BOARD OF DIRECTORS

[redacted] Abdul M. Jaffer (U.S.A.)

[redacted] Lutaf Maherali (Kenyan)

[redacted] Abdul Karim C. Popat (Kenyan)
Sir Hamid Moollan Q.C. (Mauritian)
William B. Robinson (Australian)
Sadrudin H. Tejpar (Kenyan)
Joseph M. Mugwe (Kenyan)
Amin M. Datoo (Technical) (Kenyan)
Abdul I. Paroo (Finance) (Canadian)

COMPANY MANAGEMENT

[redacted]

[redacted]

[redacted]

- UNDERWRITING
- CLAIMS
- REINSURANCE
- BRANCH ADMINISTRATION
- ACTUARIAL
- LIFE MARKETING
- NON-LIFE MARKETING

[redacted]

- COMPANY SECRETARY
- ADMINISTRATION
- SHARES REGISTRY
- INVESTMENTS
- PROPERTY
- ACCOUNTING
- INFORMATION TECHNOLOGY
- PERSONNEL

INTERNAL AUDIT

NOTICE OF THE FIFTY-SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Seventh Annual General Meeting of the shareholders will be held at the Nairobi Serena Hotel, Kenyatta Avenue, Nairobi, on Tuesday, 18th July, 1995 at 10.30 a.m. to transact the following:

SPECIAL BUSINESS

To consider and, if thought fit, to approve the following Special Resolution:

Alteration to Article 133 of the Articles of Association.

"RESOLVED that Article 133 of the Articles of Association of the company be altered by deleting the words commencing 'both made up to a date not more than six (6) months before the meeting'."

ORDINARY BUSINESS

1 To consider and, if thought fit, to adopt the Accounts for the year ended 31st December, 1994 and the Report of the Directors and the Report of the Auditors thereon.

2 To confirm the payment of the interim dividend of 15% made on 6th October, 1994, and approve the payment of a final dividend of 20% on the issued and paid-up capital of the Company on or about 31st July, 1995 to shareholders registered on 18th July, 1995.

3 To elect directors who retire by rotation and, being eligible, they offer themselves for re-election :
(i) Sir Hamid A. Moollan
(ii) Mr. William B. Robinson

4 To fix the directors' remuneration.

5 To appoint auditors and authorise the directors to fix their remuneration.

6 To transact any other business proper to be transacted at such Ordinary Meeting.

By Order of the Board
Philip Awinyo,
Company Secretary

P. O. Box 30376,
Nairobi, Kenya
12th May, 1995

The Jubilee Insurance Company Limited

CONTENTS

COMPANY DETAILS

CAPITAL AND RESERVES

Authorised Capital ..	Shs	200,000,000
Issued Capital	Shs	125,000,000
Paid Up Capital	Shs	125,000,000
Reserves	Shs	825,911,299

REGISTERED HEAD OFFICE

Jubilee Insurance House
Wabera Street
P. O. Box 30376
Telephone: 340343
Telefax: 216882
Telex: 22199
Nairobi, Kenya

SUBSIDIARY

The Jubilee Investments Company Limited, Uganda (75%)

BRANCHES

Mombasa:
Jubilee Insurance Building
P. O. Box 90220
Telephone: 316745, 316746 & 314019
Mombasa, Kenya

Kisumu:
Jubilee Insurance House
Opposite Clock Tower
Oginga Odinga Road
P. O. Box 378
Telephone: 42235 & 42250
Kisumu, Kenya

2007/0457

OVERSEAS OFFICE

9 Corderie Street
P. O. Box 301
Telephone: 23113
Port Louis, Mauritius

CONSULTING ACTUARIES

Nauman Associates, Pakistan

AUDITORS

Coopers & Lybrand

PRINCIPAL BANKERS

Standard Chartered Bank Kenya Limited
Bank of Baroda (Uganda) Limited
Barclays Bank PLC, Mauritius
Standard Chartered Bank Tanzania Limited

Dear Shareholders,

During the year under review, 1994, we achieved several milestones, reinforcing Jubilee in the top league of insurance companies within the Kenyan insurance market. The Shareholders' Fund strengthened significantly - from Shs. 764 mil in 1993 to Shs. 951 mil in 1994. **The market capitalization of the Company is currently in the region of Shs. 1.25 billion.**

FINANCIAL PERFORMANCE

The effectiveness of the corrective measures which we implemented in the Non-Life Underwriting area is evident by an improvement in the underwriting performance from a loss of Shs. 24.3 mil in 1993 to a loss of Shs. 10.5 mil for the year under review.

In addition to the continuation of a high number of car thefts, we have noticed escalation in the number and size of robberies from business premises and private residences, in the more sophisticated white collar crimes such as fraud and infidelity of employees, some at senior levels, and also in a higher incidence of thefts involving jewellery and other valuables, all of which constitute a new challenge for the insurance industry.

Despite the general reduction in the interest rates, the investment income grew this year from Shs.100 mil to Shs. 110.2 mil, an increase of 10.2% due mainly to the higher asset base.

The increases in the pre-tax profit from Shs. 84.4 mil to Shs. 110.5 mil and the after-tax profit from Shs. 64.8 mil to Shs. 68.9 mil are satisfactory achievements in the local insurance environment.

LONG TERM BUSINESS

The Jubilee's Long Term Business Fund grew from Shs. 633 mil to Shs. 1,029 mil due to increase both in Individual Life business and Group Life and Pensions business, which we have been skillfully marketing in the past couple of years.

The Jubilee has taken over the business previously underwritten by Prudential Assurance Co. Ltd. of London and part of the increase is attributed to this acquisition.

We continue to make our products more appealing to the consumers and, in this regard, we are happy to maintain **reversionary bonus of 5% per annum,** one of the highest in the market.

On Deposit Administration schemes, we have declared a net interest rate of 21.5% which we believe at this writing to be one of the more attractive rates offered by any of the leading insurers in the market. The reforms and monetary policies introduced by the Central Bank of Kenya in the past year or so have caused a definite decreasing trend in interest rates. These measures have assisted in controlling the inflation rate to a low single digit number, which we believe is in the long term interest of the economy and the Kenyan public. The determination of the Deposit Administration interest rate is understandably influenced by these factors.

REINSURANCE

As reported in my previous statement, we have, along with other established insurers, taken a strong leadership role to form the first private sector reinsurance company called East Africa Reinsurance Company Limited. We subscribed to a share of 21.25% in the capital of this company which commenced operations during the last quarter of 1994. E.A. Re already underwrites reinsurance programmes of some 13 companies in the local market. We believe that due to the changing legislative and fiscal policies and E.A.

The Chairman presenting a clock to the top Life Unit Manager, Mrs. Jane Francis. Looking on is Mr. Salim Kibwana, Agency Manager, Eldoret.

Re's own decision to broaden the shareholding base by inviting a vast majority of insurers, there will be an opportunity in the next couple of years for E.A. Re to participate in the reinsurance programmes of a much larger number of insurers in the market not only in Kenya but also in neighbouring countries.

COMMISSIONER OF INSURANCE

In 1994, the Hon. Minister of Finance announced the appointment of Mr. Henry Awori as Commissioner of Insurance. We wish to offer our warmest congratulations to Mr. Henry Awori, whom we have known over many years. We wish to assure him of our commitment to maintain a good professional relationship with the Office.

