

**LIBERTY KENYA HOLDINGS PLC – 18TH ANNUAL GENERAL MEETING QUESTIONS AND ANSWERS**

<b>Category</b>	<b>Question / Comment</b>	<b>Answer</b>
<b>General meetings</b>	Trust this year we will have a physical meeting?	The AGM was convened through electronic means in line with the Articles of Association of the Company. The Company is monitoring the effectiveness of the meeting and, at this stage, does not intend altering the format in the future.
	Will I attend the meeting?	Shareholders participated in the AGM through an online live stream through links sent to their registered mobile numbers. The process for participation was provided in detail in the AGM Notice published in the local dailies and on the Company's website.
<b>Customary AGM Gifts</b>	i) Why don't you hold physical meetings, and shareholders need their token and gift as before for appreciation?  ii) As shareholders, we need physical meetings and whoever registered should be given a token and a gift	Prior to the advent of Virtual AGMs, we had a tradition of providing a token of appreciation to shareholders who attended the AGMs. The current structure of Virtual AGMs makes it impracticable to implement the provision of tokens to shareholders, as the Company has no way of logistically and/or economically managing distribution to all our shareholders. The Board is however focused on ensuring that shareholders receive value for their investment in the Company, through the distribution of cash dividends and enhancing the value per share held. Shareholders who participated in the meeting were given a data allocation by way of appreciation.
<b>Dividend</b>	What is the dividend rate and how is it determined?	This is in line with the dividend policy and availability of distributable profits.
	i) Do we have a dividend?	Taking into consideration the current Kenya economic and business outlook, the Board remains cautious around liquidity and capital resilience. Despite a recover in earnings, the Company is not yet at the level where the Board is

	<p>ii) How much is the dividend per share?</p> <p>iii) Consider issuing bonuses or share buyback to ensure share prices go up so that we can earn, even if it is capital gains as the share has been deteriorating day after day</p> <p>iv) Other than dividends, can the company consider issuing bonus shares to boost the share prices that continue to deteriorate or a share buyback?</p>	<p>comfortable it has sufficient headroom. In terms of the dividend policy, the Board has not recommended any dividend is payable.</p> <p>Share bonuses and share buybacks will impact the capital availability of the Company in the same way as the payment of a cash dividend and therefore this was not considered an option by the Board. However, these remain viable options for the future that will be considered at each financial reporting period.</p>
	<p>Can I receive dividends by MPESA?</p>	<p>The Company has an option for you to receive your future dividends through MPESA. Kindly reach out to our Registrars:</p> <p>Image Registrars Limited 5<sup>th</sup> floor Absa Towers (formerly Barclays Plaza) Loita Street P.O. Box 9287 – 00100 Nairobi</p> <p>Email: <a href="mailto:libertyshares@image.co.ke">libertyshares@image.co.ke</a></p> <p>Telephone: 0709 170000/ 0724 699667/0735 565666</p>

<b>Financial Statements and Reports</b>	<p>i) When is the full annual report going to be uploaded?</p> <p>ii) Send to me the Annual Financial Statements</p>	<p>The Company’s Financial Statements and reports for the year ended 31st December 2022 together with those of its subsidiaries were published and are available on the Company’s website. You may access and download them directly by clicking on:</p> <p><a href="https://www.libertykenya.co.ke/investor_relations.php">https://www.libertykenya.co.ke/investor_relations.php</a></p>
	<p>Q1 Liberty Holdings is a strategic investor in Liberty Life Assurance, why invest (130 million) in a subsidiary leaving Liberty Holdings with empty balance sheet ?</p>	<p>Covid-19 resulted in a higher-than-normal death and retrenchment claims. The situation was further aggravated by declines in value of marketable securities at the Nairobi Securities exchange leading to a significant unrealized loss. Projections indicated that Liberty Life Assurance Kenya Limited (LLK) was at the risk of falling below regulatory minimum capital.</p> <p>The board decided to inject additional capital to stabilize the available capital in LLK. In doing so, two funding options were available.</p> <ol style="list-style-type: none"> <li>1) Utilize surplus capital within the group</li> <li>2) Make a call to shareholders through a rights issue.</li> </ol> <p>Option1: Preferred and implemented.</p> <p>Option2: The Board considers this as an option of last resort. It is administratively expensive and invites all shareholders to take up their rights. <b>Liberty Kenya Holdings</b> being a strategic investor in Liberty Kenya holdings would have fully taken their rights.</p>
	<p>What is the status of IFRS 17 implementation?</p>	<p>The Company is on track with IFRS 17 implementation. The boards of the two operating insurance subsidiaries approved the IFRS 17 Transition balance sheets and various accounting and disclosure policies required for the effective implementation of IFRS 17. The Company will publish its H1, 2023 Financial Statements on the IFRS 17 basis. The Company is of the view that it is ahead of most market participants in its implementation.</p>

