



ICEA LION
GENERAL INSURANCE

60 years
A LEGACY OF TRUST

2024
INTEGRATED
REPORT



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FOREWORD

ICEA LION @60

The year 2024 was a memorable one for ICEA LION (Group) as we celebrated a remarkable milestone, ICEA LION @60. The 60-year journey has been defined by resilience, commitment and a shared vision. The Group's history dates back to 1895, but the life business which was established in 1964 marked 60 years in 2024. This is the cornerstone that truly defined ICEA LION as it is known today.

Throughout these six decades, the journey has been one of growth and resilience. The Group has faced challenges, embraced change, and achieved significant milestones that have allowed it to build a legacy rooted in integrity, service, and unwavering commitment to stakeholders.

During this period, ICEA LION Group companies have grown to be pillars of financial security, empowering individuals and companies to face life's uncertainties with confidence. Not only do we offer insurance and investment solutions but we also offer peace of mind to a broad range of customers.

THEME TO OUR REPORT

The theme of our 2024 integrated report is "A LEGACY OF TRUST". This report highlights the story of the business which is marked by significant progress and achievements across the three East African countries where we operate. The report also highlights the celebration of 60 years of existence since the life business was established. As we look back, it's impossible not to be humbled by the legacy we have built together.

LEADERSHIP CHANGES

Mr Godfrey Kioi-Chief Executive Officer ICEA LION General Insurance Company

Mr. Kioi was appointed as the new Chief Executive Officer and Principal Officer of the Company following regulatory approval. His appointment took effect from October 7, 2024. He was appointed to replace Mr. Philip Lopokoiyit who moved to the Holding Company as the substantive Group CEO. Godfrey brings expertise in building leading businesses focusing on customer needs with over 30 years of experience in the insurance industry.

OUR PERFORMANCE

The ICEA LION General businesses managed to navigate the headwinds to deliver exceptional results. The business reported a Profit Before Tax (PBT) of KShs.1.7billion and KShs.1.4 billion in 2024 compared to KShs.1.65 billion and KShs.1.4 billion in 2023 at the Group and Company level respectively representing improved profitability for all the general businesses.



OUR GLOBAL CREDIT RATING

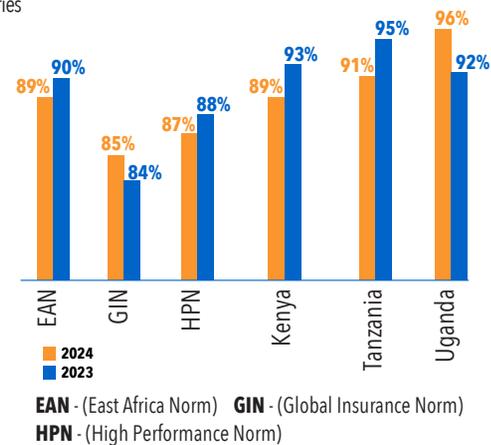
On 27 June 2024, GCR Ratings maintained ICEA LION General Insurance Company's national scale financial strength rating to AAA (KE) Stable Outlook. This is the highest rating in the region. The rating was supported by very strong adjusted capitalization, above average earnings supported by low exposures to market and credit risks and moderately strong business profile.

OUR PEOPLE

OUR STAFF ENGAGEMENT PULSE SURVEY

With the goal of ensuring our staff are engaged, enabled and energized for strategy execution, we carried out a pulse engagement survey dubbed "Your Voice Matters Tell It Like It Is" that covered all our ICEA LION Group entities. This survey is premised on one of our core values "Our People are Important to Us".

Below is a summary of our General businesses engagement results across the 3 countries



Kenya General business and Tanzania General business dropped from 93% to 89% and 95% to 91% respectively while Uganda General business improved from 92% to 96%. All the businesses were at par or above the benchmarks EAN, GIN and HPN.

SUSTAINABILITY (ESG)

Sustainability remains at the core of ICEA LION Group. During the year, we engaged in various ESG activities as below:

- Launched the Geothermal Well Output insurance product.
- Joined The First Task force on Nature related Disclosures (TNFD) as an early adopter. The announcement was made in Davos during the World Economic Forum.
- Succeeded in getting ESG Technical Assistance (TA) from FSD Africa through our membership in NDSI. This was a competitive process.
- Succeeded in one of our staff joining the first cohort for the ANCA Nature Executive Fellowship, a cutting-edge initiative dedicated to enhancing natural capital and biodiversity leadership across the continent.
- Established a tree nursery.
- Held the inaugural Group ESG Drive and ESG Day for awareness creation across the Group.

IN CONCLUSION

We trust that the readers of this report including all our stakeholders will find the report useful in helping them understand the business, its strategy, purpose for existence as well as the business aspirations. We are confident that the Group will continue building a Legacy of Trust for all our stakeholders.

ABOUT OUR REPORT

OUR REPORTING SCOPE AND BOUNDARY

Our integrated report is the primary report of ICEA LION General Insurance Company Limited and its subsidiaries (together, the Group) to our stakeholders. This report, meticulously reviewed and endorsed by our Board of Directors, presents a concise, substantive, and candid evaluation of our value creation strategies across short, medium, and long-term horizons.

The integrated report includes the Company, ICEA LION General Insurance Company Limited and the Subsidiaries, ICEA LION General Insurance Company Tanzania Limited and ICEA LION General Insurance Company Uganda Limited. This report covers the financial period, 1 January 2024 to 31 December 2024.

This report aims to inform our stakeholders of both our Financial and Non-Financial performance during the year. This report describes how we create value for our stakeholders as well as enumerate our strategies towards the creation of this value. This includes a link between how we create value on the 6 capitals and how this translates to our pursuit of Sustainable Development Goals (SDGs). Included in this report is a description of the history of the Group, details of our staff complement numbers as well as our regional footprint in Uganda, Kenya and Tanzania.

The report describes our operating context in Kenya, Uganda and Tanzania and details our strategy and related pillars as well as key areas of focus and outcomes on our strategy. In addition, the report includes statements from the Chairman, Group Chief Executive Officer, Chief Executive Officer and the Chief Finance Officer and describes our Corporate Governance Practices and our approach to Risk Management.

OUR REPORTING FRAMEWORKS

This report has been prepared in compliance with the International Integrated Reporting Council (IIRC) Framework. The ICEA LION Integrated Report Lab and Leadership Team have considered the IIRC guiding principles, key elements and concepts; and with the guidance of the Board of Directors applied these to the preparation of this report. This report is also aligned with the parameters of the Global Reporting Initiative (GRI), Kenya Companies Act, 2015, the Corporate Governance Code for the Private Sector, as well as guidance issued by the Insurance Regulatory Authority (IRA) on Corporate Governance. The financial statements have also been prepared in accordance with the International Financial Reporting Standards (IFRS).

FORWARD-LOOKING STATEMENTS

Included in this report are various forward-looking statements describing how we see the future and the impact that will have on our strategy. These forward-looking statements involve risk and uncertainty as they relate to future events which are difficult to predict. Given this context, the outcomes of the forward-looking statements may well turn out to be very different from what is currently described.

ASSURANCE

Our Board Committees provide internal assurance to the Board on an annual basis on the execution of our strategic priorities. The Group's internal controls and risk management is overseen by the Board Audit and Risk Management Committee. Our annual financial statements are assured by our external auditors, KPMG Kenya.

DIRECTOR'S STATEMENT OF RESPONSIBILITY

The Board acknowledges its overall responsibility for good corporate governance across the Group and ensures that the Group's governance policies and mechanisms are appropriate to its structure, business and risks. The Board ensures adherence to the standards and practices of good corporate governance.

The Board has established internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards, and is supported by qualified legal and compliance professionals.

The Board has applied its collective mind to the contents of this report and believes that it fairly presents the Group's material matters and that it offers a balanced view of our strategy, business model, financial and non-financial activities and value creation. The Board of Directors supported by the Board Audit and Risk Committee acknowledges its responsibility for this integrated report.

On the recommendation of the Board Audit and Risk management committee, the Board approved the integrated report on 14 March 2025.



J Wangai

Chairman



K Thuo

Director

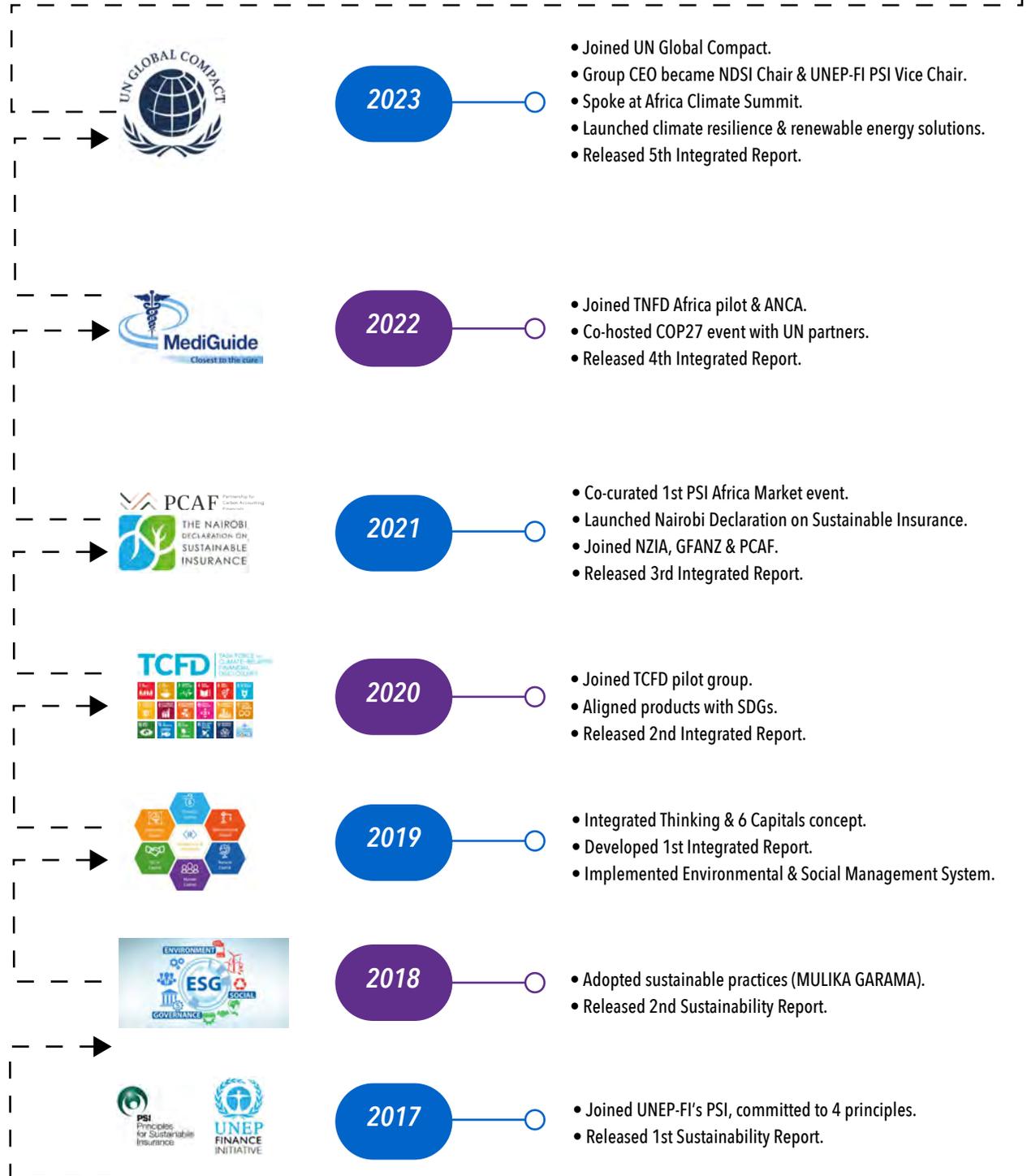
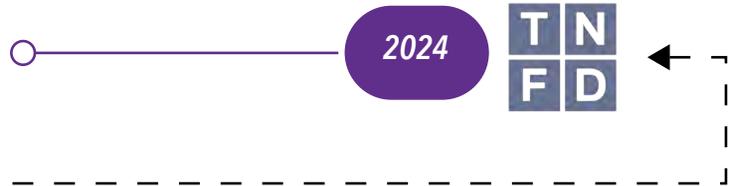


G Kioi

Chief Executive Officer and Principal Officer

OUR SUSTAINABILITY, INTEGRATED THINKING & REPORTING JOURNEY

- Joined TNFD early adopters (announced in Davos).
- Held 1st Group ESG Drive & ESG Day for awareness creation across the group.
- Secured ESG Technical Assistance from FSD Africa.
- Staff joined ANCA Nature Executive Fellowship.
- Released 6th Integrated Report.



IFRS S1 & S2 REPORTING JOURNEY

ICEA LION Group is committed to embedding sustainability and ESG principles into every facet of our business operations. As part of our ongoing commitment to sustainability and transparent financial reporting, our journey with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) has been both transformative and challenging. These standards mark a significant shift toward integrating Environmental, Social, and Governance (ESG) factors into financial reporting. This year, we focused on laying a strong foundation for compliance, while positioning sustainability as a core driver of long-term value.

KEY MILESTONES IN OUR REPORTING JOURNEY

1. Project Taskforce

To manage the implementation of IFRS S1 and S2 effectively, we established a robust taskforce with distinct committees and workstreams:



- a) **Steering Committee:** Formed to oversee the overall direction and integration of ESG factors into our strategic framework, ensuring regular communication to our Board of Directors and providing key decision-making support.



- b) **The Project Management Committee:** Reports to the Steering Committee, focused on planning, tracking progress, and ensuring that all workstreams were aligned with the project's goals.



- c) **Specialized workstreams:** These are meant to cover diverse facets of our reporting requirements and scope, namely; governance, strategy & risks, materiality, and systems. Each of the workstreams has clear responsibilities to support the implementation of IFRS S1 and S2.

2. Building the Framework for Sustainability Reporting

A central part of our focus this year was preparing the organization for the changes that IFRS S1 and S2 will bring. We invested in understanding the requirements, building a comprehensive roadmap, and ensuring that the right resources—people, processes, and technology were in place:



- a) **Governance:** We are working to define key focus areas, establish data requirements, and identify the resources needed to drive sustainability reporting forward.



- b) **Strategy & Risks:** Our teams are working to identify ESG-related risks and opportunities, outlining the necessary metrics and targets aligned with both our business goals and stakeholder expectations.



- c) **Materiality:** We are undertaking a thorough risk assessment to understand potential ESG risks, evaluated industry standards, and started the process of defining material issues that could impact our operations and financial performance.



- d) **Systems:** One of the most critical aspects of this journey is exploring potential system solutions to integrate and report on ESG data effectively. We have begun reviewing available tools, selecting the right system partner, and addressing data integration challenges to ensure that we can accurately track and report on sustainability metrics.

LOOKING AHEAD

With the adoption deadlines approaching—Tanzania in January 2025, Uganda in January 2026, and Kenya in January 2027—we are fully committed to ensuring our readiness. Our journey has been a process of continuous learning, collaboration, and aligning sustainability with our business goals. As we move towards full implementation, we will continue refining our processes, expanding our capabilities, and fostering a culture of sustainability that extends beyond compliance.

HOW TO READ OUR REPORT

	SECTION	COMMENTARY	SECTIONS IN THE REPORT	FRAMEWORKS APPLIED
1.	 Our Business	Describes our history, staff complement, our Mission, Vision and Values and our Geographical Presence	 Who We Are	<ul style="list-style-type: none"> • King IV Code • <IR>Framework Of the International Reporting Council (IIRC) • Global Reporting Initiative (GRI)
2.	 Perspective from the Board	Our Board Chairman and the Chairmen of the various Board Committees describe key aspects with respect to our business as well as the Board and Board committee activities during the year.	 Board Chairman Statement and Board Committee Chairmen Statements	<ul style="list-style-type: none"> • The Corporate Governance Code (CGC) • King IV Code • IIRC
3.	 Perspectives from the Leadership Team	The leadership team describes our operating context and key aspects we have focused on in 2024.	 Operating Context	<ul style="list-style-type: none"> • IFRS • Companies Act • King IV Code • GRI • IIRC • CGC
4.	 Our Strategy	2024 was our last year of implementation of our 3-year strategy for the period 2022-2024. In this section we highlight the key pillars of this strategy and key achievements for the strategic period. Further during the year we set out our next 3-year strategy for the period 2025-2027. This section gives highlights of the plan for the next strategic cycle.	 Our Business Model  Our Strategy	<ul style="list-style-type: none"> • King IV Code • IIRC
5.	 Our Approach to Value Creation and Safeguarding Value	The report describes how we create value across the 6 Capitals and also the link between this and the SDGs. Details of our key activities and outcomes in each of these capitals are also described.	 How We Create Value  A Snapshot of ICEA LION General	<ul style="list-style-type: none"> • King IV Code • GRI • IIRC
6.	 Our Governance	This section presents a detailed view of the Group's corporate governance practices.	 Corporate Governance Statement	<ul style="list-style-type: none"> • CGC • King IV Code • GRI • IIRC
7.	 Annual Financial Statements	This section sets out the Group's fully audited financial statements.	 Financial Statements	<ul style="list-style-type: none"> • IFRS • Companies Act • Income Tax Act • IRA guidelines

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GROUP & COMPANY 4 YEAR
FINANCIAL HIGHLIGHTS



WHAT'S
YOUR?
PLAN.

A SNAPSHOT OF ICEA LION GENERAL

Human Capital

Aspect	2024	2023	Increase or Decrease
ICEA LION General Group employees	325	312	
Women in our workforce	53%	52%	
Women in Senior Management	38%	42%	
General Kenya Employee engagement score (based on 2024 Pulse and 2023 annual Employee Engagement Survey)	89%	93%	
Staff fatalities	NIL	NIL	
Employees with disabilities	NIL	NIL	

Intellectual Capital

Aspect	2024	2023	Increase or Decrease
No of customer portals	16	12	
No of products distributed digitally	7	4	
No of customers on our social media platforms (Group)			
Facebook	71,600	69,745	
X	13,200	12,225	
LinkedIn	39,286	30,836	
Instagram	11,100	8,447	
YouTube	2,230	1,840	

Social & Relationship Capital

Aspect	2024	2023	Increase or Decrease
No of Customers	34,030	31,859	
No of Agents	1,612	1,418	
No of Brokers	188	164	

Natural Capital

Aspect	2024	2023	Increase or Decrease
Water consumption (KShs) 000'	1,630	1,030	
Waste recycled	11,112 Kg	5,972 Kg	

Manufactured Capital

Aspect	2024	2023	Increase or Decrease
Investment properties commercial	2	2	-
Investment properties residential	1	1	-
No of Branches	18	18	-

Financial Capital

Aspect	2024 Kshs '000	2023 Kshs '000	Increase or Decrease
Insurance Revenue Group	11,745,289	10,887,918	
Sum Insured (Group)	3,770,119,794	3,441,455,677	
Taxes paid	738,473	501,507	
Levies paid (Company)	145,767	139,514	
Profit Before Tax	1,701,742	1,650,277	
Group increase in cash and cash equivalents	840,439	915,381	

ABOUT US

ICEA LION General Insurance serves as the short-term insurance business within the ICEA LION Group, extending its operations across Kenya, Uganda, and Tanzania. The ICEA LION Group stands as a comprehensive financial services provider, delivering innovative insurance, pensions, investments, and trust services within three East African countries.

January
2012

The Group was formed as a result of a business reorganization involving the Insurance Company of East Africa Limited (ICEA) and Lion of Kenya Insurance Company Limited (LOK)

We are one of the **largest providers of insurance and financial services in East Africa** with well-established operations in Kenya, Uganda, and Tanzania.

True to our Group's mission To Protect and Create Wealth, we pride ourselves in having one of the strongest balance sheets in East Africa empowering all our stakeholders. **With roots dating back to 1895**, ICEA LION was integral to the dawn of commercial progress and opportunity in East Africa and we have continued to shape the region's financial landscape since then. As such, we have decades of experience in helping discerning individuals protect and create their wealth.

We have done so by firmly keeping an eye on the future and embracing innovation to craft financial products and services that we know meet our clients' diverse and dynamic needs in today's constantly changing world.

ICEA LION Group is a member of First Chartered Securities (FCS), a private investment holding company with interests in financial services, logistics, real estate, manufacturing, and agriculture. Over the years, the Group has built impressive investment portfolios in these spheres. ICEA LION Group companies are owned by ICEA LION Insurance Holdings Limited. Our non-life and life companies are ICEA LION General Insurance Company Ltd and ICEA LION Life Assurance Company Ltd respectively. ICEA LION Asset Management Ltd and ICEA LION Trust Company Ltd are our investment and individual and corporate trusteeship companies.

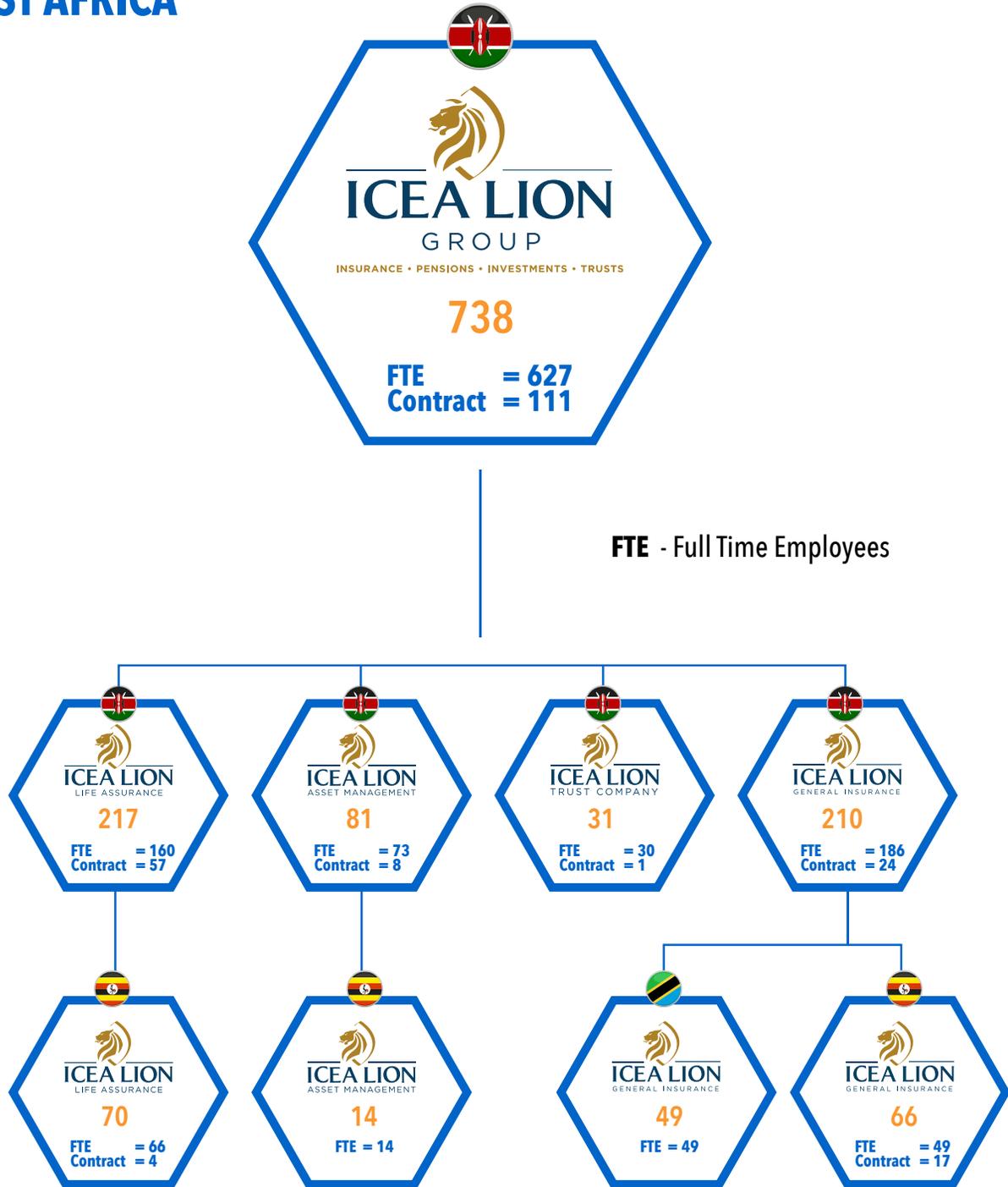
The insurance and investment subsidiaries in Tanzania and Uganda, previously controlled separately by Lion of Kenya (LOK) and Insurance Company of East Africa (ICEA) respectively, also form part of ICEA LION Group.

