assurance Uganda Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, Insurance Act Cap. 191 and Insurance Regulations, of Uganda.

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Company and in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of the liability for incurred claims	
The value of the liability for incurred claims is the sum of the present value of expected future cash flows and a risk adjustment and was Ushs 7.7 billion as at 31 December 2024 (2023: Ushs 5.6 billion). The Company's approach for the classification of insurance contracts for the purpose of measurement of insurance liabilities consists of assessing the various terms and conditions of each product type and analysing the following: • Benefits offered under the contract, to ascertain whether there is any transfer of insurance risk from the policyholder to the Company; • Circumstances including risk events under which a benefit become payable to the policyholder; and, • Contract clauses such as the premium review, cancellation and termination clauses which are used to determine when the contract boundary or coverage period of the contracts ends. Most of the Company's products are eligible for the Premium Allocation Approach ("PAA") as the premiums are usually annually reviewable resulting in a contract boundary of 12 months, except for the education saver product and the deposit administration fund. The most significant assumptions made in the valuation of the liability for incurred claims as it relates to the Company's insurance contracts are the future cash flow projections and a risk adjustment for non-financial risk. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be	• Our audit procedures included, but were not limited to: • Understanding the Company's claims handling and reserve setting process and the related key controls. • Evaluating that the Company's policies on insurance contracts are in accordance with IFRS 17. • Involving our actuarial specialists to evaluate whether the actuarial valuation process and methodologies used by the Company are in accordance with the principles of determining liabilities for incurred claims, including the risk adjustment, under IFRS 17, and the assumptions and judgements applied by management are reasonably supported. • On a sample basis, we tested the data used in the model calculating the IBNR liability by comparing the data to the claims information in the underlying system such as date of loss, gross claim amount paid, gross outstanding claims amount and claim number. We assessed completeness of the data by testing the claims data in the underlying system and the data applied in the model used to determine the liability for incurred claims. On a sample basis, for outstanding claims, we tested the claims information recorded in the underlying system (such as loss event, claim estimate, and item being claimed) by tracing the claims to the relevant documentation which detailed the loss event. We further compared the claim values used by management to the loss assessment reports. We assessed the validity of the claims by agreeing the nature of the claim in the assessment reports to the insured item in the policy records.

Key audit matter	How our audit addressed the key audit matter
used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. The best estimate provision for liability for incurred claims relates to claim events that have occurred before or at the reporting date, whether the claims arising from these events have been reported (outstanding claims) or incurred but not reported claims (IBNR). The cash flow projections comprise estimates of all future claim payments, receivables from salvage as well as the directly attributable claims administration expenses arising from these events within the boundary of each group of contracts. 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. We considered the valuation of the liability for incurred claims to be a matter of most significance to the current year audit due to the following: • The significant judgement and estimation uncertainties in the future cash flow projections and the risk adjustment for non-financial risk; and • The magnitude of the liability. We also considered that the following disclosures on these contract liabilities are critical to the understanding of the financial statements: • Note 4G on accounting policies for insurance contracts • Note 5v on insurance risk management • Note 32 on the details on the related balances	We evaluated the adequacy of the Company's disclosures on liabilities for incurred claims in terms of IFRS 17 Insurance Contracts.

Independent Auditors report

TO THE MEMBERS OF LIBERTY LIFE ASSURANCE UGANDA LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Other Information

The directors are responsible for the other information. The other information comprises the information included on page 119, which includes the General Information, Directors' Report as required by the Companies Act Cap. 106 of Uganda and the Statement of Directors' Responsibilities, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information 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 an audit opinion or 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this 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 and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, Insurance Act Cap. 191 and Insurance Regulations, of Uganda, 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.

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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

Independent Auditors report

TO THE MEMBERS OF LIBERTY LIFE ASSURANCE UGANDA LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.

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 ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act Cap. 106, of Uganda, we report to you, based on our audit, that:

i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the 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 statement of financial position, income statement 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 Julius Rwajekare – P0307.

Ernst & Young

……………………………………..
Ernst & Young
Certified Public Accountants
Kampala, Uganda

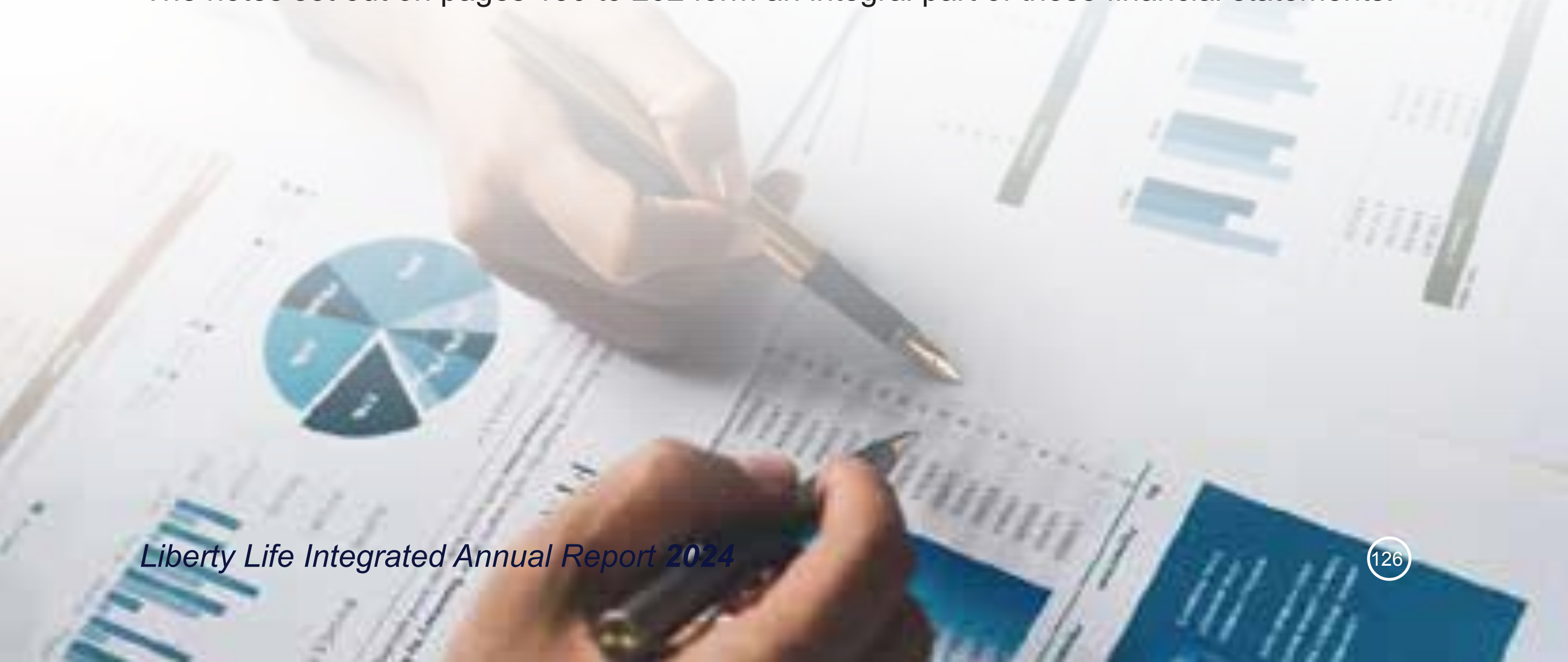
……………………..
Julius Rwajekare
Partner

28th March 2025

Statement of comprehensive income for the year ended 31 December 2024

	Note	2024 Ushs'000	2023 Ushs'000
Insurance revenue	6	67,097,530	57,294,001
Insurance service expense	7	(55,332,570)	(44,652,743)
Net insurance service result before reinsurance contracts held		**11,764,960**	**12,641,258**
Net income/(expense) from reinsurance contracts held	8	1,036,728	(1,173,686)
Insurance service result		**12,801,688**	**11,467,572**
Investment income on financial assets measured at amortised cost	9	2,837,369	2,191,686
Increase in expected credit losses on financial assets	9	(1,409)	(9,605)
Net investment income	9	**2,835,960**	**2,182,081**
Finance expense from insurance contracts issued	10	(383,912)	(72,763)
Finance income from reinsurance contracts held	11	100,639	13
Net insurance finance expense		**(283,273)**	**(72,750)**
Bancassurance commission and related expenses	12	(7,502,291)	(6,501,226)
Net insurance and investment result		**7,852,084**	**7,075,677**
Other income	13	9,869	159,059
Other finance costs	14	(174,214)	(253,935)
Decrease/(increase) in expected credit losses on premiums receivable from intermediaries	15	26,238	(9,423)
Other operating expenses	15	(2,675,654)	(1,933,715)
Profit before income tax	**17**	**5,038,323**	**5,037,663**
Income tax expense	18	(1,303,415)	(1,367,614)
Profit for the year		**3,734,908**	**3,670,049**
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		**3,734,908**	**3,670,049**

The notes set out on pages 130 to 202 form an integral part of these financial statements.



Statement of financial position as at 31 December 2024

	Note	2024 Ushs'000	2023 Ushs'000
ASSETS			
Cash and bank balances	19	5,039,856	5,660,709
Debt investments at amortised cost	20	22,591,260	19,499,150
Statutory security deposit	20	836,586	757,947
Equity financial asset at fair value through profit or loss	20	191,357	185,083
Unit trust investments	21	921,662	643,198
Other assets	22	5,801,633	4,776,654
Current income tax recoverable	18	138,718	152,033
Reinsurance contract assets	23	9,253,978	7,230,793
Property and equipment	24	731,401	538,749
Right-of-use asset	25	1,421,277	1,196,312
Deferred tax asset	26	1,435,311	1,158,562
TOTAL ASSETS		**48,363,039**	**41,799,190**
LIABILITIES AND EQUITY			
Liabilities			
Other liabilities	27	1,622,644	1,427,301
Employee benefits payable	28	562,790	470,963
Amounts due to related parties	29	260,180	109,322
Other financial liabilities	30	7,486,606	6,501,226
Financial liabilities under investment contracts	31	140,399	127,018
Insurance contract liabilities	32	10,506,738	7,309,334
Lease liabilities	25	1,832,997	1,638,249
Total liabilities		**22,412,354**	**17,583,413**
Equity			
Share capital	33	4,500,000	4,500,000
Retained earnings	35	21,450,685	19,715,777
Total equity		**25,950,685**	**24,215,777**
TOTAL EQUITY AND LIABILITIES		**48,363,039**	**41,799,190**

The financial statements on pages 126 to 202 were approved and authorized for issue by the Board of Directors on 20th March 2025 and signed on its behalf by:

....
Signature

Gerald Ssendaula

....
Signature

Mr.Joseph Almeida

The accounting policies and notes on pages 130 to 202 form an integral part ofthese financial statements.

Statement of changes in equity for the year ended 31 December 2024

	Note	Share capital Ushs'000	Capital reserve Ushs'000	Contingency reserve Ushs'000	Retained earnings Ushs'000	Total equity Ushs'000
Year ended 31 December 2024						
At the start of the year		**4,500,000**	**-**	**-**	**19,715,777**	**24,215,777**
Comprehensive income:						
Profit for the year		-	-	-	3,734,908	3,734,908
Total comprehensive income for the year		**-**	**-**	**-**	**3,734,908**	**3,734,908**
Dividend paid		-	-	-	(2,000,000)	(2,000,000)
At end of year		**4,500,000**	**-**	**-**	**21,450,685**	**25,950,685**
Year ended 31 December 2023						
At the start of the year		**4,500,000**	**1,728,037**	**5,917,039**	**10,400,652**	**22,545,728**
Comprehensive income:						
Profit for the year		-	-	-	3,670,049	3,670,049
Total comprehensive income for the year		**-**	**-**	**-**	**3,670,049**	**3,670,049**
Transfer of contingency reserve to retained earnings	34	-	-	(5,917,039)	5,917,039	-
Transfer of capital reserve to retained earnings	34	-	(1,728,037)	-	1,728,037	-
Dividend paid		-	-	-	(2,000,000)	(2,000,000)
At end of year 31 December 2023		**4,500,000**	**-**	**-**	**19,715,777**	**24,215,777**

During the year, the directors approved and paid an interim dividend of Ushs 2 billion or Ushs 44,444.44 per share (2023: Ushs 2 billion or 44,444.44 per share). The dividend was subject to deduction of withholding tax where applicable.

The notes set out on pages 130 to 202 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2024

	Note	2024 Ushs'000	2023 Ushs'000
Operating activities			
Cash generated from operations	36	4,534,923	4,002,663
Leases interest payments	25(b)	(85,872)	(133,893)
Withholding tax paid on interest on government securities	18	(504,189)	(338,273)
Income tax paid	18	(1,062,660)	(1,442,076)
Net cash flows from operating activities		**2,882,202**	**2,088,421**
Investing activities			
Purchase of debt investments at amortised cost	20	(26,839,666)	(24,409,241)
Redemption of debt investments at amortised cost	20	24,107,291	25,472,668
Interest received from debt investments at amortised cost	20	2,218,565	1,706,039
Investment in unit trusts	21	(370,644)	(151,349)
Proceeds from redemption of investment in unit trusts	21	177,622	91,298
Purchase of property and equipment	24	(374,645)	(273,207)
Net cash flows (used in) /from investing activities		**(1,081,477)**	**2,436,208**
Financing activities			
Payment of lease liability – principal	25(b)	(426,750)	(214,782)
Dividends paid		(2,000,000)	(2,000,000)
Net cash flows used in operating activities		**(2,426,750)**	**(2,214,782)**
Net (decrease)/increase in cash and cash equivalents		**(626,025)**	**2,309,847**
Cash and cash equivalents at 1 January		5,660,709	3,355,193
Effects of exchange rate variations on bank balances		5,172	(4,331)
Cash and cash equivalents at 31 December	**19**	**5,039,856**	**5,660,709**

The notes set out on pages 130 to 202 form an integral part of these financial statements.

Notes to the financial statements

1. Reporting entity

The Company is incorporated in Uganda under the Ugandan Companies Act as a private limited liability company and is domiciled in Uganda. The address of its registered office is:

For the Companies Act Cap. 106, of Uganda reporting purposes, the balance sheet and the profit and loss account are represented in these financial statements by the statement of financial position and the statement of comprehensive income respectively.

2. Basis of preparation

The 2024 financial statements of Liberty Life Assurance Uganda Limited have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, Insurance Act Cap. 191 and Insurance Regulations, of Uganda.

All amounts are shown in Uganda Shillings rounded off to the nearest thousand (Ushs'000), unless stated otherwise.

The financial statements have been prepared on a historical cost basis, except for financial assets that are carried at fair value and policyholder insurance contract liabilities which are measured as set out in the relevant accounting policies.

3. Changes in material accounting policies

The financial statements have been prepared in compliance with the standards and interpretations applicable for financial periods commencing on or after 1 January 2024.

New and amended standards and interpretations that were effective during the reporting period

The new and amended standards which are effective for annual periods beginning on or after 1 January 2024 had no impact on the Company's financial statements. These areindicated below;

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

New and revised International Financial Reporting Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards issued but not yet effective that are expected to have a material impact on the Company's financial statements

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual periods on or after 1 January 2027)

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual periods on or after 1 January 2027)

IFRS 18, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early adoption is permitted and must be disclosed.

The directors are still making assessments of the impact of the systems to the Company's financial reporting process and systems and intend to adopt the requirements when they become effective.

Standards issued but not yet effective that are not expected to have a material impact on the Company's financial statements

- Lack of exchangeability – Amendments to IAS 21 (Effective for annual periods on or after 1 January 2025)
- Classification and Measurement of Financial instruments- Amendments to IFRS 9 and IFRS 7(Effective for annual periods on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (Effective for annual periods on or after 1 January 2026)
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (Effective for annual periods on or after 1 January 2026)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures Effective for annual periods on or after 1 January 2027)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting)

4. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below.

A. Property and equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The cost of an item comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Maintenance and repairs, which neither add to the value of assets nor appreciably prolong their useful lives, are recognised in profit or loss.

The carrying amount of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment (calculated as the net difference between the net disposal proceeds and the carrying amount of the item) is recognised in the profit or loss under other income or other operating expenses respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is recognised in the statement of comprehensive income on the straight-line basis at rates appropriate to the expected useful life of the assets. Depreciation is calculated on the cost less any impairment and expected residual value. The estimated useful life applied is as follows:

Item Average useful life

Fixtures, furniture and fittings 8 years
Motor vehicles 5 years
Office equipment and office machines 8 years
Computer equipment 5 years

There has been no change in useful lives from those applied in the previous year. The residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

B. Impairment

Financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial asset is impaired. The Company holds assets in this category including cash and bank balances, unit trust investments, government securities and term deposits.

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the company about the following events:

i. significant financial difficulty of the issuer or debtor;
ii. a breach of contract, such as a default or delinquency in payments;
iii. it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
iv. the disappearance of an active market for that financial asset because of financial difficulties; or
v. observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the company, including:
   - adverse changes in the payment status of issuers or debtors in the company; or
   - national or local economic conditions that correlate with defaults on the assets in the company.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held to maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price less cost to sell.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed in profit or loss.

Impairment of other non-financial assets

Intangible assets and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss immediately when incurred for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

C. 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.

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 Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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 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

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 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

Notes to the financial statements (Continued)

impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. The Company holds assets in this category including cash and bank balances, unit trust investments, government securities and term deposits.

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 profit or loss. This category includes equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in profit or loss when the right of payment has been established.