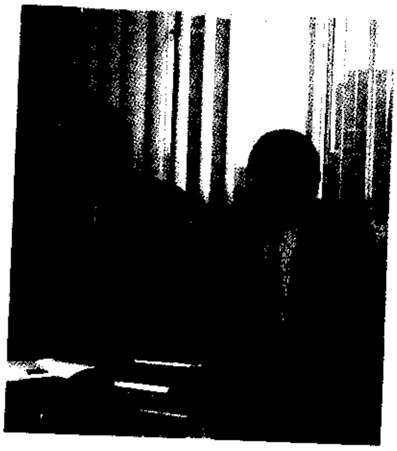
JUBILEE'S FUTURE OUTLOOK

With the relative stability of the Kenya Shilling and the reduction in interest rates - both of which we firmly believe to be in the overall interest of the Kenyan economy - we do not expect anything more than a modest growth in General Insurance premium income in 1995. We do, however, anticipate a strong growth in Life Assurance premium income due to higher awareness to products being available in the market and the willingness of employers to broaden employee benefit packages to encompass products offered by the Life Assurance industry. We expect to attract more than a reasonable share of such business due to superior features in our policies. Equally, we remain firmly committed to our long-defined objective of "Growth with Profitability".

Signing ceremony of E.A. Re shareholders represented by L to R: Mr. A. M. Jaffer (Jubilee), Mr. Guy Antoine (IFC), Mr. P. Ndegwa and Mr. W. Kinyua (First Chartered Securities).

MANAGEMENT CHANGES

To strength the Jubilee Management, we have made a couple of significant promotions to the Executive Manager level as shown in the photograph. We believe that the promotion of these individuals would assist us to achieve a more professional approach in the Information Systems and Underwriting areas, all so fundamental to our future success.



The newly promoted Executive Managers, L to R: Mr. J. H. Olembo and Mr. B. Kabiru.

CONCLUSION

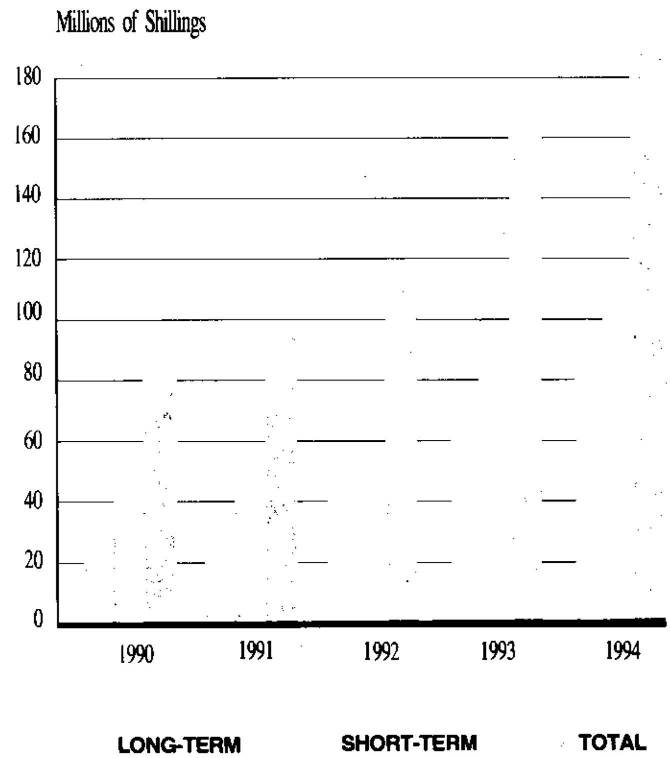
The Jubilee could not have achieved its prominent and successful position without contributions from several groups of people. To all our insureds, producers, staff, consultants and, equally, my fellow directors, I wish to convey my thanks for their continued commitment and support to the Jubilee.

Abdul M. Jaffer

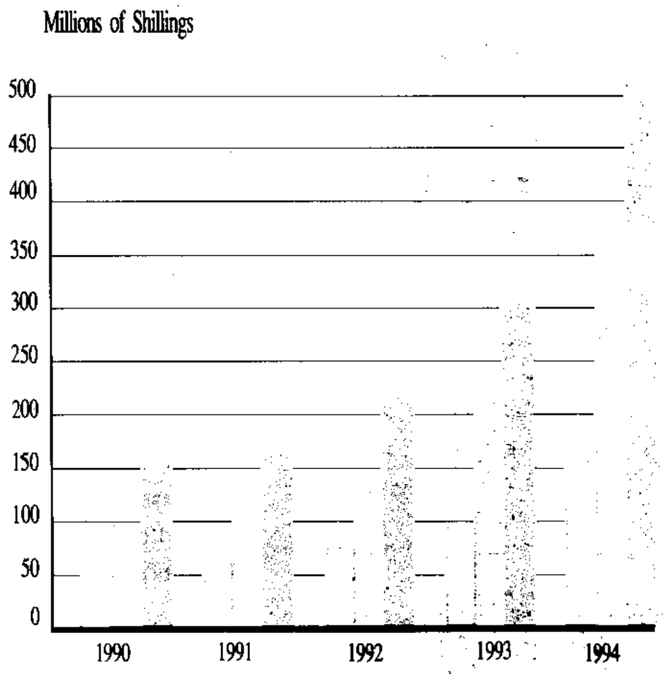
Abdul M. Jaffer
Chairman

Nairobi, Kenya
12th May, 1995

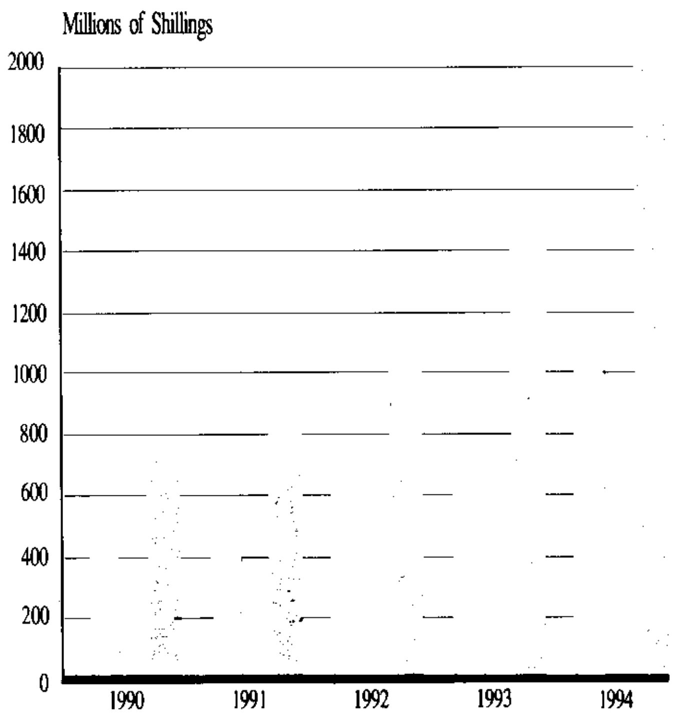
TOTAL INVESTMENT INCOME



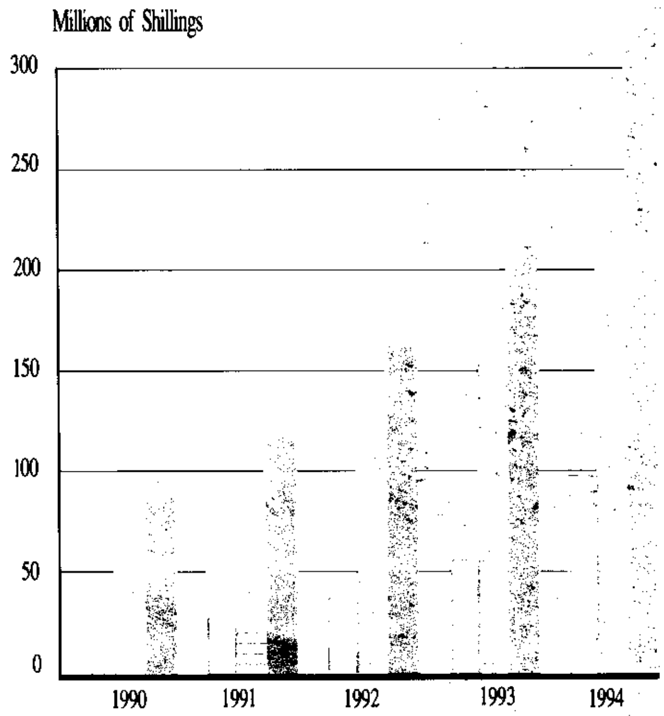
PREMIUM INCOME



TOTAL NET ASSETS



CLAIMS INCURRED



REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited accounts for the year ended 31st December, 1994.