In 2021, US-based global financial services leader Prudential Financial, Inc. through Leapfrog Strategic Africa Investments (LSAI) acquired a

24% stake in ICEA LION Insurance Holdings Limited.

This partnership is expected to support the ICEA LION Group's strategy of focusing on customer connectivity, growth and innovation, digitization, development of new products, and enhancement of operating synergies throughout its various operations.

ICEA LION GROUP STAFF COMPLEMENT ACROSS EAST AFRICA



FTE - Full Time Employees

Note: Kenya Uganda Tanzania

OUR HISTORY

The origins of ICEA LION General Insurance can be traced back to the beginnings of Kenya's insurance industry in 1895. That year, Smith Mackenzie & Company were appointed as local agents for Lloyd's in Mombasa. Over time, the agency evolved into a branch of the Royal Exchange Insurance Company. In later years, it merged with Guardian Assurance, Atlas Assurance, Caledonian Insurance, Employers Liability Assurance, and Commercial Union, among others, forming the Guardian Royal Exchange and Commercial Union groups in East Africa.

By the 1950s, ICEA LION's predecessors operated as a Joint Marine Office. The Guardian Royal Exchange and commercial insurance groups in East Africa were the dominant players in this setup.

In 1978, the Incorporation Act led to the conversion of these groups into a local company, Lion of Kenya Insurance Company Limited. Over time, it became a well-respected brand in Kenya's general insurance sector.

When the Tanzanian market opened to private investors in 1998, the company expanded its presence by investing in a subsidiary—Lion of Tanzania, which later became ICEA LION General Insurance Tanzania Company Limited. This was established as a joint venture with the Tanzania Development Finance Company and has since grown to offer a full range of general insurance services.

A significant reorganization occurred in 2012 when Lion of Kenya merged with its sister company, the Insurance Company of East Africa (ICEA). Following this, the company was renamed ICEA LION General Insurance, marking the beginning of a new strategic direction with an emphasis on regional expansion.

In 2021, US-based global financial services leader Prudential Financial Inc., through Leapfrog Strategic Africa Investments (LSAI), acquired a 24% stake in ICEA LION Insurance Holdings Limited. This partnership was designed to drive innovation, enhance digitization, improve customer connectivity, and develop new products while optimizing operational synergies across the company's various functions.

Celebrated 60 Years of Existence

1895

1950

1978

1998

2012

2021

2024

MISSION

To Protect and Create Wealth

VISION

To be the leading Pan African provider of insurance and financial services

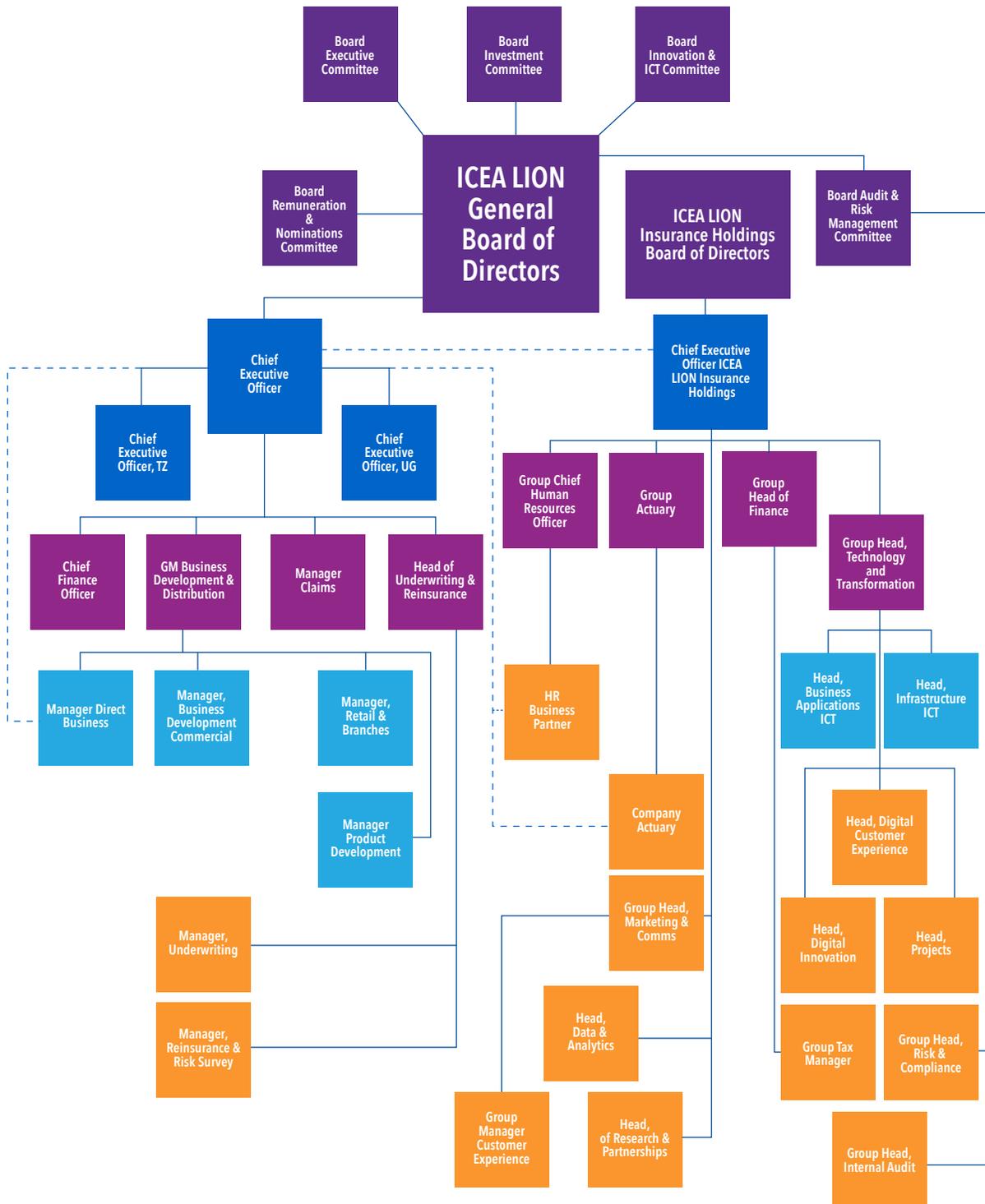
OUR BRAND PROMISE

What Drives Us; Through every life-changing moment, we're better together.

OUR CORE VALUES

- We see through the eyes of the customer
- Our people are important to us
- We deliver on our promises
- We champion integrity

OUR LEADERSHIP STRUCTURE



REGIONAL FOOTPRINT

KENYA

KENYA HEAD OFFICE ICEA LION CENTRE

RIVERSIDE PARK - CHIROMO ROAD
WESTLANDS
P.O. BOX 30190 - 00100 NAIROBI
TEL: +254 (0) 20 2750000
MOBILE: +254 719 071000 | 730 151000
CONTACT CENTRE: 0719 071999
EMAIL: info@icealion.com

UPPER HILL BRANCH

1ST FLOOR, WILLIAMSON HOUSE
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 2751771
MOBILE: +254 719 071771

NYERI BRANCH

GROUND FLOOR, KONAHAUTHI BUILDING,
KIMATHI WAY
P.O. BOX 1803 - 10100 NYERI
MOBILE: +254 719 071651

KENYATTA AVENUE BRANCH

GROUND FLOOR, JKUAT TOWERS
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 27501302
MOBILE: +254 719 071302

MOMBASA ROAD BRANCH

6TH FLOOR, TULIP HOUSE
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 2751850
MOBILE: +254 719 071850

THIKA BRANCH

4TH FLOOR, ZURI CENTRE
KENYATTA HIGHWAY
P.O. BOX 30190 - 00100 NAIROBI, KENYA
MOBILE: +254 719 071824

UNIVERSITY WAY BRANCH

GROUND & 9TH FLOORS AMBANK HOUSE
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 2751814
MOBILE: +254 719 071814

KISUMU BRANCH

AL IMRAN PLAZA, OGINGA ODINGA STREET
P.O. BOX 3122 - 40100, KISUMU
MOBILE: +254 719 071512

MERU BRANCH

1ST FLOOR, ROYAL BUSINESS PARK,
TOM MBOYA STREET
MOBILE: +254 719 071905

WESTLANDS BRANCH

3RD FLOOR UNGA HOUSE,
MUTHITHI ROAD
P.O. BOX 46143 - 00100, NAIROBI
TEL: +254 (0) 20 2751880
MOBILE: +254 719 071880

ELDORET BRANCH

SAKONG HOUSE - KENYATTA STREET
P.O. BOX 4807 - 00100, ELDORET
MOBILE: +254 719 071551

MOMBASA TOWN BRANCH

2ND FLOOR, STANDARD CHARTERED
BUILDING, ACACIA CENTRE
P.O. BOX 90101 - 80100, MOMBASA
MOBILE: +254 719 071701

KAREN BRANCH

1ST FLOOR, KAREN OFFICE PARK,
LANGATA ROAD
P.O. BOX 46143 - 00100, NAIROBI
TEL: +254 (0) 20 2751780
MOBILE: +254 719 071780

NAKURU BRANCH

1ST FLOOR, SEGUTON BUILDING,
KENYATTA AVENUE
P.O. BOX 3066 - 20100, NAKURU
MOBILE: +254 719 071600

MOMBASA NYALI BRANCH

2ND FLOOR, NYALI CENTRE,
SOUTH WING LINKS ROAD
P.O. BOX 90101 - 80100, MOMBASA
MOBILE: +254 719 071890

KAKAMEGA BRANCH

5TH FLOOR MEGA MALL,
KAKAMEGA - WEBUYE ROAD
P.O. BOX 3122 - 40100
MOBILE: +254 719 071226

NANYUKI BRANCH

1ST FLOOR CEDAR MALL, NANYUKI
P.O. BOX 1803 - 10100, NYERI
MOBILE: +254 719 071432
RUMURUTI ROAD

KISII BRANCH

1ST FLOOR WAUMINI PLAZA, KISII
OPPOSITE OURU CENTRE
P.O. BOX 3122 - 40100
MOBILE: +254 719 071092

UGANDA

HEAD OFFICE

RWENZORI COURTS BUILDING,
1ST FLOOR
PLOT 2 & 4A - NAKASERO ROAD
P. O. BOX 37834, KAMPALA
TEL: +256 414 232337 / 341 495
TOLL FREE: 0800 300 411 / 412
EMAIL: info@icea.co.ug
WEBSITE: www.icea.co.ug

JINJA ROAD BRANCH

3RD FLOOR, PRIME PLAZA
TEL: +256 200432728

BUGANDA ROAD BRANCH

1ST FLOOR, ARROW CENTER
TEL: +256 200423834

GULU BRANCH

1ST FLOOR
HOUSING FINANCE BUILDING,
ACHOLI ROAD
TEL: +256 392175369

MBALE BRANCH

1ST FLOOR, SAIMA COMPLEX,
MARKET STREET/CATHEDRAL AVENUE
TEL: +256 392 178402

KABALE BRANCH

2ND FLOOR, NSSF BUILDING,
TEL: +256 393 239200

ARUA BRANCH

KKT PLAZA, BLOCK A - DUKA ROAD
TEL: +256 392 001095

MBARARA BRANCH

1ST FLOOR, THE HIGH STREET PLACE
HIGH STREET
TEL: +256 417 706712/
+256 392280501

FOREST MALL

1ST FLOOR, FOREST MALL BUILDING
LUGOGO BYPASS-NAKAWA
TEL: +256 200432768

TANZANIA

HEAD OFFICE

PLOT NO.331 KAMBARAGE ROAD,
MIKOCHENI "A"
P. O. BOX 1948, DAR ES SALAAM
TEL: +255 22 277 4999/277 5039
EMAIL: insurance@icealion.co.tz

DODOMA

CUSTOMER SERVICE OFFICE PSSSF BUILDING
STREET/AVENUE: UDOM ROAD
P. O. BOX 2895, DODOMA
TELEPHONE +255 252 503372
EMAIL: insurance@icealion.co.tz

ARUSHA BRANCH

PLOT NO. 58E, JACARANDA STREET
P. O. BOX 10117, ARUSHA
TEL: +255 27 2548762
EMAIL: arusha@icealion.co.tz

MWANZA

NSSF BUILDING, KENYATA ROAD
P.O. BOX 855, MWANZA
TEL: +255 28 2502492
EMAIL: mwanza@icealion.co.tz

MBEYA

NEW KISANGANI BUILDING
P. O. BOX 1926, MBEYA
TEL: +255 25 2503372
EMAIL: mbeya@icealion.co.tz

MOROGORO

CUSTOMER SERVICE OFFICE 2D COMPLEX
1ST FLOOR
OLD DAR ES SALAAM ROAD
TELEPHONE: +255 282 502492
EMAIL: insurance@icealion.co.tz

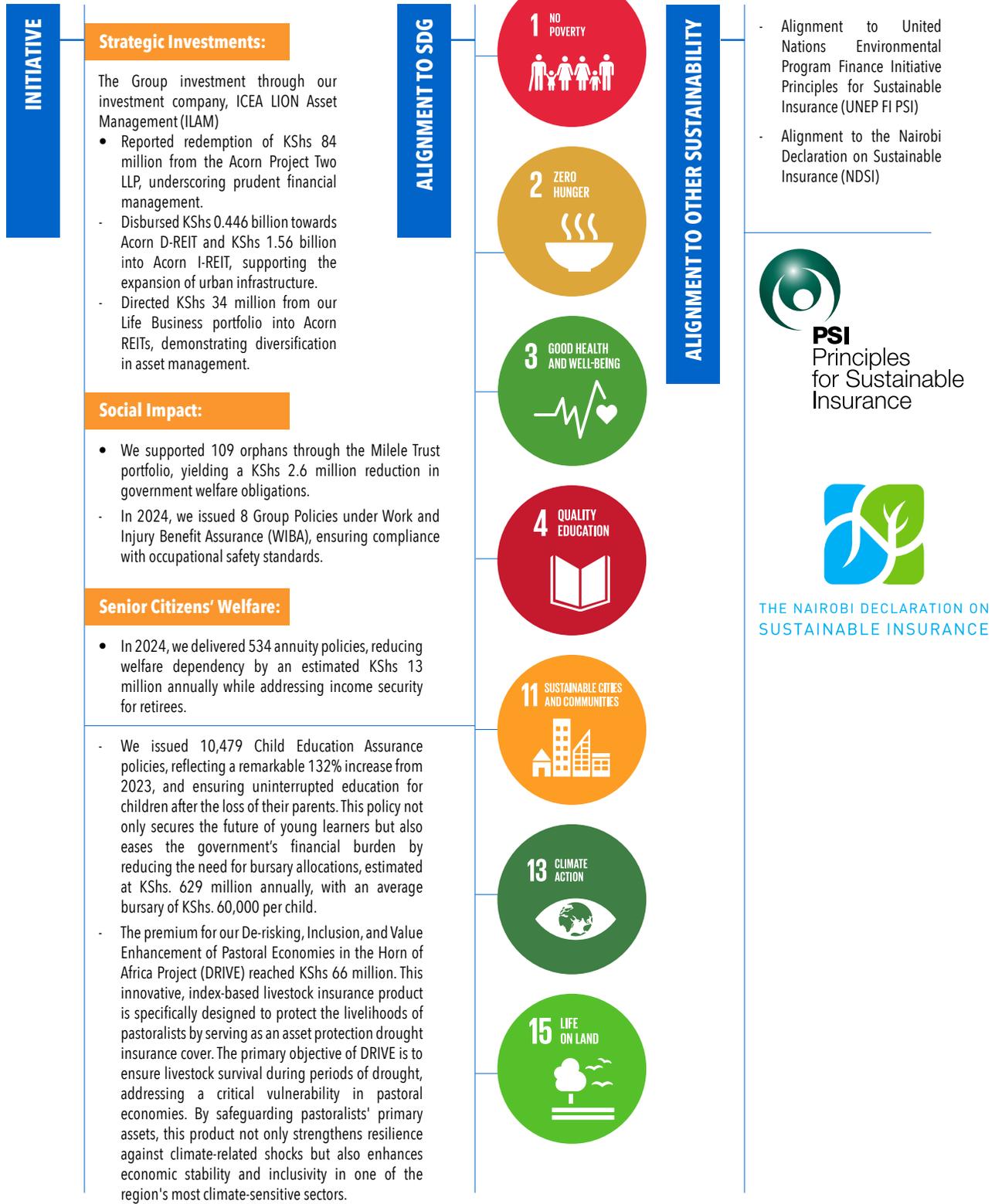
ZANZIBAR

MUZZAMIL CENTRE 1
GROUND FLOOR, OFFICE NO. 05A
TELEPHONE: +255 272 548762
EMAIL: insurance@icealion.co.tz

HOW WE CREATE VALUE

In adopting the International Integrated Reporting Council (IIRC) framework, we utilize the six capitals approach to demonstrate how our organization creates and transforms value. This methodology emphasizes our commitment to long-term sustainability by effectively managing resources and delivering meaningful outcomes. The table below illustrates the connection between these capitals and our business model.

SOCIAL CAPITAL



NATURAL CAPITAL



NATURAL CAPITAL



CHAIRMAN'S STATEMENT

ICEA LION GENERAL INSURANCE

It is a great honour to issue my statement on the integrated report of ICEA LION General Insurance Company Limited and its subsidiaries for the year ended 31 December 2024.

OUR PERFORMANCE AND GROUP STRATEGY

The ICEA LION General businesses managed to navigate the headwinds to deliver exceptional results. The business reported a Profit Before Tax (PBT) of KShs.1.7 billion and KShs.1.4 billion in 2024 compared to KShs.1.65 billion and KShs.1.4 billion in 2023 at the Group and Company level respectively, representing improved profitability for all the general business entities within the Group.

The year 2024 marked the end of our 3-year strategic cycle which has ended with remarkable growth and profitability for the Company and its subsidiary businesses. The Group has also set out its 2025-2027 strategy and the board is confident that our business units are well positioned for growth over the coming strategic cycle.

ICEA LION @60

During the year, ICEA LION Group celebrated a remarkable milestone, a 60-year journey that has been defined by resilience, commitment, and a shared vision. While the history of our General business dates back to 1895, our Life business was established in 1964 thus marking 60 years in 2024. This is the cornerstone that truly defined ICEA LION as we know it today.



JOSEPH WANGAI
CHAIRMAN

Throughout these six decades, our journey has been one of growth and resilience. We have faced challenges, embraced change and achieved significant milestones that have allowed us to build a legacy rooted in integrity, service, and unwavering commitment to our stakeholders.

The Group is supported by a team of 738 employees, operating across 34 branches across Kenya, Uganda and Tanzania. ICEA LION Group proudly serves a customer base of 1.65 million individuals, working alongside 3,067 intermediaries to deliver its services effectively.

Over the 60 years period, ICEA LION Group companies have grown to be pillars of financial security, empowering individuals and companies to face life's uncertainties with confidence. We not only offer insurance and investment solutions but we also offer peace of mind to a broad range of clients.



Group Chairman James Ndegwa walks through the memories as he reflects on how far the organisation has come.

At ICEA LION, our foundation is built on trust. Every decision, every service, and every interaction is driven by our commitment to build lasting relationships with our clients and stakeholders. Trust, reliability, and value are more than just words to us, they are our promise to our customers and all our stakeholders. A promise to protect and create wealth for individuals, businesses, and communities who place their confidence in us.

As we look back, it's impossible not to be humbled by the legacy we have built together.



Left to Right : ICEA LION Group Chairman Mr. James Ndegwa, ICEA LION General Insurance Chairman Mr. Joseph Wangai, the Commissioner of Insurance and CEO of the Insurance Regulatory Authority (IRA) Mr. Godfrey Kiptum, and ICEA LION Group CEO Mr. Philip Lopokoiyit.



Traditional dancers entertain guests at the ICEA LION Group 60 years celebration at the JW Marriott Hotel, Nairobi on November 13th 2024.

OUR COMMITMENT TO ESG

At ICEA LION General Insurance, sustainability is more than a goal; it is embedded in our culture. Under the banner of Environmental, Social, and Governance (ESG) agenda, we have set a standard within the industry that reflects our commitment to responsible practices.

Our ESG efforts align with global goals while maintaining sufficient focus on local impact. For instance, our participation and leadership in the Nairobi Declaration on Sustainable Insurance has brought together 230 signatories from 36 countries across Africa to champion sustainable practices thereby setting a powerful precedent for our industry.

Locally, we are driving sustainability through our own contribution towards restoration and growth of tree cover in Kenya, in line with the Government’s commitment. To this end, we have started our own tree nursery at our Riverside Park offices in Nairobi. This nursery will provide a steady supply of indigenous trees for our various tree-growing initiatives countrywide.

Looking into the future, we remain dedicated to participating in vital programs around climate action and resource mobilisation and this way, we will surely stay on course in contributing to a sustainable future for generations to come.

LEADERSHIP CHANGE

On 7 October 2024, the Board of Directors announced the substantive appointment of Mr. Philip Lopokoiyit as Chief Executive Officer ICEA LION Insurance Holdings and Group Chief Executive Officer ICEA LION Group. Prior to his appointment, Philip was the Chief Executive Officer, ICEA LION General. The Board appreciates the immense contribution of Philip in transforming the ICEA LION General strategy, leadership and business performance whilst also overseeing the Group role.

On the same date the Board of Directors appointed Mr. Godfrey Kioi as the Chief Executive and Principal officer of ICEA LION General Insurance Kenya. Godfrey is the immediate past managing director of The Heritage Insurance Company Limited, part of the Liberty Group. His working career dates back to 1987 when he worked as an external auditor before taking up senior roles in finance, accounting and audit across a number of manufacturing concerns. Over the years, Godfrey held other senior positions in the Insurance and Banking industries before his appointment as Chief Executive Officer at Heritage Insurance in 2014. The Board, management and staff welcomes Godfrey to the ICEA LION Group and look forward to seeing ICEA LION General Insurance continue serving its customers' needs to the highest standards while maintaining the momentum of profitable growth under his leadership.

LOSS OF A DIRECTOR

On a sad note, we lost one of our directors, Mr. John Kilulumi Kimeu, on 26 May 2024. John joined Lion of Kenya Insurance Company Limited in 1977 as an Assistant Accountant, bringing with him experience from working with two manufacturing entities operating in Kenya. His dedication and expertise quickly became evident quite early in his career with Lion of Kenya Insurance, leading to his promotion to Company's Accountant in 1982 and subsequently to Finance Manager by 1992. In 1993, he was appointed Assistant General Manager Finance and Administration and became the General Manager in 1996. By 2003, John had risen to the position of Managing Director of Lion of Kenya Insurance, a role he served with distinction until his retirement on 31st December 2013. Upon retirement and until his demise, John was a Director of ICEA LION General Insurance Company Ltd in Kenya, ICEA LION General Insurance Company Ltd in Tanzania and East Africa Reinsurance Company Ltd.

We celebrate the immense contribution Mr. Kimeu made on the various businesses within ICEA LION Group that he served in his capacity as a director and as part of the leadership team. May his soul rest in eternal peace.

DEATH ANNOUNCEMENT

John
KILULUMI KIMEU



The Board of Directors of ICEA LION Group are saddened to announce the passing on of **John Kilulumi Kimeu** on 26 May 2024. Until his demise, John was a Director of ICEA LION General Insurance Company Ltd in Kenya, ICEA LION General Insurance Company Ltd in Tanzania and East Africa Reinsurance Company Ltd.



Looking Forward

Looking to the future, East Africa presents a wealth of opportunities. The region's young and vibrant population, alongside a growing demand for financial services, provides fertile ground for innovation and impact. ICEA LION is uniquely positioned to empower businesses and individuals across Kenya and beyond. Our vision is to drive economic resilience, support prosperity and play a central role in creating opportunities across the region, lifting lives and communities.

In Closing

The kind of legacy that defines our business is not built in a silo. It is the result of contributions from countless individuals, past and present leaders, dedicated employees, loyal partners, and supportive clients who have believed in ICEA LION's Brand and worked tirelessly to bring the Company's vision to life.

I would like to recognise each one of our stakeholders. To our customers who have continuously supported us, to our staff who work tirelessly every day to make a lasting impact on those they serve with distinction, to our partners who believe in our vision, and to the leaders who have guided us along the way- thank you. Your contributions have shaped who we are, and we would not be here without you.