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:

a) The rights to receive cash flows from the asset have expired; or
b) 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) 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.
The Company has no financial assets at fair value through OCI as at 31 December 2024.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.
Financial liabilities held under this category include financial liabilities under investment contracts, trade payables/liabilities, amounts due to related parties, lease liabilities and other financial liabilities.

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.

iii) Offsetting

Financial assets and financial 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 IFRS.
The Company did not have any financial assets and liabilities offsetting.

D. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. Cash and cash equivalents comprise balances with bankers, highly liquid short-term funds on deposit and cash on hand but do not include money market securities held for investment. Balances included in this category are those with original maturity dates of three months or less from the date of acquisition. These balances are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of their short-term commitments.

Bank overdrafts that are payable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purposes of the cashflows.

E. Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets to the holder. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds of the equity issue.

F. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Proposed dividends are disclosed in the financial statements and reported as a reduction to equity when declared and approved by the shareholders.

G. Insurance and reinsurance contracts

Background to actuarial valuation of insurance liabilities

The actuarial valuation of insurance liabilities determines the amount of technical reserves required to be set aside to provide clients the benefits promised to them under their policies when they are due (on death, surrender, maturity, etc.). The calculation of the actuarial liabilities is done in compliance with the relevant actuarial, IFRS and regulatory guidance for each reporting basis.

The timing and amount of the benefits promised to policyholders is uncertain. Hence, best estimate assumptions are set based on experience, current trends and expectations of the future following the assumption setting policy approved by the Company's directors.

IFRS17 has been applied and this provides guidance on the calculation of technical insurance liabilities in order to achieve the profit release that is in line with the insurance coverage provided to policyholders.

IFRS17 requires setting up the best estimate liabilities, the risk adjustment (to reflect the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils its insurance contracts obligations) and a contractual service margin (CSM) which represents the unearned profit the entity will recognise as it provides services under the insurance contracts. For the Company, the risk adjustment on short-boundary contracts has been calculated at 75% confidence level and at 90% confidence level for long boundary contracts in alignment with the Liberty Group approach.

The Insurance Regulatory Authority of Uganda approved that insurers adopt IFRS17 effective 1 January 2023. There has not yet been any extensive review of the existing regulatory guidance on the calculation of the technical insurance actuarial liabilities under the regulatory solvency basis to harmonise this with the IFRS 17. Given that the reserving methodologies and margins that were prescribed in the existing Ugandan regulatory guidance, the Insurance (Capital Adequacy and Prudential Requirements) Regulations 2020) were linked to IFRS 4, the directors have assumed that the technical insurance liabilities for solvency purposes will continue to be aligned with the IFRS basis. Hence, the technical actuarial liabilities for the solvency basis statement of financial position have been consistently calculated based on the IFR 17 basis.

Majority of insurance contracts sold by the Company are annually renewable or allow for premium rates to be reviewed on a regular basis (i.e., short boundary contract business) with no long-term premium guarantees. These have been measured under the Premium Allocation Approach (PAA) measurement approach under the IFRS 17 guidance. The PAA liabilities held comprise of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC) which are computed gross of reinsurance. The corresponding reinsurance leg of these liabilities are also calculated, and these are the Asset for Remaining Insurance Coverage (ARIC) and the Asset for Incurred Claims (AIC). A Risk Adjustment (RA) liability is also held against the applicable PAA liabilities.

The Company also sells predominantly investment products with some risk benefits which have been measured under the Variable Fee Approach (VFA) under the IFRS 17 guidance. The reserves held for these VFA contracts comprise of the Best Estimate Liabilities (BEL) also known as the Present Value of Fulfilment Cash flows (PVFCF) which can further be broken down into the Unit Fund BEL and the Non-Unit BEL as well as the Contractual Service Margin (CSM) and the Risk Adjustment (RA).

Further, the Company has some pure investment contracts with no investment return guarantees. These were measured using the IFRS 9 guidance where the reserve held is essentially an accumulation of contributions net of withdrawals plus actual investment returns (net of charges).

Assets in excess of all the technical

insurance policyholder liabilities and other liabilities represent the shareholder funds. Part of these funds must be held as capital to protect the solvency of the Company in the event of extreme experience shocks (Required Capital as per the Risk Based Solvency requirement). Shareholder funds must exceed the Required Capital at all times, even after an extreme experience shock. Shareholder funds in excess of the Required Capital are the Free Assets.

Measurement of the LRC - Initial recognition
The LRC at initial recognition is equal to the premium received at initial recognition, as well as an allowance for the additional PAA liability if the group is onerous. This is a retrospective calculation.

Measurement of the LRC – Subsequent measurement
At the end of each subsequent reporting period, the Company calculates the carrying amount of the LRC as the carrying amount at the start of the reporting period, plus premiums received in the reporting period, less insurance revenue recognised over the period, plus any adjustment to the financing component and/or additional PAA liability, if applicable.

Insurance revenue is the amount of expected premium receipts allocated to each period. This allocation will either be based on the passage of time, or the release of risk if this is not linear over time. If expected premiums and actual premiums differ over the reporting period, a residual liability for remaining coverage asset or liability will remain. This will be stored until the debtor is removed.

Insurance service expenses – Initial recognition
Insurance service expenses arising from insurance contracts are recognised in profit or loss when they are incurred. They exclude repayments of investment components and comprise the following items:

- Incurred claims
- Directly attributable expenses
- Amortisation of insurance acquisition cash flows
- Losses on onerous contracts and reversals of such losses
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses

For onerous contracts, the additional PAA liability will be raised through Insurance Service Expenses at initial recognition.

Insurance service expenses – Subsequent measurement
When the above amounts are incurred, they will be incurred as Insurance Service Expenses (ISE) and raised in the Liability for Incurred Claims (LIC) until settled or until the obligation to pay has been extinguished. The release or re-estimation of the additional PAA liability will be incurred as ISE as well.

In terms of IFRS 17, defined insurance liabilities are measured under existing local practice at the date of adoption of IFRS 17. Given that the Company is part of the Liberty Holdings (based in South Africa), the Company has adopted the South African Practice Guidance Notes (PGNs) issued by the Actuarial Society of South Africa to determine the liability in respect of insurance contracts issued in Uganda.

Incurred But Not Reported (IBNR) claims
Provision is made in the policyholders' liabilities under insurance contracts for the estimated cost of claims outstanding at the end of the year, including those IBNR claims at that date.

IBNR provisions are calculated using run-off techniques or as a multiple, based on the average historical reporting delay, of the claims reported in the month following the valuation date but where the claims event occurred prior to the valuation date. These liabilities are not discounted due to the short-term nature of outstanding claims. Outstanding claims and benefit payments are stated gross of reinsurance.

Liability adequacy test
At each reporting date the adequacy of the insurance liability is assessed. If that assessment shows that the carrying amount of insurance liabilities (as measured under the FSV basis) is inadequate in light of the estimated future cash flows (based on the best estimate basis underlying the FSV basis), the deficiency is recognised in profit or loss.

Insurance revenue
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. Deposit (investment) components of contractual premiums are excluded from insurance revenue.

For contracts not measured under PAA, the Company recognises insurance revenue as it satisfies its performance obligations or as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM
The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

Net expenses from reinsurance contracts
comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the

allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance finance income and expenses
Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the discount rates determined on initial recognition of the group of contracts. and for insurance finance income or expenses arising from the CSM, the discount rates determined on initial recognition of the group of contracts.

H. Premiums receivable from intermediaries

The Company contracts intermediaries including insurance brokers specifically to advertise and sell its insurance products to its clients. The Company holds the underwriting licence to issue insurance products to its clients before the intermediary can enter into an insurance contract with clients. Without the underwriting licence the intermediary cannot provide insurance products to clients. The Company has the contractual obligation to provide insurance services under the contract which an intermediary entered into with the clients on its behalf. An intermediary is therefore merely acting as an agent. Therefore, the Company is acting as principal in all issued insurance contracts advertised and sold by the intermediary. The Company is obliged to fulfil its obligations to the policyholder under the insurance contract for all premiums paid to the intermediary.

The payment of the premium by the policyholder to the intermediary discharges the Company's right to payment from the policyholder under the insurance contract, hence the Company is unconditionally obliged to fulfil its contractual obligations to the policyholder. The said unconditional obligation is with respect to the requirement for the policyholder to pay a premium.

The right to receive premiums from the intermediary is a separate right not arising under an insurance contract. Therefore, that right falls within IFRS 9 as it meets the definition of a financial asset. That is, on payment by the policyholder to the intermediary, the insurer (the Company) reduces the expected fulfilment cash inflows used to measure insurance assets and liabilities and recognises a separate receivable from the intermediary in terms of IFRS 9.

At initial recognition, the Company measures the premium debtor due from the intermediary as a trade receivable at its fair value being the total amount of premiums collected by the intermediary and not yet paid to the insurer within the group. At subsequent measurement (i.e., the end of such period in which the premium is due to the Company), the premium receivable from intermediaries is measured at amortised cost using the effective interest method. No financing component is adjusted for, as this is deemed to be insignificant due to the outstanding balance generally being paid over to the Company by the intermediary in less than a year. Premium receivable from intermediaries is subjected to expected credit loss provisioning in accordance with IFRS 9.

I. Investment income

Investment income for the Company comprises interest and dividend income. Interest income and expenses for interest-bearing financial instruments measured at amortised cost or at fair value through other comprehensive income, are recognised within investment income and finance costs in profit or loss using the effective interest rate method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Dividends are recognised as income when the Company becomes legally entitled to them.

J. Employee benefits leave pay

The Company recognises a liability for the amount of accumulated leave if the Company has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Incentive schemes

Incentive scheme bonuses are recognised as expenses as incurred when the Company has a present legal or constructive obligation and the amount can be reliably measured.

K. Current and deferred taxation

The tax expense for the period comprises current income and deferred 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 reporting 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.

Deferred 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 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 neither accounting nor taxable profit nor loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred 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 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 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.

L. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation of uncertain timing or amount, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

M. Leases

At the 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 a consideration.

As a lease

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 the leased asset.

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 the 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.

Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

The Company presents right-of-use assets and lease liabilities on the face of 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

Notes to the financial statements (Continued)

short-term leases and low value leased assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

N. Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Insurance and reinsurance contracts

Except for the direct participation insurance contracts measured using the VFA, the Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Refer to Notes 23 and 32 for further disclosures on insurance and reinsurance contracts, including the carrying amounts.

Liability for remaining coverage
Insurance acquisition cash flows: Where eligible, the Company chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is applicable for insurance contracts issued within product lines that have a coverage period of one year or less. The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Acquisition costs are deferred for the insurance contracts issued within the group credit life single premium scheme whereby premium is paid once upfront but covering risk for the entire loan period. The Company's other insurance contracts are issued within product lines that have a coverage period of one year or less and for these, the Company chooses to recognise insurance acquisition cash flows as an expense immediately as incurred.

Onerous groups: For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money: For the insurance contracts that are more than 1 year, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by period, but can also be further analysed by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Liability for incurred claims analysis

The table below shows a split of the liability for incurred claims between insurance products where there is limited uncertainty in claim amount or where the uncertainty is typically resolved within twelve months and insurance products where the nature of the product leads to uncertainty about the amount and timing of claim payments typically extending beyond twelve months. The temporary or permanent disability claims (disability income benefit claims) incurred under the Company’s permanent health incapacity product is the main product for which uncertainty typically extends beyond twelve months. Disability income benefit policies are offered to employers and individuals. These provide regular payments to claimants during periods of disability lasting longer than the selected waiting period. Claim payments continue until the earliest of recovery, death, and selected benefit termination age (collectively referred to as claim termination). Educator policies are provided to employers and individuals. These policies provide benefits designed to cover a life assured's children's education costs in the event of the death and/or disability of that life assured.

The risk adjustment is included to obtain the aggregate liability for incurred claims by reportable groups.

Notes to the financial statements (Continued)

At 31 December 2024	Life risk measured under PAA Ushs'000	Reinsurance contracts held Ushs'000	Net of reinsurance Ushs'000
Balances excluding risk adjustment component:			
Life insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within 12 months	6,908,287	(9,277,202)	(2,368,915)
Life insurance classes - uncertainty typically extends beyond 12 months	424,639	(178,081)	246,558
Disability income benefits claims in payment	424,639	(178,081)	246,558
Risk adjustment component	356,969	(258,537)	98,432
Total liability for incurred claims	**7,689,895**	**(9,713,820)**	**(2,023,925)**

At 31 December 2023	Life risk measured under PAA Ushs'000	Reinsurance contracts held Ushs'000	Net of reinsurance Ushs'000
Balances excluding risk adjustment component:			
Life insurance classes - limited uncertainty in claim amount or uncertainty typically resolved within 12 months	4,828,061	(3,087,807)	1,740,254
Life insurance classes - uncertainty typically extends beyond 12 months	294,812	(122,066)	172,746
Disability income benefits claims in payment	294,812	(122,066)	172,746
Risk adjustment component	455,515	(302,598)	152,917
Total liability for incurred claims	**5,578,388**	**(3,512,471)**	**2,065,917**


LIBERTY
In it with you
We have your back every step of the way.

Liability for incurred claims (continued)
Expected future payments by year have been shown below for payments relating to the disability income benefit claims as this is the main product for which uncertainty typically extends beyond twelve months. Typically, the Company knows about disability income benefit claims either during the waiting period or soon after. The primary uncertainty with this class of business is the future claim termination experience. Hence, rather than show claims development triangles based on historical data, undiscounted future expected cash flows are shown based on best estimate claims termination assumptions. Stressed cash flows are also shown to indicate the impact of claim termination experience being 8% worse than expected.

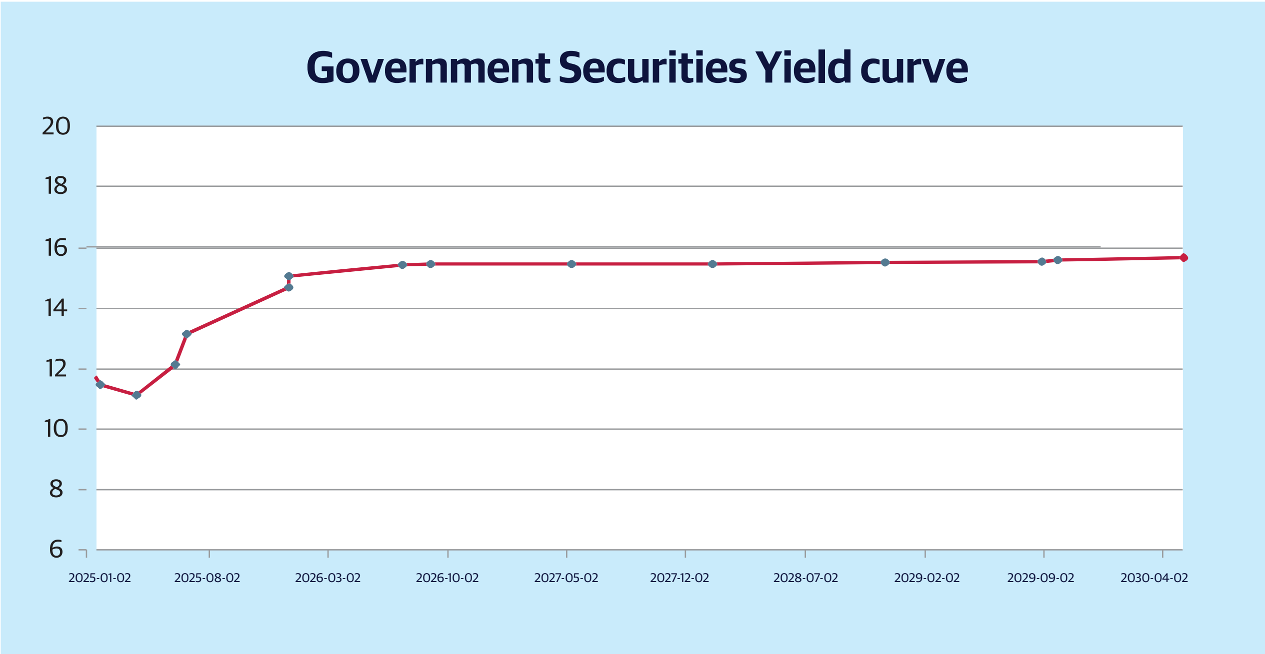
At 31 December 2024	Expected gross of reinsurance claim payments	Expected net of reinsurance claim payments	Stressed gross of reinsurance claim payments	Stressed net of reinsurance claim payments
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Within 1 year	106,345	55,078	106,345	56,193
1-2 years	106,345	55,078	106,345	56,193
2-3 years	106,345	55,078	106,345	56,193
3-4 years	106,345	55,078	106,345	56,193
4-5 years	106,345	55,078	106,345	56,193
Over 5 years	1,670,254	865,063	1,670,254	882,567
Effect of discounting cash flows	(1,777,340)	(893,895)	(1,768,102)	(911,479)
Total disability income benefit liability for incurred claims (excluding risk adjustment component)	**424,639**	**246,558**	**433,877**	**252,053**

At 31 December 2023	Expected gross of reinsurance claim payments	Expected net of reinsurance claim payments	Stressed gross of reinsurance claim payments	Stressed net of reinsurance claim payments
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Within 1 year	54,564	29,930	75,597	54,107
1-2 years	50,824	28,075	70,616	51,085
2-3 years	48,479	26,979	67,734	49,314
3-4 years	46,825	26,265	65,896	48,180
4-5 years	45,518	25,744	64,574	47,372
Over 5 years	651,431	401,425	803,540	757,748
Effect of discounting cashflows	(602,829)	(365,672)	(799,289)	(808,746)
Total disability income benefit liability for incurred claims (excluding risk adjustment component)	**294,812**	**172,746**	**348,668**	**199,060**

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.