PRINCIPAL ACTIVITIES

The principal activities of the company during 1994 were the transaction of all classes of Insurance Business.

RESULTS

The results for the year and the appropriation thereof are set out in the consolidated profit and loss account on page 10.

DIVIDENDS

An interim dividend of 15% on the paid up share capital of Shs. 125 million was paid on 6th October, 1994. The directors recommend the payment of the final dividend of 20%.

DIRECTORS

The names of the directors who served during the year, are set out on page 3. In accordance with article 85 of the company's Articles of Association the following directors retire by rotation and, being eligible, offer themselves for re-election:

Sir Hamid A. Moollan

Mr. William B. Robinson

AUDITORS

The Auditors, Messrs Coopers & Lybrand, Certified Public Accountants, will continue in office in accordance with the provisions of Section 159 (2) of the Companies Act (Cap 486), at a remuneration to be fixed by the directors.

STAFF

The directors wish to thank the management, members of staff, producers and representatives both in Kenya and overseas, for services rendered during the year.

On behalf of the Board

Abdul Karim C. Popat	Nairobi, Kenya
Director	12th May, 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF THE JUBILEE INSURANCE COMPANY LIMITED

We have audited the accounts set out on pages 10 to 26. The accounts of the company set out on pages 16 and 17 are in agreement with the books which have been properly kept. We obtained the information and explanations we required.

In our opinion, the accounts give a true and fair view of the state of affairs of the company and the group at 31st December, 1994 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act (Cap 486).

Coopers & Lybrand
Certified Public Accountants of Kenya

Nairobi.
12th May, 1995.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	Note	1994 Shs	1993 Shs
INCOME			
(Loss) transferred from underwriting revenue account		**(10,543,705)**	(24,257,619)
Profit transferred from long term business	12	**21,000,000**	14,062,233
Investment income		**110,239,980**	100,036,357
Total Income		**120,696,275**	89,840,971
OUTGO			
Management (income) /expenses not charged to other accounts		**(303,413)**	70,878
Depreciation		**4,577,207**	3,280,194
Bad debts		**5,939,737**	2,114,423
Total outgo		**10,213,531**	5,465,495
Profit before taxation	14	**110,482,744**	84,375,476
Provision for taxation	15	**41,626,978**	19,572,188
Profit after taxation		**68,855,766**	64,803,288
Minority interest		**3,753,489**	2,472,031
Profit attributable to shareholders		**65,102,277**	62,331,257
Dividends - Interim paid 15% (1993-15%)		**18,750,000**	15,000,000
- Final proposed 20% (1993-20%)		**25,000,000**	20,000,000
Retained profit	16	**21,352,277**	27,331,257
APPROPRIATION			
Unappropriated profit brought forward			
As previously reported		**104,921,837**	68,902,428
Proir year adjustments	4	**10,265,512**	(2,634,696)
As restated		**115,187,349**	66,267,732
Exchange adjustment - foreign enterprises		**(25,365,370)**	21,588,360
Bonus issue	2	**(25,000,000)**	-
Retained profit for the year		**21,352,277**	27,331,257
Unappropriated profit carried forward	3	**86,174,256**	115,187,349
Earnings per share	18	**2.60**	2.49

Report of the auditors - page 9
The notes on pages 19 to 26 form part of these accounts.

LIFE REVENUE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

THE GROUP & THE COMPANY

Class of Insurance Business	Note	Statutory Funds Ordinary Life Shs	Super-Annuation Shs	General Reserves Shs	**1994 Total** **Shs**	1993 Total Shs
Net Premium		49,766,052	102,900,791	-	**152,666,843**	99,082,894
Portfolio in		-	31,885,914	-	**31,885,914**	-
		49,766,052	134,786,705	-	**184,552,757**	99,082,894
Claims paid and outstanding						
- Death		(11,016,580)	(12,231,874)	-	**(23,248,454)**	(4,136,379)
- Maturity		(24,487,236)	-	-	**(24,487,236)**	(15,597,531)
Total Claims		(35,503,816)	(12,231,874)	-	**(47,735,690)**	(19,733,910)
Surrenders		(13,444,691)	(26,842,590)	-	**(40,287,281)**	(24,155,373)
Commissions		(10,267,082)	423,745	-	**(9,843,337)**	(15,660,808)
Total Claims, Surrenders and Commissions		(59,215,589)	(38,650,719)	-	**(97,866,308)**	(59,550,091)
Expenses of Management		(55,153,991)	(4,141,086)	-	**(59,295,077)**	(51,019,639)
Investment income		39,489,790	47,621,690	9,093,434	**96,204,914**	66,977,519
Investment expenses		(5,602,434)	(3,246,186)	(2,168,806)	**(11,017,426)**	(6,967,680)
Net investment income		33,887,356	44,375,504	6,924,628	**85,187,488**	60,009,839
Provision for taxation	15	(9,682,607)	-	-	**(9,682,607)**	-
Increase in Funds	13	(40,398,779)	136,370,404	6,924,628	**102,896,253**	48,523,003
Increase in market value of shares		88,228,171	16,810,511	48,813,295	**153,851,977**	94,726,828
Surplus on revaluation of land and buildings		24,775,367	-	18,873,976	**43,649,343**	20,141,514
Exchange adjustment - foreign enterprises		(11,916,800)	-	-	**(11,916,800)**	10,833,003
Transfer to profit and loss account	12	(4,000,000)	-	(17,000,000)	**(21,000,000)**	(14,062,233)
Transfer from general reserves	12	105,000,000	-	(105,000,000)	-	-
Acquisition of a closed fund		128,184,904	-	-	**128,184,904**	-
Funds at the beginning of the year:						
As previously reported		260,069,971	210,010,982	171,022,821	**641,103,774**	472,887,398
Prior year adjustment	4	(8,054,261)	-	-	**(8,054,261)**	-
As restated		252,015,710	210,010,982	171,022,821	**633,049,513**	472,887,398
Funds at the end of the year		541,888,573	363,191,897	123,634,720	**1,028,715,190**	633,049,513

Report of the auditors - page 9
The notes on pages 19 to 26 form part of these accounts.