Together, let us continue to strive for greatness.

Here's to the next 60 years of excellence, impact, and shared success.

BOARD OF DIRECTORS



JOSEPH WANGAI
CHAIRMAN



JAMES NDEGWA
DIRECTOR



ANDREW NDEGWA
DIRECTOR



DAVID HUTCHISON
DIRECTOR



ERNEST NDEGWA
DIRECTOR



DOUG LACEY
DIRECTOR



JOSEPH MUIRURI
DIRECTOR



KAIRO THUO
DIRECTOR



MARIAM ABDULLAHI
DIRECTOR



MUGWE MANGA
DIRECTOR



NORMAN KELLY
DIRECTOR



PATRICK MUGAMBI
DIRECTOR



PHILIP LOPOKEYIT
DIRECTOR



GODFREY KIOI
CHIEF EXECUTIVE OFFICER



KENNEDY ONTITI
COMPANY SECRETARY

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

It is my great pleasure to issue my statement on ICEA LION Group 2024 achievements as well as key developments we are looking forward to in 2025 and beyond.

PERFORMANCE

Our business in the 3 countries has continued to grow from a topline, profit and market share positions. Below is a summary of our businesses market shares across the three countries. The 2024 market share is based on the latest available market shares information.

Life businesses

Country	2024 Market Share	2023 Market Share	2024 Market Position	2023 Market Position
Kenya	13.42*	17.51	3	2
Uganda	17.86%*	18.20%	3*	2

General businesses

Country	2024 Market Share	2023 Market Share	2024 Market Position	2023 Market Position
Kenya	4.62%*	4.56%***	8	8
Uganda	4.9%**	3.9%	6	9
Tanzania	2.71%	2.42%	15	16

*Based on Quarter 2 2024 statistics.

**Based on Quarter 3 2024 statistics

***Based on Quarter 4 2023 statistics



PHILIP LOPOKOIYT
GROUP CHIEF EXECUTIVE OFFICER &
CHAIRMAN NAIROBI DECLARATION ON
SUSTAINABLE INSURANCE (NDSI)

The Kenyan business market share expanded marginally and maintained its market position, 8, in the second quarter of 2024. Both Tanzania and Uganda businesses increased their market shares and improved their market position on account of strong top line performance.

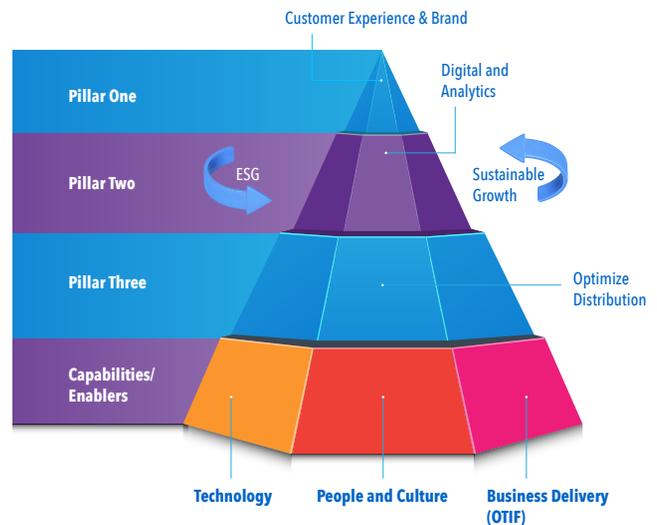
STRATEGY

2024 marked the end of our 3-year strategic cycle across the ICEA LION Group businesses. The General Kenya business strategy dubbed 10 by 2 saw the business exit strategic period with a record topline of KShs 9.1b. The businesses have witnessed significant growth over the planning period marked by growth in topline, increase in market share and improved profitability for a number of the businesses. During the year, the Group embarked on a process of preparation of another 3-year strategy for the period 2025-2027. This strategy has a strapline Business Unusual-Step change delivery.



The Group businesses have set ambitious targets from both a topline and profitability perspective including pursuit of new market segments underpinned by technology, people and culture, On Time and In Full business delivery as the key enablers. Seamless customer experience, brand, digital and analytics together with optimized distribution are the key focus areas for the Group over the new strategy cycle. The strategy is underpinned by sustainable growth as a key prerequisite.

Below is a summary of our ICEA LION Group 3-year strategy



SUSTAINABILITY (ESG)

Sustainability remains at the core of ICEA LION Group. During the year, we engaged in various ESG activities which included;



Launched the Geothermal Well Output insurance product.



Held the inaugural Group ESG Drive and ESG Day for awareness creation across the Group during the ESG week.



Established a tree nursery



Our Group CEO, Philip Lopokoiyit, sharing his insights during a sustainability engagement workshop.

The staff participated in various activities including distribution of seed balls, health and paper efficiency around the offices. The Group also participated in the world environmental day and encouraged staff to take the stairs instead of the elevator, have walking meetings with the team, wear green in solidarity with World Environmental Day and our corporate culture and plant a tree with the provided seed balls. Kenya was hit by one of the heaviest flooding seasons, appropriate precautions were taken to ensure the security of our staff.



In partnership with Kahawa Garrison, we took part in a tree planting exercise at Kahawa Garrison, Mwhoko Camp, supporting the National Tree Planting initiative to plant 15 billion trees by 2032.

PEOPLE AND CULTURE

A. LEADERSHIP HIRES

The Group has had key changes during the year and early in 2025. Below are the key hires at ICEA LION Group level.

Mokaya Mokaya
Appointment of Group Chief Human Resources Officer

Benson Wakaba
Appointment of Group Head of Risk & Compliance

Enock Keya
Appointment of Head of Data Analytics

Gerald Gondo
Appointment of Group Chief Investment Officer

B. RETIREMENTS

Juliana Nguli
Group Head People and Culture
Retired

Juliana Nguli, Group Head People and Culture retired on 28th February 2025 after more than 5 years of dedicated service to ICEA LION Group with unwavering commitment, integrity, resilience and passion. Juliana has been instrumental in driving the People and Culture agenda across the Group as well as delivering supporting initiatives. She has created a supporting and engaging environment that has contributed to the success of the organization. Her leadership has positively impacted and inspired those who had the privilege of working and engaging with her. She leaves a lasting legacy and her positive contributions will be felt for years.

On behalf of ICEA LION Group, I would like to express our sincere gratitude to Juliana for her service and wish her joy, health and happiness.

C. GRADUATE MANAGEMENT TRAINEES

The Group has continued to build talent and leadership bench strength through the graduate management trainees (GMTs). In 2024, we welcomed the second cohort of the GMTs having absorbed the first cohort within the Kenya businesses. I take this opportunity to welcome this team to the Simba Family and look forward to their significant contribution in the growth of the Group businesses.

Welcoming our GMTs COHORT 2

Scott Velma
B.Sc. Economics
Jomo Kenyatta University of Agriculture and Technology (JKUAT)

Ian Mwema
Bachelor of Economics
The University of Nairobi

Pauline Kanyi
B.Sc. Economics and Finance
Kabarak University

Shelmith Muthaiga
Bachelor of Business Science in Financial Economics
Strathmore University

Purity Muthee
B.Sc. Computer Science
The Co-operative University

Felix Kamau
B.Sc. Actuarial Science
Multimedia University

Daphne Otieno
B.Sc. Civil Engineering
The University of Nairobi

Patrick Sammy
B.Sc. Actuarial Science
Kenyatta University

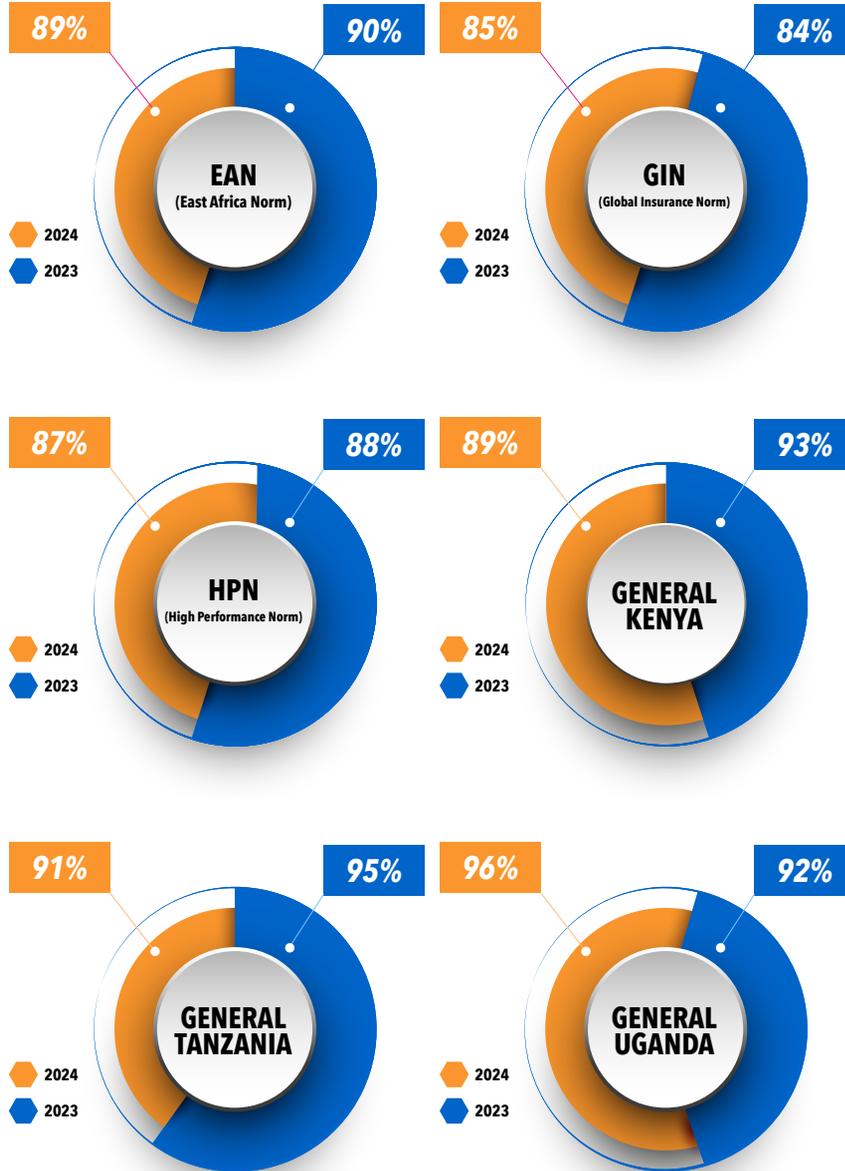
Crispus Kabute
Bachelor of Economics & Statistics
The University of Nairobi

Lennox Kipkoskey
B.Sc. Actuarial Science
Daystar University

D. OUR STAFF ENGAGEMENT PULSE SURVEY

With the goal of ensuring our staff are engaged, enabled and energized for strategy execution, we carried out a pulse engagement survey dubbed "Your Voice Matters Tell It Like It Is" that covered all our ICEA LION Group entities. This survey is premised on one of our core values "Our People are Important to us".

Below is a summary of our General businesses engagement results across the 3 countries:



Kenya General business and Tanzania General business dropped from 93% to 89% and 95% to 91% respectively while Uganda General business improved from 92% to 96%. All the businesses were at par or above the benchmarks EAN, GIN and HPN.

The pulse survey cut across 12 key categories being capabilities, culture and behaviors, direct leader, fair pay, growth, inclusion, inspiration, organization, retention, sustainable engagement, trust and voice.

Some of the feedback we obtained from the survey include;

- Our staff feel highly **engaged, proud** to be associated with ICEA LION and **strongly believe** in the goals and objectives of the company.
- Communication is strong, most people feel much more informed about important matters.
- Flexibility in how and when work gets done has much improved.
- Our staff are aware of the **GREEN** and **RED behaviours** and know how to demonstrate them at work and see leadership actions in line with new behaviors.

Various aspects of how our Group could improve were also highlighted by this survey. The leadership team is committed to following through on all areas to ensure we drive sustainable engagement which is critical for business success.

E. CULTURE

The Group continues to implement the culture campaign dubbed "It Starts with Us". During the year various engagements were carried out to further reinforce the culture within the Group including a team building that was designed to achieve this objective. The Group culture and engagement score improved in comparison to 2023 and it was also higher than the High-Performance Norm score. This remains a high priority area for our Group.

IN CONCLUSION

The year 2024 was a productive one for our business and we went against the headwinds to deliver great results in most of our Group businesses in Kenya, Uganda and Tanzania. This would not have been possible without the immense support given by our Board of Directors, our shareholders, the leadership team, our staff fraternity, our Customers, our Partners and all our Stakeholders. I take this opportunity to say Asante Sana!.

TRIBUTE FOR MR JOHN KILULUMI KIMEU

John joined Lion of Kenya Insurance Company Limited in 1977 as an Assistant Accountant, bringing with him experience from Food Specialties Kenya (now known as Nestle Kenya) and Firestone East Africa. His dedication and expertise quickly became evident, leading to his promotion to Company Accountant in 1982 and subsequently to Finance Manager by 1992. In 1993, he was appointed Assistant General Manager Finance and Administration and became the General Manager in 1996. By 2003, John had risen to the position of Managing Director of Lion of Kenya Insurance, a role he served with distinction until his retirement on 31st December 2013.

Upon retirement, John served as a Non- Executive Director of ICEA LION General Insurance in Kenya, ICEA LION General Insurance in Tanzania and Director at the East Africa Reinsurance.

John's career was marked by several significant achievements. His key role in the 2012 merger was instrumental in shaping the future of our company. He was a guiding force in our expansion into Tanzania following the liberalization of the insurance industry there in 1996. It was John who proposed that the Lion of Kenya Insurance Company venture into Tanzania, a proposal that was approved by the Board. As the General Manager, he was tasked with setting up the subsidiary, Lion of Tanzania. John made numerous trips to Tanzania, engaging with the Regulator, local shareholders, and pioneer members of staff. He identified suitable office premises, leading to the company's opening to the public on 1st December 1998, making it one of the first five private insurance companies licensed to operate in Tanzania. Even after the business was established, John spent considerable time supporting the team and continued to serve on the Board of Directors until his demise.

John's intricate knowledge of the Group, coupled with his sense of humour, made him a cherished friend and colleague to all of us. He was deeply devoted to the company, often working beyond the call of duty. John was a stickler for procedure and had little patience for missed deadlines. His thorough nature and high standards were well known to all those who worked with him and his integrity was beyond reproach. Passionate about his role and responsibilities, John put his entire working life into the business, regardless of weekends or public holidays.

John was firm but fair with the staff, never practicing favouritism or nepotism. He valued those who delivered but also made space for those who struggled, always willing to push and mentor them. His support for staff went beyond professional matters. John created a high-performance culture and inspired people to be passionate about their work and achieve high standards. He held the record for the fastest calculator and often had speed competitions with his staff, not just for fun, but also to help them improve their skills. He loved his team and held them in high respect and value. He never wanted people to go out of their way for unnecessary gestures, always preferring simplicity and practicality.

John was a joker with a great sense of humor. His memory was like an elephant's, greatly outstanding. He was able to recall statements and policies instantly. He was not just an ordinary leader but an outstanding one. We will profoundly feel the impact of John's passing, having been a key member of our team for no less than 47 years. His legacy will continue to inspire us, and we will surely miss him.

Rest in Peace, until we meet again, John.

CELEBRATING THE LIFE OF

John

KILULUMI KIMEU



Sunrise : 15th March 1951
Sunset : 26th May 2024

CHIEF EXECUTIVE OFFICER'S STATEMENT

ICEA LION GENERAL INSURANCE

I am delighted to present our 2024 integrated report, my first as Chief Executive Officer and acknowledge the contribution made by the leaders before in shaping the business to what it is today.

OPERATING ENVIRONMENT

In 2024, our country experienced various micro and macro-economic factors including the successful buy back of the Euro bond by the Government which reassured investors about Kenya's economic position resulting into the strengthening of the Kenya Shilling. The IMF disbursement of two additional tranches has further improved the perception of Kenya's economic status. The year was also characterized by finance bill civil unrest and protests even as the country's public debt increased from 40% to 69% in the last 10 years. The GDP growth rate averaged 4.8% while the inflation rate evidenced a downward trend from 7.7% in 2023 to 5.15% in 2024. The country also went through credit rating downgrades by both Fitch and S&P from B to B-. In summary, 2024 had a fair share of positives and negatives from a micro and macroeconomic perspective.



GODFREY KIOI
CHIEF EXECUTIVE OFFICER

OUR PERFORMANCE

Below is a snapshot of our business performance:

Gross Written Premium (GWP)			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
12.5	11.4	9.1	8.7

Insurance Revenue			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
11.7	10.9	8.8	8.3

Insurance Service Result			
Group (KShs Millions)		Company (KShs Millions)	
2024	2023	2024	2023
381	426	324	456

Investment Return			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
1.8	1.2	1.5	1.0

Profit before Tax			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
1.7	1.65	1.40	1.41

Investment Assets			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
13.8	13.3	11.4	10.7

Total Assets			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
20.8	19.9	16.9	15.9

Net Assets			
Group (KShs Billions)		Company (KShs Billions)	
2024	2023	2024	2023
9.1	8.1	8.3	7.4

Capital Adequacy Ratio (%)			
Group		Company	
2024	2023	2024	2023
-	-	399%	353%

Kenya business

The Kenya business recorded a 5% and 6% growth on GWP and insurance service revenue largely driven by organic growth. The business closed the year with a GWP of KShs.9.1b (2023- KShs.8.7b). The classes with largest GWP growth were Fire Industrial (KShs.159m), Motor Private (KShs.115m), Aviation (KShs.90m) and Personal Accident (KShs.78m).

The business reported an Insurance Service Result of KShs.324m (2023-Insurance Service Result of KShs.456m) and an investment income of KShs.1.492b (2023-KShs.0.97b). Profit Before Tax was KShs.1.4b (2023-KShs.1.4b). The growth in investment income is largely on account of revaluation gains on equity's portfolio.

Tanzania business

The Tanzania business recorded a 32% and 27% growth on GWP and insurance service revenue growth largely driven by organic growth. The business closed the year with a GWP of TZs. 31.3b (2023- TZs. 23.7b). The classes with largest GWP growth were Liability (TZs.1.786b), Fire Industrial (TZs.1.593b), Motor Private (TZs.1.276b) and Aviation (TZs.917m).

The business reported an Insurance Service Result of TZs.644m (2023-Insurance Service Result of TZs. 334m) and an investment income of TZs.1.98b (2023-TZs.1.91b).The business reported a Profit Before Tax of TZs. 2.5b (2023- TZs. 2.4b). The growth in the reported Profit Before Tax was driven by growth in the Insurance Service Result.

Uganda business

The Uganda business recorded a 35% and 5% growth on GWP and insurance service revenue growth largely driven by organic growth. The business closed the year with a GWP of UGx. 48.5b (2023- UGx. 36b). The classes with largest GWP growth were Medical (UGx. 3.4b), Engineering (UGx. 3.2b), Motor Commercial (UGx.1.7b) and Fire Industrial (UGx.1.2b).

The business reported an Insurance Service Result of UGx. 0.67b (2023-Insurance Service Result of UGx. (1.3b)) and an investment income of UGx. 4.5b (2023-UGx.4.4b). The business reported a Profit Before Tax of UGx.4.87b (2023-UGx.2.75b). The growth in the reported Profit Before Tax was driven by growth in the Insurance Service Result.

STRATEGY

2024 marked the end of the 2022-2024 strategy dubbed 10By2. The business made significant strides during this strategic cycle, the key one being unprecedented GWP CAGR growth of 13% coupled with increase in market share. The business also set out an ambitious strategy for the next 3 years, 2025-2027 which aims to grow the GWP by a CAGR of 18% and the Profit before tax with a CAGR of 35% over the plan period.

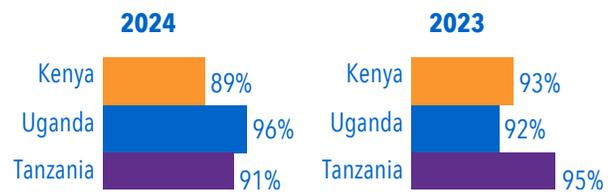
OUR PEOPLE

Our business continues to live true to our shared value "Our people are important to us". Management has prioritized various engagements in 2024 to ensure our staff continue to enjoy a healthy and safe working environment, have clarity on their career progression paths and benefit from fair remuneration practices.

EMPLOYEE ENGAGEMENT

To keep track of how engaged the employees are, management conducted an employee engagement pulse survey and below are the summary results across the three general business companies.

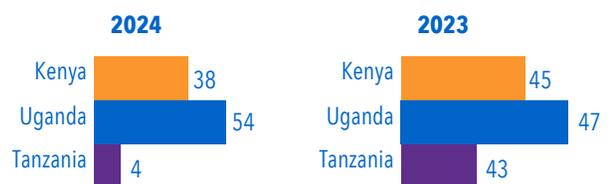
Employee Engagement Index



On average, 92% of employees feel connected and are committed to ICEA LION General Insurance Company

The Group continues to assess the extent to which employees would recommend ICEA LION General to other potential employees. Below is how the business tracked on the Net Promoter Score in this regard.

Net Promotor Score Index



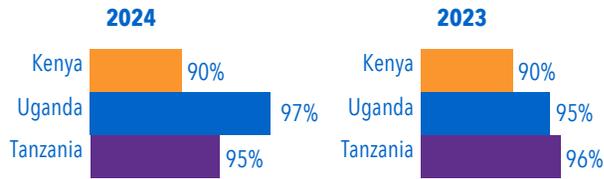
Employees are happy to recommend ICEA LION General Insurance Company to others

CULTURE & BEHAVIORS

The Group rolled out a new culture campaign dubbed "It Starts with Us" in July 2023. The campaign is premised on green and red behaviors, green being the behaviors employees should always embrace and red being the behaviors employees should not be seen to have. The business has continued to entrench these behaviors in day-to-day operations. During the year, a team building was organized whose theme was based on the green and red behaviors.

In addition, a survey was done on how well the business is tracking from a Culture and Behaviors Index and below is a summary of the results.

Culture & Behaviours Index



2024 TEAM BUILDING



ICEA LION staff unleash their energy and team spirit during a recent team-building event.

**STAFF ANNOUNCEMENT
RETIREMENT OF
MRS. JANE MUIRU**

A Legacy of Trust

**STAFF ANNOUNCEMENT
APPOINTMENT OF
CHARLES KAGIMA**

A Legacy of Trust

LEADERSHIP CHANGES

During the year our head of operations Mrs Jane Muiro retired after 30 years of service. Mr.Charles Kagima has taken over as the head of underwriting and reinsurance. I would like to take this opportunity to thank Jane for the many years of service and wish her the very best during her retirement. I also wish Charles the very best in his new role.

IN CLOSING

I am delighted about the achievements the business has made in year 2024 and look forward with enthusiasm to the new year 2025. Our achievements would not have been possible without the support of shareholders, Board of Directors, customers, partners, the leadership team and our staff fraternity together with all our stakeholders. I take this opportunity to say thank you and wish all our stakeholders the very best in 2025.