The discount rates applied were based on the treasury bond yield curve below:



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 and 90% confidence level for long boundary contracts. 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.

Group risk business

This includes group life, decreasing term, funeral and critical illness business. For the bancassurance products, the Company holds an unearned premium reserve (UPR), being the outstanding premium in respect of single and annual premium products. This is determined as proportionate outstanding premium after allowance for commission and initial expenses. In addition, a provision for future renewal expenses and a contingency margin made. Initial and renewal expenses are assumed to be split equally.

Group deposit administration

The group deposit administration liabilities are calculated as the amount of the funds at the valuation date, being the accumulated premiums plus investment returns.

Profit share

Allowance has been made in respect of the profit share agreement relating to the group life policy in place with MTN Uganda and Stanbic Bank Uganda Limited. The allowance was calculated in line with the profit share agreement. The presented assets are taken at market value and the published assets and liabilities are shown gross of reinsurance.

Premiums receivable from intermediaries

The Company has elected to apply IFRS 9 for premiums receivable from intermediaries. The Company reviews these receivables to assess impairment at least on annual basis. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivables. This evidence may include observable data indicating that there has been an adverse change in the payment status of debtors.

Management uses estimates based on historical loss experience for receivables with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The Company further uses days past due to determine the appropriate impairment losses from premiums receivable from intermediaries. All receivables that are past due by more than 180 days are deemed fully impaired.

Refer to Note 22 for further disclosures on premiums receivable from intermediaries, including the carrying amounts.

Financial assets at amortised cost
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, derived as a product of Exposure at Default, Probability of Default and the Loss Given Default (LGD).

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Refer to Note 20 for further disclosures, including the carrying amounts.

5. Risk management

i. Introduction

The Company's main objective is to provide value to shareholders through a long-term sustainable real return on capital as a result of taking business risks within an appropriate risk framework. The Board of Directors (''Board'') acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies, and ensuring sufficient capital is held to support taking of risk.

The Company continually updates its vision, strategy, values and business objectives and the requirement for a robust risk management process is critical in ensuring the sustainability of the business model. The directors of the Company unanimously support the long-term creation and protection of the wealth of its policyholders and shareholders.

The Company's main activity from a risk-taking perspective is to provide long

Notes to the financial statements (Continued)

term insurance risk cover to individual, corporate and group schemes. The Company's core competency is to understand the life and long-term insurance risk needs of individuals and design sustainable products that provide financial security to policyholders and their families in times of sickness, death and disability.

The key elements of risk management are:

- Maintaining sufficient economic capital and liquidity to withstand most risk events;
- Understanding the significant economic and non-economic variables in product design;
- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the Company;
- Influencing the business environment by being active participants in the relevant regulatory and business forums;
- Keeping abreast of technology and consumer trends and investing capital and resources where required; and
- Establishing an appropriate risk framework of authority that management with the risk parameters acceptable to the Board.

One of our key risk management objectives is to continue to develop, implement and entrench a sustainable risk ethic and philosophy throughout the Company.

Risk management is performed by the Company's management under the oversight of the Board. The risk management principles and policies applied are consistent with those applied in the wider Liberty Group as approved by the Liberty Holdings (South Africa) Group Risk Committee (GRC), and the Group Audit and

• The sections are structured as follows:	Section
• Enterprise-wide risk management (ERM)	ii
• Risk appetite and capital management	iii
Risk categories:	
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• Insurance	v
• Financial risk (market risk, credit risk and liquidity risk)	vi
• Operational	vii
• Reputational	viii
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The Company offers a comprehensive range of financial products and services to both the individual and corporate markets, distributing tailored risk and insurance products. It is through the prudent taking and management of the risks inherent in the production, distribution and maintenance of these products and services that the business generates returns to shareholders. These risks are defined under the Risk Taxonomy disclosures. Solvency risk is considered to be of primary importance, even though it arises from risk events that occur in other risk classes defined in the

group's risk taxonomy and is therefore considered to be a "consequential" risk. It is defined as the risk that the Company does not have sufficient assets to cover its liabilities and capital requirements.
The Company's approach to ERM therefore has as its objective the managing of solvency risk whilst earning sustainable, acceptable shareholder returns.
This framework includes the following components:

- Governance and clearly defined roles and responsibilities;
- Risk appetite and capital management to shape and support risk in the business;
- A risk taxonomy to define risks inherent in the Company's businesses; and
- Frameworks and supporting processes to manage each risk class.

a) Risk governance structures, roles and responsibilities

Recognising that clear accountabilities for the management of risk are fundamental to the success of any risk framework, the Company has an ERM governance structure which is complemented by governance processes. The Board of Liberty Life Uganda as well as the Liberty Group, through its Liberty Africa Insurance division ensures that sufficient oversight and governance structures are put in place with respect to the Company. These oversight and governance structures play a key role in assisting the Board of the Company with mitigating regulatory, liquidity, solvency and market risks.

Governance and the 'three lines of defence' model

The Company has adopted a 'three lines of defence' model for managing risk. This model defines the roles, responsibilities and accountabilities for managing, reporting and escalating risks and issues throughout the Company. The model incorporates the oversight, management and assurance of risk management, essentially giving three independent views of risk in the Company. The implementation of this model ensures that risk management is embedded in the culture of the Company and provides assurance to the Board and senior management that risk management is effective.

Roles and responsibilities within the governance model

The roles, responsibilities and accountabilities for managing, reporting and escalating risks and issues differ throughout the Company's 'three lines of defence'. These have been defined as follows:

Oversight
Board of directors and key sub-committees
The Board of Directors has direct oversight of the Company's operations and risk management activities. It is assisted in this regard by the Investment Committee as well as the Audit and Risk Committee.

Three lines of defence

The "three lines of defence" that support Risk Management objectives are as follows:

First line — Business Unit Management

Business unit management are responsible for:

- Managing day-to-day risk exposures by using appropriate procedures and internal controls.
- The effectiveness of risk management and risk outcomes and for allocating resources to execute risk management activities.
- Tracking risk events and losses, identifying issues and implementing remedial actions to address these issues.
- Reporting and escalating material risks and issues to the Board or other governance bodies.

They have the authority to manage capital and market risk within their approved mandates and may also recommend the taking of risk beyond their mandate for the approval of the Board.

Second line – Statutory Actuaries and the Risk function

Statutory actuaries: The statutory actuaries have a duty under the Insurance Act to carry out actuarial investigations and to report on those investigations. It is also their duty to ensure that they have satisfied themselves that each legal entity remains solvent and able to meet liabilities at all times; they report on the solvency of these legal entities to the Board and independent auditor, to whom they have unrestricted access.

From a risk management point of view, the statutory actuaries identify and monitor the risks faced by the Company which could have a material impact on the Company's ability to meet policyholder liabilities, and advise management if they believe that the policyholder liabilities are not being or will not be met.
Risk function: The risk function of the Company is responsible for assisting senior management and the Board to meet their obligations in terms of managing risk. The risk function develops the risk framework, policies, processes, systems and limits. The risk function provides independent oversight of risk management, reporting and escalating material risks and issues to the Board committees and sub- committees as necessary.

Third line – Assurance

The third line of defence comprises the Company's assurance functions who provide an independent, accurate and balanced view of risk from each of the three lines of defence to the governance bodies within the Company.

Group Internal Audit Services (GIAS): The Company does not have its own internal audit function. Internal audit services are provided by GIAS. GIAS is responsible for providing independent and objective assurance to management and the Board on the adequacy and effectiveness of the Company's risk management, governance, business processes and controls. GIAS is responsible for validating compliance to the Company'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.

External Auditor: The external auditor has a statutory duty to report their independent opinion to the shareholders on the Company's financial statements. They also report to the Board of the Company on any weaknesses in accounting and operational controls, which come to their attention during their audits.

b) Risk taxonomy

The Board has approved the risk categories that reflect the diverse nature of the business activities. These risk categories form the Company's risk taxonomy and cover the range of risks to which the business is exposed to.

The risk taxonomy allows management and the Board of the Company to develop specific frameworks and policies covering the management of each risk as well as to obtain accurate, reliable and expeditious information with which to measure and monitor risks.

The Company integrated risk framework has been built around the following clearly defined risk categories:design;

1	2	3	4	5	6
Strategic and busuness risk	Insurance risk	Market risk	Credit risk	Liquidity risk	Operational Risk
Solvency Risk					
Reputation Impact					

These risks are discussed in detail in the various section that follow in this report.

Notes to the financial statements (Continued)

iii. Risk appetite and capital management
a. Risk appetite

Risk appetite is defined as the amount of risk taking that is acceptable to an organisation. Risk appetite refers to the organisation's attitude towards risk taking and whether it is willing and able to tolerate a high or low level of exposure to specific risks or risk groups.

Within the Company, the risk appetite decision is fundamentally driven by the dual, but at times conflicting, objectives of creating shareholder value through risk taking, while providing financial security for the interests of policyholders and clients through the Company's ongoing solvency.

The level of financial security provided to policyholders and clients has been determined as being the Company's target minimum capital adequacy requirement. While excessive amounts of capital will effectively guarantee the interest of policyholders and clients, this will not deliver efficient returns to shareholders.

An internal target of 3.0 times the minimum statutory capital adequacy requirement has been considered, by the Board, as adequate from a solvency perspective. An absolute floor of 1.5 times the statutory capital adequacy requirement has also been set, which the Company would prefer not to breach at any stage. Should the capital adequacy cover be at risk of moving below this level, a cut in dividend (and potentially other management actions) would be considered. This allows for a significant buffer against adverse market conditions to protect the Company's solvency, but at the same time allows for efficient returns to shareholders. At present, the Company has achieved a level of 158% surplus (2023: 158%) for the capital adequacy ratio.

Thus, the risks accepted by the Company, as reflected in its strategic plans, are assessed in terms of their potential impact on shareholder returns and capital adequacy, particularly during the annual budgeting and planning process.

b. Capital management
Introduction

As explained above, capital adequacy is a key component in the Company's ERM, to:

- Support its risk-taking activities.
- Protect policyholders and clients by ensuring adequate assets are available to meet their entitlements.
- Fund working capital and strategic requirements.
- Maintain its operating life licences.

The amount of capital the Company holds is an important measure used by the industry regulator and the market to assess the financial strength of the Company. Essentially capital management focuses on the capital needed, based on the Company's risk appetite, and how that capital is funded. The funding allocation impacts the Company's cost of capital.

Capital requirements

Under section 37 of the Insurance Act Cap. 191 of Uganda, the Company is required to have a minimum paid up capital of four billion five hundred million Uganda Shillings in the case of a life (long- term) insurance business. The issued share capital as at 31 December 2024 was Ushs 4.5 billion (2023: Ushs 4.5 billion).

Under the Insurance Act of Uganda, the Insurance Regulatory Authority of Uganda ("IRA") is mandated to use Risk Based Supervision (RBS) as a supervisory approach of regulating licensees for both insurance companies and HMOs on a risk sensitive basis. In 2019, IRA introduced a framework for RBS of licensed companies to be implemented in a phased manner between 2019 and 2024. Capital adequacy under the RBS framework is measured based on requirements adapted from the Solvency 2 framework of the European Union which are enshrined in the Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2020. The regulations require insurance companies to maintain capital resources for various risks including credit risk, market risk, operational risk, concentration risk, liquidity risk, and insurance risk which are determined based on specifications set out in the regulations.

Notes to the financial statements (Continued)

The Company had a capital surplus of 160% (2023: 158%) as shown below:

	Note	2024 Ushs'000	2023 Ushs'000
Capital available	a)	22,712,682	21,501,013
Less: Capital required	b)	(6,300,359)	(6,000,000)
Capital surplus		16,412,323	15,501,013
Capital Adequacy Ratio		360%	358%
Less: Prescribed Capital Adequacy Ratio		(200%)	(200%)
Capital surplus (%)		160%	158%

In view of the RBS framework, the Company is deemed to have complied with capital requirements as at year-end.

Capital available under the RBS framework is computed as the sum of the total equity for the period less deductions as follows:

	Note	2024 Ushs'000	2023 Ushs'000
Tier 1 Capital			
Share capital	33	4,500,000	4,500,000
Retained earnings		21,450,685	19,715,777
Contractual Service Margin (20% of CSM)	34	69,858	-
		26,020,543	**24,215,777**
Tier 2		-	-
Total capital		**26,020,543**	**24,215,777**
Less: Deductions			
Deferred tax asset	26	(1,435,311)	(1,158,150)
Current tax recoverable		(138,718)	(152,033)
Prepaid expenses	22	(1,000,500)	(841,185)
Sundry debtors	22	(1,931)	(127,432)
Motor vehicle		(78,478)	-
Computer equipment		(170,120)	(177,338)
Furniture, fittings and office equipment		(482,803)	(258,214)
Total deductions		**(3,307,861)**	**(2,714,352)**
Available capital [Tier 1 capital + (Min of tier 1 capital and tier 2 capital) – deductions]		**22,712,682**	**21,501,425**

b)Capital required

Capital required under the RBS framework is a maximum of the Total Risk Based Capital (computed as the square root of the sum of the squares of market risk, credit risk, insurance risk and operational risk) and the absolute minimum capital required

	2024 Ushs'000	2023 Ushs'000
Capital required	6,300,359	6,000,000

iv. Strategic risk

Strategic risk is the risk of adverse outcomes resulting from a weak competitive position or from a poor choice of strategy, markets, products, activities or structures. Major potential sources of strategic risk include revenue and cost volatility owing to factors such as macroeconomic conditions, changes in regulation, inflexible cost structures, reputation or brand, uncompetitive products or pricing and structural inefficiencies.

Accountability for strategic risk

The risk is primarily mitigated through the development and implementation of an effective strategic plan. The board is responsible for agreeing the Company's objectives and the strategies and plans for achieving those objectives. The Board approves any subsequent material changes in strategic direction, as well as significant acquisitions, mergers, take-overs, divestments of operating companies, equity investments and new strategic alliances by the company or its subsidiaries. The Chief Executive Officer is responsible for the development of the strategic plan and implementing the approved strategic plan at entity level.

b) Risk identification

The Company's management continually review the strategy of the Company, with a formal annual review and refresh, taking into account the business, legal and regulatory environments in which the company and the wider group operates. Executive management identifies and assesses strategic and business opportunities and addresses the associated risks throughout the strategic planning process.

c) Risk management

Management monitor the external business environment (industry trends, regulations, customer behaviour, competitors) and report on risks and opportunities through the Company's risk reporting structure. The Board reviews the performance of the Company regularly and ensures that management takes corrective action to address potential strategic and business risks.

v. Insurance risk

a. Introduction
b.
Insurance risk is the risk that future experience will differ from expectations only in respect of: underwriting, customer behavior, expense, tax and new business factors. This risk relates specifically to the expectations employed in determining expected financial outcomes; limited to pricing, provisioning, risk measures and value measures.

The assumptions that have the greatest effect on the statement of financial position and profit or loss due to a higher likelihood of variation from estimates made are described below:

- **Mortality risk** is the risk of loss arising due to actual policyholder death experience on life assurance policies being higher than expected.
- **Morbidity risk** is the risk of loss arising due to policyholder health related claims being higher than expected.
- **Policyholder behavior risk** is the risk of loss arising due to policyholder's behavior in discontinuing, reducing contributions or withdrawing benefits prior to the expiry of the contract being worse than expected.
- **Expense risk** is the risk of loss arising due to the expenses incurred in administering polices being worse than expected.

Other risks which are not expected to have a material impact on the results in the short term include catastrophe risk, tax assumptions and the expected inflation of expenses.

The reinsurance treaties set in place will protect the Company's solvency from large individual claims and cumulative claims from catastrophic events.

The statutory actuary reports annually on the actuarial soundness of the premium rates in use for new business and the profitability of the business taking into consideration the reasonable benefit expectations of policyholders and the expected impact of the insurance and market risks.

The Company's expense ratios are progressively coming down due to growth in premium income with expense growth remaining under control. This is generating expense profits and with increased management focus on expense control, this should continue to be important source of future profits.

The health condition and medical history of applicants are assessed at inception of new contracts as part of the underwriting process and premiums and terms and conditions are varied accordingly. Special risks, such as hazardous pursuits and unusual medical conditions, are also assessed at underwriting stage. In addition, financial underwriting is used where necessary to determine insurable interest.

All applications for risk cover in excess of specified limits are reviewed by experienced underwriters and evaluated against established standards. Specific testing for HIV is carried out in all cases where the applications for risk cover exceed set limits depending on the risk classification of the applicants.

Policyholders have the option to discontinue or reduce contributions. As a result policyholder behaviour contributes to insurance risk.

An estimate of expenses necessary to administer the recurring contract periods of in-force policies are provided for in the determination of the policyholder liability.

The amounts provided are based on actual experience adjusted for non-recurring expenses and known variations to the future expense base.

The expense risk is that actual expenses over time exceed the charges obtained from the premium income.