UNDERWRITING REVENUE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

Class of insurance business	Engineering Shs	Fire-Domestic Shs	Fire-Industrial Shs	Liability Shs
Net premium written	1,744,425	22,950,661	35,705,580	3,438,411
Unearned premiums brought forward	507,989	3,592,402	15,194,931	450,466
Unearned premiums carried forward	1,123,076	10,325,239	19,176,584	1,137,619
Net earned premium	1,129,338	16,217,824	31,723,927	2,751,258
Claims paid	270,373	1,979,063	18,684,529	766,874
Claims outstanding carried forward	980,466	2,931,581	12,259,529	13,202,468
Claims outstanding brought forward	1,272,334	4,710,157	8,262,682	9,083,906
Total claims incurred	(21,495)	200,487	22,681,376	4,885,436
Commissions	(90,477)	2,115,549	(5,371,728)	182,186
Expenses of management	232,405	5,098,474	6,562,308	763,698
Total expenses	141,928	7,214,023	1,190,580	945,884
Balance being underwriting profit/(loss)	1,008,905	8,803,314	7,851,971	(3,080,062)

Report of the auditors - page 9
The notes on pages 19 to 26 form part of these accounts.

Marine Shs	Motor Shs	Motor Pool Shs	Personal Accident Shs	Theft Shs	Workmen's Compensation Shs	Miscellaneous Shs	**1994 Total Shs**	1993 Total Shs
15,428,339	163,862,012	-	66,880,255	24,608,854	16,522,164	2,672,923	**353,813,624**	218,390,145
5,494,493	46,926,067	-	12,564,459	6,236,907	7,007,752	1,070,262	**99,045,728**	63,081,613
6,008,201	66,496,259	-	20,343,225	12,471,953	6,508,042	1,358,537	**144,948,735**	99,045,728
14,914,631	144,291,820	-	59,101,489	18,373,808	17,021,874	2,384,648	**307,910,617**	182,426,030
3,955,791	87,499,885	4,339,355	33,174,498	22,058,087	13,427,794	145,499	**186,301,748**	123,144,215
12,871,397	137,467,317	20,867,540	13,453,358	20,079,278	28,790,975	3,507,070	**266,410,979**	220,580,300
9,776,460	103,830,645	26,239,057	8,013,615	21,277,436	22,463,112	5,650,896	**220,580,300**	169,712,282
7,050,728	121,136,557	(1,032,162)	38,614,241	20,859,929	19,755,657	(1,998,327)	**232,132,427**	174,012,233
578,194	14,201,502	-	2,377,712	(1,885,084)	2,679,878	(485,578)	**14,302,154**	(7,379,088)
2,920,087	34,438,622	227,200	12,166,925	5,465,876	3,752,961	391,185	**72,019,741**	40,050,504
3,498,281	48,640,124	227,200	14,544,637	3,580,792	6,432,839	(94,393)	**86,321,895**	32,671,416
4,365,622	(25,484,861)	804,962	5,942,611	(6,066,913)	(9,166,622)	4,477,368	**(10,543,705)**	(24,257,619)

CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 1994

	Note	Short Term Business Shs	Long Term Business Shs	**Total 1994 Shs**	Total 1993 Shs
Share capital authorised and issued:					
Nominal share capital authorised	2	200,000,000	-	**200,000,000**	100,000,000
Share capital issued and paid-up	2	125,000,000	-	**125,000,000**	100,000,000
Reserves:					
Capital	3	663,147,567	-	**663,147,567**	472,424,790
General reserve	3	70,000,000	-	**70,000,000**	70,000,000
Unappropriated profits	3	86,174,256	-	**86,174,256**	115,187,349
Share premium		6,589,476	-	**6,589,476**	6,589,476
Long term business:					
Statutory funds		-	905,080,470	**905,080,470**	462,026,692
General reserve	5	-	123,634,720	**123,634,720**	171,022,821
Total capital, reserves and long term business funds		950,911,299	1,028,715,190	**1,979,626,489**	1,397,251,128
Minority interests		9,927,476	-	**9,927,476**	10,520,815
		960,838,775	1,028,715,190	**1,989,553,965**	1,407,771,943
Represented by:					
ASSETS					
Fixed assets:	6				
Leasehold property		4,954,309	4,954,309	**9,908,618**	9,808,616
Less: Accumulated depreciation		250,252	250,252	**500,504**	302,332
		4,704,057	4,704,057	**9,408,114**	9,506,284
Motor vehicles		10,486,682	10,399,382	**20,886,064**	16,008,156
Less: Accumulated depreciation		4,764,633	4,764,633	**9,529,266**	6,741,812
		5,722,049	5,634,749	**11,356,798**	9,266,344
Computer equipment		10,644,652	10,644,652	**21,289,304**	15,074,358
Less: Accumulated depreciation		6,964,785	6,964,785	**13,929,570**	10,805,068
		3,679,867	3,679,867	**7,359,734**	4,269,290
Furniture, fixtures, fittings & office equipment		11,184,545	11,184,545	**22,369,090**	19,784,950
Less: Accumulated depreciation		6,662,407	6,662,407	**13,324,814**	11,517,788
		4,522,138	4,522,138	**9,044,276**	8,267,162
Total fixed assets		18,628,111	18,540,811	**37,168,922**	31,309,080
Investments					
(i) Securities issued by Kenya Government		51,814,629	196,485,371	**248,300,000**	270,000,000

The accounts on pages 10 to 26 were approved by the Board on 12th May, 1995 and were signed on its behalf by :

Abdul M. Jaffer
Director and Principal Officer

Abdul Karim C. Popat
Director

Report of the auditors - page 9
The notes on pages19 to 26 form part of these accounts.

	Note	Short Term Business Shs	Long Term Business Shs	**Total 1994 Shs**	Total 1993 Shs
(ii) Other:					
Ordinary shares (quoted on the Nairobi Stock Exchange)	7	230,346,518	305,667,719	**536,014,237**	235,873,364
Ordinary shares (unquoted)		116,742,434	-	**116,742,434**	114,052,285
Preference shares (quoted on the Nairobi Stock Exchange)		-	1,768,135	**1,768,135**	1,921,042
Mortgage loans		67,921,934	35,664,535	**103,586,469**	98,077,577
Other secured loans		-	-	-	8,568,983
Policy loans		-	44,329,819	**44,329,819**	41,153,004
Deposits -Non bank financial institutions		36,014,899	151,932,252	**187,947,151**	26,000,000
Investment in E.A. Re	8	63,750,000	-	**63,750,000**	-
Investment in associated company	9	10,185,000	-	**10,185,000**	12,621,000
Land and buildings	10	610,100,000	298,800,000	**908,900,000**	749,200,000
Other investments - outside Kenya		66,743,073	28,281,555	**95,024,628**	126,191,876
Total other investments		1,201,803,858	866,444,015	**2,068,247,873**	1,413,659,131
Total investments		1,253,618,487	1,062,929,386	**2,316,547,873**	1,683,659,131
Current assets:					
Cash and bank balances		12,781,334	18,145,481	**30,926,815**	20,645,470
Amounts retained and due under reinsurance contracts		92,318,890	4,674,875	**96,993,765**	45,859,993
Amounts due from bodies engaged in insurance business		5,640,774	-	**5,640,774**	6,120,405
Premiums outstanding		148,190,860	4,363,784	**152,554,644**	146,717,192
Sundry debtors		37,791,840	15,034,779	**52,826,619**	46,034,749
Amounts due from group company	11	401,395	-	**401,395**	-
Total current assets		297,125,093	42,218,919	**339,344,012**	265,377,809
Total assets		1,569,371,691	1,123,689,116	**2,693,060,807**	1,980,346,020
LIABILITIES					
Underwriting provisions:					
Unearned premium provision		144,948,735	-	**144,948,735**	99,045,728
Outstanding claims provision		266,410,979	19,938,356	**286,349,335**	222,533,945
Total underwriting provisions		411,359,714	19,938,356	**431,298,070**	321,579,673
Current liabilities:					
Taxation		13,709,040	9,682,610	**23,391,650**	3,706,870
Dividends		45,771,719	-	**45,771,719**	44,880,679
Bank overdraft and bank loans		11,310,928	11,310,928	**22,621,856**	52,851,755
Amounts due to reinsurers		61,605,785	10,723,660	**72,329,445**	62,951,782
Others-due to agents		13,481,493	9,121,791	**22,603,284**	16,319,034
Sundry creditors		51,294,237	34,196,581	**85,490,818**	69,107,289
Amount due to group company	11	-	-	-	1,176,995
Total current liabilities		197,173,202	75,035,570	**272,208,772**	250,994,404
Total liabilities		608,532,916	94,973,926	**703,506,842**	572,574,077
		960,838,775	1,028,715,190	**1,989,553,965**	1,407,771,943