LEADERSHIP TEAM



GODFREY KIOI
CHIEF EXECUTIVE OFFICER



ZIPPORAH CHEGE
CHIEF FINANCE OFFICER



PETER MUKURIA
GM, BUSINESS DEVELOPMENT & DISTRIBUTION



JENNIFER KAMOTHO
MANAGER, BUSINESS DEVELOPMENT COMMERCIAL



RADCLIFFE NYAMAI
MANAGER, BUSINESS DEVELOPMENT COMMERCIAL



ANDREW MUTURI
MANAGER, BUSINESS DEVELOPMENT-DIRECT



EVELYN MUSUNZAR
MANAGER, BUSINESS DEVELOPMENT-RETAIL & BRANCHES



CHARLES KAGIMA
HEAD OF UNDERWRITING & REINSURANCE



ANTHONY MURAGE
MANAGER-PRODUCT DEVELOPMENT



JOSEPH WANGANYA
MANAGER-COAST REGION



LYDIA MWIRIGI
MANAGER-CLAIMS



LUCY KARANJA
MANAGER-UNDERWRITING



JOHN NJENGA
MANAGER-REINSURANCE



JOY OMONDI
HEAD ACTUARIAL



PAUL MUTUA
FINANCE MANAGER



SARAH KINYANJUI
HUMAN RESOURCES BUSINESS PARTNER



PHILIP LOPOKEYIT
GROUP CEO



NAOMI MUNYI
HEAD OF FINANCE-ICEA LION INSURANCE HOLDINGS



MOKAYA MOKAYA
GROUP CHIEF HUMAN RESOURCES OFFICER



ANTHONY MUTURI
GROUP ACTUARY



CYNTHIA KANTAI
GROUP HEAD, MARKETING & COMMUNICATION



BENSON WAKABA
GROUP HEAD OF RISK AND COMPLIANCE



KEVIN KOMBO
GROUP INTERNAL AUDITOR



ENOCH KEYA
HEAD - DATA & ANALYTICS



PAUL KIOI
GM TECHNOLOGY & TRANSFORMATION



CAROLINE MAINA
HEAD-ICT BUSINESS APPLICATIONS



DAVID TOO
HEAD ICT INFRASTRUCTURE



JACQUELINE OCHIENG
HEAD OF RESEARCH & PARTNERSHIPS



JOHN WANJOGU
HEAD - DIGITAL CUSTOMER EXPERIENCE



ABIUD MULONGO
HEAD DIGITAL



LEONARD SHALAKHA
GROUP TAX COMPLIANCE MANAGER



MERCY MBUGUA
PROJECTS OFFICER



ERIC MUTHENGI
GROUP HEAD OF CUSTOMER EXPERIENCE



JARED AWANDO
CEO ICEA LION GENERAL TANZANIA



ALFRED MTAKI
CFO ICEA LION GENERAL TANZANIA



AMBROSE KIBUUKA
CEO ICEA LION GENERAL UGANDA



IBRAHIM BISASO
AG. CFO ICEA LION GENERAL UGANDA

CHIEF FINANCE OFFICER'S STATEMENT

It is with a deep sense of responsibility that I present an overview of financial performance of our business for the year ended 31 December 2024.

ECONOMIC ENVIRONMENT

In 2024, ICEA LION General delivered a robust performance despite significant macro and micro economic challenges.

The operating environment was characterized by falling interest rates, easing of headline inflation, rebound of stock prices at the Nairobi Securities Exchange, relatively stable shilling, social and climate disruptions, subdued business due to the Anti-2024 Finance Bill protests among others. These macro-economic shifts had mixed results on our business performance.

The decline in interest rates resulted to lower interest income from investments in deposits. Improved NSE performance resulted to over 100% revaluation gains on equities. Anti-2024 Finance Bill protests and changes in tax legislative framework led to reduced disposable income for our customers resulting to reduced insurance premiums.



ZIPPORAH CHEGE
CHIEF FINANCE OFFICER

OUR PERFORMANCE

Despite the significant challenges, we have managed to navigate the headwinds to deliver exceptional results. The business reported a Profit Before Tax (PBT) of KShs 1.7 billion and KShs 1.4 billion in 2024 compared to KShs 1.65 billion and KShs 1.4 billion in 2023 at the Group and Company level respectively.

Insurance revenue grew by 8% year on year at Group level to close the year at KShs 11.7 billion. This was supported by growth of top line across all the subsidiaries.

OUR GLOBAL CREDIT RATING

On 27 June 2024, GCR Ratings maintained ICEA LION General Insurance Company's national scale financial strength rating to AAA (KE) Stable Outlook. This is the highest rating in the region. The rating was supported by very strong adjusted capitalization, above average earnings supported by low exposures to market and credit risks and moderately strong business profile.

OUR SOLVENCY

Our businesses have maintained Capital Adequacy Ratios above the required statutory limits on the backdrop of strong financial performance over the years. We are confident that the businesses are adequately capitalized to support sustainable and profitable growth. Below is a summary of the solvency ratio of our three businesses.

Aspect	2024	2023
Kenya-Required 200%	399%	353%
Uganda-Required 200%	396%	334%
Tanzania- Excess admitted assets KShs'000	109,321	42,391

KEY TECHNOLOGY AND OTHER PROJECTS IN FINANCE

In 2024, as part of our commitment to offer seamless customer experience the company implemented the following projects within the finance department:

A. Procure to Pay Process

INTRODUCING THE NEW

PROCURE-TO-PAY (P2P) PAYMENT SYSTEM

During the year, the business revamped the procurement process through implementation of the Procure to Pay (P2P) payment system.

B. Host to Host Premium Management Solution

The business implemented a seamless premium collection solution through collaboration with NCBA supported by creation of virtual accounts for each customer.



How to pay premium using the Host-to-Host premium management solution

M-Pesa:

1. Enter Paybill **880100**
2. Account number: Your virtual account number as indicated on the debit note e.g. 9828701234
3. Input the amount as per the debit note or the desired amount.
4. Complete transaction by entering the M-Pesa Pin.

Pesa link, Bank Transfer from NCBA, RTGS, and EFT:

1. Enter Beneficiary account: Your virtual account number as indicated on the debit note e.g. 9828701234
2. Input the amount as per the debit note or the desired amount.
3. Complete transaction by entering banking credentials.

C. Finance Business Partnering (FBP)

In 2024, the company has rolled out Finance Business Partnering and has piloted with the underwriting section. According to Ernst & Young, FBP is working with commercial Leaders to drive improved performances, facilitate transparency of financial information across the organization and ensure business decisions are grounded in sound financial analysis. Mildred Ngavala was competitively hired to be the Inaugural FBP Partner for the business. I take this opportunity to congratulate Mildred and wish her all the best in her new role.



Finance business partnering launch photo



Finance business partner with business leaders

IMPLEMENTATION OF IFRS S1 and IFRS S2 Standards

International Financial Reporting Standards on Sustainability, IFRS S1-General Requirements for Disclosure of Sustainability-related Financial Information & IFRS S2-Climate-related Disclosures, herein referred to as S1 and S2 are effective for annual periods beginning on or after 1 January 2027 for Kenya, 1 January 2026 for Uganda and 1 January 2025 for Tanzania with early adoption being encouraged. Mandatory sustainability reporting requirements combine a high degree of visibility and obligation on the business with the challenging requirements on a relatively new topic. The Group aims at making sustainability agenda transformational as opposed to just one geared to only deal with reporting compliance.

The Group has set up a IFRS S1 and S2 project steering and project management teams to help drive the implementation of these two standards across the ICEA LION Group subsidiaries.

During the year I was nominated to be part of the National Steering and Sustainability Committee which was set up to help drive the implementation of IFRS S1 and S2 in the country. As a committee we managed to set up and roll out the implementation road map.



IFRS S1 & S2 National Roadmap unveiling

DIVIDENDS AND SHAREHOLDER'S RETURN

The business has consistently paid dividends to the shareholders, and it has proposed to increase dividend payout to KShs 400 million for the year 2024. The business remains committed to paying a decent return to the Shareholders by continuously focusing on effective strategies to improve the business performance.

APPOINTMENT OF FINANCE MANAGER



During the year, Mr. Paul Mutua was appointed the Finance Manager to support the Chief Finance Officer in management, administration and coordination of the finance department activities. Prior to his appointment, Paul served as Deputy Internal Audit Manager at ICEA LION Life Assurance. I take this opportunity to welcome Paul to the team and wish him the very best as he executes his roles.

FINANCE TEAM BUILDING ENGAGEMENT

At ICEA LION Group, our people are important to us. In line with this commitment, the ICEA LION General finance team participated in an exhilarating all day adventure at Kereita Forest. This is a testament that the company and Group at large, is committed to the staff engagement agenda.

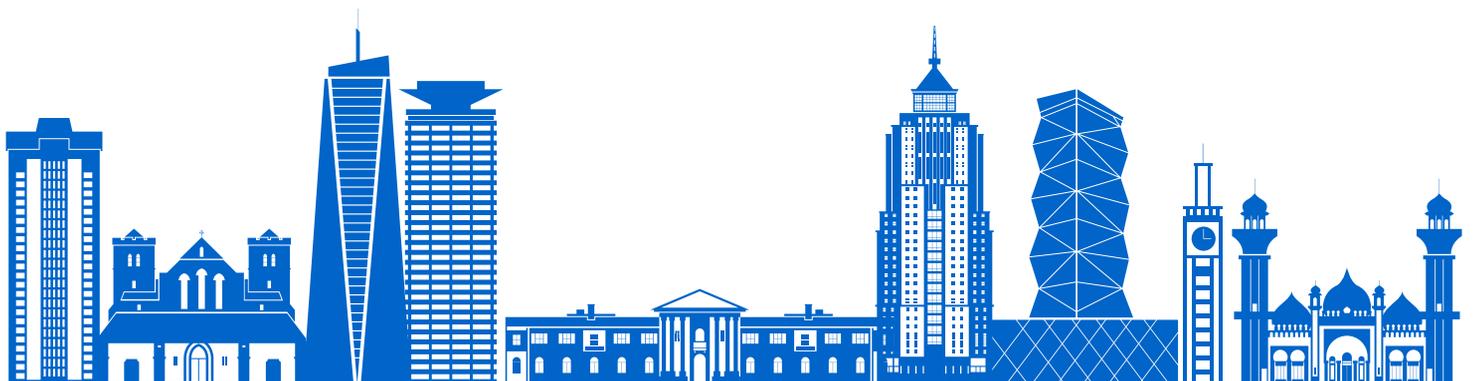


Finance team enjoying an exciting adventure at Kereita Forest

LOOKING AHEAD

In 2024, the Group drafted its 2025-2027 strategic plan to steer the businesses to deliver sustainable and long-term growth while offering unparalleled insurance services and products to our customers across the region. As a Group, we remain committed to serving our customers through commercial execution excellence of our strategic priorities.

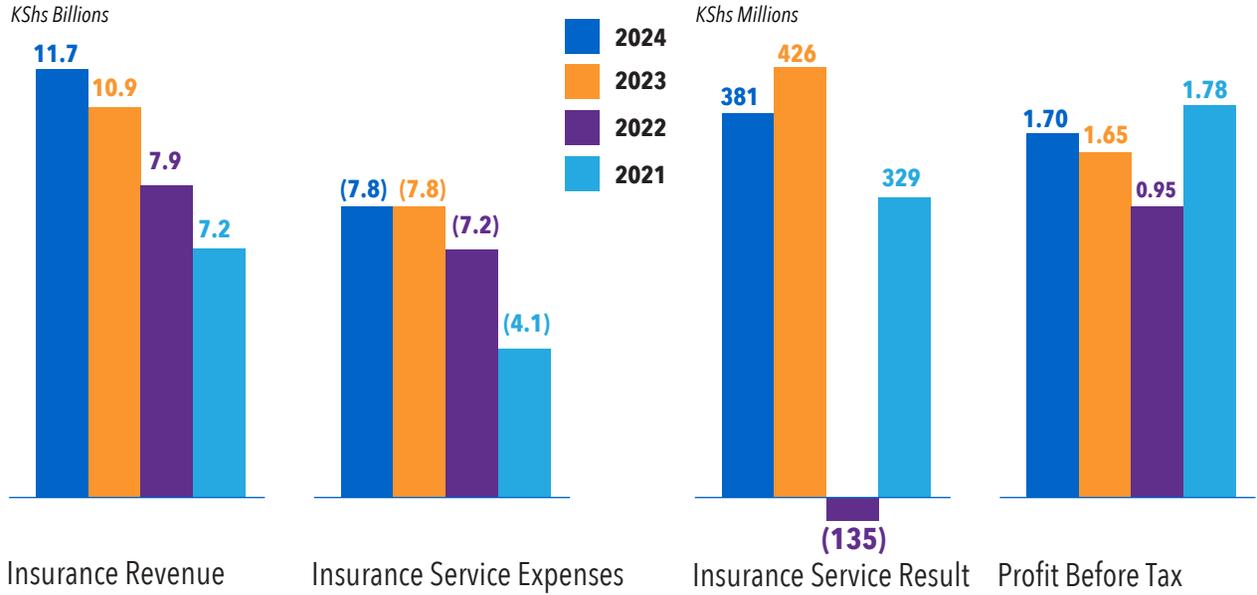
Please refer to pages 36 to 37 for a summary of our performance highlights.



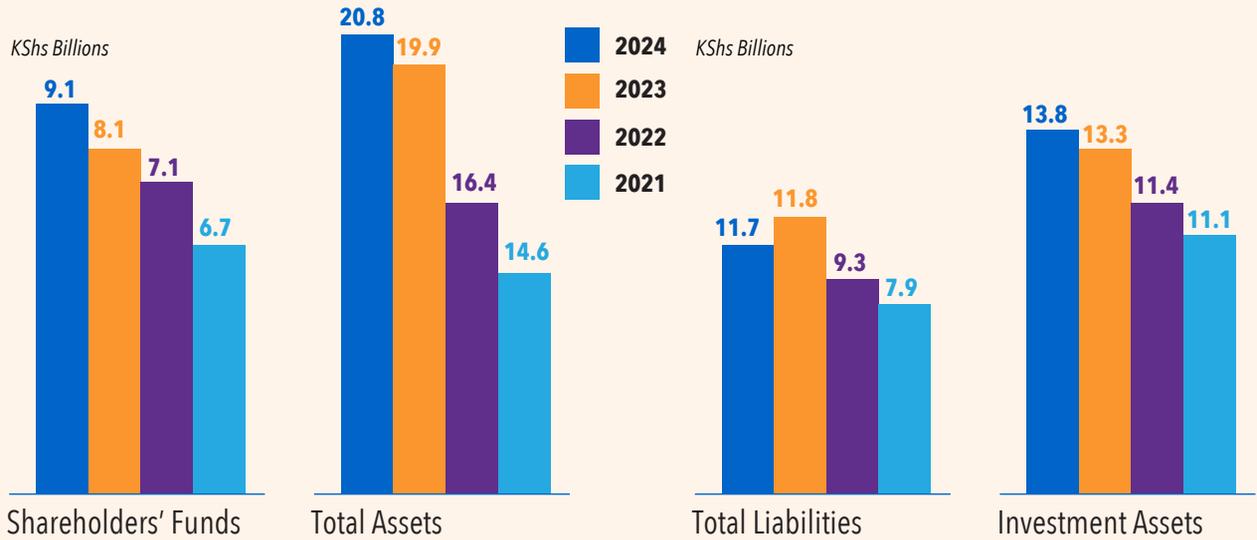
4 YEAR FINANCIAL HIGHLIGHTS

GROUP

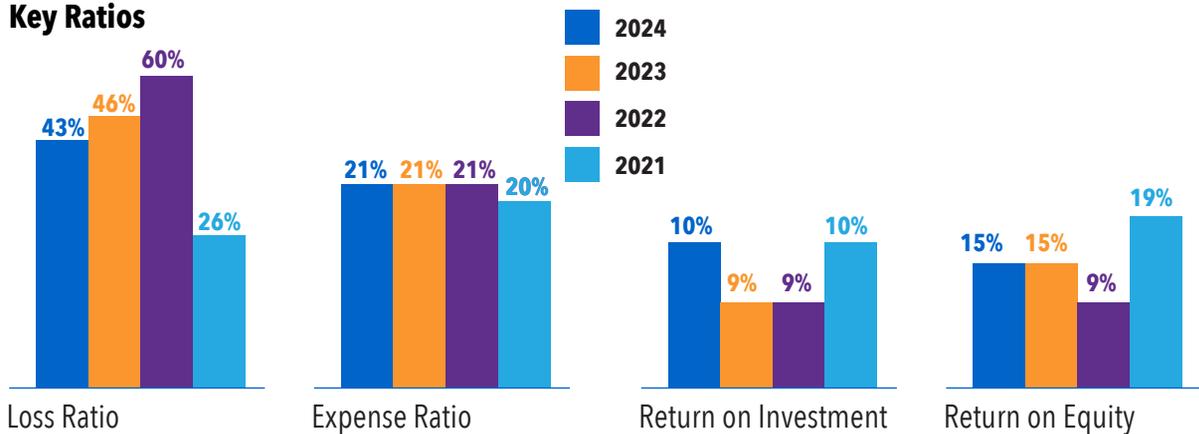
Summary Statement of Profit or Loss and Other Comprehensive Income



Summary Statement of Financial Position

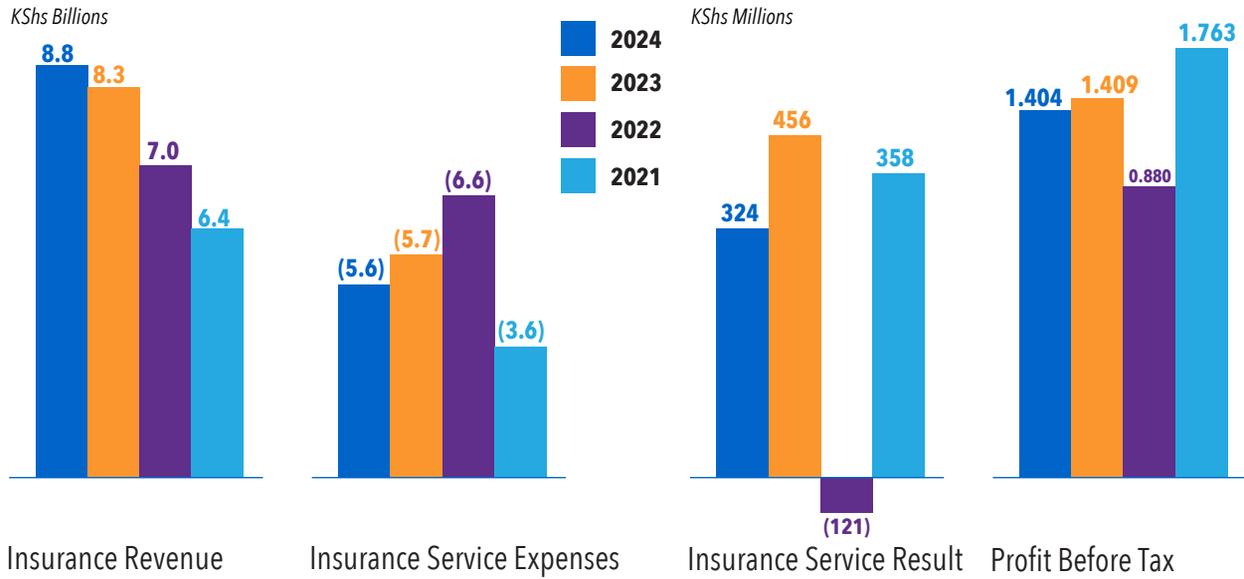


Key Ratios

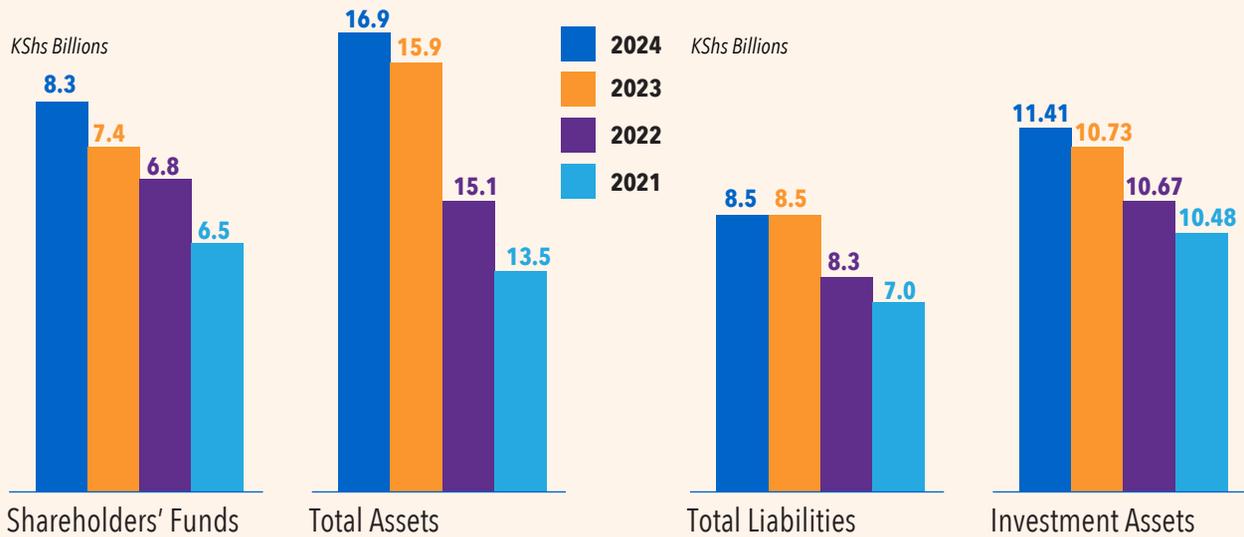


COMPANY

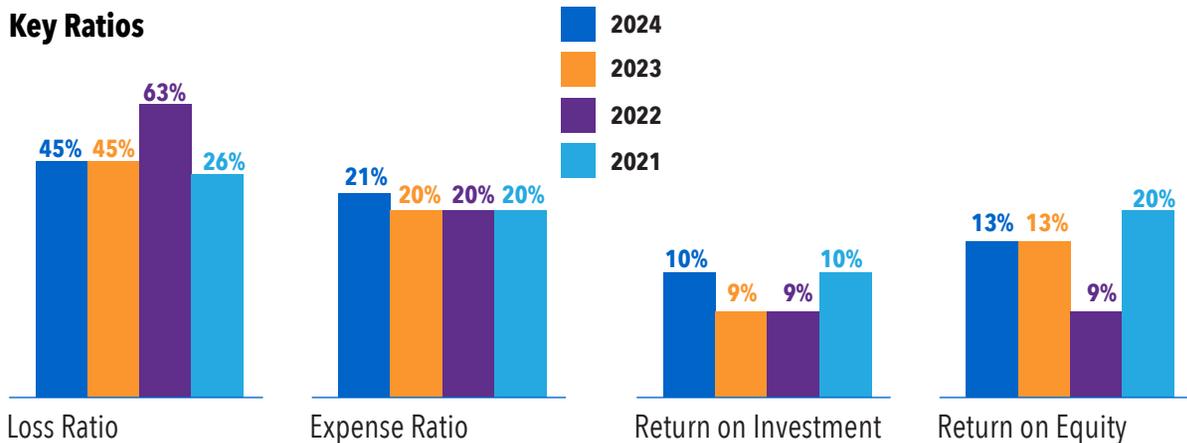
Summary Statement of Profit or Loss and Other Comprehensive Income



Summary Statement of Financial Position



Key Ratios



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OPERATING CONTEXT

SUB SAHARAN AFRICA

According to International Monetary Fund (IMF), growth in sub-Saharan Africa is projected at 3.6% in 2024 with a modest recovery to 4.6% in 2025. Most of the countries in the region are implementing difficult and much needed reforms to restore macroeconomic stability amid subdued economic growth and tight financing conditions. The complex interplay of poverty, scarce resources, weak governance, higher cost of living and short-term hardships occasioned by macro-economic adjustments are fueling social unrest and frustrations. As a result, policymakers face a delicate balancing act in striving for macroeconomic stability while also working to address development needs and ensure that reforms are socially and politically acceptable.

KENYA

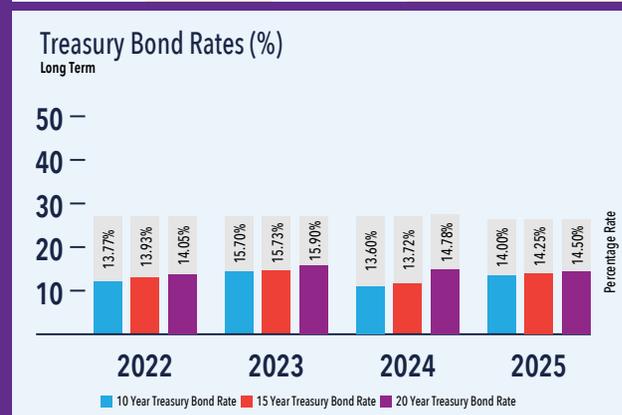
According to Alliance economic research, Kenya has maintained 4.8% growth in 2024 amidst substantial political uncertainties and social unrest experienced in the year. In 2025, growth is expected to reach 5% and to remain elevated thereafter.

KENYA KEY ECONOMIC STATISTICS

Gross Domestic Product (GDP) USD Billions			
2022	2023	2024	2025 (OUTLOOK)
113	120	116	117 ▲

GDP per Capita (US\$)			
2022	2023	2024	2025 (OUTLOOK)
2,099	2,188	2,218	2,187 ▼

USD/KES Exchange Rate			
2022	2023	2024	2025 (OUTLOOK)
123	157	129	138 ▲



Headline inflation averaged 4.5% in 2024 down from 7.7% in 2023 owing to lower food and utilities inflation. The inflation rate is expected to remain well anchored with the Central Bank's preferred target range of 2.5% to 7.5%.