Concentration of insurance risk
The concentration of insurance risk before and after reinsurance to the type of risk accepted is summarized below, with

	2024		2023	
Type of risk	**Gross amount Ushs'000**	**Net of reinsurance amount Ushs'000**	**Gross amount Ushs'000**	**Net of reinsurance amount Ushs'000**
Group life	594,769	471,251	607,330	575,786
Group funeral	79,349	79,349	31,228	31,228
Group credit life	3,376,448	2,718,465	1,469,582	1,450,708
Personal loan protection	362,665	362,758	385,192	385,192
Vehicle loan protection	332	332	1,993	1,993
Home loan protection	62,634	58,785	77,571	77,571
Credit card protection	8,154	8,154	2,419	2,419
Health	4,742,960	426,500	3,797,357	303,300
Permanent health insurance	390,569	203,189	345,759	206,250
Education saver	888,858	888,858	590,903	590,903
Total risk	**10,506,738**	**5,217,641**	**7,309,334**	**3,625,350**

Notes to the financial statements (Continued)

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities and profit after tax. The correlation of assumptions will have a significant effect in determining the ultimate insurance liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

i) Market assumptions

At 31 December 2024	Change in variable	Impact on ordinary shareholder equity and attributable profit after taxation Ushs'000	Impact on CSM (net of reinsurance and taxation) Ushs'000
Interest yield curve			
Up	+1²	12,379	18,080
Down	-1²	(12,633)	(7,041)
At 31 December 2023			
Interest yield curve			
Up	+1²	17,126	6,156
Down	-1²	(16,801)	(6,633)

ii) Insurance assumptions

At 31 December 2024	Change in variable	Impact on ordinary shareholder equity and attributable profit after taxation		Impact on CSM (net of reinsurance and taxation)
		Gross of reinsurance Ushs'000	Net of reinsurance Ushs'000	Ushs'000
Stress over contract term				
Mortality				
Assured lives				
Up	4.5%	873,041	175,130	13,287
Down	-4.5%	(873,041)	(175,130)	(13,287)
Morbidity				
Up	10%	1,110,702	55,035	-
Down	-10%	(1,110,702)	(55,035)	-
Withdrawals				
Up	10%	315,650	152,487	34,281
Down	-10%	(251,355)	(280,491)	(21,151)
Expense per policy				
Up	5.5%	657,928	657,928	13,808
Down	-5.5%	(657,928)	(657,928)	(13,808)

Notes to the financial statements (Continued)

At 31 December 2023	Change in variable	Impact on ordinary shareholder equity and attributable profit after taxation Gross of reinsurance Ushs'000	Net of reinsurance Ushs'000	Impact on CSM (net of reinsurance and taxation) Ushs'000
Stress over contract term				
Mortality				
Assured lives				
Up	4.5%	139,795	114,686	-
Down	-4.5%	(139,795)	(114,686)	-
Morbidity				
Up	10%	802,997	40,150	-
Down	-10%	(802,997)	(40,150)	-
Withdrawals				
Up	10%	145,317	140,429	-
Down	-10%	(145,317)	(140,429)	-
Expense per policy				
Up	5.5%	327,927	327,927	7,607
Down	-5.5%	(327,927)	(327,927)	(7,607)

At 31 December 2024	Change in variable	Impact on ordinary shareholder equity and attributable profit after taxation Gross of reinsurance Ushs'000	Net of Reinsurance Ushs'000	Impact on CSM (net of reinsurance and taxation) Ushs'000
Stress over the next 12 months only				
Mortality				
Assured lives				
Up	4.5%	873,041	175,130	13,287
Down	-4.5%	(873,041)	(175,130)	(13,287)
Morbidity				
Up	10%	1,100,702	55,035	-
Down	-10%	(1,100,702)	(55,035)	-
Withdrawals				
Up	10%	213,650	152,486	34,281
Down	-10%	(251,355)	(280,490)	(21,151)
31 December 2023				
Stress over the next 12 months only				
Mortality				
Assured lives				
Up	4.5%	276,307	220,514	16,913
Down	-4.5%	(276,307)	(220,514)	(16,913)
Morbidity				
Up	19%	1,925,739	35,867	-
Down	-19%	(1,925,739)	(35,867)	-
Withdrawals				
Up	21%	237,343	219,006	6,171
Down	-21%	(237,343)	(219,006)	(6,171)

vi. Financial risk management

a) Introduction

Financial markets risk refers to credit, market and liquidity risk collectively. In particular, the Company is exposed to market risk where the proceeds from its financial assets are not sufficient to fund the obligations arising from insurance contracts. This risk is termed as the policyholder asset-liability mismatched risk. The Company manages these positions within an asset liability management (ALM) framework that aims to match assets to the liabilities arising from insurance contracts by nature and term. For each distinct category of liabilities in terms of the ALM framework, a separate asset profile is maintained. For most categories of business, the ALM framework determines an asset class allocation. The Liberty Life Uganda Investment Committee determines investment mandates under the direction of the Board in line with the ALM framework.

b) Market risk

The risk of an unexpected change in the actual or effective market value of instrument, its future cash flows or earnings caused by adverse moves in market variables such as equity, bond, currency exchange rates, interest rates, properties, credit spreads, correlations and implied volatilities.

Policyholder liabilities — Liabilities in which the determination of the amount owing is not referenced entirely to specific assets. Liberty Life Uganda shareholders effectively are exposed to the market risks depending on the extent of the asset liability mismatch.

Ordinary shareholders — Assets that are specifically held to support the Company's capital base. The Company's shareholders assume the entire market risk related to these assets.

The table below summarises the Company's net exposure to insurance and financial assets. This exposure has been attributed to the effective "holders' of the risk defined as follows:

Risk category	Total per statement of financial position 2024 Ushs'000	2023 Ushs'000
Debt investments at amortised cost	22,591,260	19,499,150
Equity financial assets at FVTPL	191,357	185,083
Other assets (excluding prepayments)	4,370,011	3,776,469
Statutory security deposit	836,586	757,947
Cash and bank balances	5,039,856	5,660,709
Unit trust investments	921,662	643,198
Total financial and insurance assets	**33,950,732**	**30,522,556**

Interest rate risk

Interest rate risk is the risk arising from the yield curve deviating from the expected yield curve in both absolute value and the shape of the curve.

Fixed interest rate financial instruments expose the Company to fair value interest rate risk. Variable interest rate financial instruments expose the company to cash flow interest rate risk. The Company's fixed interest rate financial instruments are government securities and deposits with financial institutions.
Investment contracts with fixed and guaranteed terms, government securities and deposits with financial institutions held to maturity that are accounted for at amortised cost are not sensitive to changes in the level of interest rates.

Notes to the financial statements (Continued)

Interest rate risk sensitivity analysis

The table below summarises the Company's exposure to interest rate risk as at year-end:

	Average interest rate 2024	Average interest rate 2023	2024 Ushs'000	2023 Ushs'000
Unit trust investments	10.86%	12.54%	921,662	643,198

A +/-2 movement in the interest rates would have an impact of +/- Ushs 3.29 million on the 2024 profit (2023: Ushs 4.5 million). The Company has considered the Central Bank Rate change history as done by the Bank of Uganda which generally averages between 50 basis points to 200 basis points at each change instance. The Bank has considered to use 200 basis points in deriving the sensitivity analysis to interest rate changes.

Currency risk

In the ordinary course of business, the Company enters into transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. This is managed by matching/ tagging the liabilities with similar currency denominated liabilities.

The Company had the following significant foreign currency positions (all amounts expressed in Uganda Shillings):

	2024			2023		
	ZAR Ushs'000	USD Ushs'000	Total Ushs'000	ZAR Ushs'000	USD Ushs'000	Total Ushs'000
Amount due to related parties	(228,961)	-	**(228,961)**	(92,461)	-	**(92,461)**
Cash and bank balance	3,688	2,195	**5,883**	768	16,903	**17,671**
	(225,273)	**2,195**	**(223,078)**	**(91,693)**	**16,903**	**(74,790)**

At 31 December 2024, if the Ushs had weakened (-) / strengthened (+) by 5 % against the ZAR and the USD with all other variables held constant, post-tax profit for the year would have been higher or lower respectively, mainly as a result of foreign exchange gains / (losses) on translation of ZAR
and USD denominated related party transactions, as follows:

	2024		2023	
	ZAR	USD	ZAR	USD
+5% movement	205	(3,854)	4,585	(845)
- 5% movement	(205)	3,854	(4,585)	845

The Company has considered the annual official mid-rate change history as published by Bank of Uganda for the last four financial years 2024 inclusive which generally ranges 5% to 11%. The Bank has considered to therefore used 5% appreciation/depreciation in deriving the sensitivity analysis to foreign exchange rate changes.

Notes to the financial statements (Continued)

(c) Credit risk

The risk of adverse financial impact due to changes in the credit quality of obligations and/or the market pricing of credit risk. Credit risk can be sub-divided into credit default risk, spread risk and credit concentration risk.

Key areas where the Company is exposed to credit risk are:

- Bank balances
- Unit trust investments
- Other assets (Premium receivable from intermediaries, reinsurance recoveries and other debtors); and
- Debt instruments at amortised cost

The Company's investment and associated financial instruments that support policyholder liabilities were managed in-house by the Company's management.

Credit exposure

The Company has some concentration of credit risk in terms of insurance and other receivables due to the relative significance of the total value of debtors and bank balances with Stanbic Bank Group controlled entities. A number of cash transactions are done through Stanbic Bank Uganda Limited, a sister company. If a policyholder ceases to pay their premiums, as contractually required, any insurance risk would lapse.

The following table provides information regarding the aggregated credit risk exposure for the Company, for debt instruments categorised by credit ratings (if available) and insurance assets.

At 31 December 2024	AAA Ushs'000	AA Ushs'000	A Ushs'00	B+ Ushs'000	Not rated Ushs'000	Total carrying value Ushs'000
Debt investments at amortised cost	-	-	-	22,591,260	191,357	22,782,617
Other assets	-	-	-	-	4,370,011	4,370,011
Statutory security deposit	-	-	-	836,586	-	836,586
Unit trust investments	-	-	-	921,662	-	921,662
Cash at bank	-	-	-	-	5,039,856	5,039,856
Total assets bearing credit risk	**-**	**-**	**-**	**24,349,508**	**9,601,224**	**33,950,732**
At December 31 2023						
Debt investments at amortised cost	-	-	-	20,394,492	-	20,394,492
Other assets	-	-	-	-	3,116,463	3,116,463
Statutory security deposit	-	-	-	684,481	-	684,481
Unit trust investments	-	-	-	510,842	-	510,842
Cash at bank	-	-	-	-	3,355,193	3,355,193
Total assets bearing credit risk	**-**	**-**	**-**	**21,589,815**	**6,471,656**	**28,061,471**

The assets above are analysed according to internal credit ratings benchmarked to external rating agencies such as Fitch and Standard and Poor's. The rating scales are linked to long-term investment horizons as the Company cannot accurately determine the maturity of these assets due to volatility of the markets and policyholder behaviour, and have the following broad definitions:

Investment grade

AAA - Obligations are judged to be of the highest quality, with minimal credit risk and indicate the best quality companies that are reliable and stable.

AA - Obligations are judged to be of high quality and are subject to very low credit risk and indicate quality companies, although riskier than AAA.

A - Obligations are considered upper-medium grade and are subject to low credit risk although certain economic situations can more readily affect the companies' finance adversely than those rated AAA or AA.

B+ - Obligations are subject to moderate credit risk and indicate medium class companies, which are currently satisfactory.

Not rated - The Company considers and reviews credit risk on all financial instrument exposures, however in the case of certain instruments a formal investment grade is not assessed.

Stages of credit quality and measurement of expected credit losses

The Company evaluates financial instruments based on their credit characteristics and assesses any changes in credit risk since origination before grouping them into stages. The groupings are reviewed and updated on a regular basis. The table below shows the staging criteria applied across financial assets.

STEP 01

Performing
No significant change in credit risk since initial recognition

STEP 02

Underperforming
Significant increase in Credit risk since initiation. No objective evidence of impairment

STEP 03

Non-Performing
Financial instruments that have deteriorated significantly in credit quality since initial recognition.

Credit risk profile based on provision matrix

Debt investments at amortised costs	**2024 Ushs'000**	**2023 Ushs'000**
Stage 1	22,637,801	19,544,621
Total debt investments at amortised cost	**22,637,801**	**19,544,621**
Less: Expected credit losses	(46,541)	(45,471)
Net carrying amount	**22,591,260**	**19,499,150**

Statutory security deposit	**2024 Ushs'000**	**2023 Ushs'000**
Stage 1	838,304	759,504
Total statutory security deposit	**838,304**	**759,504**
Less: Expected credit losses	(1,718)	(1,557)
Net carrying amount	**836,586**	**757,947**

Cash and bank balances	2024 Ushs'000	2023 Ushs'000
Stage 1	5,044,895	5,665,570
Total cash and bank balances	**5,044,895**	**5,665,570**
Less: Expected credit losses	(5,039)	(4,861)
Net carrying amount	**5,039,856**	**5,660,709**

Standard Bank Group Limited credit risk concentration

Standard Bank Group Limited is Liberty Group Limited's ultimate holding company.

However normal credit processes are followed before any asset exposure is entered into with Standard Bank Group or its subsidiaries.

Standard Bank Group Limited (Standard Bank) credit risk concentration

At 31 December 2024	Overall Company investment Ushs'000	Exposure to Standard Bank Ushs'000	%
Financial instruments at amortised cost	22,591,260	224	0.0%
Statutory security deposit	836,586	-	-
Unit trust investment	921,662	-	-
Other assets	4,528,424	2,770,630	61.2%
Cash and bank balances	5,039,856	3,501,570	69.5%
Total exposure to Standard Bank Group	**33,917,788**	**6,272,424**	**18.5%**

At 31 December 2023			
Financial instruments at amortised cost	19,499,150	806,981	4%
Statutory security deposit	757,947	-	-
Unit trust investment	643,198	-	-
Other assets	3,930,229	-	-
Cash and bank balances	5,660,709	1,285,147	23%
Total exposure to Standard Bank Group	**30,491,233**	**2,092,128**	**7%**

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder.

The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The following is the maximum exposure to credit risk for insurance

and reinsurance contracts held:

At 31 December 2024	Receivable from intermediaries Ushs'000 Note 22	Reinsurance recoverable Ushs'000 Note 22	Reinsurance contract assets Ushs'000 Note 23	Total Ushs'000
Current	-	-	3,721,806	3,721,806
Past due but not impaired:				-
- by up to 30 days	3,822,459	-	291,201	4,113,660
- by 31 to 60 days	54,233	-	-	54,233
Total past due up to 60 days	3,876,692	**-**	291,201	4,167,893
Past due by >60 days	386,681	127,297	5,240,971	5,754,949
Total	4,263,373	127,297	9,253,978	13,644,648
At 31 December 2023				
Current	-	-	2,656,548	2,656,548
Past due but not impaired:				
	3,024,106	-	112,992	3,137,098
- by 31 to 60 days	11,350	-	123,727	135,077
Total past due up to 60 days	**3,035,456**	**-**	**236,719**	**3,272,175**
Past due by >60 days	220,483	552,098	4,337,526	5,110,107
Total	**3,255,939**	**552,098**	**7,230,793**	**11,038,830**

No collateral is held for any of the above assets. All receivables that are either past due or impaired are within their approved credit limits and no receivables have had their terms renegotiated. All receivables past due by more than 60 days are considered to be impaired and are carried at their estimated recoverable value.

(d) Liquidity risk

This represents the risk that the Company cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due (funding liquidity risk) or can only do so at materially disadvantageous terms (market liquidity risk).

Long term insurance companies are registered financial institutions and are required to hold minimum capital liquid assets to reduce policyholder exposure to the entity's liquidity risk.

Notes to the financial statements (Continued)

The table below summarises the maturity profile of the insurance liabilities and financial liabilities of the Company based on the remaining undiscounted contractual obligations.

Liabilities	0-3 months Ushs'000	Less than 1 year Ushs'000	1 year to 5 years Ushs'000	Over 5 years Ushs'000	Contractual cash flows Ushs'000	Carrying value Ushs'000
Insurance contracts	-	8,903,441	410,131	1,193,166	**10,506,738**	**10,506,738**
Financial liabilities under investment contracts	-	140,399	-	-	**140,399**	**140,399**
Other liabilities	562,790	-	-	-	**562,790**	**562,790**
Other financial liabilities	7,486,606	-	-		**7,486,606**	**7,486,606**
Employee benefits payable	1,096,597	-	-	-	**1,096,597**	**1,096,597**
Lease liability	-	525,400	1,694,469	-	**2,219,869**	**1,832,997**
Amounts due to related parties	-	260,180	-	-	**260,180**	**260,180**
	9,145,993	**9,829,420**	**2,104,600**	**1,193,166**	**22,273,179**	**21,886,307**

At 31 December 2023 **Liabilities**	0-3 months Ushs'000	Less than 1 year Ushs'000	1 year to 5 years Ushs'000	Over 5 years Ushs'000	Contractual cash flow Ushs'000	carrying value Ushs'000
Insurance contracts	-	6,271,057	269,729	1,239,882	**7,780,668**	**7,309,334**
Financial liabilities under investment contracts	-	129,310	-	-	**129,310**	**129,310**
Other liabilities	901,254	-	-	-	**901,254**	**901,254**
Other financial liabilities	6,501,226	-	-		**6,501,226**	**6,501,226**
Employee benefits payable	470,963	-	-	-	**470,963**	**470,963**
Lease liability	-	412,929	1,696,105	-	**2,109,034**	**1,638,249**
Amounts due to related parties	-	109,322	-	-	**109,322**	**109,322**
	7,873,443	**6,922,618**	**1,965,834**	**1,239,882**	**18,001,777**	**17,059,658**

Liquidity profile of financial assets

The liquidity of the Company’s assets is as illustrated below:

	2024 Ushs’000	2023 Ushs’000	2024 %	2023 %
Liquid assets	5,039,856	5,660,709	14%	19%
Medium assets	31,013,851	24,848,977	86%	81%
	36,053,707	**30,509,686**	**100%**	**100%**

Liquid assets are those that are considered to be realisable within one month (e.g., cash, term deposits) while medium assets are those that are considered to be realisable within six months (e.g., insurance and other debtors). The Company has the option of meeting unexpected short-term liquidity gaps by accessing medium assets like fixed deposits and unit trust investments.