COMPANY BALANCE SHEET
AS AT 31ST DECEMBER 1994

	Note	Short Term Business Shs	Long Term Business Shs	Total 1994 Shs	Total 1993 Shs
Share capital authorised and issued:					
Norminal share capital authorised..............	2	200,000,000	-	**200,000,000**	100,000,000
Share capital issued and paid-up	2	125,000,000	-	**125,000,000**	100,000,000
Reserves					
Capital	3	655,180,328	-	**655,180,328**	459,053,526
General reserve..	3	70,000,000	-	**70,000,000**	70,000,000
Unappropriated profits	3	73,851,828	-	**73,851,828**	106,488,929
Share premium		6,589,476	-	**6,589,476**	6,589,476
Long term business:					
Statutory fund		-	905,080,470	**905,080,470**	462,026,692
General reserve	5	-	123,634,720	**123,634,720**	171,022,821
		805,621,632	1,028,715,190	**1,834,336,822**	1,275,181,444
Total capital, reserves and long term business		930,621,632	1,028,715,190	**1,959,336,822**	1,375,181,444
Represented by:					
ASSETS					
Fixed assets:	6				
Leasehold property		4,954,309	4,954,309	**9,908,618**	9,808,616
Less: Accumulated depreciation..................		250,252	250,252	**500,504**	302,332
		4,704,057	4,704,057	**9,408,114**	9,506,284
Motor vehicles		10,399,382	10,399,382	**20,798,764**	16,008,156
Less: Accumulated depreciation		4,764,633	4,764,633	**9,529,266**	6,741,812
		5,634,749	5,634,749	**11,269,498**	9,266,344
Computer equipment		10,644,652	10,644,652	**21,289,304**	15,074,358
Less: Accumulated depreciation..................		6,964,785	6,964,785	**13,929,570**	10,805,068
		3,679,867	3,679,867	**7,359,734**	4,269,290
Furniture, fixtures, fittings & office equipment		11,184,545	11,184,545	**22,369,090**	19,784,950
Less: Accumulated depreciation..................		6,662,407	6,662,407	**13,324,814**	11,517,788
		4,522,138	4,522,138	**9,044,276**	8,267,162
Total fixed assets		18,540,811	18,540,811	**37,081,622**	31,309,080
Investments					
(i) Securities issued by Kenya Government		51,814,629	196,485,371	**248,300,000**	270,000,000

The accounts on pages 10 to 26 were approved by the Board on 12th May, 1995 and were signed on its behalf by :

Abdul M. Jaffer
Director and Principal Officer

Abdul Karim C. Popat
Director

Report of the auditors - page 9
The notes on pages 19 to 26 form part of these accounts.

	Note	Short Term Business Shs	Long Term Business Shs	**Total 1994 Shs**	Total 1993 Shs
(ii) Other:					
Ordinary shares (quoted on the Nairobi Stock Exchange)		230,346,518	305,667,719	**536,014,237**	235,873,365
Ordinary shares (unquoted)		116,742,434	-	**116,742,434**	114,052,285
Preference shares (quoted on the Nairobi Stock Exchange)		-	1,768,135	**1,768,135**	1,921,042
Mortgage loans		67,921,934	35,664,535	**103,586,469**	98,077,577
Other secured loans		-	-	-	8,568,983
Policy loans		-	44,329,819	**44,329,819**	41,153,004
Deposits -Non-bank financial institutions......		30,990,034	151,932,252	**182,922,286**	26,000,000
Investment in E.A. Re		63,750,000	-	**63,750,000**	-
Investment in subsidiary company		9,492,761	-	**9,492,761**	9,492,761
Land and buildings		610,100,000	298,800,000	**908,900,000**	749,200,000
Other investments - outside Kenya		61,344,659	28,281,555	**89,626,214**	126,191,878
Total other investments		1,190,688,340	866,444,015	**2,057,132,355**	1,410,530,893
Total investments		1,242,502,969	1,062,929,386	**2,305,432,355**	1,680,530,893
Current assets:					
Cash and bank balances		9,094,905	18,145,481	**27,240,386**	18,802,943
Amounts retained and due under reinsurance contracts		92,318,890	4,674,875	**96,993,765**	45,859,993
Amounts due from bodies engaged in insurance business		5,640,774	-	**5,640,774**	6,120,405
Premiums outstanding		148,190,860	4,363,784	**152,554,644**	146,717,192
Sundry debtors		36,115,739	15,034,779	**51,150,518**	39,017,350
Amounts due from group company		247,670	-	**247,670**	-
Total current assets		291,608,838	42,218,919	**333,827,757**	256,517,883
Total assets		1,552,652,618	1,123,689,116	**2,676,341,734**	1,968,357,856
LIABILITIES					
Underwriting provisions:					
Unearned premium provision		144,948,735	-	**144,948,735**	99,045,728
Outstanding claims provision		266,410,979	19,938,356	**286,349,335**	222,533,945
Total underwriting provisions		411,359,714	19,938,356	**431,298,070**	321,579,673
Current liabilities:					
Taxation		12,784,530	9,682,610	**22,467,140**	2,102,592
Dividends		45,771,719	-	**45,771,719**	44,880,679
Bank overdraft and bank loans		11,310,928	11,310,928	**22,621,856**	52,851,755
Amounts due to reinsurers (not being related bodies)		61,605,785	10,723,660	**72,329,445**	62,951,782
Others - due to agents		13,481,493	9,121,791	**22,603,284**	16,319,034
Sundry creditors		41,306,136	34,196,581	**75,502,717**	56,662,210
Amount due to group company		24,410,681	-	**24,410,681**	35,828,687
Total current liabilities		210,671,272	75,035,570	**285,706,842**	271,596,739
Total liabilities..		622,030,986	94,973,926	**717,004,912**	593,176,412
		930,621,632	1,028,715,190	**1,959,336,822**	1,375,181,444

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS: SHORT-TERM BUSINESS FOR THE YEAR ENDED 31ST DECEMBER 1994

	1994	1993
	Shs	Shs
SOURCE OF FUNDS		
Profit before taxation and extraordinary items, less minority interest ...	106,729,255	81,903,444
Adjustments for items not involving the movement of funds:		
Profit on sale of fixed assets	(437,506)	(850,646)
Profit on sale of investments	(1,042,616)	(13,923,044)
Premiums and claims reserves	91,733,686	86,832,133
Depreciation	4,577,207	3,280,194
Minority interests	3,753,489	2,472,032
Total funds generated from operations	205,313,515	159,714,113
Funds from other sources:		
Proceeds from sale of fixed assets	555,288	850,646
Proceeds from sale of investments	1,478,906	49,655,009
Net proceeds on redemption of government securities	151,832,071	-
Mortgage and loan repayments	-	20,032,951
	359,179,780	230,252,719
APPLICATION OF FUNDS		
Tax paid	31,624,808	15,183,231
Dividends paid	42,858,960	34,137,853
Purchase of fixed assets	7,668,560	7,339,539
Dividends paid to Minority in subsidiary company	1,629,000	-
Additions to land and buildings	221,467	54,600,422
Increase in quoted and unquoted shares	147,412,814	1,834,009
Net increase in government securities	-	137,552,126
Increase in other investments	5,752,103	2,409,372
Loans advanced	35,976,816	-
	273,144,528	253,056,552
	86,035,252	(22,803,833)
Represented by:		
Movement in working capital:		
(Increase) in creditors	(18,833,562)	(70,226,998)
Increase in debtors	48,022,578	106,515,216
(Decrease) in cash and bank balances	(5,070,223)	(2,047,853)
Decrease/(increase) in bank overdraft and bank loans	41,501,560	(33,290,515)
Increase/(decrease) in fixed deposits	20,414,899	(23,753,683)
	86,035,252	(22,803,833)

Report of the auditors - page 9

The notes on pages 19 to 26 form part of these accounts.