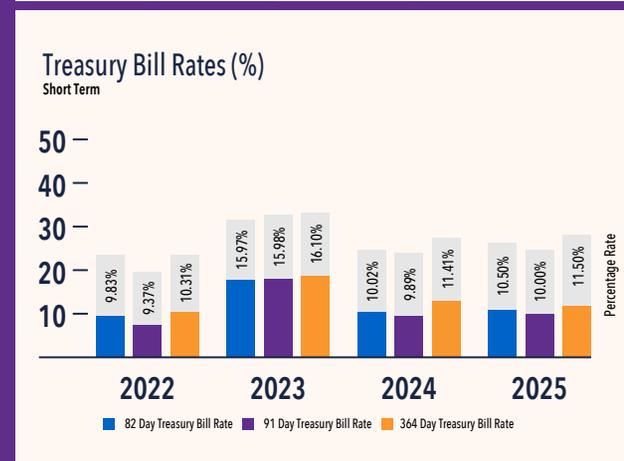
There has been an overall decline of interest rates during the year with the 91-day T-Bill yield ending the year at 9.9% compared to 16% in December 2023. In 2025, interest rates are likely to decline further as the Central Bank eases monetary policy in response to reduced inflationary and currency pressures. However, the impact of credit rating downgrades could see interest rates remain elevated.

The shilling strengthened against most major currencies during the year. The shilling's gains against the US dollar were attributed to improved dollar inflows from the agriculture and tourism sectors as well as improved dollar liquidity and a more efficient dollar interbank exchange market.

The NASI and NSE 20 gained year on year 34.1% and 33.9% respectively on account of strong earnings growth in the banking sector.

GDP Growth Rate			
2022	2023	2024	2025 (OUTLOOK)
4.8%	5.5%	4.6%	5.3% ▲

Average Headline Inflation			
2022	2023	2024	2025 (OUTLOOK)
7.64%	7.69%	4.53%	5.20% ▲



The statistics sources include (World Bank, Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) Nairobi Securities Exchange (NSE), Statista and ICEA LION Asset Management (ILAM))

TANZANIA

The Tanzania Economy GDP growth rate remained relatively stable at 5.7 % in 2024 as compared to 2023. The economy is expected to grow robustly by about 6.2% in 2025 despite risks from external geopolitical factors.

Some of the activities which underpin the growth outlook are agriculture (due to expected favorable weather, timely utilization of inputs, and investment in irrigation schemes), construction (ongoing construction of SGR, roads and bridges, and airports), improvement of transport and logistics (ports, railway, and flight services), and electricity generation (stable power supply).

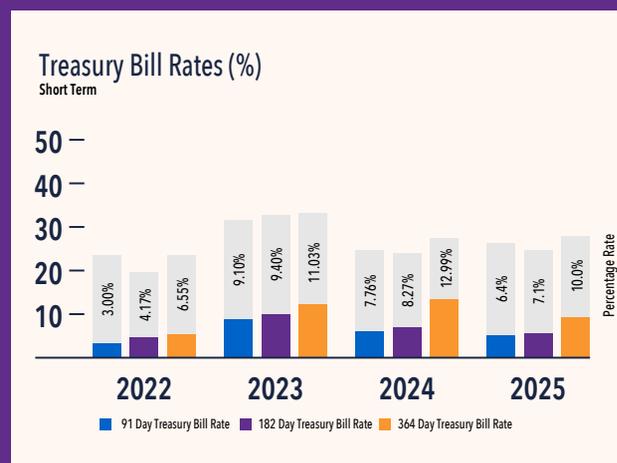
TANZANIA KEY ECONOMIC STATISTICS

Gross Domestic Product (GDP) USD Billions			
2022	2023	2024	2025 (OUTLOOK)
75.7	76.8	79.5	89.7 ▲

GDP Growth Rate			
2022	2023	2024	2025 (OUTLOOK)
4.8%	4.8%	5.7%	6.2% ▲

GDP per Capita (US\$)			
2022	2023	2024	2025 (OUTLOOK)
1,161	1,177	1,211	1,316 ▲

Average Headline Inflation			
2022	2023	2024	2025 (OUTLOOK)
4.33%	3.80%	3.1%	4.0% ▲



USD/TZS Exchange Rate			
2022	2023	2024	2025 (OUTLOOK)
2,320	2,506	2,395	2,500 ▲



The statistics sources include (International Monetary Fund, Bank of Tanzania, Africa Markets Revelead-Standard Bank, ICEA LION Asset Management (ILAM))

UGANDA

According to World Bank, Uganda's growth is estimated to reach 6.0% in FY24 from 5.3% in FY23, despite global economic instability, geopolitical tensions, and regional conflicts. Growth is supported by favorable weather conditions, investments in the oil sector, and progress on implementation of the Parish Development Model (PDM). Africa Development Bank projects the growth to expand by 7.0% in 2025, buoyed by stronger regional growth as global supply chains normalize.

Headline inflation declined to 3.2% on average in FY24 from 3.8% in FY23 and is below the target of 5.0%. This is due to declining food prices, monetary policy tightening, targeted fiscal consolidation, and relative stability in the exchange rate.

UGANDA KEY ECONOMIC STATISTICS

Gross Domestic Product (GDP) USD Billions			
2022	2023	2024	2025 (OUTLOOK)
46	47*	51*	53* ▲

Real GDP Growth Rate			
2022	2023	2024	2025 (OUTLOOK)
6.30%	5.3%*	5.5%*	5.7%* ▲

GDP per Capita (US\$)

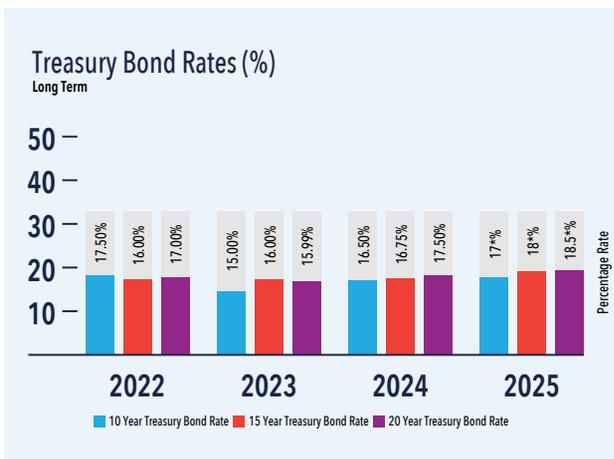
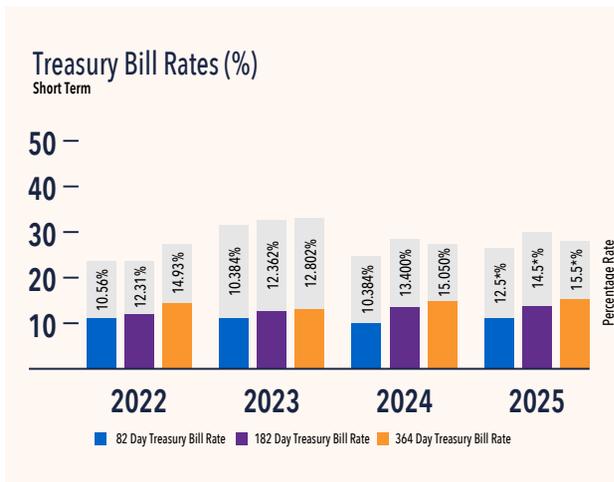
2022	2023	2024	2025 (OUTLOOK)
964	1,056*	997.1*	1,050*▲

Average Headline Inflation

2022	2023	2024	2025 (OUTLOOK)
10.20%	2.60%	3.30%	(3%-4.9%)* ▲

USD/UGX Exchange Rate

2022	2023	2024	2025 (OUTLOOK)
3,714	3,695	3,670	(3,775-3,800)*▲



FORECAST

Global growth is expected to hold steady at 2.7% in 2025-26. However, the global economy appears to be settling at a low growth rate that will be insufficient to foster sustained economic development. Emerging market and developing economies are set to enter the second quarter of the 21st century with per capita incomes on a trajectory that implies feeble catch-up toward those of advanced economies. Most low-income countries are not on course to graduate to middle-income status by 2050. Policy action at the global and national levels is needed to foster a more favorable external environment, enhance macroeconomic stability, reduce structural constraints, address the effects of climate change, and thus accelerate long-term growth and development.



The Global Economic Prospects report cites that, in Kenya's growth is expected to be boosted by private investment and supported by more accommodative monetary policy.



In Tanzania, robust public investment, an improved business environment, and enhanced export competitiveness are anticipated to boost growth.



In Uganda, growth in non-resource-rich countries is projected to strengthen to an average of 6.3% in 2025-26, mainly driven by an oil-related infrastructure boom ahead of the start of oil production.



STAKEHOLDER MAPPING

At ICEA LION, we take immense pleasure in nurturing meaningful and transparent relationships with our diverse stakeholders. Our Stakeholder Mapping and Engagement strategy remains pivotal in bridging our stakeholders' expectations with the Group's objectives. Rooted in our Group Strategic Plan (2022-2024), this approach ensures that we remain adaptive and responsive to the industry's evolving dynamics while reinforcing our relevance and alignment with broader goals.

Understanding that stakeholder relationships are fluid, we are unwavering in our commitment to developing tailored engagement strategies that address the specific needs of each group. This forward-looking approach strengthens connections, builds trust, and contributes to the Group's sustainable growth. To uphold this commitment, we undertake annual reviews of our engagement strategies, aligning them with emerging priorities and the outcomes of our strategic planning framework.

At the heart of our operations, stakeholders are seen as invaluable collaborators in driving success. Effective communication and engagement are cornerstones of our shared journey, enabling us to cultivate trust, foster collaboration, and build enduring partnerships. By continually refining our strategies, we aim to create long-term value, ensuring that our actions positively impact all those we serve while supporting sustainability and innovation.

A Strategic Approach to Stakeholder Engagement

Developing a robust stakeholder engagement framework at ICEA LION begins with identifying and assessing each group's unique needs and expectations. Our stakeholder engagement plans articulate each significant stakeholder's roles, responsibilities, and interests while exploring their influence, involvement, interdependencies, and potential impact on our objectives.

We remain steadfast in addressing the dynamic nature of stakeholder relationships, ensuring that emerging opportunities and challenges are met with agility and foresight. Special attention is given to identifying new stakeholders or shifts in influence, allowing us to remain well-positioned to adapt. Even stakeholders with minimal influence are recognized, with engagement strategies thoughtfully crafted to reflect their level of impact.

Beyond identification, our stakeholder plans focus on actionable strategies aimed at driving meaningful outcomes. This involves aligning our actions with stakeholder expectations while managing interdependencies within the ecosystem. By fostering collaboration and identifying mutual opportunities, we mitigate risks and create shared value for sustainable success.



Who Qualifies as an ICEA LION Stakeholder?

We apply the following criteria to identify and confirm our stakeholders:

- 
01 Whether the stakeholder is directly or indirectly impacted by ICEA LION's activities.
- 
02 Whether ICEA LION's business operations are influenced by the stakeholder's actions.
- 
03 The ability of the stakeholder to shape or influence ICEA LION's business decisions.
- 
04 The stakeholder's potential to impact ICEA LION's resources, including human, financial, or other resources.
- 
05 Whether the stakeholder possesses unique skills or expertise necessary for the Group's success.
- 
06 The stakeholder's potential to benefit from or resist ICEA LION's projects or initiatives.
- 
07 The stage and manner in which the stakeholder exerts the greatest influence on ICEA LION.

A Commitment to Stakeholder Collaboration

At ICEA LION, our mission, "To Protect and Create Wealth," drives our dedication to meaningful stakeholder engagement across Kenya, Uganda, and Tanzania. Guided by the Stakeholder Management Plan, we have implemented a structured framework that enables clear, inclusive, and effective communication. This approach ensures that every individual, group, or organization influencing or being influenced by our business activities is appropriately engaged.

Our strategies prioritize proactive collaboration, transparency, and alignment, ensuring that our stakeholders remain informed and empowered throughout their journey with ICEA LION. By cultivating strong partnerships and fostering innovation, we continue to create value for all stakeholders, driving long-term success and sustainability.

OUR STAKEHOLDERS



OUR BUSINESS MODEL



OUR STRATEGY

2022 - 2024 STRATEGY

The year 2024 marked the end of the 3-year strategy dubbed 10By2. 10 represented 10 billion of Gross Written Premium whereas 2 stood for 2 billion for niche products GWP, 2 billion aspirations on direct business and 2 billion on the retail book. The business has made significant strides towards achievement of these numbers. The strategy was as underpinned by 5 strategic pillars namely.



Below is a summary of key strategic achievements under each of these pillars.

1. OBSESSED WITH CUSTOMER EXPERIENCE AND OUTCOMES

The main objective of this pillar was to improve on the customer experience aspects of our business. This was to be measured through the growth in the direct book which has recorded significant growth. Other achievements on this pillar included the rolling out of the Brand Thematic Campaign dubbed "WHAT'S YOUR PLAN?, "I'VE GOT A PLAN". This campaign has had a positive impact in the growth of our Brand association across the market.

Under this pillar, the business launched differentiated product offerings into the market including Device Insurance, MFS Integration for Apple devices, Geothermal Recourse Risk Product, Simba SOS among others all aimed at providing additional solutions to our customers.

2. INSIGHT DRIVEN INNOVATION, GOVERNANCE AND OPERATIONS

This pillar sought to drive innovation across the Group as well as improve efficiency and effectiveness of the business operations. Key achievements during the period include:-

	Implementation of the Robotic Process Automation (RPA) in the claims and underwriting departments.
	Carrying out Business Process Reengineering (BPR) on the operations and financial processes leading to greater efficiencies in back-office operations.
	Development of a system convergence path to drive further operational excellence and seamless customer experience.
	Implementation of the premium Host to Host system on the NCBA banking platform leading to faster and secure payments among others.

3. POWERED BY A CUSTOMER AND BUSINESS RESPONSIVE GROUP ECOSYSTEM

This pillar was geared towards growing Gross Written Premium GWP numbers derived from the ecosystem. The business has seen consistent growth of business from the ecosystem during the strategy period.

4. CHAMPIONING INTERNAL AND EXTERNAL PARTNERSHIPS FOR DYNAMIC SCALABLE RESULTS (ESG EMBEDDED)

This pillar was anchored to drive the GWP production to 10 billion by 2024 which was a stretch target. Significant business growth has been witnessed over the strategy period with GWP growing from KShs.6 billion at the end of 2021 to KShs. 9.1billion by the end of 2024.

5. TALENTED AND CAPABLE PEOPLE COMMITTED TO TIMELY AND PROGRESSIVE SOLUTION DELIVERY

The business has achieved key milestones in building talented and capable people. Some of the key achievements under this pillar include:-

A. CULTURE CHANGE CAMPAIGN

The business implemented a new culture change campaign dubbed "It Starts with Us". This campaign is anchored on green and red behaviours and has had an immense positive impact to the culture of ICEA LION Group. This campaign has further been anchored through day to day staff engagements through staff issuing red and green cups as the behaviour demonstrated may require as well as through team building events. Further, the imagery around the office has been anchored to further reinforce examples of actions that would demonstrate the green behaviours. A pitstop session was carried out in 2024 and below action points were identified to further reinforce the culture.



OUR GREEN AND RED BEHAVIOURS



WE ALWAYS
 Encourage and nurture better ways
 Simplify how we meet and work
 Make decisions where they matter
 Embrace a positive mindset
 Respond and communicate effectively
 Talk and walk across teams

WE NEVER
 Give Excuses
 Compromise our integrity
 Pass the buck
 Undermine one another
 Put me before we
 Make fake promises



B. HRMIS-SAP SUCCESS FACTORS

The business has rolled out two modules of a new Human Resources Management Information System (HRMIS) system dubbed "My Digital Space". The two modules are Employee Central and Performance and Goals. Employee Central is the repository of all the company and personal information relating to an employee whereas Performance and Goals will drive execution of strategic objectives through clear setting, cascade and monitoring of employees goals.

C. PULSE EMPLOYEE ENGAGEMENT SURVEY

As detailed in the Group Chief Executive Officer's and Chief Executive Officer's statements, during the strategic period the Group commenced carrying out of Employee Engagement Survey (EES) which is scheduled to be carried out atleast twice in a year. This survey has given the Group valued feedback to help drive employee engagement. A pulse survey was carried out in 2024 and the outcomes of the EES have been cascaded to our employees. The survey results will be leveraged in 2025 to strengthen our staff engagement.

D. JOB EVALUATION

During the year 2024, a job evaluation exercise was carried out to evaluate the various jobs within the organisation and ensure they are appropriately placed in the correct job groups.

2025-2027 Strategy

In 2024, the business also developed a bold and ambitious 3 year strategy anchored on 4 pillars as summarised below.



1. Technology, digital & data

Under Pillar One, the business will continue harnessing and improving analytic capabilities to provide a better customer experience based on data driven insights about our customer expectations and needs. In addition there will be a focus on innovations in the technology and digital space. Further the strategic cycle will involve the implementation of operational and financial systems to provide a seamless back-office experience. This will enhance our service delivery to both our customers and all our stakeholders.

2. Route to market

This pillar seeks to accelerate growth in the high margin products and insurance classes as well as expanding the Company's retail market segments and agency channels.

3. Products

The objective of this pillar is to develop products which will help reach new market segments and increase revenue from existing segments. Another focus is to competitively position our products to create a robust value proposition for our clients.

4. Talent & culture

The business aims at retaining an engaged and empowered workforce while being the go-to brand for attracting emerging and top talent. In addition the business will continue evolving the corporate culture to ensure it is empowering the workforce while ensuring alignment to talent needs.

The Board and management are confident that the strategy of the business will add value to our customers and create long term sustainable growth for the Shareholders.

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COMMITTEE STATEMENT



WHAT'S
YOUR?
PLAN.

CHAIRMAN'S GOVERNANCE STATEMENT

On behalf of the ICEA LION General Insurance Board, it is my pleasure to share with you this comprehensive 2024 Corporate Governance Report.

The global insurance industry has been under unrelenting pressure since 2020. This year we saw increased volatility in the global markets due to the increasing frequency of extreme weather events and geopolitical tensions. In our local market, the industry was further challenged by cost-of-living pressures, high competition, significant pressures on households and political tensions. I am proud to see how ICEA LION General Insurance showed remarkable resilience in these conditions, supported by mature governance structures and embedded processes. These continue to evolve to ensure dynamic and appropriate responses and prudent decision making that considers all our stakeholders.

We are dedicated to attaining the utmost levels of accountability, integrity, fairness, responsibility, and transparency. To fulfill this goal, we have established formal frameworks to uphold corporate governance, regularly assessing and enhancing them. In alignment with this commitment, we adhere to best-practice governance principles, incorporating the King IV Corporate Governance Code to guide our processes. Our disclosures also adhere to the International Integrated Reporting Council (IIRC) Framework.

In this report, I highlight key features of the current corporate governance practices.

BOARD OF DIRECTORS

The Company's Board holds the responsibility for advancing corporate governance standards and ensuring adherence across all organizational entities. This is achieved through the utilization of Board Committees, the establishment of business principles and practices, and the implementation of robust internal control and risk management processes. These measures have been implemented to protect and augment the value for stakeholders.

BOARD CHARTER & WORK PLAN

Our Board Charter incorporates clauses to guarantee the adherence to best practices in corporate governance by the Board. The work plan includes a structured schedule highlighting matters exclusively reserved for the Board's consideration, ensuring comprehensive oversight of significant issues. The plan outlines the schedule of both Board and its committee meetings, along with the primary agenda items for each session. Additional special meetings are scheduled when required.



JOSEPH WANGAI
CHAIRMAN

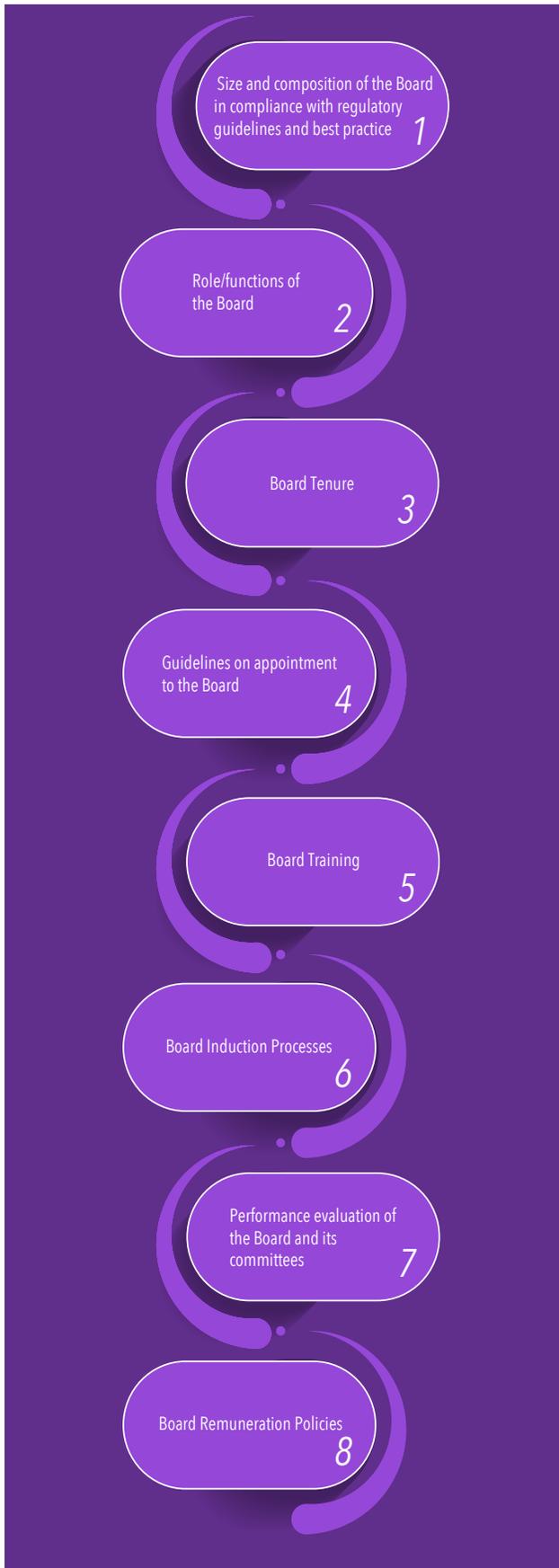
“

Our approach to corporate governance enables integrated thinking and decision-making, balancing the achievement of our strategic priorities over time, and reconciling the interests of the Group, stakeholders and society by creating and protecting sustainable shared value and guarding against value erosion in the short, medium and long term. As an integral part of the societies in which we operate and on which we depend for our licence to operate, we recognize our duties as a responsible corporate citizen to act in a manner that benefits these societies.

”

OUR BOARD CHARTER

Key components in our Board charter include the following:



BOARD MEETINGS AND INFORMATION FOR DIRECTORS

In 2024, the Board convened four times on predetermined dates to assess and supervise the implementation of strategic initiatives and business plans. The meetings also involved reviewing quarterly financial results, approving financial reports, and exercising effective control over strategic, financial, operational, and compliance matters. To fulfill these responsibilities, the Board delegates authority to the Chief Executive Officer for day-to-day operations. Advance notice of Board meetings, in accordance with the Company's Articles of Association, is provided along with agendas and relevant documents to all directors. These documents include regular progress reports on business and discussion papers addressing specific issues. The Company Secretary is consistently available to address matters related to the Board and its Committees.

Furthermore, reports from regulatory bodies such as the Insurance Regulatory Authority, the Kenya Revenue Authority, auditors, actuaries, and rating agencies are thoroughly examined during Board meetings, with appropriate actions taken in response.

BOARD COMPOSITION & APPOINTMENTS

Our Board of Directors consists of the Group Chief Executive Officer, Chief Executive Officer and eleven non-executive directors including myself as Chairman. These Directors have a good mix of skills, experience and competencies in relevant fields of expertise. Further, these Directors meet the "fit and proper persons' criteria" in compliance with the "Guidelines of Suitability of Persons" as required by the Insurance Regulatory Authority. Directors are appointed by the Nomination and Remuneration Committee of the Board.

Board Evaluation

Guidelines mandating board evaluation set the baseline, and the external consultant-led evaluation, overseen by the Chairman and Company Secretary, extends beyond a routine compliance check. Our assessment substantially enhances performance on four fronts: at the Organizational, Board, Individual Board Member, and Stakeholder levels. Over the last five years, consecutive annual board evaluations have been conducted resulting in noteworthy enhancements.