<b>Risk</b>	How does the Company address fraud risk in the Motor Vehicle and Medical lines of business	<p>The Company has put in place an apt underwriting process and stringent post onboarding practices such as vehicle valuation and inspection as well as high adoption of the Integrated Motor Insurance Data System (IMIDS) to identify and detect fraud in the motor insurance claims. For medical business, there is mandatory prescreening and vetting of all medical claims as well as insistence on use of SMART health cards to access medical services.</p> <p>Heritage Insurance continues to be coveted as an industry leader in the adoption of the IMIDS system through recognition earned at the Association of Kenya Insurers Awards.</p>
<b>Business Performance</b>	Year on year the return on equity to shareholders has been low. Kindly ensure 2023 result are good as you lower your expenses. Thank you	The group has strategic plans to grow shareholder wealth. These plans are expected to show results in 2023 but a number of areas are longer term initiatives. The Board is closely monitoring the delivery of strategic initiatives with the management team to ensure that delivery to shareholders improves.
	Is a rights issue being contemplated?	No rights issue is being contemplated. The businesses are well capitalized and can comfortably meet their regulatory and customer commitments.
<b>Business Strategy</b>	<p>Does the Company have any expansions for example going into the DRC?</p> <p>In the changing world which everyday it's having businesses becoming obsolete and other products</p>	Please review the details in our strategy section in the Integrated Report. In particular, we are specifically focusing our attention on how we can best use technology to support the access of products, information, and support services for the benefit of our customers.

	<p>coming to replace traditional products what is the company doing in R and D to keep up with the changing world?</p> <p>How would you improve the group business now and the next level in future?</p>	<p>The Company has focused its strategy towards fulfilling client needs. We are addressing the areas where we are not completely meeting the needs and expectations of customers with a view to improving customer outcomes. This is particularly focused on all investment products. We are expanding the distribution network to include banks and technology partners. The company will continue to place significant emphasis on compliance and capital strength, ensuring that it is able to meet customer promises whenever these eventualities arise, throughout the business cycle.</p> <p>By way of example, Heritage has the most technologically advanced motor insurance product available in the market, Auto Correct. Please contact Heritage Kenya for more details.</p>
<b>Corporate Social Responsibility</b>	<p>What is the Company doing to empower youths and MSMEs?</p>	<p>We have a well-crafted approach to our flagship scholarship programme that includes mentorship, designed to develop practical skills beyond the classroom. These sessions are aimed at developing well-rounded students who can adapt and thrive in society. We also have a financial literacy programme that equips individuals and businesses on financial planning principles.</p>
<b>Amendment of Articles</b>	<p>Why are the Articles being amended? What is the reference value under Section 356 of the Act that is made reference to in "no shares shall be issued at a discount in accordance with Section 356 of the Act."?</p>	<p>The Articles are being amended to comply with the provisions of the Companies Act, 2015. The Company's Articles were last substantively amended in 2011 prior to the enactment of the Companies Act, 2015. Section 356(1) of the Companies Act prohibits companies from issuing shares at a discount. This refers to a discount from the par value of the shares.</p>