Notes to the financial statements (Continued)

Liquidity risks arising out of obligations to policyholders

The following tables indicate the liquidity needs in respect of cash flows required to meet obligations arising under insurance contracts.

A liability is held with respect to the LIC and LRC portion associated with annually renewable contracts, and these cash flows are included in the table below.

At 31 December 2024	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs'000	Total insurance contract liabilities Ushs'000
Within 1 year	8,898,007	858,179	9,756,186
1 - 2 years	20,508	-	20,508
2 - 3 years	20,508	-	20,508
3 - 4 years	20,508	-	20,508
4 – 5years	689,028	-	689,028
	9,648,559	**858,179**	**10,506,738**

The following table shows the cash value for policyholders' liabilities:

As 31 December 2024	Carrying value Ushs'000	Surrender value Ushs'000
Insurance contracts	9,648,559	1,625,122
Direct participating contracts	858,179	921,462
Total insurance contract liabilities	**10,506,738**	**2,546,584**

At 31 December 2023	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs'000	Total insurance contract liabilities Ushs'000
Within 1 year	6,393,695	590,903	6,984,598
1 – 2 years	39,713	-	39,713
2 – 3 years	29,901	-	29,901
3 – 4 years	20,632	-	20,632
4 – 5years	234,490	-	234,490
Total insurance contract liabilities	**6,718,431**	**590,903**	**7,309,334**

The following table shows the cash value for policyholders' liabilities:

At 31 December 2023	Carrying value Ushs'000	Surrender value Ushs'000
Insurance contracts	6,718,431	1,625,122
Direct participating contracts	590,903	639,868
Total insurance contract liabilities	**7,309,334**	**2,264,990**

vii. Operational risk

Operational risk is the risk of loss caused by inadequate or failed internal processes, people and systems, or from external events. Operational risk is therefore pervasive across all financial institutions. As a typical financial institution, we have identified that the operational risks the Company is exposed to could relate to failures around:

- Implementation of new and emerging regulations
- Compliance with regulation
- Customer service
- Information technology
- Human resources
- Internal controls resulting in internal and external fraud
- Project management
- Outsourcing of activities
- Crisis and disaster management
- Introducing new products

Ownership and accountability

Ownership of and accountability for operational risk management is of primary importance. As indicated by the 'three lines of defence' model of risk management adopted within the Company, the first line of defence (management and staff at every level of the business) is accountable for the day-to-day identification, management and monitoring of operational risks. It is also management's responsibility to report any material operational risks, risk events and issues identified to senior management following certain pre-defined escalation procedures.

Risk identification, assessment and measurement

The Company uses two methods to identify exposures to operational risk:

• A top-down senior management risk self-assessment of the key operational issues facing the Company.
• A bottom-up self-assessment approach of all operational risks.

The two approaches ensure that a comprehensive and complete view of the Company's operational risk profile is compiled.

As noted in the introduction to this section, the Company has identified the areas in which operational risk arise. The process of operational risk management starts with this. Consideration is then given to the need for a business unit policy to define the approach to mitigating this risk.

Risk and compliance policies are developed, where necessary, to:

- Ensure compliance with internal principles and with legal and regulatory requirements.
- Address associated risks in the business, define roles, responsibilities and expectations at all levels.
- Guide staff at all levels on how to conduct Ensure that staff work in a consistent way throughout the Company.
- Help management to develop operating processes.

Once this policy has been approved at the appropriate governance level, it is implemented. A project-based approach is used to introduce and implement risk and compliance changes to the organisation, which typically result in changes to processes and roles.

Risk management

Policy compliance is the subject of ongoing monitoring. The Company's policy framework is constantly reviewed and approved where necessary.

Risk management activities in relation to operational risks include but are not limited to:

- **Regulatory risk:** The regulatory environment is monitored closely to ensure that the Company implements new or amended legislation requirements promptly to ensure compliance and avoid unnecessary fines and penalties or the revocation of our licence.

- **Compliance risk:** The risk of regulatory sanctions, financial loss or damage to reputation as a result of not complying with legislation, regulation or internal policies is managed through the established compliance functions within the Company and a compliance policy. The policy ensures that compliance requirements are identified and implemented through the development of appropriate policies and procedures and that regular monitoring and reporting of breaches is carried out by the businesses and at the centre to provide the board with assurance on the status of compliance within the organisation.

- **Taxation risk:** The risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or the impact of new taxation legislation on existing products, is managed through the Company's tax policy. The policy ensures that the Company fulfils its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, indirect taxes and tax administration. The group tax function assists the Board and Management of Liberty Life Uganda to identify and manage tax risk through the application of a formulated tax risk approach which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the Company is exposed and in the context of the various types of activities the Company conducts.

- **Internal and external fraud:** The group has a zero-tolerance policy to fraud. Group Forensic Services (GFS) investigates all reported incidents and proactively identifies incidents which, if established as being fraudulent, may result in dismissals, recoveries or prosecutions. The Group's anti-fraud policy clearly states that management (i.e., the first line of defence) is responsible for ensuring that controls at all stages of a business process are adequate for the prevention and detection of fraud. An employee who suspects or knows of an actual fraud follows the reporting process described in the policy. In addition, the group'swhistle-blowing policy encourages employees to be more vigilant and proactive in contributing to a fraud-free environment.

- **Business continuity management** (BCM): This risk of not continuing normal business activities should a crisis occur, has become a focus for the group and dedicated resources are in place at group level to assist the business review and improve BCM activities. A further range of continuity risks have been identified through a risk assessment and scenario analysis cycle. These risks are proactively managed under the umbrella of a holistic BCM programme and comprising amongst other things the implementation of appropriate reactions and recovery structures and plans, which is subject to testing on a cyclical basis.

- **Internal controls:** The internal controls implemented around high-risk processes e.g. the payment of death and disability claims, are reviewed regularly by management for effectiveness. GIAS provide additional assurance on the adequacy and effectiveness of internal controls by conducting independent risk-based reviews. Any control weaknesses are reported to management and corrective measures are initiated. Monitoring controls around the operational risks confirms that the business is operating within its operational risk appetite and ensures the prompt identification of new operational risks and issues. Monitoring is performed by business unit management (and their compliance teams) business unit risk managers and by Group Risk (including Group Forensic Services and Group Compliance Services). The approach to ensuring compliance is typically included in more detail in individual policies. The extent

and frequency of monitoring and oversight is influenced by the level of risk of particular business activities.
- Other: The exposure to risks around new product development, physical security measures, outsourcing and key suppliers, business acquisitions and alliances, financial, and model risk controls, are also monitored.

Reporting
The preparation of monthly and quarterly risk reports forms an integral part of monitoring the Company and its subsidiaries overall operational risk profile. This is prepared by each business unit and is presented to the relevant management for review and discussion.

The reports include information relating to:

- Critical operational risks the company and its subsidiaries faces, or are potentially facing.
- Risk events losses and issues (together with intended mitigating actions and progress thereon).
- The effectiveness of mitigation plans and progress made from reporting cycle to reporting cycle.
- Trends in relation to fraud and security incidents, litigation, customer complaints.
- Actual losses and control failures experienced.

Assurance
Group Internal Audit Services (the third line of defence) provide independent assurance on the effectiveness of operational risk management processes to the board and other stakeholders.

viii. Reputational risk

This is defined as the potential or actual damage to the organisation's image and trustworthiness of business which may impair the profitability and/or sustainability of its business. Such damage may result from a breakdown of trust, confidence or business relationships on the part of customers, counterparties, shareholders, investors or regulators that can adversely affect the Company's ability to maintain existing or generate new business relationships and continued access to sources of funding.

The Company is committed to making risk disclosures which assist its shareholders and analysts in gaining a full understanding of its business.

Reputation damage is usually a consequence of failed risk management and is, therefore, managed by having effective risk management processes in place and by effectively dealing with the impact of any significant risk event. The Company's approach to risk management has been described in this section. Should a risk event occur, the Company's crisis management processes are designed to minimise the reputation impact of the event.

Reputation risk can also arise through business practices being considered inappropriate, given changes in the social and economic environment. The group's risk identification processes include the early identification of environmental changes and their potential impact.

The Company's leadership emphasises the importance of the customer, as well as fairness, sincerity and transparency in all its dealings. The Company monitors complaints from customers and other stakeholders and ensures that management takes the necessary action to address problem areas in a prompt and efficient manner.

ix. Concentration risk

Introduction
Concentration risk is the risk that the Company is exposed to financial loss which if incurred would be significant due to the aggregate (concentration) exposure the company has to a particular asset, counterparty, customer or service provider.

Asset management
The Company' assets are managed internally by management.

Notes to the financial statements (Continued)

6. Insurance revenue

Year ended 31 December 2024	Note	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Contracts not measured under PAA				
Expected incurred claims		-	6 626	6 626
Expected directly attributable expenses		-	9 879	9 879
Other amounts, including experience adjustments for premium receipts		-	(36 272)	(36 272)
Change in risk adjustment for non-financial risk for risk expired		-	23	23
CSM recognised in profit or loss for services provided		-	40,618	40,618
Total insurance revenue from contracts not measured under PAA		**-**	**20,874**	**20,874**
Contracts measured under PAA		67,076,656	-	67,076,656
Total insurance revenue	**32**	**67,076,656**	**20,874**	**67,097,530**

Year ended 31 December 2023	Note	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Contracts not measured under PAA				
Expected incurred claims		-	406	406
Expected directly attributable expenses		-	9,430	9,430
Other amounts, including experience adjustments for premium receipts		-	(10,483)	(10,483)
Change in risk adjustment for non-financial risk for risk expired		-	76	76
CSM recognised in profit or loss for services provided		-	23,683	23,683
Total insurance revenue from contracts not measured under PAA		**-**	**23,112**	**23,112**
Contracts measured under PAA		57,270,889	-	57,270,889
Total insurance revenue	**32**	**57,270,889**	**23,112**	**57,294,001**

7. Insurance service expense

Year ended 31 December 2024	Note	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Incurred claims	32	29,698,467	-	29,698,467
Directly attributable expenses	15	24,593,029	1,952	24,594,981
Losses on onerous contracts	32	(70)	-	(70)
Amortisation of insurance acquisition cash flows	32	1,039,192	-	1,039,192
Total insurance service expense	**32**	**55,330,618**	**1,952**	**55,332,570**

7. Insurance service expense (continued)

Year ended 31 December 2023	Note	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Incurred claims	32	23,346,696	-	23,346,696
Directly attributable expenses	15	21,229,129	5,768	21,234,897
Changes to loss component on subsequent measurement	32	488	-	488
Amortisation of insurance acquisition cash flows	32	70,662	-	70,662
Total insurance service expense	**32**	**44,646,975**	**5,768**	**44,652,743**

8. Net income / (expense) from reinsurance contracts held

	Note	2024 Ushs'000	2023 Ushs'000
Contracts measured under PAA			
Net cost from reinsurance	23(b)	(20,896,789)	(18,268,581)
Claims recovered	23(b)	21,933,517	17,094,895
Net income/(expense) from reinsurance contracts held	23(b)	**1,036,728**	**(1,173,686)**

9. Investment income

	Note	2024 Ushs'000	2023 Ushs'000
Financial assets held at amortized cost			
Investment income – government securities and fixed deposits	20	2,658,170	1,955,183
Interest income – unit trust investments	21	85,442	72,305
Interest income on current bank accounts		93,757	164,198
Total investment income		**2,837,369**	**2,191,686**
Net impairment loss on financial assets	15(b)	(1,409)	(9,605)
Net investment income		**2,835,960**	**2,182,081**

The investment income includes interest earned on the debt financial instruments (Note 20) and the unit trust investment securities (Note 21).

10. Finance expense from insurance contracts issued

Year ended 31 December 2024	Note	Life risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Changes in fair value of referenced underlying assets		-	85,443	85,443
Interest accreted using current financial assumptions		-	8,087	8,087
Interest accreted on CSM		-	(8,087)	(8,087)
Effect of changes in interest rates and other financial assumptions		298,469	-	298,469
Total finance expense from insurance contracts issued	**32**	**298,469**	**85,443**	**383,912**

Notes to the financial statements (Continued)

10. Finance expense from insurance contracts issued (continued)

Year ended 31 December 2023	Note	Life Risk measured under PAA Ushs'000	Direct participating contracts Ushs '000	Total Ushs '000
Changes in fair value of referenced underlying assets		-	72,305	72,305
Interest accreted using current financial assumptions		-	12,979	12,979
Interest accreted on CSM		-	(12,953)	(12,953)
Effect of changes in interest rates and other financial assumptions		432	-	432
Total finance expense from insurance contracts issued	**32**	**432**	**72,331**	**72,763**

11. Finance income from reinsurance contracts held

	Note	2024 Ushs'000	2023 Ushs'000
Contracts measured under PAA			
Effect of changes in interest rates and other financial assumptions	23(b)	100,639	13
Total finance income from reinsurance contracts held		**100,639**	**13**

12. Bancassurance commission and related expense

	2024 Ushs'000	2023 Ushs'000
Profit share and related expenses	7,502,291	6,501,226
	7,502,291	**6,501,226**

13. Other income

	2024 Ushs'000	2023 Ushs'000
Sundry income	8,451	15,611
Fee income	1,418	1,283
Reinsurance profit commission	-	142,165
	9,869	**159,059**

14. Other finance costs

	Note	2023 Ushs'000	2023 Ushs'000
Interest on finance lease	25(b)	201,377	175,575
Foreign exchange (gains)/ losses		(27,163)	78,360
		174,214	**253,935**

The foreign exchange differences reported are net of all unrealized and realized foreign exchange gains and losses for all the monetary items denominated in foreign currencies.

Notes to the financial statements (Continued)

15. General marketing and administration expenses

(a) Analysis of insurance service directly attributable expenses and other operating expenses

	Note	2024 Ushs'000	2023 Ushs'000
Staff costs	16	8,136,320	6,976,420
Subscriptions		4,998,861	3,917,487
Fees paid for administration services		510,110	511,145
Advertising		760,969	481,021
Other expenses		2,320,897	1,590,756
Travel – local		67,257	171,766
Directors' fees		159,742	167,658
External audit fees		141,588	200,045
Internal audit fees		150,410	117,200
Low value lease expense		105,949	67,754
Insurance expenses		61,339	52,417
Other staff costs		309,312	276,161
Training costs		116,083	74,402
Depreciation: property and equipment	24	181,993	172,121
Depreciation: right-of-use asset	25	353,903	237,224
Repairs and maintenance expense		53,816	9,838
(Decrease)/increase in expected credit losses on premiums receivable from intermediaries	15b	(26,238)	9,423
		18,402,311	**15,032,838**
Insurance contract acquisition costs - PAA		8,842,086	8,145,197
		27,244,397	**23,178,035**
Represented by:			
Insurance service expenses (directly attributable expenses)	7	24,594,981	21,234,897
(Decrease)/increase in expected credit losses on premiums receivable from intermediaries		(26,238)	9,423
Other operating expenses		2,675,654	1,933,715
		27,244,397	**23,178,035**

The fees for the 2024 audit services are Ushs 141.6 million and there were no non-audit services provided by the external auditor.

(b) Expected credit loss reconciliation

The movement in the expected credit loss provision for premiums debtors and financial assets is analysed as below:

	Other financial assets					
Year ended 31 December 2024	**Bank balances Ushs'000**	**Statutory deposit Ushs'000**	**Government securities and fixed deposits Ushs'000**	**Subtotal Ushs'000**	**Premiums receivable from intermediaries Ushs'000**	**Total Ushs'000**
At 1 January 2024	4,861	1,557	45,471	51,889	32,028	83,917
Charge/(credit) for the year	178	161	1,070	1,409	(26,238)	(24,829)
At 31 December 2024	**5,039**	**1,718**	**46,541**	**53,298**	**5,790**	**59,088**
Year ended 31 December 2023						
At 1 January 2023	2,849	1,440	37,995	42,284	22,605	64,889
Charge for the year	2,012	117	7,476	9,605	9,423	19,028
At 31 December 2023	**4,861**	**1,557**	**45,471**	**51,889**	**32,028**	**83,917**

Notes to the financial statements (Continued)

16. Staff costs

	2024 Ushs'000	2023 Ushs'000
Staff salaries	7,573,530	6,505,457
Bonus expense	562,790	470,963
	8,136,320	**6,976,420**

The average number of employees of the Company during the year was 59 (2023: 59).

17. Profit before income tax

Profit before income tax is stated after charging:

	Note	2024 Ushs'000	2023 Ushs'000
Auditor's remuneration	15	141,588	200,045
Depreciation on property and equipment	24	181,993	172,121
Depreciation on right-of-use asset	25	353,903	237,224

18. Income tax expense

	Note	2024 Ushs'000	2023 Ushs'000
Current income tax charge		1,075,975	1,175,323
WHT charge on interest from government securities – final tax		504,189	338,273
Deferred tax credit	26	(276,749)	(145,982)
Income tax expense		**1,303,415**	**1,367,614**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Effective tax rate %	2024 Ushs'000	Effective tax rate %	2023 Ushs'000
Profit before income tax		5,038,323		5,037,663
Tax calculated at the statutory income tax rate of 30%	30%	1,511,497	30%	1,511,299
Tax effects of:				
WHT at source as final tax	10%	504,189	6.7%	338,273
Interest income on government securities taxed at source	(15%)	(756,284)	(10%)	(507,411)
Expenses not deductible for tax purposes	1.1%	55,545	0.4%	18,859
Deferred tax adjustment – prior year	(0.2%)	(11,532)	0.1%	6,593
Income tax expense for the year	**25.87%**	**1,303,415**	**27.2%**	**1,367,614**

Current income tax recoverable

	2024 Ushs'000	2024 Ushs'000
At start of year	(152,033)	114,720
Current income tax charge	1,075,975	1,175,323
WHT charge on interest from government securities	504,189	338,273
WHT paid on interest from government securities	(504,189)	(338,273)
Current income tax paid	(1,062,660)	(1,442,076)
At end of year	**(138,718)**	**(152,033)**

Notes to the financial statements (Continued)

19. Cash and bank balances

	Note	2024 Ushs'000	2023 Ushs'000
Cash and bank balances		5,044,895	5,665,570
Expected credit loss provision on cash at bank	15(b)	(5,039)	(4,861)
		5,039,856	**5,660,709**

The carrying value of cash and bank balances is approximately equal to the fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above balances.