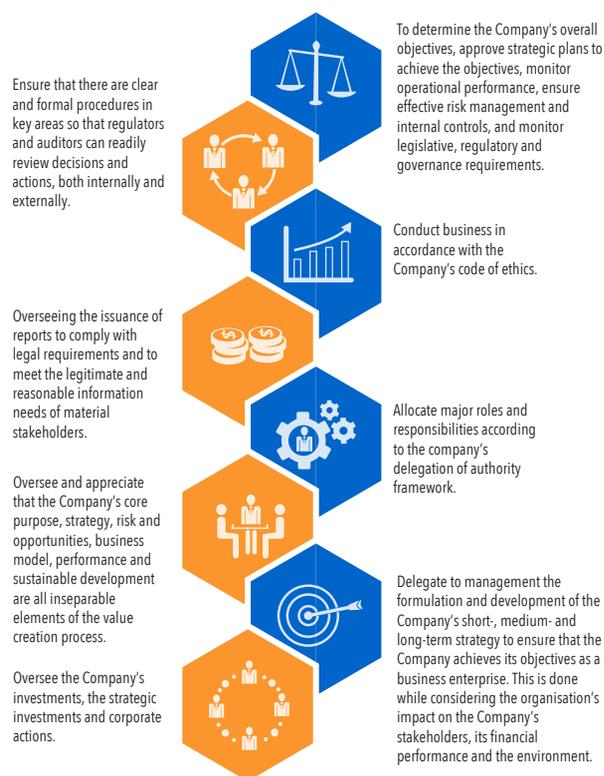
Role and mandate of the Board of Directors

The board provides overall oversight over the Company. The board is the custodian of corporate governance and is responsible for directing, administering, and controlling the Company's affairs in a transparent, fair, ethical and responsible manner.

This includes achieving and maintaining an appropriate balance of knowledge, skills, experience, diversity, and independence to ensure that the board can objectively and effectively discharge its governance role and responsibilities and that the necessary systems and processes are in place for the Company to achieve its key strategic deliverables sustainably. This ensures that the Company operates a sustainable business that creates value for its stakeholders.

In addition, the board is at liberty as and when necessary to delegate some of its responsibilities to its board committees and management. Such delegation does not constitute a discharge of the board's accountability.

The board is further accountable for the following:



BOARD COMMITTEES

The Board has established various committees to enhance the effectiveness of fulfilling its responsibilities and obligations as a Board. The board committees assist the board in discharging its responsibilities and have formal written mandates approved by the Board.

Each committee comprises a minimum of two non-executive directors, along with executive management members from ICEA LION who participate upon invitation. These committees provide quarterly reports on their activities to the Board.

a) Board Audit & Risk Management Committee

This committee is chaired by an independent non-executive director. There are seven non-executive directors, two of whom are independent, who sit in this committee. The Group Chief Executive Officer, Chief Executive Officer, Chief Finance Officer, Internal Audit Manager, and the Head of Risk and Compliance, attend by invitation. This committee met four times during the year.

The purpose of the Committee is to monitor and review the adequacy and effectiveness of accounting policies, financial and other internal control systems, and financial reporting processes. It also provides independent oversight of the Group's assurance functions, including reviews of the independence and effectiveness of the external audit, internal audit and risk and compliance functions. The committee also assesses compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.

b) Board Investments Committee

This committee has five non-executive directors, one of whom is independent. The Group Chief Executive Officer, Chief Executive Officer, Chief Finance Officer and the CEO of ICEA LION Asset Management Limited attend by invitation. The committee met four times in the year to review the investment strategies, approve or recommend to the Board for approval of investment projects in accordance with the Company's investment policy and review the performance of the investment portfolio and monitor special projects.

c) Board Innovation and ICT Committee

The committee is chaired by an independent non-executive director. Five other non-executive directors sit in this committee, one of whom is independent. The Group Chief Executive Officer, Chief Executive Officer, Head of Technology and Transformation, Head of Infrastructure, Head of Business Applications, Chief Finance Officer and the Head of Risk and Compliance, attend by invitation. This committee met four times in 2024. This committee reviews the ICT Strategy including ICT Security and Business Continuity Plans (BCP), recommends ICT projects for Board approval, reviews recommendations on the annual budgets and monitors project implementation. It also vets the company's innovation strategy and investments in innovation development prior to submission to the Board for approval. It monitors compliance with the approved innovation strategy, including innovation portfolio mix and the progress made in its implementation.

d) Board Nominations & Remuneration Committee

This committee has six non-executive directors one of whom is independent. Chief Executive Officers and Group Chief Human Resources Officer are also attendees by invitation. This committee met two times in 2024. This committee is responsible for making recommendations to the Board on executive remuneration and incentive policies, recruitment, retention and termination policies for senior management, remuneration framework as well as succession planning.

e) Board Executive Committee

The Board Executive committee is led by an independent, non-executive director who serves as its chairperson. Alongside the Group Chief Executive Officer and the Company Chief Executive Officer, there are four additional non-executive directors who are members of this committee. Heads of Business attend by invitation. The committee met two times in 2024.

The committee monitors effectiveness of the Company's corporate strategy and works closely with Management to facilitate the growth of business within predefined risk management frameworks and parameters and long-term strategic objectives. This committee acts as the link between the Board and Management, with responsibility for oversight of the implementation of operational plans, annual budgeting and periodic reviews of the Company's operations and strategic plans. Essentially, the committee oversees management's execution of board-approved strategies.

PRINCIPAL OFFICER & SENIOR MANAGEMENT

In our commitment to enhancing efficiency and execution capabilities, we have established a robust management team. The quality of our senior leadership team continues to effectively manage risks and governance and demonstrate a firm commitment not only to executing tasks correctly but also to pursuing the right objectives. Our team possesses the key qualifications and experience in their respective fields. Additionally, we adhere to the "fit and proper persons' criteria" as outlined in compliance with the "Guidelines of Suitability of Persons" mandated by the Insurance Regulatory Authority. Directors have undergone induction on how the Company governs itself, makes decisions, defines its

principles, and upholds the standards of governance it aims to uphold.

OUR SUSTAINABILITY PRACTICES

We endeavour to consciously integrate sustainability into our value chains in a bid to promote resilience and reduce risks beyond 'business as usual'. ICEA LION continues to demonstrate a strong commitment in leading African Insurers in underwriting climate risk and promoting sustainability through Nairobi Declaration on Sustainable Insurance (NDSI) partnerships. NDSI, currently the largest coalition of African insurers, continues to play a fundamental role of bringing to the forefront a collective of underwriters committed to tackling ESG-related issues.

Through NDSI, we continue to partner with financial institutions to prop up support for Africa's climate-induced risk exposures. Working closely with the African Development Bank Group in designing and operationalization of the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) has been a key area of focus for us. ACRIFA is a facility that will deploy concessionary, high-risk capital and grants to catalyse the development and uptake of a range of targeted climate insurance solutions.

In addition, we are committed to adopt the recently launched Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and are part of the TNFD pilot programme supported by FSD Africa to build institutional capacity and create more awareness.

INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS

Internal control and risk management systems are essential elements of corporate governance, aiding organizations in efficient operation, informed decision-making and navigating uncertainties. These systems play a crucial role in safeguarding assets and ensuring compliance. In response to potential risks that may impact stakeholders adversely, our company has instituted a comprehensive integrated risk management process in our day-to-day activities. This is reinforced by robust corporate governance structures, enhancing our ability to identify, monitor and manage risks effectively.

These structures encompass well-defined internal procedures, clearly outlined reporting hierarchies and systematic training programs for our staff. These training initiatives aim to equip our staff with a clear understanding of business risks, the potential consequences of neglecting or improperly managing risks, and universally accepted techniques for effective risk management.

A dedicated risk management and compliance function, overseen by a senior officer has been established within our company. This function serves as the focal point for in-house risk management compliance monitoring, authentication and related activities. The Board of Directors has set the risk appetite, cascaded to the senior management team under the coordination of this function.

Additionally, we maintain an independent internal audit function, led by a senior officer. This function evaluates the sufficiency and effectiveness of ICEA LION's adherence to internal controls and reports on strategies, policies and procedures.

Our internal control systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives. They provide reasonable assurance

against significant financial misstatements or losses.

COMPLIANCE & ANTI-MONEY LAUNDERING PROGRAM

The company's ongoing success is rooted in the trust, respect and integrity driven behaviour of its employees. ICEA LION ensures compliance with local and international standards through its anti-money laundering program, promoting rule-compliant and values-based corporate leadership.

We are cognizant of both local and international principles in a bid to mitigate the risk of violating legal and regulatory requirements and ensuring compliance. This commitment also ensures that our customers benefit from the integration of sustainability and social responsibility into our corporate behaviour. The company is dedicated to upholding and enhancing its corporate governance standards, striving for full compliance with the King IV Governance code.

ICEA LION's Code of Business Conduct and Ethics establishes standards of conduct aligned with these principles, mandatory for all employees. It provides clear guidance on values-aligned behavior, aiding employees in decision-making and avoiding conflicts of interest.

This code serves as the foundation for fair dealings with customers and is supported by internal guidelines. Interactive training programs are developed to effectively communicate the principles of the Code of Conduct and compliance guidelines.

The compliance team's responsibilities include advising business units on laws, creating, implementing, and monitoring internal guidelines, and regularly training employees on relevant rules. An independently managed whistleblower system is in place, allowing confidential reporting of irregularities. Employees raising concerns in good faith are protected from retribution.

ACTUARIAL FUNCTION

ICEA LION has established an internal actuarial function responsible for assessing and advising the management on various aspects, including technical provisions, premium and pricing activities, and compliance with statutory and regulatory requirements.

Additionally, the company has engaged an "Appointed Actuary," who is a Fellow of The Actuarial Society of South Africa, aligning with the guidelines for the Actuarial Function issued by the Insurance Regulatory Authority.

CONFLICT OF INTEREST

Our directors are obligated to consistently act in the best interests of ICEA LION. It is our practice to prevent directors from placing themselves in situations where their personal interests could clash with those of ICEA LION. Any transactions conducted with directors or their affiliated companies must be conducted at arm's length and be fully disclosed.

The board has implemented a policy mandating that directors, management and staff disclose all potential sources of conflicts of interest. Furthermore, they are expected to recuse themselves from decisions where a conflict of interest may arise.

DIRECTORS' EMOLUMENTS

The aggregate number of emoluments paid to Directors for services rendered during the financial year is disclosed in note 55(f) on page 177.

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or Management except those disclosed in Note 55 to the financial statements for the year ended 31 December 2024. (See page 177)

CONDUCT OF BUSINESS & PERFORMANCE REPORTING

ICEA LION conducts its business following a meticulously devised strategy, annual business plans, and budgets that articulate precise objectives. Well-defined roles and responsibilities have been established with delegated authority duly approved. The management team regularly reviews and discusses performance against the objectives. A quarterly business review report is prepared by management and presented to the Board, where any arising issues are thoroughly discussed. Continuous monitoring is maintained on performance trends, forecasts, and the actual performance against the budget.

DISCLOSURE OF INFORMATION & RELATIONSHIP WITH THE INSURANCE REGULATORY AUTHORITY

ICEA LION discloses details about its financial status and the risks it faces. This disclosure provides a comprehensive overview of our company, encompassing aspects such as financial position, performance, and corporate governance among others. This information is communicated to the Insurance Regulatory Authority and other pertinent stakeholders.

ACCOUNTABILITY, AUDIT & SHAREHOLDER RELATIONS

Our Board acknowledges its duty to provide a fair and comprehensible evaluation of ICEA LION's financial status and future outlook. The financial statements adhere to IFRS and the stipulations of the Kenyan Companies Act 2015, undergoing an audit based on International Auditing Standards.

Our directors acknowledge and affirm their responsibility for the financial statements, including the provision of additional information in this integrated report deemed beneficial to shareholders and other stakeholders.

STAKEHOLDER GROUPS

We acknowledge that our success is dependent on striking a balance among the interests of our key stakeholders.



BOARD OF DIRECTORS ATTENDANCE - YEAR 2024

ICEA LION General Board

Date		15.03.2024	21.06.2024	13.09.2024	22.11.2024
Mr J Wangai	Chairman	●	●	●	●
J P M Ndegwa	Member	●	●	●	●
A S M Ndegwa	Member	●	●	●	●
E M Ndegwa	Director	●	●	●	●
J K Muiruri	Member	●	●	●	●
J K Kimeu	Member	●	Deceased	Deceased	Deceased
D G M Hutchison	Member	●	●	●	●
P K Mugambi	Alt Director	●	●	●	●
M. Manga	Member	●	●	●	●
Ms M. Abdullahi	Member	●	●	●	●
K. Thuo	Member	●	●	●	●
Norman Kelly	Member	●	●	●	●
Doug Lacey	Member	●	●	●	●
Philip Lopokoiyit	Group Chief Executive Officer	●	●	●	●
Godfrey Kioi	Company Chief Executive Officer	N/A	N/A	N/A	●

ICEA LION General Audit & Risk Management Committee

Date		11.03.2024	18.06.2024	12.09.2024	19.11.2024
Kairo Thuo	Chairman				
J K Muiruri	Member				
AS M Ndegwa	Member				
J K Kimeu	Member		Deceased	Deceased	Deceased
D G M Hutchison	Member				
P K Mugambi	Member				
E M Ndegwa	Member				
Norman Kelly	Member				
Doug Lacey	Member				
Philip Lopokoiyit	Group Chief Executive Officer				
Godfrey Kioi	Company Chief Executive Officer	N/A	N/A	N/A	

Board Investments Committee

Date		12.03.2024	17.06.2024	09.09.2024	18.11.2024
AS M Ndegwa	Chairman				
J K Kimeu	Member		Deceased	Deceased	Deceased
J K Muiruri	Member				
P K Mugambi	Member				
M Manga	Member				
Norman Kelly	Member				
Doug Lacey	Member				
Philip Lopokoiyit	Group Chief Executive Officer				
Godfrey Kioi	Company Chief Executive Officer	N/A	N/A	N/A	

Nomination & Remuneration Committee

Date		08.03.2024	02.12.2024
J P M Ndegwa	Chairman		
AS M Ndegwa	Member		
J Wangai	Member		
J K Muiruri	Member		
J K Kimeu	Member		Deceased
Norman Kelly	Member		
Doug Lacey	Member		
Philip Lopokoiyit	Group Chief Executive Officer		
Godfrey Kioi	Company Chief Executive Officer	N/A	

Board Innovation & ICT Committee Meeting

Date		12.03.2024	17.06.2024	09.09.2024	18.11.2024
M Manga	Chairman				
A S M Ndegwa	Member				
J K Muiruri	Member				
J K Kimeu	Member		Deceased	Deceased	Deceased
P K Mugambi	Member				
Mariam Abdullahi	Member				
Norman Kelly	Member				
Doug Lacey	Member				
Philip Lopokoiyit	Group Chief Executive Officer				
Godfrey Kioi	Company Chief Executive Officer	N/A	N/A	N/A	

Board Executive Committee Meeting

Date		15.03.2024	30.08.2024
J Wangai	Chairman		
J P M Ndegwa	Member		
A S M Ndegwa	Member		
P K Mugambi	Member		
Norman Kelly	Member		
Doug Lacey	Member		
Philip Lopokoiyit	Group Chief Executive Officer		
Godfrey Kioi	Company Chief Executive Officer	N/A	

Attended

Not Attended

BOARD INVESTMENTS COMMITTEE STATEMENT

It is my pleasure to present the report of the Board Investments Committee for the year ended 31 December 2024.

The Committee is charged with the responsibility of:

Reviewing and recommending to the Board the Company's asset allocation policies and strategies including asset liability matching.	Reviewing investment policies and strategies.
Monitoring compliance with the approved investment strategy including investment mix.	Monitoring the performance of the investment portfolio.
Recommending investment proposals to the Board for approval and overseeing investment projects.	Engaging and overseeing the performance of investment managers and consultants.



MACRO-ECONOMIC ENVIRONMENT

The year 2024 marked a period of recovery after two years of subdued investment performance, particularly in global financial markets. Following market turbulence driven by inflation concerns, interest rate hikes, and broader economic uncertainties, 2024 saw a stabilization and rebound in certain asset classes, such as equities and fixed income, as markets adjusted to evolving economic conditions.

Global central banks largely pursued accommodative monetary policies while cautiously monitoring inflation, which remained elevated and persistent. However, the recovery was not uniform across all sectors or markets, with regional and asset-class performance varying based on factors like monetary policy, geopolitical developments, and investors sentiments.

On a local level, GDP growth slowed, averaging 4.5% in the first three quarters of 2024, down from 5.6% in 2023. This decline was driven by slower growth in key sectors, while private sector activity remained subdued, as reflected in a contractionary Stanbic Purchasing Manager's Index (PMI) of 49.6. Additionally, elevated interest rates contributed to stagnation in Private Sector Credit Growth, which stood at 0% as at October 2024.

In response to these conditions, the Monetary Policy Committee (MPC) reduced the Central Bank Rate (CBR) by 1.75%, bringing it down to 11.25% from 13%. Despite high interest rates, financial markets showed notable improvement, with the equity market and fixed income markets recovering by 34% and 29% in 2024 respectively. Inflation, which had averaged 7.7% in 2023, dropped to an average of 4.5% in 2024, largely driven by lower inflation in food and utilities. The local currency also strengthened by 21% as foreign currency liquidity issues were resolved.

Going forward, GDP growth is projected to improve in 2025 to 5.4% primarily driven by growth in the manufacturing, construction, and service sectors. Interest rates are projected to settle at a high single-digit level as the MPC sustains further cuts of the CBR. This should eventually trickle down to improved private sector credit and productivity growth rates. As a result, financial markets are projected to sustain the recovery from 2024, albeit, at a slower rate. Inflation is projected to anchor within Central Bank's target range. The risks to this outlook are geopolitical tensions, potential La Nina-driven drought and growing fiscal concerns that may manifest through a weakening currency over the medium term.

FOCUS AREAS IN 2024

Investment income during the year was derived mainly from the fixed-income asset class. The performance was further enhanced by revaluation gains on equities and the property portfolio.

During the period, in addition to review of the investment performance and strategy, the Committee approved a revised set of Investment Policy Statements (IPS), which incorporated the impact of market risks on both assets and liabilities. The committee also reviewed potential opportunities in the Property and Alternative Investment asset classes, including infrastructure funds, private credit and debt funds, structured products, and offshore mutual funds.

PERFORMANCE OF OUR INVESTMENTS

Below are some statistics on the performance of our investment portfolio at the Group and Company level.

	Group		Company	
	2024 KShs.b	2023 KShs.b	2024 KShs.b	2023 KShs.b
Investment Assets	13.8	13.3	11.4	10.7
Growth on Investment Assets	4%	16%	7%	1%
Total investment income to Profit or Loss	1.75	1.24	1.49	0.967

The growth on the investment assets portfolio was driven by new business inflows and recorded revaluation gains on both our equities, property and bonds held for trading portfolios. This was against the background of relatively lower interest rates and inflation coupled with a stable Kenyan shilling which led to a recovery in both bond and equity markets resulting in revaluation gains on listed securities.

The occupancy and rental yield for the company's three investment properties are as summarized below:-

Property	Occupancy rate (%)		Rental yield (%)	
	2024	2023	2024	2023
Lion Place (Commercial)	88%	100%	8.68%	9.85%
Williamson House (Commercial)	92%	90%	8.51%	8.41%
Arboretum View (Residential)	100%	95%	5.07%	4.67%

Our real estate holdings constitute about 25% of the Company's investment portfolio and delivered a revaluation gain of Kshs 85 million driven by sustained high occupancy rates on two of our properties.

APPOINTMENT OF THE GROUP CHIEF INVESTMENT OFFICER



During the year, Gerald Gondo was appointed as the Group's Chief Investment Officer, to oversee the Group's investment strategy and execution. I take this opportunity to welcome Gerald to the Group and wish him the very best in his new role.

LOOKING FORWARD

In 2025, major Central Banks are expected to continue gradually lowering their policy rates subject to inflation levels. Locally, interest rates are likely to decline further as the Central Bank of Kenya eases monetary policy in response to reduced inflationary and currency challenges. Nevertheless, renewed inflationary pressures could drive interest rates higher, while fiscal and exchange rate pressures remain a concern. Finally, we remain cautiously optimistic, recognizing that financial markets may underperform if foreign investor outflows increase or economic growth is slower than expected.



BOARD AUDIT & RISK MANAGEMENT COMMITTEE STATEMENT

As the Chair of the Audit and Risk Management Committee, I am honoured to present our report. Our committee convenes quarterly to review external auditors' plans, internal audit reports, matters concerning ethics and policyholders' protection and any proposals affecting the Company's internal control environment.

We play a critical role in overseeing financial reporting and fostering strong corporate governance. Over the past year, we have navigated significant macroeconomic challenges, including inflationary pressures and increasing regulatory demands.

With evolving risks—such as geopolitical tensions, supply chain disruptions, and the rapid adoption of generative AI—our committee remains steadfast in enhancing oversight, strengthening internal controls, and ensuring the Company is well-positioned to adapt and thrive in a complex global environment.

Regarding financial statements, the Committee's focus included:

- Reviewing key accounting judgments made by management and their potential impact on the Group's financial results.
- Overseeing ICT system changes that could affect financial controls and reporting accuracy.
- Ensuring transparency and clarity in the disclosure of financial information.
- Assessing whether the financial statements, as a whole, provide a true and fair representation of the Company's financial performance.

The Statement of Directors' Responsibilities on this can be found on page 89 of this report.



KAIRO THUO
COMMITTEE CHAIRMAN

Company Capital Adequacy

The Committee reviewed the Company's capital adequacy and confirmed that it remains at an acceptable level. Additionally, the Company's capital management strategy was deemed robust and well-aligned with its intended growth objectives.

Filing of Statutory Returns

The Committee reviewed the filing of statutory returns across the Company's subsidiaries and was satisfied with the compliance levels. No significant issues were identified during the review period.

Internal Control & Risk Management

The Board holds ultimate accountability for ensuring effective risk management across the Company. On its behalf, the Committee is responsible for assessing the effectiveness of internal controls, including financial, operational, and compliance controls.

To fulfill this responsibility, the Committee:

- Reviews regular reports from the Risk and Internal Audit function and approves appropriate actions in response to:
 - The status of internal control and risk management systems.
 - The department's findings, annual plan, and resource allocation.
 - Any concerns raised by employees regarding potential malpractice or wrongdoing.
- Assesses whistle-blowing reports and evaluates the external auditor's management letter on internal financial controls.
- Provides oversight of the implementation of a comprehensive AML/KYC compliance program.
- Requests reports from senior management on the effectiveness of managing key risk areas and monitors the adequacy and timeliness of management's response to audit findings.



Strong governance, risk management, and compliance are fundamental pillars of resilience and long-term success. Navigating today's complex risk landscape demands foresight, adaptability, and an unwavering commitment to ethical and sound business practices. In an era of rapid change and growing uncertainty, maintaining transparency, accountability, and rigorous risk oversight remains paramount.



The Company's principal risks are set out from pages 64 to 65 of this report.

The key features of the Company's internal control and risk management systems, particularly those relating to the accuracy and reliability of financial reporting—including the process for preparing the integrated report—are as follows:

- Recruitment of suitably qualified and experienced finance, internal audit, and risk management team members.
- Segregation of duties, clear accountability, and delegated authority across functions.
- Established policies and procedures covering financial planning and reporting, preparation of both financial and non-financial information, and capital expenditure.
- A thorough period-end review process, including reviews and commentary from process owners.
- A tiered review process for external financial reports, involving internal stakeholders from relevant business areas.

No significant deficiencies or weaknesses in internal controls were identified during these reviews.

INTERNAL AUDIT

The Internal Audit department provides objective and independent assurance to the Committee on the state of the company's risk management and governance frameworks, internal controls and integrity of the financial reporting process.

The internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable assurance against material financial misstatements or loss.

The Committee approved the Company's annual Internal audit plan, which was developed through a robust risk assessment of the Company's auditable universe.

The Internal Audit function executed its mandate by issuing quarterly audit reports to the Committee as well as tracking and monitoring management action regarding implementation of audit recommendations.

Key audit themes covered in the audit period are highlighted in the table below:

KEY AUDIT THEME	AUDIT FOCUS AREA	MEETING DATES 2024
Compliance	Data Protection	11 th March
Operations	Claims	18 th June
Finance	Financial Investments	12 th September
Information Technology	Business Continuity	12 th September
Finance	Credit Control	19 th November
Finance & Information Technology	Payment Platforms	19 th November
Information Technology	Cyber Security	19 th November

The Committee is satisfied with the performance of the internal audit function and will continue to provide support in ensuring that the internal audit function is able to achieve its mandate independently and effectively.