KENYA COMMERCIAL BANK LIMITED

27TH ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, 25TH JULY, 1998 AT 11.00 A.M. AT THE PLENARY HALL, KENYATTA INTERNATIONAL CONFERENCE CENTRE, NAIROBI

BOARD OF DIRECTORS

Since the last Annual General Meeting, the Board of Directors of the Bank has undergone certain changes and the current position is indicated hereunder:

Mr. P.C.J.O. Nyakiamo	-	Chairman (Appointed 23.3.98)
Mr. A.T. Kaminchia	-	Chairman (Retired 23.3.98)
Mr. S.S. Lesrima	-	Retired 8.1.98
Dr. S. Kosgey	-	Appointed 8.1.98 and Retired 5.2.98
Ms M.K. Chemengich	-	Appointed 5.2.98
Mr. J.G. Kigunda	-	Retired 23.3.98
Mr. N.M. Arte	-	
Mr. G.C. Kirundi	-	Retired 23.3.98
Mr. J. Wamangoli	-	Retired 23.3.98
Mr. F.K.A. Koske	-	
Ms. S. Wainaina	-	Appointed 23.3.98
Mr. L.R. Otundo	-	Appointed 23.3.98
Dr. K. Langat	-	Appointed 23.3.98
Mr. N. Kirira	-	Appointed 17.4.98
Mr. E.C.A. Saina	-	Appointed 17.4.98
Prof. A.W. Mwang'ombe	-	Appointed 23.6.98
Mr. J.E. Kirimi	-	Appointed 23.6.98

Mr. E.C.A. Saina was appointed General Manager of the Bank on 23.3.98 replacing Mr. E.K. Arap Bii, who left the Bank.

K.D. MALAKWEN

SECRETARY

23rd June, 1998

Proxy Form

31 December, 1997

The Secretary,

Kenya Commercial Bank Limited,

8th Floor, Kencom House, Moi Avenue,

P.O. Box 48400, NAIROBI.

I/We ....

Shares A/c No .... of P.O. Box ....

being a Member/Members of the above named company, hereby appoint ....

....

of P.O. Box.. or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on 25th day of July 1998 and at any adjournment thereof.

Signed this .... day of.............,1998

Signature(s)...

NOTE: In the case of a Member being a corporation, the Proxy Form must be under its common seal or under the hand of an officer or attorney duly authorised in writing. A proxy need not be a member of the Company.

NOTES TO THE ACCOUNTS
31ST DECEMBER 1994

1. Principal accounting policies

(a) *Basis of accounting*
The company prepares its accounts on the historical cost basis of accounting, modified to include the revaluation of certain assets.

(b) *Consolidation*
The group accounts incorporate the accounts of the subsidiary company made up to 31st December of each year.

(c) *Underwriting results*
(i) *Short-term business*
The short-term insurance underwriting results are determined after taking into account, inter alia, unearned premiums, outstanding claims and, where applicable, portfolio transfers.

Unearned premiums represent that portion of the premiums written in the periods up to the accounting date which are attributable to subsequent accounting periods.

Outstanding claims represent claims arising from incidents occurring prior to the accounting date and are computed on the basis of the best information available at the time the records for the year are closed.

(ii) *Long-term business*
Actuarial investigation
In accordance with Section 57 of the Insurance Act 1984, the board of directors may, at their discretion, cause every year an investigation by an actuary to be made into the financial condition in respect of the long-term business of the company but, in any event, such investigation shall take place at least every three years, in accordance with the provision of the said Act.

Surpluses arising are allocated by the directors with the advice of the actuary and in accordance with the Articles of Association to policyholders' bonuses and to the profit and loss account. Any balance remaining is carried forward in the fund.

Premium income
Premiums shown in the life revenue account are accounted for on a basis which approximates to a pre-debit method of accounting as adjusted for estimated lapses.

(d) *Investment income*
Investment income which is net of management expenses, comprises interest and net rent receivable for the year and dividends which are accounted for when declared.

(e) *Sale of investments*
(i) *Short term business*
Profits or losses resulting from the sale of investments are credited or charged to the profit and loss account in the year in which the sale takes place, after releasing such amounts as are reflected in the capital reserve account relating to such investments.

(ii) *Long term business*
Profits or losses resulting from the sale of investments are credited or charged to the life revenue account. Profit or loss is determined by comparing net proceeds with the carrying value of the investments sold.

(f) *Expenses and commission*
Expenses and commission are allocated to the relevant revenue accounts as incurred in the management of each class of business. Commission is shown net of commission received in respect of reinsurance business ceded. Certain expenses of the short-term business being depreciation, provision for doubtful debts and directors' fees are not allocated but are charged directly to the profit and loss account.

(g) *Investments*

(i) Investments in the balance sheet of both long and short-term business are generally stated at the following values:-

- Government securities - at redemption values. Any unearned interest or discount is included under creditors and credited to income over the period of the issues.
- Quoted ordinary shares - at market values.
- Unquoted ordinary shares - at the lower of cost and directors' valuation.
- Quoted preference shares - at market values.
- Loan secured by mortgages on real property - at redemption values.
- Loans on life insurance policies within their surrender values - at redemption values.
- Land and buildings - at revalued amounts based on professional valuations carried out at intervals of five years except in the event of any material change in the intervening period when the properties are revalued at the time at the discretion of the directors. Additions in the intervening period are included at cost.

(ii) Unrealised gains arising from the aggregate valuation within each of the seven classes of investments set out above are credited to the capital reserve in respect of short-term business and to the life fund in respect of long-term business. Unrealised losses are charged firstly against any accumulated unrealised gains for that class of investment and the balance is charged to the profit and loss account for short-term business or the life revenue account for long-term business.

(iii) Any surplus over cost which arises as a result of transfer of assets between short-term and long-term business is taken to capital reserve in case of transfers from short-term business and to the relevant life fund in case of transfers from long-term business.

(h) *Fixed assets*

Fixed assets are stated at cost less depreciation which is calculated to write off the cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

Long-term leasehold property.	Over period of lease
	Rate
Motor vehicles	20%
Computer and office equipment	25%
Furniture, fixtures and fittings	10%

(i) *Foreign currencies*

Assets and liabilities expressed in foreign currencies are translated to Kenya shillings at the rates of exchange ruling at the year end. Differences arising on translation are charged to the profit and loss account in respect of short-term business and to the life revenue account in respect of long term business, except where they relate to retranslation of net investment in foreign enterprises in which case the differences are dealt with as adjustments to capital reserves, unappropriated profits and life statutory fund as appropriate.