20. Debt and equity instruments

	Note	2024 Ushs'000	2023 Ushs'000
Debt instruments at amortised cost			
Government securities		20,370,426	17,232,245
Fixed deposits		2,267,375	2,312,376
Expected credit loss on government securities and fixed deposits	15b	(46,541)	(45,471)
		22,591,260	**19,499,150**
Statutory security deposit – Government securities		838,304	759,504
Expected credit loss on statutory security deposit	15b	(1,718)	(1,557)
		836,586	**757,947**
Total carrying amount		**23,427,846**	**20,257,097**

The movement in the above debt securities was as follows:

	2024			2023		
	Government securities* Ushs'000	Fixed deposits Ushs'000	Total Ushs'000	Government securities* Ushs'000	Fixed deposits Ushs'000	Total Ushs'000
At start of year	17,991,749	2,312,376	20,304,125	17,448,863	3,669,545	21,118,408
Investments	21,973,157	4,866,509	26,839,666	16,642,277	7,766,964	24,409,241
Redemptions	(19,179,878)	(4,927,413)	(24,107,291)	(16,255,468)	(9,217,200)	(25,472,668)
Interest earned	2,507,575	150,595	2,658,170	1,536,659	418,524	1,955,183
Interest received	(2,083,873)	(134,692)	(2,218,565)	(1,380,582)	(325,457)	(1,706,039)
At end of year	**21,208,730**	**2,267,375**	**23,476,105**	**17,991,749**	**2,312,376**	**20,304,125**
ECL provision	(43,486)	(4,773)	(48,259)	(36,890)	(10,138)	(47,028)
Net amount	**21,165,244**	**2,262,602**	**23,427,846**	**17,954,859**	**2,302,238**	**20,257,097**

*The government securities balances presented above also include the statutory security deposit.

The increase in the ECL provision is because of the increase in the Government securities balances during the year as compared to the prior year with no material changes in fixed deposits investment balances year on year.

	2024 Ushs'000	2023 Ushs'000
Maturity profile of government securities and fixed deposits - gross:		
Less than 1 year	21,933,390	19,251,597
1 – 5 years	704,411	293,024
Total	**22,637,801**	**19,544,621**

The weighted average effective interest rate on debt instruments as at 31 December 2024 was 13.42% (2023: 12.03%).

20. Debt and equity instruments (continued)

	2024	2023
Equity financial asset at fair value through profit or loss (FVTPL)	**Ushs'000**	**Ushs'000**
Unlisted equity security - Investment in Uganda Reinsurance	191,357	185,083
Total	**191,357**	**185,083**
The movement in the equity investment was as follows:		
At start of year	185,083	176,320
Additions	6,274	3,137
Fair value gain	-	5,626
At end of the year	**191,357**	**185,083**

21. Unit trust investments

Unit trust investment balance	921,662	643,198
The movement in unit trust investment during the year was as follows:		
At start of year	643,198	510,842
Deposits	370,644	151,349
Interest earned	85,442	72,305
Withdrawals	(177,622)	(91,298)
At end of year	**921,662**	**643,198**

The average interest rate applicable to the above investments during the year was 10.92% (2023: 12.54%).

22. Other assets

	Note	2024 Ushs'000	2023 Ushs'000
Premium receivable from intermediaries		4,269,163	3,287,967
Expected credit loss provision – premium from intermediaries	15b	(5,790)	(32,028)
Net outstanding premium receivable - Intermediary debtors		**4,263,373**	**3,255,939**
Reinsurance recoveries		127,297	552,098
Other debtors – due from Liberty General Uganda	29	137,754	122,192
Other debtors – due from Liberty Holdings SA		69,633	-
Other debtors – due from Liberty Health SA	29	201,145	-
Total financial assets		**4,799,202**	**3,930,229**
Other debtors		1,931	5,240
Prepayments		1,000,500	841,185
Total other assets		**5,801,633**	**4,776,654**

Prepayments, insurance and other receivables are settled no more than 12 months after the reporting date. All balances are non-interest bearing and their carrying values approximate the fair value.

23. Reinsurance contract assets

(a) Carrying amount	Life risk measured under PAA	Direct participating contracts	Total
Year ended 31 December 2024	**Ushs'000**	**Ushs '000**	**Ushs '000**
Reinsurance contract assets	9,253,978	-	9,253,978
Net reinsurance contract assets	**9,253,978**	**-**	**9,253,978**
Year ended 31 December 2023			
Reinsurance contract assets	7,230,793	-	7,230,793
Net reinsurance contract assets	**7,230,793**	**-**	**7,230,793**

The reinsurance contract asset is further analysed below:

	2024 Ushs'000	2023 Ushs '000
Claims recoveries	3,964,881	3,546,809
Share of insurance contract liabilities	5,289,097	3,683,984
Total reinsurance contract assets	**9,253,978**	**7,230,793**

23. Reinsurance contract assets (continued)

(b) Reconciliation of the Asset for Remaining Coverage (ARC) and the Asset Recoverable on Incurred Claims (ARIC)

		ARC			ARIC			
Year end 31 December 2024	**Note**	**Excluding loss recovery component Ushs'000**	**Loss recovery component Ushs'000**	**Total ARC Ushs'000**	**Present value of future cash flows Ushs'000**	**Risk adjustment for non-financial risk Ushs'000**	**Total ARIC Ushs'000**	**Total life risk measured under PAA Ushs'000**
At 1 January 2023		**(855,923)**	**-**	**(855,923)**	**7,784,119**	**302,597**	**8,086,716**	**7,230,793**
Reinsurance expenses	8	(20,896,789)	-	(20,896,789)	-	-	-	(20,896,789)
Claims recovered	8	-	-	-	21,977,577	(44,060)	21,933,517	21,933,517
Net (expenses)/income from reinsurance contracts held	8	**(20,896,789)**	**-**	**(20,896,789)**	**21,977,577**	**(44,060)**	**21,933,517**	**1,036,728**
Finance income from reinsurance contracts held	11	100,639	-	100,639	-	-	-	100,639
Total recognised in the statement of comprehensive income		**(20,796,150)**	**-**	**(20,796,150)**	**21,977,577**	**(44,060)**	**21,933,517**	**1,137,367**
Net cash flows		**21,192,231**	**-**	**21,192,231**	**(20,306,413)**	**-**	**(20,306,413)**	**885,818**
Premiums paid net of ceding commissions		21,192,231	-	21,192,231	-	-	-	21,192,231
Recoveries from reinsurance		-	-	-	(20,306,413)	-	(20,306,413)	(20,306,413)
At 31 December 2024		**(459,842)**	**-**	**(459,842)**	**9,455,283**	**258,537**	**9,713,820**	**9,253,978**

23. Reinsurance contract assets (continued)

(b) Reconciliation of the ARC and ARIC (continued)

Year end 31 December 2023	Note	ARC Excluding loss recovery component Ushs'000	ARC Loss recovery component Ushs'000	ARC Total ARC Ushs'000	ARIC Present value of future cash flows Ushs'000	ARIC Risk adjustment for non-financial risk Ushs'000	ARIC Total ARIC Ushs'000	Total life risk measured under PAA Ushs'000
At 1 January 2023		**(159,164)**	**-**	**(159,164)**	**4,877,025**	**264,488**	**5,141,513**	**4,982,349**
Reinsurance expenses	8	(18,268,581)	-	(18,268,581)	-	-	-	(18,268,581)
Claims recovered	8	-	-	-	17,056,786	38,109	17,094,895	17,094,895
Net (expenses)/income from reinsurance contracts held	8	**(18,268,581)**	**-**	**(18,268,581)**	**17,056,786**	**38,109**	**17,094,895**	**(1,173,686)**
Finance income from reinsurance contracts held	11	13	-	13	-	-	-	13
Total recognised in the statement of comprehensive income		**(18,268,568)**	**-**	**(18,268,568)**	**17,056,786**	**38,109**	**17,094,895**	**(1,173,673)**
Net cash flows		**17,571,809**	**-**	**17,571,809**	**(14,149,692)**	**-**	**(14,149,692)**	**3,422,117**
Premiums paid net of ceding commissions		17,571,809	-	17,571,809	-	-	-	17,571,809
Recoveries from reinsurance		-	-	-	(14,149,692)	-	(14,149,692)	(14,149,692)
At 31 December 2023		**(855,923)**	**-**	**(855,923)**	**7,784,119**	**302,597**	**8,086,716**	**7,230,793**

Notes to the financial statements (Continued)

24. Property and equipment

	Computer equipment Ushs '000	Furniture fixtures and fittings Ushs '000	Office equipment Ushs '000	Motor vehicles Ushs '000	Total Ushs '000
At 1 January 2023	**598,597**	**445,427**	**300,351**	**307,970**	**1,652,345**
Additions	90,138	15,276	44,538	123,255	273,207
At 31 December 2023	**688,735**	**460,703**	**344,889**	**431,225**	**1,925,552**
At 1 January 2024	**688,735**	**460,703**	**344,889**	**431,225**	**1,925,552**
Additions	68,619	183,609	122,417	-	374,645
At 31 December 2024	**757,354**	**644,312**	**467,306**	**431,225**	**2,300,197**
Depreciation					
At 1 January 2023	**431,432**	**325,186**	**150,094**	**307,970**	**1,214,682**
Charge for the year	79,965	36,183	35,915	20,058	172,121
At 31 December 2023	**511,397**	**361,369**	**186,009**	**328,028**	**1,386,803**
At 1 January 2024	**511,397**	**361,369**	**186,009**	**328,028**	**1,386,803**
Charge for the year	75,837	43,179	38,258	24,719	181,993
At 31 December 2024	**587,234**	**404,548**	**224,267**	**352,747**	**1,568,796**
Net carrying amount					
At 31 December 2023	**177,338**	**99,334**	**158,880**	**103,197**	**538,749**
At 31 December 2024	**170,120**	**239,764**	**243,039**	**78,478**	**731,401**

25. Leases

a) Right-of-use asset

Right-of-use assets relates to leased office premises.

	2024 Ushs'000	2023 Ushs'000
Cost		
At the start of the year	2,499,346	2,344,000
Additions to right of use assets	578,868	155,346
At the end of the year	**3,078,214**	**2,499,346**
Depreciation		
At the start of the year	(1,303,034)	(1,065,810)
Charge for the year	(353,903)	(237,224)
At the end of the year	**(1,656,937)**	**(1,303,034)**
Net carrying amount	**1,421,277**	**1,196,312**

Notes to the financial statements (Continued)

25. Leases (continued)

b) Lease liabilities

	2024 Ushs'000	2023 Ushs'000
At the start of the year	1,638,249	1,604,019
Increase in lease liability	578,868	155,346
Interest expense	201,377	175,575
Interest paid in the year	(85,872)	(133,893)
Principal paid in the year	(426,750)	(214,782)
Effect of foreign exchange (gains)/losses	(72,875)	51,984
At the end of the year	**1,832,997**	**1,638,249**

The maturity analysis of these lease liabilities is disclosed below:

	2024 Ushs'000	2023 Ushs'000
Current	246,825	418,305
Non-current	1,586,172	1,219,944
Total	**1,832,997**	**1,638,249**

At 31 December 2024, the future minimum lease payments under non-cancellable leases were payable as follows:

	2024 Ushs'000	2023 Ushs'000
Payable within 1 year	525,400	412,929
Payable within 1 - 5 years	1,694,469	1,696,105
	2,219,869	**2,109,034**

c) Amounts recognized in profit or loss

	2024 Ushs'000	2023 Ushs'000
Interest on lease liabilities	201,377	175,575
Depreciation on right-of-use asset	353,903	237,224
Expenses relating to low value lease expenses	105,949	67,754
Effect of foreign exchange movements	(72,875)	51,984
Total	**588,354**	**532,537**

d) Amounts recognized in the statement of cash flows

	2024 Ushs'000	2023 Ushs'000
Payment of lease liabilities – principal	426,750	214,782
Payment of interest expense on lease liabilities	85,872	133,893
Total cash outflows relating to leases	**512,622**	**348,675**

25. Leases (continued)

e) The Company's leasing activities and how these are accounted for

The Company has two lease agreements for office space in the Madhvani building and Africot building. The lease term for the Madhvani building is 5 years starting from December 2023 to 30 November 2028 but with an option to extend the lease, and the Africot building term is 6 years starting from March 2024 to 15 March 2030.

Both lease agreement terms have an extension option. The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The leases contain neither variable lease payments nor residual value guarantees.

f) Discount rate

The Company obtained an indicative borrowing rate of funds with similar term structure as the lease from dfcu Bank Limited and used this incremental borrowing rate of 12% as the discount rate.

26. Deferred tax asset

Year ended 31 December 2024	At start of the year Ushs'000	(Credit)/charge to profit or loss Ushs'000	At end of the year Ushs'000
Deferred tax liabilities			
Accelerated depreciation	(38,890)	(53,597)	(92,487)
Total deferred tax liabilities	**(38,890)**	**(53,597)**	**(92,487)**
Deferred tax assets			
Movement in reserves and provisions	(1,119,672)	(223,152)	(1,342,824)
Total deferred tax assets	**(1,119,672)**	**(223,152)**	**(1,342,824)**
Net deferred tax asset	**(1,158,562)**	**(276,749)**	**(1,435,311)**
Year ended 31 December 2023			
Deferred tax liabilities			
Accelerated depreciation	(71,054)	32,164	(38,890)
Total deferred tax liabilities	**(71,054)**	**32,164**	**(38,890)**
Deferred tax assets			
Movement in reserves and provisions	(941,526)	(178,146)	(1,119,672)
Total deferred tax assets	**(941,526)**	**(178,146)**	**(1,119,672)**
Net deferred tax asset	**(1,012,580)**	**(145,982)**	**(1,158,562)**

27. Other liabilities

	2024 Ushs'000	2023 Ushs'000
Commission expense payable	889,527	71,525
Accruals and other liabilities	733,117	1,355,776
	1,622,644	**1,427,301**

The carrying value of other liabilities is approximately equal to the fair value.

28. Employee benefits payable

	2023 Ushs'000	2023 Ushs '000
Short-term employee benefits		
At start of year	470,963	376,268
Increase for the year	835,373	715,753
Utilised during the year	(743,546)	(621,058)
At end of year	**562,790**	**470,963**

All outflows in economic benefits in respect of short-term employee benefits are expected to occur within one year. The carrying value of employee benefits is approximately equal to the fair value due to their short-term nature.

Leave pay

In terms of the Company's policy, employees are entitled to accumulate a maximum of 20 days compulsory leave. Compulsory leave has to be taken within 12 months of earning it.

Incentive scheme

In terms of the Company policy, selected employees at the discretion of directors receive an incentive bonus which is payable every year. The incentive bonus relates to employee, corporate and divisional performance and is approved by the Managing Director.

29. Related party disclosures

The Company is controlled by Liberty Holdings Limited, an entity incorporated in South Africa, which owns 51% of the Company's shares. 49% of the Company's shares is owned by Muljibhai Madhvani & Company Limited (formerly Madhvani Group Limited).

The ultimate controlling Company is Standard Bank Group Limited, an entity incorporated in South Africa. There are other companies that are related to the Company by virtue of common shareholding and directorships.

Related party transactions with subsidiaries of the ultimate holding company

The Company does the following transactions with Stanbic Bank Uganda Limited (SBUL), a subsidiary of Standard Bank Group Limited.

- Provision of group credit, group risk and medical insurance services. This involves receipt of premiums for the services provided, payment of commissions to SBUL and payment of claims.
- Joint business profit commission sharing arrangement where the Company and SBUL share in the profits earned on the insurance business sourced through the arrangement.
- Use of banking facilities provided by SBUL.
- Use of IT and human resource support services from SBUL
- Payment of board fees/ directors' fees

Notes to the financial statements (Continued)

The following are the transactions and balances with SBUL:

Transactions with SBUL	2024 Ushs'000	2023 Ushs'000
Insurance premium revenue	22,446,836	19,873,472
Net commission expense	4,431,906	3,949,979
Net claims paid	2,490,226	2,476,689
Joint business arrangement profit commission	7,486,606	6,501,226
Directors' fees	-	19,500
Bank charges	34,826	22,484
IT and human resource support services	194,646	24,450
Balances with SBUL		
Cash held at Stanbic Bank Uganda Limited	3,501,570	1,285,147
Fixed deposit held at Stanbic Bank Uganda Limited	-	806,981

Related party transactions with immediate shareholding companies

The Company does the following transactions with its immediate shareholders:

- Provision of group risk insurance services to Muljibhai Madhvani & Company Limited
- Administration and management support from Liberty Holdings Limited and Muljibhai
- Madhvani & Company Limited for which charges/ fees are levied.
- Rent for office premises from Muljibhai Madhvani & Company Limited
- Board/ directors' fees to both immediate shareholders
- Dividends paid to both immediate shareholders

The following are the details of the transactions with immediate shareholding companies:

Muljibhai Madhvani & Company Limited

Item	2024 Ushs'000	2023 Ushs'000
Insurance premium revenue	25,687	22,581
Management fees for administration services	110,000	110,000
Rent for office premises	410,621	387,928
Directors' fees	100,500	100,500
Dividend paid	980,000	980,000
	1,626,808	**1,601,009**
Liberty Holdings Limited		
Management fees for administration services	390,000	390,000
Directors' fees	40,500	40,500
Dividends paid	1,020,000	1,020,000
	1,450,500	**1,450,500**

Notes to the financial statements (Continued)

Related party transactions with subsidiaries of the shareholding companies

The Company does the following transactions with various subsidiaries of the share holding companies:

- Provision of group risk and medical insurance services to Liberty General Insurance Company Uganda Limited (LGICUL).
- Shared costs with LGICUL.
- Use of facultative reinsurance services from LGICUL. This involves payment of ceded premiums, receipt of commissions and recovery of claims incurred.
- Administration support on the health business from Liberty Health South Africa (Pty) Limited.
- Use of group internal audit services from Liberty Life Assurance Kenya Limited.
- Payment of board/ directors' fees to Liberty Holdings Kenya Limited.