EFFECTIVENESS & INDEPENDENCE OF THE EXTERNAL AUDITOR

The Committee considered the effectiveness of KPMG as the external auditor over the last year. In making this assessment the Committee has considered the information presented by the auditors, management responses to the auditor's findings, including any adjustments and the level of audit fees.

To fulfil its responsibilities in respect of the independence and effectiveness of the external auditor, the Committee reviewed:



The Committee is satisfied with the performance and independence of the external auditor.



BOARD NOMINATION AND REMUNERATION COMMITTEE

1. Introduction

The Nomination and Remuneration Board Committee is critical in ensuring that the Group attracts, retains, and motivates top talent while maintaining strong corporate governance, competitive remuneration, and policy formulation that aligns with best practices.

As the business landscape and governance standards evolve, it has become essential to continuously refine our executive talent acquisitions and remuneration policies and board appointment processes to align with market best practices, regulatory expectations, and shareholder interests.

In alignment with the mandate and responsibilities of the Nomination and Remuneration Committee, two meetings were held in 2024. The key focus areas for the year were addressed, and I am certain that our remuneration policy outcomes align and effectively reflects the Group's performance and stakeholder interests.

2. 2024 Key Focus Areas

The summary below highlights key focus areas and recommendations to strengthen the committee's effectiveness.



JAMES NDEGWA
COMMITTEE CHAIRMAN

(i) Executive Remuneration Framework and Remuneration of staff

To sustain a strong leadership team, our remuneration framework is designed to offer competitive, performance-based compensation aligned with industry benchmarks. It incorporates performance-linked components tied to financial and strategic indicators to drive value creation.

A remuneration benchmarking exercise was conducted against market and industry peers to ensure our executive compensation remains attractive, competitive, and aligned with governance standards. The industry benchmark and policy guided the committee in recommending appropriate remuneration changes to the board for approval based on individual company performance and country specific challenges.

(ii) Leadership Appointments

A diverse leadership brings varied perspectives, leading to better decision-making and corporate performance. Our top leadership appointment process prioritizes meritocracy and other diverse consideration including industry expertise and functional experience aligned with the company's strategic direction. The Board Committee participated in the executive recruitment and employment agreements of senior leadership.

(iii) Strengthening Governance and Independence:

Good governance requires a well-structured board with an appropriate mix of executive, non-executive, and independent directors. To enhance governance, the committee ensures board effectiveness assessments continue to be conducted every two years and strengthening of ethical guidelines and independence criteria reinforced.

As part of due diligence measures the committee ensures signing of the Code of Conduct and Business Ethics, Employee Confidentiality and Data Privacy Attestation in addition to declaring any conflicts of interest on an ongoing basis.

(iv) Performance and Culture

Throughout the year, the Committee provided strategic oversight by defining high-level performance priorities aligned with the Group's mission and strategy. A robust performance framework was recommended to enhance accountability and to drive sustainable business outcomes.



Strengthening Group Nomination and Remuneration Practices with Robust Governance for Fairness, Transparency, and Excellence.



The Board, through the committee, reviewed progress on the Red and Green cultural behaviours, ensuring they continue to support high performance culture and ethical conduct. This commitment fosters a workplace culture that promotes productivity, integrity, and employee engagement.

To continuously assess the effectiveness of cultural and organizational initiatives, the Committee commissioned an employee engagement pulse survey as a follow-up to the previous year's survey. This assessment provided valuable insights into the progress of prioritized interventions aimed at building a company where employees feel heard, valued, and empowered.

(v) Investment in HR System

The committee approved the implementation of SAP SuccessFactors to modernize HR operations, enhance talent management, and elevate the employee experience. This strategic investment will also enable data-driven decision-making and workforce insights, ensuring better alignment of human capital with business objectives for improved organizational efficiency.

(vi) Policy development and alignment with best practices

The committee played a key role in reviewing and recommending relevant policies to the Board for approval that ensures alignment with evolving industry trends, regulatory requirements, and stakeholder expectations. These policies are geared towards enhancing talent management, employee's performance, engagement, retention, and wellbeing.

On overall, the above highlighted initiatives aimed at reinforcing the Group's commitment to fair compensation, strong governance, and the development of a high-performing leadership team, fostering a culture that drives sustainable growth and long-term success.

3. Appointment of Key Leadership Positions

(i) Mr. Philip Lopokoiyit- Chief Executive Officer ICEA LION Insurance Holding

On 7 October 2024, the Board of Directors announced the substantive appointment of Mr. Philip Lopokoiyit as Chief Executive Officer ICEA LION Insurance Holdings and Group Chief Executive Officer ICEA LION Group. Prior to his appointment, Philip was the Chief Executive Officer, ICEA LION General. The Board appreciates the immense contribution of Philip in transforming the ICEA LION General strategy, leadership and business performance whilst also overseeing the Group role.



(ii) Mr Godfrey Kioi-Chief Executive Officer, ICEA LION General Insurance Company

Mr. Kioi was appointed as the new Chief Executive Officer and Principal Officer of the Company following regulatory approval. His appointment took effect from October 7, 2024. He was appointed to replace Mr. Philip Lopokoiyit who moved to the Holding Company as the Group CEO. Godfrey brings expertise in building leading businesses focusing on customer needs with over 30 years of experience in the insurance industry. Before joining ICEA LION General, Godfrey served as the Managing Director of the Heritage Insurance Company Limited Kenya, driving key strategic initiatives and business delivery. He previously worked as an external auditor before taking up senior roles in Finance, accounting and audit across a number of manufacturing concerns. He previously worked with ICEA as Chief Accountant before joining Pan Africa Insurance Company as General Manager Finance and Investments. He is a Certified Public Accountant and Certified Public Secretaries and holds a Bachelor of Science degree in Accounting and an MBA in Finance.

4. Appreciation

I extend my sincere appreciation to my colleagues on the Nomination and Remuneration Committee, as well as those serving across our subsidiaries, for their dedication, diligence, and invaluable support in driving our success this year. I also express my gratitude to our staff across the Group for their unwavering commitment, hard work, and loyalty, which have been instrumental in strengthening our organization's resilience and competitiveness. I look forward to another year of collective growth and continued excellence.



BOARD INNOVATION AND ICT COMMITTEE

The Year in Review

2024 was a year of cautious optimism amidst lingering global challenges. According to the African Development Bank (AfDB) Economic Outlook Report 2024, Africa demonstrated resilience, with average real GDP growth rates rising to 3.7%. East Africa led the charge with 4.2% real GDP growth, driven largely by favourable rainfall, which resulted in bumper harvests, and a global decline in energy prices, which had a positive trickle-down effect on regional economies.

Despite subdued insurance penetration levels of less than 3%, Kenyan households have made significant strides in building resilience. As reported in the FinAccess Report 2024 by the Kenya National Bureau of Statistics (KNBS), the proportion of households able to cope with risks improved from 23.3% in 2021 to 33.3% in 2024. This growing resilience highlights the increasing importance of insurance solutions in protecting livelihoods, especially in the face of climate change and volatile macroeconomic conditions. However, the report also notes a decline in households' ability to invest in livelihoods, from 39.5% in 2021 to 17.1% in 2024.



MUGWE MANGA
COMMITTEE CHAIRMAN

This presents a dual challenge and opportunity: developing innovative, low-cost, user-friendly insurance and investment solutions that enhance resilience while driving higher insurance uptake. It is vital to design products and distribution channels that meet customer needs effectively within the constraints of shared, shrinking household budgets.

The Three-Year Digital and Innovation Strategy

In an increasingly competitive market, ICEA LION must continue to innovate. Developing affordable products that align with our customers' financial realities without compromising on exceptional customer experience is critical. Moreover, we must explore solutions that support sustainability and green energy initiatives, underscoring our commitment to addressing climate change challenges. Achieving this will require creativity, robust process automation, and leveraging emerging technologies. I am pleased to report that 2024 marked a significant milestone as we developed the Group's ambitious three-year digital and innovation strategy. These strategic initiatives reflect our commitment to leveraging technology to enhance our operations, customer experience, and market positioning.

The key focus areas for the next three years include:

- **Expanding Distribution and Partnerships:** Leveraging interconnectivity with our business partners and emerging fintechs to drive growth.
- **Enhancing Customer Visibility:** Creating a unified view of customers across the Group to ensure seamless and unparalleled customer experiences.
- **Modernizing Core Systems:** Reviewing and updating our systems to ensure they remain fit for purpose and aligned with evolving business needs.
- **Adopting Modern Enterprise Architecture:** Building a nimble and flexible system architecture capable of integrating with an increasing number of partners.

These initiatives, alongside other strategic proposals, position ICEA LION to achieve greater heights, delivering value to our customers and partners while strengthening our market leadership.

The 2025 ICEA LION Group Digital and Innovation Outlook

Looking ahead, the outlook for 2025 is promising. The foundation laid in 2024 will serve as a springboard for continued growth, innovation, and excellence in digital transformation. By executing our strategy with precision and focus, we will enhance operational efficiencies, improve customer satisfaction, and unlock new growth opportunities. We look forward to launching a mobile app for our customers, a new website and modern API platform. These, together with roll out of conversation AI tools in our contact center will set the pace on unparalleled customer experience in the industry.

Appreciation

I would like to extend my gratitude to the ICT and Innovation teams for their unwavering dedication and hard work. Their resilience and expertise remain the backbone of ICEA LION Group's digital infrastructure and solutions. I am confident that their commitment will continue to drive our digital transformation journey and enable us to meet the evolving needs of our customers and stakeholders.

OUR RISK LANDSCAPE

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RISK LANDSCAPE GOVERNANCE,
RISK AND COMPLIANCE



ICEA LION GENERAL INSURANCE RISK LANDSCAPE

ICEA LION is a passionate advocate and practitioner of sound Governance, Risk Management, and Compliance (GRC) practices. We believe these three pillars are essential to our success and the strength of our brand. Our proactive risk management strategy focuses on the identification, mitigation, and continuous monitoring of risks to enhance organizational resilience.

We have invested in and developed a robust, agile GRC model that empowers us to adapt to changes, including evolving regulatory requirements and shifts in the business environment. This resilience is achieved through the adoption of cutting-edge technology to track regulatory updates, a comprehensive policy development strategy, ongoing training initiatives, and the promotion of a culture rooted in ethical behavior.

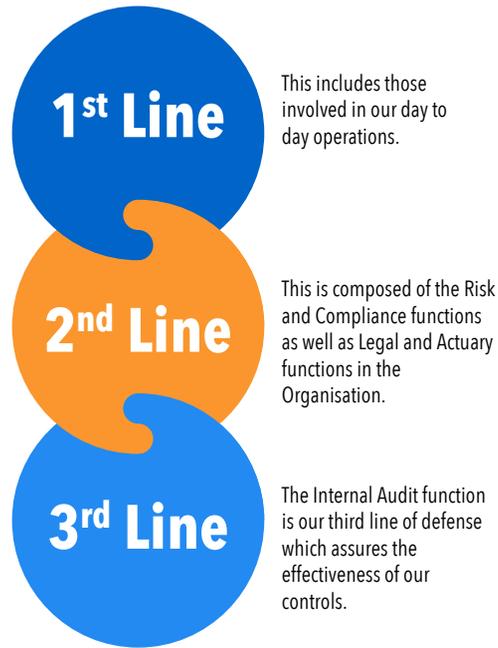
Our GRC model is based on what we call the Compliance triad:



OUR APPROACH TO RISK MANAGEMENT

Our GRC framework is anchored on the three lines of defense, where all our employees, partners and the Board are involved in ensuring its success.

“Harmony in diversity” is more than just a concept; it is the core principle guiding the integration of our three lines of defense. These lines work together seamlessly, forming a unified risk management framework that strengthens our ability to identify, mitigate risks and comply with various requirements. This collective vigilance highlights the power of collaboration in safeguarding our operations. Adaptability is key as we continue to navigate the ever-changing landscape of risks and regulatory shifts, ensuring that ICEALION remains a steadfast protector against the uncertainties of change.



BUILDING RESILIENCE THROUGH RISK INTELLIGENCE

To foster organizational resilience, we have established a comprehensive integrated risk management framework that is embedded into our daily operations. Supported by strong corporate governance structures, our dedication to effective risk identification, monitoring, and management remains steadfast. Leading this initiative is our experienced risk management and compliance team. To ensure independence, this function reports directly to the Board Audit and Risk Committee, serving as the central hub for internal risk management, compliance monitoring, and validation activities.

A key element of our strategy is the creation of a well-defined risk appetite, initiated by the Board of Directors and cascaded to our senior management team. Our proactive approach includes regular risk assessments, measuring key risks against established tolerance levels. This structured approach is supported by documented internal procedures, clear reporting lines, and systematic training programs designed to equip our staff with a deep understanding of business risks, the consequences of inadequate risk management, and proven techniques for effective risk mitigation.

Our ongoing journey of integrating risk management is marked by continuous improvement, demonstrated by recent advancements such as the adoption of the Risk-Based Capital regime, as endorsed by the Insurance Regulatory Authority.

This progress highlights our commitment to staying at the forefront of risk intelligence, strengthening our organization's resilience and safeguarding it against emerging challenges in a dynamic business environment.

RISK APPETITE PROCESS AND SETTING

Defining risk appetite and the setting process are crucial elements of our organizational strategy, outlining the boundaries within which we operate and make decisions. This process involves a comprehensive assessment of our risk tolerance, aligning it with our business goals. By clearly defining our risk appetite, we create a framework that directs decision-making, ensuring a balanced approach that capitalizes on opportunities while effectively addressing potential risks. This proactive and structured approach to risk management enables us to navigate uncertainties with confidence and resilience.

RISK FACTORS AND MEASUREMENT.

Navigating the challenges of the 21st century requires confronting increased complexity, uncertainty, and vulnerability, driven by shifts in geopolitical power, rapid technological advancements, and the growing interconnectivity that heightens the spread of risks. In this dynamic environment, it is essential to prioritize understanding risk factors and implementing effective measurement strategies to ensure long-term success and resilience. This section outlines the key risks we closely monitor in this ever-changing landscape.

Insurance Risks

Insurance risks primarily arise from inadequate or inappropriate practices in reinsurance, reserving, underwriting, claims management, product design, and pricing, potentially leading to financial losses and the inability to meet obligations. To effectively manage and mitigate these risks, we have established a robust risk management system that is specifically designed to match the scale and complexity of our operations. This includes the implementation of policies governing product design, pricing, underwriting, claims management, reserving, and reinsurance.

Credit Risks

There is ongoing engagement with all relevant stakeholders to follow up on outstanding debts to ensure effective collection mechanisms, timely payments and address any potential issues before they escalate. To manage this, the Company has a credit control policy that outlines procedures and processes for managing debtors, ensuring consistency in how credit and debt management tasks are handled. Furthermore, the exposure to credit risk is addressed through the statutory solvency capital requirement metric.

Investment Risks

Investment risks arise from the performance of investments, which may differ from expected returns or benchmarks. These risks can manifest in the form of principal loss, reduced coupons, or a decline in equity value, potentially leading to impairments and lower net income.

To effectively manage investment risks, the Board, through its Finance and Investment Committee, regularly reviews and recommends the company's asset allocation policies and strategies. This includes asset-liability matching, investment policies, and strategic direction. Continuous monitoring of compliance with the approved investment strategy, including the investment mix, reinforces our commitment to making informed decisions and optimizing investment performance.

Operational Risks

Operational risks involve potential losses arising from inadequate or faulty internal processes, human errors, or external events. To mitigate these risks effectively, we have established strong processes for managing human capital, addressing cyber/ICT challenges, and preventing fraud. Oversight of operational controls is rigorously carried out across the three lines of defense.

Our dedication to operational excellence includes ongoing monitoring, proactive measures, and a comprehensive risk management approach. By strengthening these critical elements, we aim to enhance our operational resilience and ensure the seamless functioning of internal processes, minimizing the impact of any potential disruptions.

Market Risks

Market risks arise from fluctuations in market conditions, which can affect the value of the company's assets, liabilities, or income generated from those assets. The primary market risks faced by the company include:

- **Interest-rate risk:** The impact of changes in interest rates on the value of financial instruments.
- **Exchange-rate risk:** The potential for financial loss due to changes in exchange rates related to the company's operations.
- **Liquidity risk:** The risk of insufficient liquid assets to meet policy payouts (e.g., claims), which may force the sale of assets at lower prices, resulting in losses.

To manage and mitigate these market risks, the company employs a variety of risk management strategies, including:

	Setting and monitoring functional limits on market risks.
	Conducting Asset & Liability Management (ALM) to determine the optimal asset allocation aligned with the structure of liabilities, thereby reducing risk to acceptable levels.
	Implementing a disciplined investment process, which includes thorough analysis by the investment team and a second opinion from Risk Management.

Reputational Risks

We recognize the critical importance of protecting the Company's reputation, as any damage to it can significantly affect our ability to retain existing clients and attract new business. A loss of trust and confidence can stem from various sources, including negative media coverage or social media incidents. With a strong commitment to managing reputational risks, we maintain a zero-tolerance policy for any compromises in this area.

To ensure a swift and effective response, we have established a dedicated Crisis Management Team. This team is prepared to address reputational risks arising from a range of challenges, including negative media exposure and social media incidents. By proactively managing these risks, we aim to strengthen our reputation and maintain strong, enduring business relationships.

Business Continuity Risks

We recognize the risk of business disruption caused by both internal and external events, such as technological failures, natural disasters like floods, and civil unrest, and actively manage these risks. Our commitment to ensuring business continuity is reinforced through the formalization of comprehensive plans for business continuity, disaster recovery, and crisis management.

In preparation for various risk events, we have put in place robust strategies to address potential challenges and maintain operational resilience. These plans, carefully crafted and regularly reviewed, are designed to minimize the impact of disruptions on our business, ensuring our dedication to continuous and uninterrupted service delivery.

Compliance risks

These risks arise from the potential violation or non-compliance with laws, regulations, agreements, prescribed practices, or ethical standards. Additionally, there is a risk of misinterpreting applicable laws or regulations. Mitigating compliance risks is a top priority for us, and we achieve this by ensuring that all our activities fully comply with regulations, codes of conduct, best practices, and internal policies. Our commitment to compliance is further strengthened by independent assurance and oversight from dedicated compliance and internal audit teams.

Fraud Risk Management

Fraud risk involves intentional dishonest actions or deliberate misrepresentation that can harm the Company, potentially perpetrated by management, employees, or third parties.

Our approach incorporates fraud risk management as an integral part of our enterprise risk management activities. We are fully committed to maintaining the highest standards of transparency, integrity, and accountability across all areas of our operations. To foster a culture of honesty and uphold a zero-tolerance policy against fraud and corruption, we have implemented a board-approved fraud management policy.

Key components of our fraud management system include:

	A whistle-blowing policy with an independently managed hotline.
	An Anti-Bribery policy.
	Sanctions, including legal actions, against individuals found guilty of fraud.
	Fraud awareness programs through comprehensive training initiatives.
	Due diligence processes to vet new staff, suppliers, and other stakeholders.

These measures are designed to strengthen our defenses against fraud and corruption, promoting a culture of integrity and accountability within the organization.

Navigating Shifting Tides: Unveiling Emerging Risks

In today's interconnected and fast-evolving world, the nature of risk is undergoing significant transformation. Unprecedented geopolitical events, such as the resurgence of war in Europe and the Middle East have brought about lasting consequences.

Simultaneously, the rise of climate-related risks and the increasing threat of cyberattacks on both public and private intangible assets and data present new and complex challenges. This shifting global risk environment poses considerable challenges to organizations, testing their ability to absorb financial losses.

Looking ahead, emerging risks are expected to have a profound impact on the solvency and profitability of the insurance sector. Factors like sustained high inflation, large claims, substantial unrealized losses, and a potential decline in demand for insurance due to pressures on household purchasing power will significantly influence the risk landscape for insurers. The Company is proactive in identifying key emerging risks that may affect our operations, while also presenting new opportunities for growth. These include: microeconomic, macroeconomic and the global economic and geopolitical environments.

Rapidly Evolving Regulatory Compliance Changes

Regulatory and financial crime compliance challenges are continuously evolving, placing increasing pressure on organizations. Changes in regulatory frameworks, new legislation, or legal actions can create compliance hurdles and raise operational costs. Non-compliance may result in fines, penalties, reputational damage, or even the loss of operating licenses. Regulators have adopted a more rigorous supervisory approach to manage risk, aiming to enhance transparency in markets and products. This increased scrutiny can make it more challenging for insurers to introduce new services and products while raising the cost of compliance.

Despite these challenges, we view compliance as a strategic investment. It is a key component in maintaining our credibility, strengthening resilience against reputational risks, and contributing to the overall stability of the insurance industry. The Company has implemented a comprehensive compliance management framework, overseen by the board, demonstrating our commitment to navigating the evolving regulatory environment with care and flexibility.

Modern Technologies Disruption and Adoption

Modern technologies such as artificial intelligence (AI), machine learning, and block chain are transforming the insurance industry, requiring it to adapt in order to remain competitive. The ability to automate tasks at scale has become a significant differentiator, setting successful companies apart. As technology progresses rapidly, traditional insurance models are vulnerable to disruption, with Insurtech companies utilizing AI, big data, and block chain to introduce innovative products and services, challenging established insurers and potentially eroding market share.

In response to these developments, our company is proactively embracing these disruptive technologies. We are strategically utilizing AI, machine learning, and block chain to enhance underwriting and claims processes, derive data-driven insights, and create innovative product offerings. By adopting these technologies, our aim is not only to meet current industry standards but also to maintain our competitiveness and drive innovation in the ever-evolving insurance market.

Climate Change and Sustainability

Climate change poses significant risks, leading to global economic losses, property damage, and health consequences. The insurance industry faces challenges such as increased claims, rising reinsurance costs, and difficulties in assessing climate-related risks. Demonstrating our commitment to sustainability, we actively engage in initiatives like the Nairobi Declaration on Sustainable Insurance (NDSI) and work closely with financial institutions to help mitigate Africa's exposure to climate-induced risks. Our partnership with the African Development Bank Group in developing and implementing the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) is a key focus. ACRIFA aims to deploy concessional capital, high-risk funding, and grants to foster the development and adoption of climate insurance solutions.

In addition, we are dedicated to adopting the recently launched recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and are participating in the TNFD pilot program supported by FSD Africa, which focuses on building institutional capacity and raising awareness. ICEA LION is also a proud signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) and the UN-convened Net-Zero Insurance Alliance (NZIA), joining leading insurers and reinsurers worldwide in accelerating the transition to low carbon emissions by 2050.

Economic Uncertainty

In the aftermath of the pandemic, coupled with the ongoing conflicts in Gaza and Ukraine, escalating geopolitical tensions, and fluctuations in financial markets, insurance companies are navigating an environment marked by uncertainty. This is especially evident during economic downturns, where reduced demand for policies, increased cancellations, higher default rates, and lower investment returns collectively affect the profitability of insurers.