(j) *Deferred taxation*

Provision for deferred taxation is made only when the directors consider that a tax benefit or charge is likely to crystallize in the foreseeable future.

2. Share capital

	1994 Shs	1993 Shs
Authorised:		
40,000,000 (1993: 20,000,000) ordinary shares of KShs. 5 each	**200,000,000**	100,000,000
Issued and fully paid:		
25,000,000 (1993: 20,000,000) ordinary shares of KShs. 5 each	**125,000,000**	100,000,000

The authorised share capital was increased from KShs. 100,000,000 to KShs. 200,000,000 by an ordinary resolution on 25th May, 1994.

The issued share capital was increased during the year from KShs. 100,000,000 to KShs. 125,000,000 by a bonus issue of one share of KShs. 5 each fully paid for every four shares held. The bonus issue was made from revenue reserves. The new shares rank pari passu in all respects with the existing shares.

3. Reserves	**1994**	1993
The group	**Shs**	Shs
(i) Capital reserve:		
At 1st January:		
As previously reported	**494,013,150**	282,636,714
Prior year adjustment (note 4 (i))	**(21,588,360)**	-
As restated	**472,424,790**	282,636,714
Exchange adjustment - foreign enterprises	**(13,081,550)**	34,046,884
Surplus on revaluation of land and buildings	**93,178,533**	133,202,512
Increase in market value of shares	**110,625,794**	22,538,680
At 31st December	**663,147,567**	472,424,790
ii) General reserve		
At 1st January and 31st December	**70,000,000**	70,000,000
iii) Unappropriated profits		
At 1st January:		
As previously reported	**104,921,837**	68,902,428
Prior year adjustment (note 4)	**10,265,512**	(2,634,696)
As restated	**115,187,349**	66,267,732
Exchange adjustment - foreign enterprises	**(25,365,370)**	21,588,360
Issue of bonus shares (Note 2)	**(25,000,000)**	-
Retained profit for the year	**21,352,277**	27,331,257
At 31st December	**86,174,256**	115,187,349
The company		
(i) Capital reserve:		
At 1st January:		
As previously reported	**480,641,886**	281,077,475
Prior year adjustment (note 4 (i))	**(21,588,360)**	-
As restated	**459,053,526**	281,077,475
Exchange adjustment - foreign enterprises	**(7,677,525)**	22,234,859
Surplus on revaluation of land and buildings	**93,178,533**	133,202,512
Increase in market value of shares	**110,625,794**	22,538,680
At 31st December	**655,180,328**	459,053,526
(ii) General reserve		
At 1st January and 31st December	**70,000,000**	70,000,000

(iii) Unappropriated profits

	1994 Shs	1993 Shs
At 1st January 1994:		
As previously reported	**96,223,417**	67,620,103
Prior year adjustments (Note 4)	**10,265,512**	(2,634,696)
As restated	**106,488,929**	64,985,407
Exchange adjustment - foreign enterprises	**(22,615,910)**	21,588,360
Issue of bonus shares (Note 2)	**(25,000,000)**	-
Retained profit for the year	**14,978,809**	19,915,162
At 31st December	**73,851,828**	106,488,929

4. Prior year adjustments

	Short-term business Shs	**Long-term business Shs**
The group and the company		
These are stated net of tax (where applicable) and comprise:		
(i) Exchange Gains - Transfer from capital reserve	**21,588,360**	-
(ii) Overstatement of prior year results - 1993	**(8,688,152)**	**(8,054,261)**
- 1992	**(2,634,696)**	-
	10,265,512	**(8,054,261)**

(i) The adjustment for exchange gain is a correction of treatment adopted in 1993 when the exchange gains arising on translation of the net investment in a foreign enterprise under the short term business was credited in full to capital reserve instead of a portion being credited directly to unappropriated profit in accordance with the accounting policy.

(ii) The overstatment of prior year results relates to:
   (a) accounting errors affecting the underwriting results and the life revenue account in 1993; and
   (b) adjustment to accident claim recoveries under reinsurance contracts arising as a result of high inflation in 1992 and 1993.

The comparative results have been restated by the adjustments affecting the year ended 31st December 1993 and the remainder relating to 1992 has been charged against brought forward reserves.

5. Long term business general reserve

	1994 Shs	1993 Shs
The group and the company		
At 31st December	**123,634,720**	171,022,821

This General Reserve represents a reserve maintained within the long term business but does not constitute a statutory fund. Transfers from the General Reserve to the statutory funds and the Profit & Loss Account are made on the recommendation of the actuaries (see note 12).

6. Fixed assets

(a) The group

	Long term leasehold property Shs	Computer equipment Shs	Motor vehicles Shs	Furniture, fixtures, fittings & office equipment Shs	Total Shs
COST:					
At 1st January, 1994	9,808,616	15,074,358	16,008,156	19,784,950	60,676,080
Additions	100,002	6,214,946	6,350,731	2,584,140	15,249,819
Disposals	-	-	(1,472,823)	-	(1,472,823)
At 31st December, 1994	**9,908,618**	**21,289,304**	**20,886,064**	**22,369,090**	**74,453,076**
DEPRECIATION:					
At 1st January, 1994	302,332	10,805,068	6,741,812	11,517,788	29,367,000
Charge for the year	198,172	3,124,502	4,024,714	1,807,026	9,154,414
On disposals	-	-	(1,237,260)	-	(1,237,260)
At 31st December, 1994	**500,504**	**13,929,570**	**9,529,266**	**13,324,814**	**37,284,154**
NET BOOK VALUE:					
At 31st December, 1994	**9,408,114**	**7,359,734**	**11,356,798**	**9,044,276**	**37,168,922**
At 31st December, 1993	9,506,284	4,269,290	9,266,344	8,267,162	31,309,080

(b) The company

	Long term leasehold property Shs	Computer equipment Shs	Motor vehicles Shs	Furniture, fixtures, fittings & office equipment Shs	Total Shs
COST:					
At 1st January, 1994	9,808,616	15,074,358	16,008,156	19,784,950	60,676,080
Additions	100,002	6,214,946	6,263,431	2,584,140	15,162,519
Disposals	-	-	(1,472,823)	-	(1,472,823)
At 31st December, 1994	**9,908,618**	**21,289,304**	**20,798,764**	**22,369,090**	**74,365,776**
DEPRECIATION:					
At 1st January, 1994	302,332	10,805,068	6,741,812	11,517,788	29,367,000
Charge for the year	198,172	3,124,502	4,024,714	1,807,026	9,154,414
On disposals	-	-	(1,237,260)	-	(1,237,260)
At 31st December, 1994	**500,504**	**13,929,570**	**9,529,266**	**13,324,814**	**37,284,154**
NET BOOK VALUE:					
At 31st December, 1994	**9,408,114**	**7,359,734**	**11,269,498**	**9,044,276**	**37,081,622**
At 31st December, 1993	9,506,284	4,269,290	9,266,344	8,267,162	31,309,080

(c) No depreciation has been charged in arriving at the group results for the year in respect of certain fixed assets which originally cost Shs. 17,680,512 (1993: Shs. 19,770,753) and are still in use but fully depreciated. If depreciation had been charged during the year on the cost of these assets at normal rates it would have amounted to Shs. 3,900,000 (1993: Shs. 3,634,418).

7. Quoted ordinary shares

The group and the company	**1994 Shs**	1993 Shs
Quoted on the Nairobi Stock Exchange:		
Based on market value at 31st December	**536,014,237**	235,873,365

The market value of the above shares at 12th May, 1995 was Shs. 429,843,427 (Short term business Shs. 181,485,135, long term business Shs. 248,358,292).