The following are the details of the transactions done during the year:

Liberty General Insurance Uganda Limited

		,705
Shared costs	137,754	122,192
	819,104	**920,697**
Liberty Health South Africa (PTY) Limited		
Administration fees as per the health reinsurance treaty	2,677,942	1,966,007
Liberty Life Assurance Kenya Limited		
Internal audit fees	150,410	117,200
Liberty Holdings Kenya Limited		
Directors' fees	30,000	30,000

The outstanding balances as at year end were as shown below:

	2024 Ushs'000	2023 Ushs'000
Amounts due to related parties:		
Liberty Holdings Limited (South Africa)	228,961	92,461
Liberty Life Assurance Kenya Limited	31,219	16,861
	260,180	**109,322**
Amount due from related parties:		
Liberty General Insurance Company Uganda Limited	137,754	122,192
Liberty Holdings South Africa	69,633	-
Liberty Health South Africa	201,145	-
	408,532	**122,192**

Notes to the financial statements (Continued)

29. Related party disclosures (continued)

Transactions with key management personnels

Directors' emoluments – Executive	**2024 Ushs'000**	**2023 Ushs'000**
Directors' fees	**243,000**	**243,000**
Key management compensation		
Salaries and wages	1,592,218	1,309,364
Gratuity	342,584	278,188
Other staff costs	267,210	241,320
National Social Security Fund contributions	159,222	130,936
	2,361,234	**1,959,808**

30. Other financial liabilities

	2024 Ushs'000	**2023 Ushs'000**
Bancassurance commission - Stanbic Bank Uganda Limited		
Opening balance	6,501,226	6,442,365
Profit share for the year	7,502,291	6,501,226
Paid during the year	(6,516,911)	(6,442,365)
Closing balance	**7,486,606**	**6,501,226**

31. Financial liabilities under investment contracts

	2024 Ushs'000	**2023 Ushs'000**
At 1 January	127,018	116,800
Fund inflows from investment contracts (excluding switches)	16,242	11,735
Funds outflows from investment contracts (excluding switches)	(1,443)	(234)
Service fee income	(1,418)	(1,283)
At 31 December	**140,399**	**127,018**

32. Insurance contract liabilities

(a) Carrying amount

	Life risk measured under PAA	**Direct participating contracts**	**Total**
Year ended 31 December 2024	**Ushs'000**	**Ushs '000**	**Ushs '000**
Insurance contract liabilities	9,648,559	858,179	10,506,738
Net insurance contract liabilities	**9,648,559**	**858,179**	**10,506,738**
Year ended 31 December 2023			
Insurance contract liabilities	6,718,431	590,903	7,309,334
Net insurance contract liabilities	**6,718,431**	**590,903**	**7,309,334**

32. Insurance contract liabilities (continued)

(b) Reconciliation of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC)

Year ended 31 December 2024	Notes	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)			Total insurance contract liabilities
		Excluding loss component Ushs'000	Loss component Ushs'000	Total LRC Ushs'000	Present value of future cash flows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Total LIC Ushs'000	Ushs'000
At 1 January		1,730,342	604	1,730,946	5,122,873	455,515	5,578,388	7,309,334
Insurance revenue	**6**	**(67,097,530)**	**-**	**(67,097,530)**	**-**	**-**	**-**	**(67,097,530)**
Insurance service expense	**7**	**22,874,015**	**(70)**	**22,873,945**	**32,557,171**	**(98,546)**	**32,458,625**	**55,332,570**
Incurred claims	7	-	-	-	29,797,013	(98,546)	29,698,467	29,698,467
Directly attributable expenses	7	21,834,823	-	21,834,823	2,760,158	-	2,760,158	24,594,981
Losses on onerous contracts	7	-	(70)	(70)	-	-	-	(70)
Amortisation of insurance acquisition cash flows	7	1,039,192	-	1,039,192	-	-	-	1,039,192
Insurance service result		**(44,223,515)**	**(70)**	**(44,223,585)**	**32,557,171**	**(98,546)**	**32,458,625**	**(11,764,960)**
Finance costs from insurance contracts issued	10	383,912	-	383,912	-	-	-	383,912
Total recognised in the statement of comprehensive income		**(43,839,603)**	**(70)**	**(43,839,673)**	**32,557,171**	**(98,546)**	**32,458,625**	**(10,381,048)**
Investment components		(177,622)	-	(177,622)	177,622	-	177,622	-
Cash flows		**45,103,192**	**-**	**45,103,192**	**(30,524,740)**	**-**	**(30,524,740)**	**14,578,452**
Premiums received		68,247,436	-	68,247,436	-	-	-	68,247,436
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(27,764,583)	-	(27,764,583)	(27,764,583)
Directly attributable expenses paid		(17,571,617)	-	(17,571,617)	(2,760,157)	-	(2,760,157)	(20,331,774)
Insurance acquisition cash flows		(5,572,627)	-	(5,572,627)	-	-	-	(5,572,627)
At 31 December 2024		**2,816,309**	**534**	**2,816,843**	**7,332,926**	**356,969**	**7,689,895**	**10,506,738**

32. Insurance contract liabilities (continued)

(b) Reconciliation of the LRC and LIC (continued)

Year ended 31 December 2023	Notes	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)			Total insurance contract liabilities
		Excluding loss component Ushs'000	Loss component Ushs'000	Total LRC Ushs'000	Present value of future cash flows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Total LIC Ushs'000	Ushs'000
At 1 January		(208,207)	116	(208,091)	3,944,879	311,868	4,256,747	4,048,656
Insurance revenue	**6**	**(57,294,001)**	**-**	**(57,294,001)**	**-**	**-**	**-**	**(57,294,001)**
Insurance service expense	**7**	**19,131,594**	**488**	**19,132,082**	**25,377,014**	**143,647**	**25,520,661**	**44,652,743**
Incurred claims	7	-	-	-	23,203,049	143,647	23,346,696	23,346,696
Directly attributable expenses	7	19,060,932	-	19,060,933	2,173,965	-	2,173,965	21,234,897
Losses on onerous contracts	7	-	488	488	-	-	-	488
Amortisation of insurance acquisition cash flows	7	70,662	-	70,662	-	-	-	70,662
Insurance service result		**(38,162,407)**	**488**	**(38,161,919)**	**25,377,014**	**143,647**	**25,520,661**	**(12,641,258)**
Finance costs from insurance contracts issued	10	72,764	-	72,764	-	-	-	72,764
Total recognised in the statement of comprehensive income		**(38,089,643)**	**488**	**(38,089,155)**	**25,377,014**	**143,647**	**25,520,661**	**(12,568,494)**
Investment components		(178,230)	-	(178,230)	178,230	-	178,230	-
Cash flows		**40,206,422**	**-**	**40,206,422**	**(24,377,250)**	**-**	**(24,377,250)**	**15,829,172**
Premiums received		59,293,222	-	59,293,222	-	-	-	59,293,222
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(22,203,285)	-	(22,203,285)	(22,203,285)
Directly attributable expenses paid		(4,918,991)	-	(4,918,991)	(2,173,965)	-	(2,173,965)	(7,092,956)
Insurance acquisition cash flows		(14,167,809)	-	(14,167,809)	-	-	-	(14,167,809)
At 31 December		**1,730,342**	**604**	**1,730,946**	**5,122,873**	**455,515**	**5,578,388**	**7,309,334**

Notes to the financial statements (Continued)

32. Insurance contract liabilities (continued)

(b) Reconciliation of the LRC and LIC (continued)

i) Life risk measured under PAA

Year ended 31 December 2024	Notes	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)			Total Life risk measured under PAA
		Excluding loss component Ushs'000	Loss component Ushs'000	Total LRC Ushs'000	Present value of future cash flows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Total LIC Ushs'000	Ushs'000
At 1 January		1,139,439	604	1,140,043	5,122,873	455,515	5,578,388	6,718,431
Insurance revenue	**6**	**(67,076,656)**	**-**	**(67,076,656)**	**-**	**-**	**-**	**(67,076,656)**
Insurance service expense	**7**	**22,872,063**	**(70)**	**22,871,993**	**32,557,171**	**(98,546)**	**32,458,625**	**55,330,618**
Incurred claims	7	-	-	-	29,797,013	(98,546)	29,698,467	29,698,467
Directly attributable expenses	7	21,832,871	-	21,832,871	2,760,158	-	2,760,158	24,593,029
Losses on onerous contracts	7	-	(70)	(70)	-	-	-	(70)
Amortisation of insurance acquisition cash flows	7	1,039,192	-	1,039,192	-	-	-	1,039,192
Insurance service result		**(44,204,593)**	**(70)**	**(44,204,663)**	**32,557,171**	**(98,546)**	**32,458,625**	**(11,746,038)**
Finance costs from insurance contracts issued	10	298,469	-	298,469	-	-	-	298,469
Total recognised in the statement of comprehensive income		**(43,906,124)**	**(70)**	**(43,906,194)**	**32,557,171**	**(98,546)**	**32,458,625**	**(11,447,569)**
Investment components		-	-	-	-	-	-	-
Cash flows		**44,724,815**	**-**	**44,724,815**	**(30,347,118)**	**-**	**(30,347,118)**	**14,377,697**
Premiums received		67,867,107	-	67,867,107	-	-	-	67,867,107
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(27,586,961)	-	(27,586,961)	(27,586,961)
Directly attributable expenses paid		(17,569,665)	-	(17,569,665)	(2,760,157)	-	2,760,157)	(20,329,822)
Insurance acquisition cash flows		(5,572,627)	-	(5,572,627)	-	-	-	(5,572,627)
At 31 December		**1,958,130**	**534**	**1,958,664**	**7,332,926**	**356,969**	**7,689,895**	**9,648,559**

Notes to the financial statements (Continued)

32. Insurance contract liabilities (continued)

(b) Reconciliation of the LRC and LIC (continued)

i) Life risk measured under PAA (continued)

Year ended 31 December 2023	Notes	Liability for remaining coverage (LRC): Excluding loss component Ushs'000	Liability for remaining coverage (LRC): Loss component Ushs'000	Liability for remaining coverage (LRC): Total LRC Ushs'000	Liability for incurred claims (LIC): Present value of future cash flows Ushs'000	Liability for incurred claims (LIC): Risk adjustment for non-financial risk Ushs'000	Liability for incurred claims (LIC): Total LIC Ushs'000	Total Life risk measured under PAA Ushs'000
At 1 January		(678,890)	116	(678,774)	3,944,879	311,868	4,256,747	3,577,973
Insurance revenue	**6**	**(57,270,889)**	**-**	**(57,270,889)**	**-**	**-**	**-**	**(57,270,889)**
Insurance service expense	**7**	**19,125,826**	**488**	**19,126,314**	**25,377,014**	**143,647**	**25,520,661**	**44,646,975**
Incurred claims	7	-	-	-	23,203,049	143,647	23,346,696	23,346,696
Directly attributable expenses	7	19,055,164	-	19,055,164	2,173,965	-	2,173,965	21,229,129
Losses on onerous contracts	7	-	488	488	-	-	-	488
Amortisation of insurance acquisition cash flows	7	70,662	-	70,662	-	-	-	70,662
Insurance service result		**(38,145,063)**	**488**	**(38,144,575)**	**25,377,014**	**143,647**	**25,520,661**	**(12,623,914)**
Finance costs from insurance contracts issued	10	433	-	433	-	-	-	433
Total recognised in the statement of comprehensive income		**(38,144,630)**	**488**	**(38,144,142)**	**25,377,014**	**143,647**	**25,520,661**	**(12,623,481)**
Investment components		-	-	-	-	-	-	-
Cash flows		**39,962,959**	**-**	**39,962,959**	**(24,199,020)**	**-**	**(24,199,020)**	**15,763,939**
Premiums received		59,043,991	-	59,043,991	-	-	-	59,043,991
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(22,025,055)	-	(22,025,055)	(22,025,055)
Directly attributable expenses paid		(4,913,226)	-	(4,913,223)	(2,173,965)	-	(2,173,965)	(7,087,188)
Insurance acquisition cash flows		(14,167,809)	-	(14,167,809)	-	-	-	(14,167,809)
At 31 December		**1,139,439**	**604**	**1,140,043**	**5,122,873**	**455,515**	**5,578,388**	**6,718,431**

32. Insurance contract liabilities (continued)

(b) Reconciliation of the LRC and LIC (continued)

i) Life risk measured under PAA (continued)

Year ended 31 December 2024	Notes	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)			Total DPC
		Excluding loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment for non-financial risk	Total LIC	
		Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 1 January		590,903	-	590,903	-	-	-	590,903
Insurance revenue	**6**	**(20,874)**	**-**	**(20,874)**	**-**	**-**	**-**	**(20,874)**
Insurance service expense	**7**	**1,952**	**-**	**1,952**	**-**	**-**	**-**	**1,952**
Directly attributable expenses	7	1,952	-	1,952	-	-	-	1,952
Insurance service result		**(18,922)**	-	**(18,922)**	**-**	**-**	**-**	**(18,922)**
Finance costs from insurance contracts issued	10	85,443	-	85,443	-	-	-	85,443
Total recognised in the statement of comprehensive income		**66,521**	**-**	**66,521**	**-**	**-**	**-**	**66,521**
Investment components		(177,622)	-	(177,622)	177,622	-	177,622	-
Cash flows		**378,377**	**-**	**378,377**	**(177,622)**	**-**	**(177,622)**	**200,755**
Premiums received		380,329	-	380,329	-	-	-	380,329
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(177,622)	-	(177,622)	(177,622)
Directly attributable expenses paid		(1,952)	-	(1,952)	-	-	-	(1,952)
At 31 December		**858,179**	**-**	**858,179**	**-**	**-**	**-**	**858,179**

Notes to the financial statements (Continued)

ii) Direct participation contracts (DPC)

Year ended 31 December 2023	Notes	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)			Total DPC
		Excluding loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment for non-financial risk	Total LIC	
		Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 1 January		470,683	-	470,683	-	-	-	470,683
Insurance revenue	**6**	**(23,112)**	**-**	**(23,112)**	**-**	**-**	**-**	**(23,112)**
Insurance service expense	**7**	**5,768**	**-**	**5,768**	**-**	**-**	**-**	**5,768**
Directly attributable expenses	7	5,768	-	5,768	-	-	-	5,768
Insurance service result		**(17,344)**	-	**(17,344)**	**-**	**-**	**-**	**(17,344)**
Finance costs from insurance contracts issued	10	72,331	-	72,331	-	-	-	72,331
Total recognised in the statement of comprehensive income		**54,987**	**-**	**54,987**	**-**	**-**	**-**	**54,987**
Investment components		(178,230)	-	(178,230)	178,230	-	178,230	-
Cash flows		**243,463**	**-**	**243,463**	**(178,230)**	**-**	**(178,230)**	**65,233**
Premiums received		249,231	-	249,231	-	-	-	249,231
Claims paid (LIC) and withdrawals (LRC)		-	-	-	(178,230)	-	(178,230)	(178,230)
Directly attributable expenses paid		(5,768)	-	(5,768)	-	-	-	(5,768)
At 31 December		**590,903**	**-**	**590,903**	**-**	**-**	**-**	**590,903**

32. Insurance contract liabilities (continued)

(c) Reconciliation of the measurement components of the direct participation insurance contract balances

Year end 31 December 2024	Present value of future cash flows Ushs'000	Risk adjustment for non-financial risk Ushs'000	CSM Ushs'000	Total DPC Ushs'000
At 1 January	286,315	230	304,358	590,903
Changes that relate to current service	**21,718**	**(23)**	**(40,618)**	**(18,922)**
CSM recognised in profit or loss for services provided	-	-	(40,618)	(40,618)
Risk adjustment for expired (non- financial risk)	-	(23)	-	(23)
Experience adjustments	21,718	-	-	21,718
Changes that relate to future service	**(8,578)**	**383**	**8,195**	**-**
Changes in estimates that adjust CSM	246,193	135	(246,328)	-
Contracts initially recognised in the period	(254,771)	248	254,523	-
Insurance service result	**(13,141)**	**360**	**(32,423)**	**(18,922)**
Finance costs from insurance contracts issued	8,074	13	77,356	85,443
Total recognised in the statement of comprehensive income	**21,215**	**373**	**44,933**	**66,521**
Cash flows	**200,755**	**-**	**-**	**200,755**
Premiums received	380,329	-	-	380,329
Claims paid	(177,622)	-	-	(177,622)
Other directly attributable expenses paid	(1,952)	-	-	(1,952)
At 31 December	**508,285**	**603**	**349,291**	**858,179**

Year end 31 December 2023				
At 1 January	(29,935)	72	500,546	470,683
Changes that relate to current service	**6,416**	**(77)**	**(23,863)**	**(17,344)**
CSM recognised in profit or loss for services provided	-	-	(23,863)	(23,863)
Risk adjustment for expired (non- financial risk)	-	(77)	-	(77)
Experience adjustments	6,416	-	-	6,416
Changes that relate to future service	**231,648**	**209**	**(231,857)**	**-**
Changes in estimates that adjust CSM	275,334	35	(275,269)	-
Contracts initially recognised in the period	(43,686)	174	43,512	-
Insurance service result	**238,064**	**132**	**(255,540)**	**(17,344)**
Finance costs from insurance contracts issued	12,953	26	59,352	72,331
Total recognised in the statement of comprehensive income	**251,017**	**158**	**(196,188)**	**54,987**
Cash flows	**65,233**	**-**	**-**	**65,233**
Premiums received	249,231	-	-	249,231
Claims paid	(178,230)	-	-	(178,230)
Other directly attributable expenses paid	(5,768)	-	-	(5,768)
At 31 December	**286,315**	**230**	**304,358**	**590,903**

Notes to the financial statements (Continued)

32. Insurance contract liabilities (continued)

(d) Reconciliation of CSM by transition method

Year end 31 December 2024	Contracts measured after transition (1 January 2023) Ushs'000	Contracts measured under full retrospective approach Ushs'000	Total DPC Ushs'000
Insurance revenue	**(11,020)**	**31,894**	**20,874**
CSM balance at 1 January	**120,936**	**183,422**	**304,358**
Changes that relate to current service	(17,682)	(22,936)	(40,618)
CSM recognised in profit or loss for services provided	(17,682)	(22,936)	(40,618)
Changes that relate to future service	217,271	(209,076)	8,195
Changes in estimates that adjust CSM	(37,251)	(209,076)	(246,327)
Contracts initially recognised in the period	254,522	-	254,522
Finance costs from insurance contracts issued	39,243	38,113	77,356
Total recognised in the statement of comprehensive income	**238,832**	**(193,899)**	**44,933**
CSM balance at 31 December	**359,768**	**(10,477)**	**349,291**
Year end 31 December 2023			
CSM balance at 1 January	**115,463**	**385,083**	**500,546**
Changes that relate to current service	(6,689)	(16,994)	(23,683)
CSM recognised in profit or loss for services provided	(6,689)	(16,994)	(23,683)
Changes that relate to future service	(2,717)	(229,139)	(231,857)
Changes in estimates that adjust CSM	(46,230)	(229,139)	(275,369)
Contracts initially recognised in the period	43,512	-	43,512
Finance costs from insurance contracts issued	14,880	44,472	59,352
Total recognised in the statement of comprehensive income	**5,474**	**(201,661)**	**(196,188)**
CSM balance at 31 December	**120,937**	**183,422**	**304,358**
CSM balance at 1 January	**115,463**	**385,083**	**500,546**
Changes that relate to current service	(6,689)	(16,994)	(23,683)
CSM recognised in profit or loss for services provided	(6,689)	(16,994)	(23,683)

33. Share capital

	2024 Ushs'000	2023 Ushs'000
Authorised, issued and paid up		
45,000 ordinary shares of a par value of Ushs 100,000 each	4,500,000	4,500,000
Reconciliation of number of shares issued:		
At 01 January/31 December	**4,500,000**	**4,500,000**

34. Reserves

	2024 Ushs'000	2023 Ushs'000
Contingency reserve		
At 1 January	-	5,917,039
Transfer to retained earnings	-	(5,917,039)
At 31 December	**-**	**-**

The contingency reserve was set up under Section 47(3) (b) of the Insurance Act Cap. 191 of Uganda. In the prior year, the Company received communication from the Insurance Regulatory Authority of Uganda that the contingency reserve was no longer required to be maintained by the Company. The Board of Directors approved the transfer of the reserve to the retained earnings.

	2024 Ushs'000	2023 Ushs'000
Capital reserve		
At 1 January	-	1,728,037
Transfer to retained earnings	-	(1,728,037)
At 31 December	**-**	**-**

The capital reserve was set up as a requirement under the Insurance Act Cap. 191 of Uganda. In the prior year, the Company received communication from the Insurance Regulatory Authority of Uganda that the capital reserve was no longer required to be maintained by the Company. The Board of Directors approved for the transfer of the reserve to the retained earnings.

35. Retained earnings

Retained earnings comprises prior year brought forward earnings plus current year profit, less any dividends paid and plus or minus transfers from/to reserves. The retained earnings balances as at year-end and the movement for the year is shown in the statement of changes in equity.

Notes to the financial statements (Continued)

36. Cash generated from operations

	Note	2024 Ushs'000	2023 Ushs'000
Profit before income tax		5,038,323	5,037,663
Adjustments for non-cash items			
Interest expense on the lease liability	14	201,377	175,575
Depreciation of property and equipment	15(a)	181,993	172,121
Depreciation of right-of-use assets	15(a)	353,903	237,224
Increase in ECLs excluding bank balances	15(b)	1,231	7,593
Dividend income	20	(6,274)	(3,137)
Fair value gain on equity investment	20	-	(5,626)
Interest income on unit trusts	21	(85,442)	(72,305)
Interest income on debt investments at amortised cost	20	(2,658,170)	(1,955,183)
Effect of foreign exchange movement on leases	25(b)	(72,875)	51,984
Effect of foreign exchange movements on bank balances		(5,172)	4,331
Operating cash flows before working capital changes		**2,948,894**	**3,650,240**
Working capital changes:			
Increase in other assets		(1,024,979)	(842,379)
Increase in reinsurance contract assets		(2,023,185)	(2,248,444)
Increase in other liabilities		195,343	451,244
Increase in employee benefits payable		91,827	94,695
Increase/(decrease) in amounts due to related parties		150,858	(432,450)
Increase in other financial liabilities		985,380	58,861
Increase in financial liabilities under investment contracts		13,381	10,281
Increase in insurance contract liabilities		3,197,404	3,260,615
Cash flows generated from operations		**4,534,923**	**4,002,663**

37. Contingencies and commitments

a) Legal matters

The Company is involved in some litigation cases which arise from day-to-day operations. The outcome of these cases cannot be readily ascertained as at the date of this report and the directors are of the opinion, based on the independent professional legal advice, that the outcome of these matters will not give rise to material legal costs to the Company.

b) Commitments under non-cancellable leases

Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

38. Fair value disclosures

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

a) Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- **Level 1:** inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- **Level 2:** inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- **Level 3:** inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

b) Fair value hierarchy for financial instruments measured at fair value

The following are the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Hierarchy			Total
	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000	Ushs'000
At 31 December 2024				
Financial assets at fair value				
Equity investment in Uganda Reinsurance	-	-	191,357	191,357
At 31 December 2023				
Financial assets at fair value				
Equity investment in Uganda Reinsurance	-	-	185,083	185,083

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.
During the year, Uganda Reinsurance Limited paid dividends amounting to Ushs 6,274,000 in form of a scrip bonus share issue at a share price of Ushs 3,137,000 each.

The Company holds 61 shares (2023: 59 shares) in Uganda Reinsurance Limited valued at a share price of Ushs 3,137,000 each as at 31 December 2024 (2023: Ushs

Notes to the financial statements (Continued)

3,137,000 each). The share price was communicated by Uganda Reinsurance Limited and is the latest available price at which Uganda Reinsurance Limited issued bonus scrip shares, that is, share sales by Uganda Reinsurance would be based on the same price.

The Company records transfers between levels based on the actual date of transfer. Transfers from Level 1 to Level 2 or Level 3 occur when the securities cease to be quoted in an active market and vice vera. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value. There were no movements between levels during the year.

The reconciliation from the opening to the closing balance is included in Note 20.

The fair values of the following financial instruments measured at amortised cost approximate the gross carrying amounts:

Financial assets	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000	Fair value Ushs'000	Net carrying amount Ushs'000
At 31 December 2024					
Cash and bank balances	-	5,044,895	-	**5,044,895**	**5,039,856**
Statutory security deposit	-	838,304	-	**838,304**	**836,586**
Government securities at amortised cost	-	20,370,426	-	**20,370,426**	**20,328,658**
Fixed deposits at amortised cost	-	2,267,375	-	**2,267,375**	**2,262,602**
Unit trust investment	-	921,662	-	**921,662**	**921,662**
At 31 December 2023					
Cash and bank balances	-	5,665,570	-	**5,665,570**	**5,660,709**
Statutory security deposit	-	759,504	-	**759,504**	**757,947**
Government securities at amortised cost	-	17,232,245	-	**17,232,245**	**17,196,912**
Fixed deposits at amortised cost	-	2,312,376	-	**2,312,376**	**2,302,238**
Unit trust investment	-	643,198	-	**643,198**	**643,198**

The fair values of the other financial instruments not measured at fair value approximates the carrying amounts due to their short maturity periods.

39. Emerging risks

Emerging risks involve a high degree of uncertainty (i.e., time frame and severity). The Company is in the process of investigating the potential risks and opportunities associated with the following business risks to inform the appropriate actions.

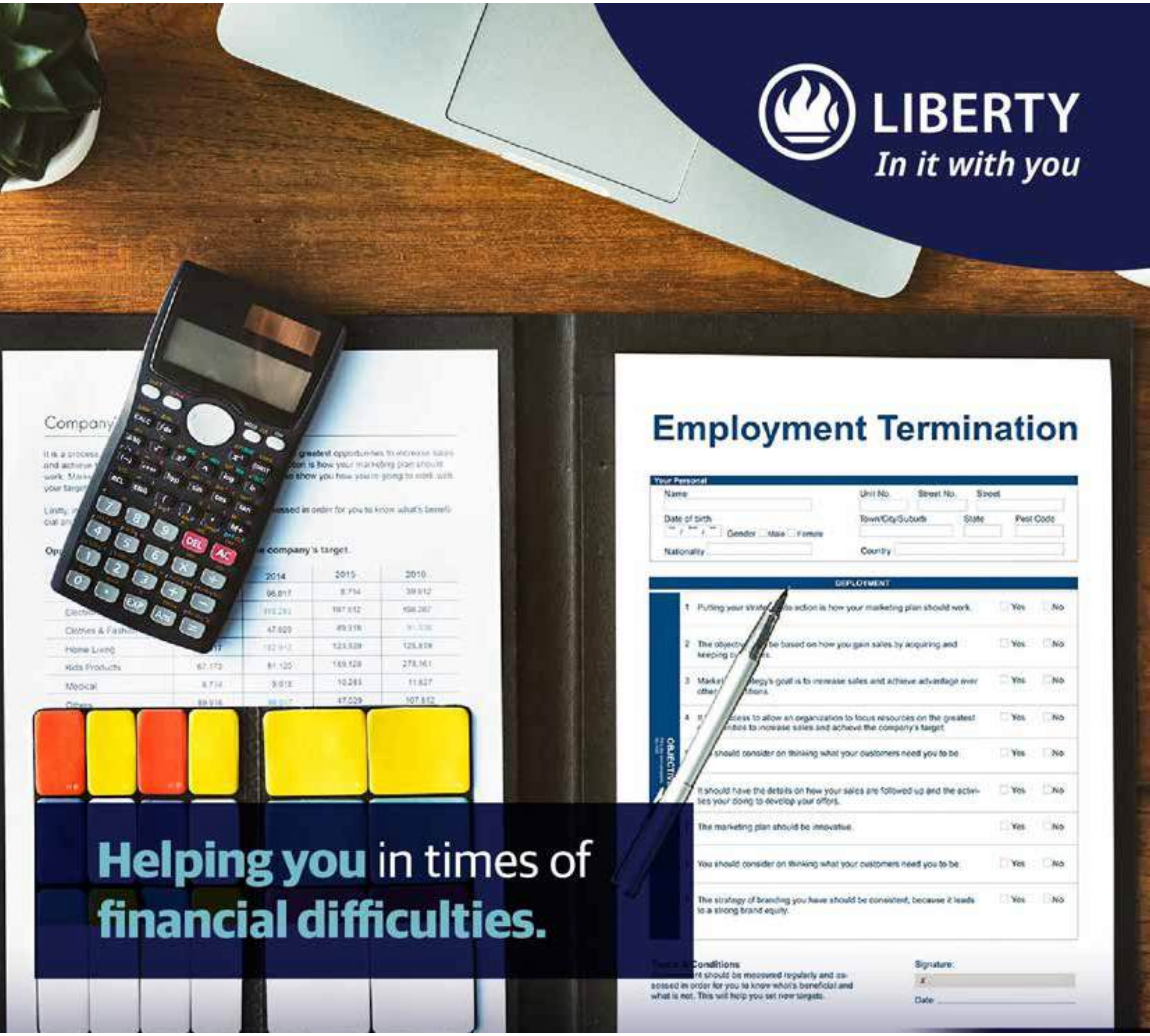
Climate change: The direct physical impact of climate change as well as the second order impact of transitioning to a low carbon economy could present risks and opportunities to the Company. Changing stakeholder demands including ESG related issues are considered as a part of an entity-wide approach to managing climate change risk.

De-globalisation: Geopolitical shifts may result in a shift from globalization to nationalism and protectionism.

The relevancy of the above to the Company's business, including risks and opportunities, is being monitored and evaluated by the Company's management and directors.

40. Events after the reporting period

There are no events after the reporting period which require adjustment to or disclosure in the financial statements.



Liberty Life Assurance Uganda Limited
Revenue account for the year ended 31 December 2024

	Life business - PAA Ushs'000	Health business - PAA Ushs'000	Direct Participation - VFA Ushs'000	Investment contracts (IFRS 9) Ushs'000	Shareholder Investment Portfolio (SIP) Ushs'000	Total Ushs'000
Insurance revenue	36,469,674	30,606,982	20,874	-	-	67,097,530
Insurance service expense	(22,984,686)	(32,345,932)	(1,952)	-	-	(55,332,570)
Net insurance service results before reinsurance contracts held	**13,484,988**	**(1,738,950)**	**18,922**	**-**	**-**	**11,764,960**
Net income from reinsurance contracts held	(1,697,371)	2,734,099	-	-	-	1,036,728
Insurance service result	**11,787,617**	**995,149**	**18,922**	**-**	**-**	**12,801,688**
Net investment income	1,452,108	39,234	85,443	-	1,259,175	2,835,960
Finance expense from insurance contracts issued	(298,469)	-	(85,443)	-	-	(383,912)
Finance income from reinsurance contracts held	100,639	-	-	-	-	100,639
Net insurance finance expense	**(197,830)**	**-**	**(85,443)**	**-**	**-**	**(283,273)**
Bancassurance commission related expenses	(7,606,914)	104,623	-	-	-	(7,502,291)
Net insurance and investment result	**5,434,981**	**1,139,006**	**18,922**	**-**	**1,259,175**	**7,852,084**
Other income	8,451	-	-	1,418	-	9,869
Other finance costs	(174,214)	-	-	-	-	(174,214)
Other operating expenses	(2,122,640)	(526,776)	-	-	-	(2,649,416)
Profit before income tax	**3,146,578**	**612,230**	**18,922**	**1,418**	**1,259,175**	**5,038,323**
Income tax expense	(735,891)	(183,669)	(5,677)	(425)	(377,753)	(1,303,415)
Profit for the year	**2,410,687**	**428,561**	**13,245**	**993**	**881,422**	**3,734,908**

Liberty Life Assurance Uganda Limited
Revenue account for the year ended 31 December 2023

	Life business - PAA Ushs'000	Health business - PAA Ushs'000	Direct Participation - VFA Ushs'000	Investment contracts (IFRS 9) Ushs'000	Shareholder Investment Portfolio (SIP) Ushs'000	Total Ushs'000
Insurance revenue	34,219,671	23,051,218	23,112	-	-	57,294,001
Insurance service expense	(21,504,631)	(23,142,344)	(5,768)	-	-	(44,652,743)
Net insurance service results before reinsurance contracts held	**12,715,040**	**(91,126)**	**17,344**	**-**	**-**	**12,641,258**
Net expense from reinsurance contracts held	(1,729,936)	556,250	-	-	-	(1,173,686)
Insurance service result	**10,985,104**	**465,124**	**17,344**	**-**	**-**	**11,467,572**
Net investment income	1,164,049	-	-	-	1,018,032	2,182,081
Finance expense from insurance contracts issued	(433)	-	(72,330)	-	-	(72,763)
Finance income from reinsurance contracts held	13	-	-	-	-	13
Net insurance finance expense	**(420)**	**-**	**(72,330)**	**-**	**-**	**(72,750)**
Bancassurance commission related expenses	(6,501,226)	-	-	-		(6,501,226)
Net insurance and investment result	**5,647,507**	**465,124**	**(54,986)**	**-**	**1,018,032**	**7,075,677**
Other income	157,776	-	-	1,283	-	159,059
Other finance costs	(253,935)	-	-	-	-	(253,935)
Other operating expenses	(1,586,466)	(356,672)	-	-	-	(1,943,138)
Profit before income tax	**3,964,882**	**108,452**	**(54,986)**	**1,283**	**1,018,032**	**5,037,663**
Income tax expense	(1,076,378)	(29,442)	14,927	(348)	(276,373)	(1,367,614)
Profit for the year	**2,888,504**	**79,010**	**(40,059)**	**935**	**741,659**	**3,670,049**

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