8. Investment in East Africa Reinsurance Company Limited (E.A. Re)
The Group and the company

During the year the company acquired 21.25% of the issued capital in E.A. Re, a private reinsurance com pany incorporated in Kenya on 17th June, 1993. E.A. Re commenced business effective 18th October, 1994

9. Investment in subsidiary
This comprises:

	% of equity held	1994 Shs	1993 Shs
Shares at cost in The Jubilee Investments Company Limited (incorporated in Uganda)	75	**9,492,761**	9,492,761

The above subsidiary has an equity investment of 35% in an associated insurance company in Uganda, the results of which are not consolidated as this would involve delay and expense out of proportion to the value to the members of the company.

The following information relates to the associated company:-

	1994 Shs	1993 Shs
Group's share of profit after tax and minority interest	**3,177,371**	409,199
Group's share of net assets at 31st December:		
Attributable to the company	**11,202,485**	9,843,962
Attributable to the minority interest	**3,734,162**	3,281,320
	14,936,647	13,125,282

10. Land and buildings

The Group and the company
The valuation of freehold and leasehold properties was carried out by Mr. C. P. Robertson-Dunn, chartered surveyor and registered valuer, at 31st December, 1994. The basis of the valuation was capitalisation of current and anticipated net rental streams. The surplus arising on valuation has been credited to the capital reserve for short term business and to the life fund for long term business.

11. Group company balances	The group		The company	
	1994 Shs	1993 Shs	**1994 Shs**	1993 Shs
Amounts due from:				
The Jubilee Insurance Company of Uganda Ltd. (JICU)	**401,395**	-	**247,670**	-
Amounts due to:				
The Jubilee Investments Company Ltd.	-	-	**24,410,681**	34,651,692
The Jubilee Insurance Company of Uganda Ltd. (JICU)	-	1,176,995	-	1,176,995
	-	1,176,995	**24,410,681**	35,828,687

The movements during the year are made up of transactions incurred in the normal course of business.

12. Transfer from long term business to profit and loss account

An actuarial investigation of the long term business was carried out by the company's actuaries as at 31st December, 1994. The actuaries have recommended a transfer of Shs. 105 million from the General Reserve to the Ordinary Life Statutory Fund in order to strengthen the fund. In addition, the actuaries have recommended a transfer of Shs. 21 million to the profit and loss account from the long term business.

13. Long Term Business Revenue Account

The Group and the company

	1994 Shs	1993 Shs
The increase in funds is stated after charging:		
Depreciation	**4,577,207**	3,280,194
Auditors' remuneration	**750,000**	443,000
and after crediting:		
Income from:		
Government securities	**27,558,300**	32,105,243
Quoted shares	**8,648,071**	4,983,897
Net rent from properties	**25,787,842**	17,502,784

14. Group profit before taxation

	1994 Shs	1993 Shs
The surplus is stated after charging:		
Depreciation	**4,577,207**	3,280,194
Auditors' remuneration (parent company Shs. 750,000 1993: Shs. 443,000)	**798,500**	504,960
and after crediting:		
Income from:		
Government securities	**51,228,173**	37,607,783
Unquoted shares	**8,492,134**	4,419,393
Quoted shares	**2,181,529**	1,188,801
Net rent from properties	**28,687,075**	34,663,878

15. Provision for taxation

	Shdrt-term business Shs	Long-term business Shs	1994 Total Shs	1993 Total Shs
(a) The group				
Based on the group profit for the year as adjusted for tax purposes	41,626,978	9,682,607	**51,309,585**	19,572,188
(b) The company				
Taxation at 37.5% (including drought levy at 2.5%) based on the profit for the year as adjusted for tax purposes	38,667,046	9,682.607	**48,349,653**	14,923,562

The tax charge under long-term business arises on the closed fund acquired.

16. Group retained profit for the year

The retained profit dealt with in the accounts of the parent company is Shs. 14,978,809 (1993: Shs. 19,915,162).

17. Directors' emoluments

The group and the company

	1994 As directors Shs	1994 For management Shs	1993 As directors Shs	1993 For management Shs
Emoluments	256,000	10,766,920	156,000	5,773,700
Pension to a past director	120,000	-	90,000	-
	376,000	10,766,920	246,000	5,773,700

18. Earnings per share

Earnings per ordinary share of Shs. 5 each are calculated by reference to the profit available for distribution and on 25 million shares. The 1993 comparative amount has been restated to take account of the bonus issue.

19. Assets outside Kenya

The group has net assets outside Kenya amounting to Shs. 309,572,551 (1993: Shs. 296,335,765).

20. Mortgages and loans

The group and the company

Amount approved by the directors but not advanced at 31st December:

	1994 Shs	1993 Shs
Long-term business	12,185,000	5,608,000
Short-term business	12,400,000	12,000,000
	24,585,000	17,608,000

21. Capital commitments

The group and the company

	1994 Shs	1993 Shs
Amount contracted for but not provided	-	66,451,212

22. Incorporation

The company is incorporated in Kenya under the Companies Act.

23. Currency

These accounts are presented in Kenya shillings (Shs).

Report of the auditors - page 9.

The Jubilee Insurance Company Limited

Incorporated in Kenya. Established 1937

Proxy

I/We ....

of ....

being a member/members of The Jubilee Insurance Company Limited, hereby appoint ....

....

of ....

and failing him, ...

of ....

and failing him, the Chairman of the meeting as my/our proxy to vote for me /us and on my/our behalf at the Annual General Meeting of the Company to be held on 18th day of July, 1995 at 10.30 a.m. and at any adjournment thereof.

As witnessed my/our hand this .... day of .... 1995.

....

Member

Important Notes:

1. If you are unable to attend this meeting personally, this Form of Proxy should be completed and returned to The Company Secretary, P.O.Box 30376, Nairobi, so as to reach him not later than 48 hours before the time appointed for holding the meeting.
2. A person appointed to act as a proxy need not be a member of the Company.
3. If the appointer is a Corporation this Form of Proxy must be executed under Seal or under the hand of an Officer or Attorney duly authorised in writing in that behalf.

FOLD 2

STAMP

The Secretary
The Jubilee Insurance Company Limited
P. O. Box 30376
NAIROBI

FOLD 1

FOLD 3

INSERT FLAP INSIDE

GROUP REVIEW - TEN YEARS' DEVELOPMENT

Kenya Shillings Million

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Shareholders' Fund	156	162	194	262	297	351	398	525	764	951
Life Fund	223	245	274	318	336	381	444	473	633	1029
Total Assets	512	548	640	827	924	1056	1188	1361	1980	2693
Total Investment Income	45	48	53	60	68	81	90	109	160	195
Pre-tax Profit (including transfer from Life Account)	28	30	32	41	50	64	69	49	84	110
After-tax Profit	19	22	24	29	33	44	49	39	65	69
• Dividends to Shareholders	7.0	7.0	10.5	10.5	17.5	17.5	26.2	35	35	44
Dividend cover - Ratio	2.76	3.11	2.26	2.80	1.87	2.54	1.87	1.12	1.78	1.49
•• Earnings Per Shs. 5 Share-Adjusted-Shs	0.77	0.87	0.95	1.18	1.31	1.78	1.97	1.56	2.49	2.60

Note

- *The Dividend to Shareholders of Shs. 7 million in 1986 does not include the Golden Jubilee Special Dividend of Shs. 7 million.*

•• *Earnings per share has been calculated on 25 million shares for the years 1985 to 1994.*

INCORPORATED IN KENYA

58 YEARS OF SERVICE

ESTABLISHED 1937