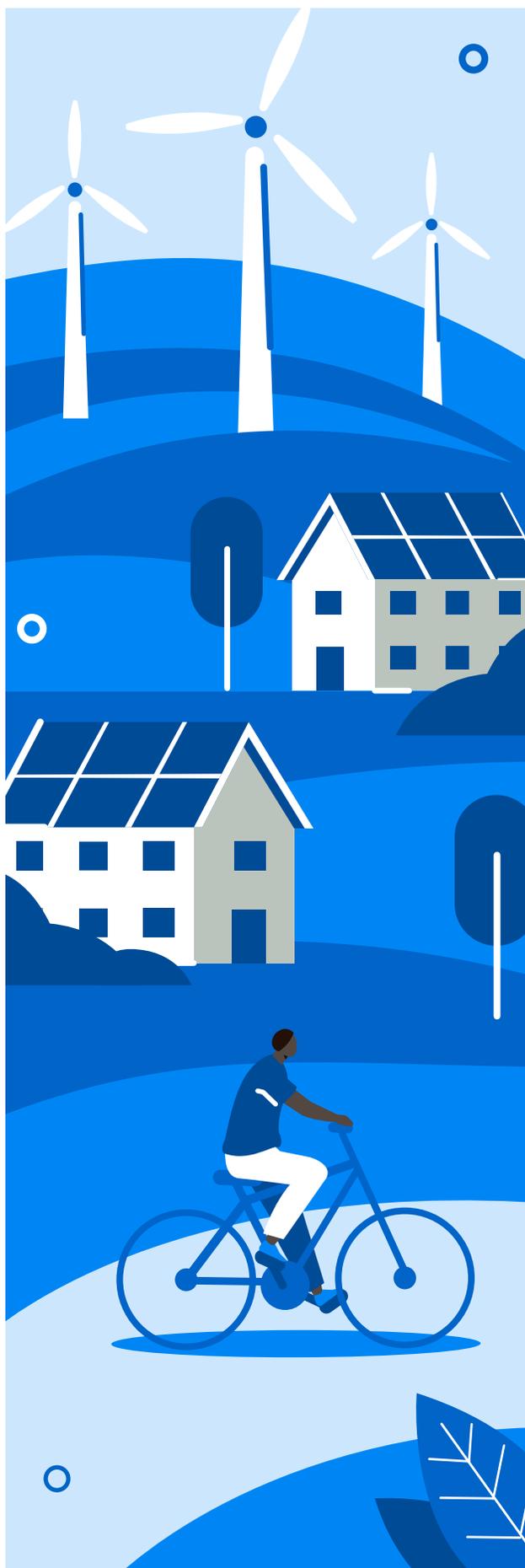
In response to these challenges, our company is proactively implementing a range of strategic initiatives to strengthen our position and adapt to the changing environment. These initiatives include diversifying our investment portfolio to better navigate market fluctuations and optimize returns, enhancing agility in our business models to quickly adjust to shifting conditions, and strengthening our underwriting processes and risk models to address increased default rates and the uncertainties of economic downturns.

Our goal is to emerge stronger, more resilient, and better prepared to effectively serve our policyholders and stakeholders.

Competition from other Industries

The growing competition from non-traditional entities, such as technology companies and financial institutions, which operate with distinct business models and lower operational costs compared to traditional insurers, is expected to continue, putting pressure on profit margins within the insurance industry.

In response to this challenge, we have implemented a range of strategic initiatives. These include launching innovative product offerings, undergoing digital transformation to streamline operations, improving customer experiences, and reducing costs, as well as forming partnerships with technology companies and financial institutions to leverage their expertise and customer base. Additionally, we regularly conduct comprehensive risk assessments and engage in scenario planning to proactively anticipate and mitigate the impact of increasing competition.



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WHAT'S
YOUR?
PLAN.

THE CAPITALS

This segment of the report is framed around the six Capitals, offering stakeholders an in-depth perspective on the Group's operations, the critical issues influencing our strategic priorities, and the proactive measures we are implementing to address stakeholder expectations. This comprehensive approach seeks to enhance understanding of how our initiatives contribute to sustained growth and create a positive, lasting impact.

Additionally, this section reaffirms our unwavering commitment to the Principles for Sustainable Insurance (PSI) and The Nairobi Declaration on Sustainable Insurance (NDSI) by detailing how these principles continue to shape our approach to sustainability and guide our responsible business practices.



PSI Principles for Sustainable Insurance



Principle 1:
We will embed in our decision-making environmental, social and governance issues relevant to our insurance business



Principle 2:
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.



Principle 3:
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.



Principle 4:
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Nairobi Declaration for Sustainable Insurance (NDSI)



THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE

This section outlines ICEA LION's continued commitment to the Nairobi Declaration on Sustainable Insurance (NDSI) action points. These principles guide the integration of sustainability into our core operations, aligning with our broader efforts to support Africa's sustainable development and resilience.



1. Risk Management

ICEA LION is committed to advancing risk management practices that align with the NDSI action points by:

- Enhancing the assessment, management, and disclosure of climate change-related risks and opportunities, drawing on the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) framework and the PSI's project to pilot these recommendations.
- Strengthening the assessment, management, and disclosure of environmental, social, and governance (ESG) risks and opportunities across all business lines, including non-life, life & health, and pensions. This is informed by the PSI's ESG guide for non-life insurance and other guidance on sustainability issues such as illegal, unreported, and unregulated fishing; plastic pollution; tobacco risks; and UNESCO World Heritage Sites.



2. Insurance

ICEA LION continues to embed sustainability within our insurance solutions to achieve the following objectives:

- Supporting the development of Insurance Sustainable Development Goals (Insurance SDGs), utilizing insurance products to help achieve the broader SDGs.
- Addressing the insurance protection gap by developing and promoting inclusive and innovative insurance solutions, such as insurtech and nature-based solutions, aimed at fostering resilient cities and communities while ensuring sustainable food and agriculture systems.
- Facilitating the transition to a resilient, net-zero emissions economy, in alignment with the efforts of the PSI to establish a Net-Zero Insurance Alliance.



3. Investment

In line with the NDSI's focus on sustainable investments, ICEA LION supports the transition to a net-zero emissions economy, leveraging the work of the UN-convened Net-Zero Asset Owner Alliance to align investment portfolios with sustainability goals.



4. Policy, Regulatory, and Industry Engagement

ICEA LION engages actively with policymakers, regulators, and industry associations to address critical sustainability challenges in the African insurance industry by:

- Participating in initiatives such as the Sustainable Insurance Forum (SIF), and the Vulnerable Twenty Group of Ministers of Finance (V20) to promote sustainable practices.
- Collaborating with industry bodies to align regulatory and policy frameworks with sustainability goals.



5. Sustainable Insurance Thinking and Practices

As part of our ongoing commitment to sustainability, ICEA LION remains focused on:

- Promoting the adoption and implementation of the Principles for Sustainable Insurance (PSI) across African markets.
- Building the knowledge and capacity of the African insurance industry on sustainable insurance practices through targeted training, research, and collaborations.
- Shaping Africa's sustainable insurance agenda while contributing to global efforts to strengthen the role of insurance in sustainable development.

Conclusion

ICEA LION's pursuit of the NDSI action points reflects our proactive engagement in advancing sustainable insurance practices across Africa. Through risk management, innovative insurance solutions, sustainable investments, policy advocacy, and thought leadership, we reaffirm our dedication to shaping a resilient and sustainable future for the region and contributing to global sustainability goals. This commitment underscores our role as a key player in driving impactful change within the African insurance sector.



MATERIALITY MATRIX

Material issues are critical factors that influence the Group's ability to deliver on its strategic objectives, maintain commercial viability, and uphold its environmental and social commitments. They are essential in shaping the perspectives and decisions of key stakeholders, including shareholders, customers, suppliers, and employees.

To accurately assess the relevance and significance of these material issues, we utilize a structured evaluation process that incorporates insights from both stakeholders and the organization. This process aligns with the Global Reporting Initiative (GRI) standards, ensuring a rigorous, standardized, and comprehensive approach to materiality assessment and reporting.

Materiality Table

Shared Value	Operation Resilience	Treating Customer Fairly	Health & Safety	Profitability
<p>1</p> <ul style="list-style-type: none"> Inclusivity Diversity Sustainable practices Local procurement Financial inclusion Non-discrimination 	<p>2</p> <ul style="list-style-type: none"> Continuity & Availability of Services Accuracy of transactions Turn-around time Reliability Convenience Automation 	<p>3</p> <ul style="list-style-type: none"> Culture Trust Innovation Agility Flexibility Brand Promise Data protection 	<p>4</p> <ul style="list-style-type: none"> Mental health Fitness & Wellbeing Occupational Health & Safety Compliance 	<p>5</p> <ul style="list-style-type: none"> Shareholder Value Sustainable Growth
Corporate Conduct	Digital Services	Our People	Risk Management	
<p>6</p> <ul style="list-style-type: none"> Integrity Ethics Core Values Philosophy Governance Consistency Trust Stakeholder engagement Transparency Confidentiality Professionalism Brand 	<p>7</p> <ul style="list-style-type: none"> Ease of transacting Engagement & Communication One stop financial services shop 	<p>8</p> <ul style="list-style-type: none"> Retention Skills-matching Culture Succession Training Placement matching Remuneration Promotion Disability consideration Employee engagement Competence Rewards 	<p>9</p> <ul style="list-style-type: none"> Resilience Succession strategy Prudence Compliance Diversification Audit results Credit Rating results Regulator inspection Standard Operating Procedures/ Policies Monitoring Due diligence 	

HUMAN CAPITAL

Our human capital is critical to successfully achieving our business strategic objectives and mandate. Our people are the core enablers in providing exemplary customer experience enabling us to succeed as the leader in delivering a legacy of trust in the market. In line with our core value, "Our people are important to us", we continue to build and transform our workforce for a highly engaged, diverse, future fit equipped with the right skills, while improving the workplace by making ICEA LION a great place to work. This intent can be summarized across four strategic priorities;

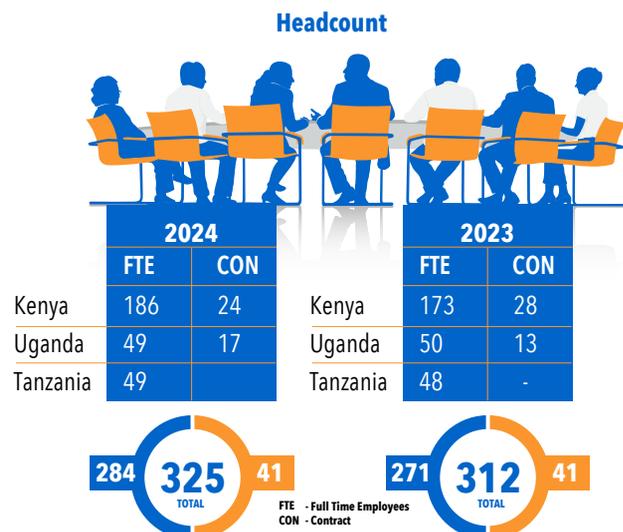
	Build skills for the future by attracting the best and diverse talent while continuously upskilling/reskilling our employees.
	Drive ICEA LION winning culture and employee engagement by fostering a culture and work environment that enables us to deliver impact and business outcomes through an engaged workforce and offering distinctive value.
	Create awareness and promote employee wellbeing.
	Support organization diversity and sustainability

HUMAN CAPITAL FOR THE FUTURE

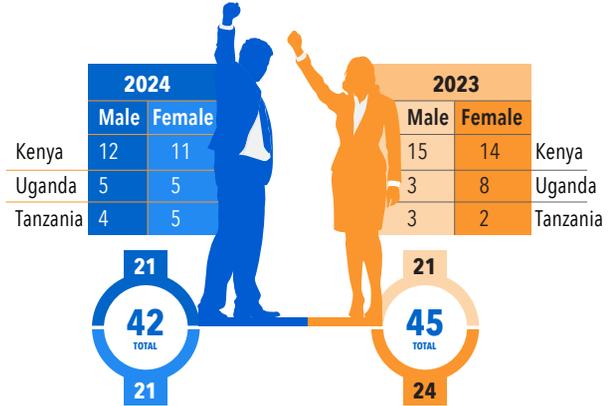
ICEA LION is committed to accelerating the legacy of trust in the market and region. This requires workforce upskilling and expansion. Attracting, hiring, developing, and retaining top talent is vital for our future success. In 2024 we continued to provide development opportunities for our talent.

a) Workforce Composition

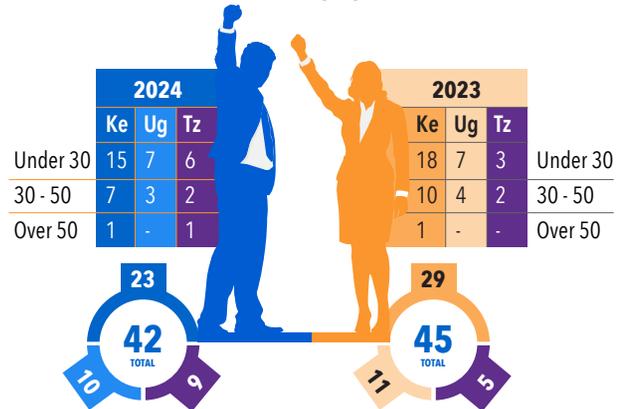
The business has had a marginal increase in the workforce complement while attracting a diverse talent of new hires. During the year under review, we have had five retirements who have served in ICEA LION for an average period of 30 years.



New Hires by Gender



New Hires by Age



b) Developing Our Workforce

The business growth and sustainability are anchored on our employees' capability levels that enable us to serve our customers in the market. We operate in a dynamic, evolving and competitive market requiring us to be astute in our approach in tailoring solutions to our customers while ensuring we are compliant with the existing regulations. In addition, we need to continually equip our people leaders with skills that help them drive the execution of our strategy among teams.

The graduate management training programme was launched in March 2023 where the first cohort of trainees underwent comprehensive on-the-job training, gaining critical skills and insights across different departments within the business. They completed the program in August 2024 and were deployed across the business in the Claims, Underwriting and Finance departments while one trainee was redeployed to ICEA LION Asset Management. The second cohort was onboarded in December 2024 comprising of four trainees.

We continue to structure learning and development programs that support and address our current and future business needs. Some of the programs held in the year under review are;

Training Program	Course	2024	2023
Technical & Professional Training	Technical & Professional Training (headcount)	115	68
	PRINCE 2 Foundation (headcount)	4	NIL
Compliance & Regulatory Training	AML/CFT & Data Privacy & Protection (compliance)	84%	86%
	Finance Act Tax Training (headcount)	11	7
	IFRS 17 (recordings)	0	4
Customer Obsession and Product Training	Customer Obsession Training (uptake levels)	86%	87%
	Product Training	5	8
Leadership Development	Leadership Masterclass: Coaching for High Performance (headcount)	NIL	14
	License to Lead (headcount)	26	NIL

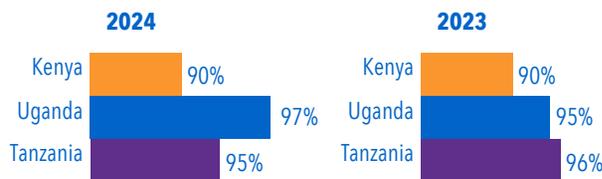
CULTURE & EMPLOYEE ENGAGEMENT

a) Culture Transformation

Our culture transformation journey continues to be instrumental in executing the business strategy and our operations following the launch of ICEA LION culture behaviors in July 2023. These key behaviors are anchored on our core values, to ultimately drive a winning and inclusive culture in our approach to serving our esteemed customers and individual performance.

In April 2024, we conducted a pitstop review of the progress we have made in our transformation journey towards a winning culture while assessing any emerging challenges. The outcome of this exercise led to the refinement of how we can make the behaviors real and stick in our day-to-day operations.

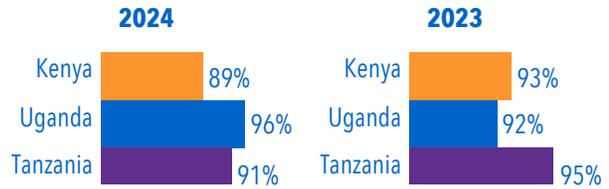
A second cohort of change champions was appointed to continue driving this transformation while reinforcing the desired behaviors through fun and engaging activities. In November 2024, we held our adopted tradition of the annual culture cross-functional team building themed "We win together". In addition, the survey is also an additional tool that we use to get feedback from staff on the strides we have made. The results from the pulse indicated that the employees are aware of the key behaviors and know how to demonstrate them at work and that they see leadership actions in line with these key behaviors.



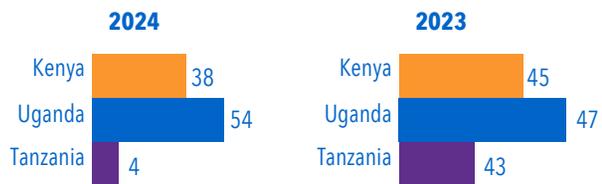
On average, 94% of our employees are aware and can demonstrate the required behaviors
FY2023: 94%

b) Employee Engagement

We conducted a pulse survey to determine progress made to close the gaps that were highlighted in the annual "Your Voice Matters, Tell It Like It Is" survey. An average of 84% of staff participated in the most recent pulse survey. The highlights of the pulse results in comparison to the previous annual survey are as follows;



On average, 92% of our employees feel connected and are committed to ICEA LION General Insurance Company.
FY2023: 93%

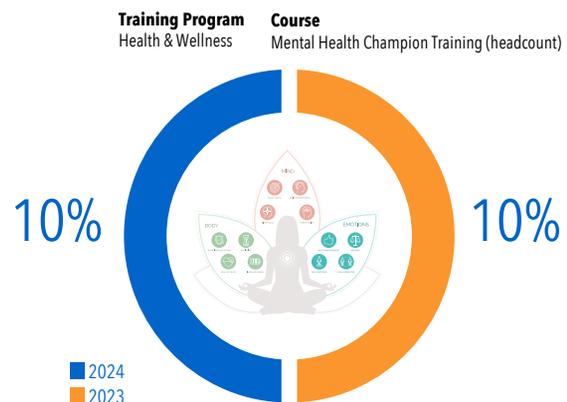


Employees are happy to recommend ICEA LION General Insurance Company to others.
FY2023: 45

HEALTH AND WELLNESS

The health and well-being of our employees is a critical component for a sustainable workforce. We prioritize the health and wellbeing of our employees through various programmes which are aimed at equipping employees with the tools to make healthy and safe choices through prevention, treatment, care, support, education and partnership. We proactively manage the early detection and prevention of occupational and lifestyle diseases and injuries through annual medical checks and various wellness initiatives.

As a tradition, we held our annual wellness check in October 2024 whose focus was on general physical wellness and critical illness. We conducted a refresher course for ten (10) champions for mental health and substance use whose role is to assist in identifying and offering initial support for mental-related cases in the business before one is connected to the appropriate professional help.

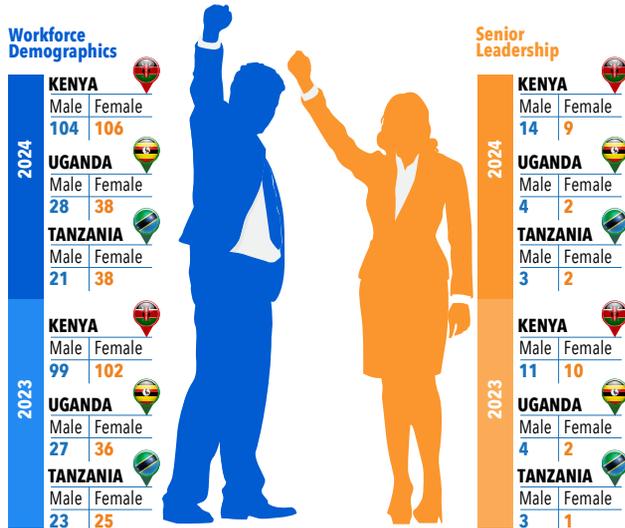


ORGANIZATION DIVERSITY & ESG

At the core of our organization's culture lies collaboration, which fosters acceptance and embraces diversity. We strive to create an environment that encourages diversity and inclusivity that enable our employees to maximise their abilities.

1) Gender Diversity

The gender diversity of our staff complement in the year under review has remained the same, however there is need to bridge the gender parity at senior leadership level.



To celebrate Women's Month in March 2024 and Men's Month (Movember) the ICEA LION employees separately held interactive hangouts. The theme for women's Month was 'Inspiring Inclusion' while the men celebrated Movember with a focus on men's health and well-being recognizing their positive contributions to society.



2024 Women's Month



2024 Men's Month

2) Environment, Social & Governance Sensitization

ICEA LION is a huge proponent of sustainability and hence ESG has become part of our strategy. As a signatory to the UN Global Compact, all ICEA LION staff have access to its premier online UN Global Compact Academy to learn and gain knowledge on Sustainability/ESG through relevant online courses.

As part of our ESG initiatives, we launched our tree seedling nursery within our Riverside Park Offices as a source for our future seedlings.



Launch of ICEA LION Tree Seedling Nursery at Riverside Park

Following the feedback received from the annual survey, we had a month-long ESG Drive in September 2024 leading to the ESG Day at the end of the month. We engaged and embraced sustainability through various activities such as reducing printing, tree growing, and focusing on health.

Together we continue to lead the way in environmental stewardship, social responsibility, and good governance.



ICEA LION ESG Day

National Appointment

During the year, the Chief Finance Officer at ICEA LION General Insurance, Zipporah Chege was appointed as the Insurance Industry Representative on the National Sustainability Reporting and Climate Change Steering Committee. This committee will enhance the capacity of financial report preparers and users to effectively interpret and communicate sustainability and climate change disclosures. It will also lead the adoption and implementation of the new IFRS – S1 and S2 standards in Kenya.

Zipporah’s appointment is not only a testament to her expertise and leadership but also a significant step for ICEA LION in contributing to comprehensive and transparent sustainability and climate related reporting in our industry.



2024 ACCOLADES

The 2024 AKI Sports attracted 28 teams from across the industry engaging in preliminary games building up to the final Sports Day event held on 5th October 2024 at Ulinzi Sports Complex in Langata. The event comprised competitions in ball games – football and volleyball in addition to field and track events, swimming, and indoor games. ICEA LION was Position 2 Overall in the Industry for participation in the Insurers Sports Day.



2024 AKI Sports

Graduand of the PII Challenge

The above programme is a Leadership Development and Acceleration programme conducted for six months by Prudential International Insurance (PII). The programme equips Radcliffe with necessary skills required to be able to lead successful teams in line with PII. The main focus areas are; PII strategy, coaching and mentorship sessions with renowned coaches as well as business leaders, multicultural team building critical decision making, calculated risk taking as well business simulation.



Radcliffe Nyamai graduand of the PII Challenge 2024

Celebrating Our Data Analytics Team

Congratulations to our Data & Analytics team for emerging first place in the 2025 AI Innovation Challenge at the InsurTech Forum!

This remarkable achievement highlights our commitment to innovation in transforming the insurance industry. Well done team!



Our data analytics team emerged 1st place in the 2025 innovation challenge

Our Wins at the AKI Awards 2024

Congratulations to Peter Kungu for emerging the Top General Insurance agent in Kenya and 1st in Domestic Package Insurance - Premium volume in the 2024 AKI Awards.



Peter Kungu top General Insurance agent in Kenya, 2024 AKI Awards

INTELLECTUAL CAPITAL

Our business continues to create value through collective institutional knowledge and intellectual wealth.

1. SELF SERVICE PORTAL:

The portal empowers our customers to seamlessly purchase new insurance policies and manage their existing policies with just a few clicks. This intuitive, user-friendly platform ensures that viewing detailed policy statements, monitoring coverage, and updating personal information is simpler and more accessible.

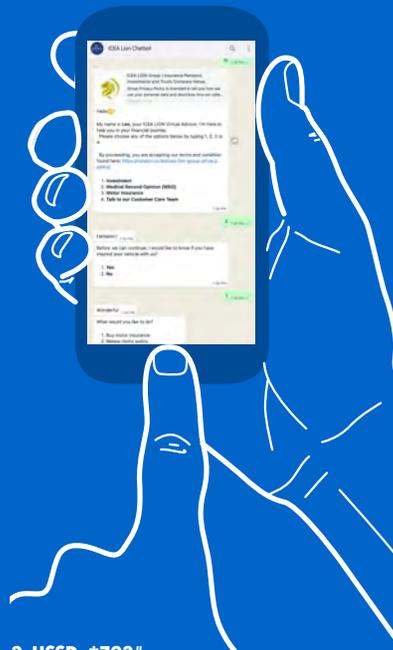
Additionally, the portal facilitates a variety of payment options, allowing one to make multiple payments securely and efficiently.



2. WHATSAPP CHATBOT:

The Group Chatbot now includes a Motor Insurance menu, designed to offer the following capabilities:

- Initiate the purchase of a Motor Policy, featuring seamless integration with two valuation services: Capital Alliance and Regent.
- Renew Motor Policy for both customers and staff.
- File claims for various incidents including windscreen damage, theft of car entertainment/radio, damage by the owner, total loss due to theft, partial theft, fire damage, and flood damage.
- Facilitate claims reporting through integration with EXPAQ, one towing service (Murray), and two car hire services (Concierge & Chequered Flag).
- Monitor the status of filed claims.



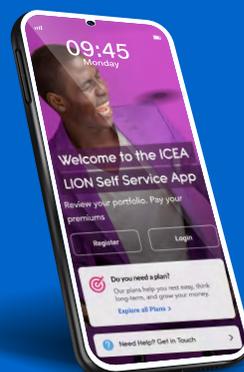
3. USSD: *793#

To enhance user experience and meet expectations for swift transactions, we now offer customers the option to receive partial maturities via USSD/Mpesa for amounts up to KES 250,000, ensuring a quick and secure payment process.



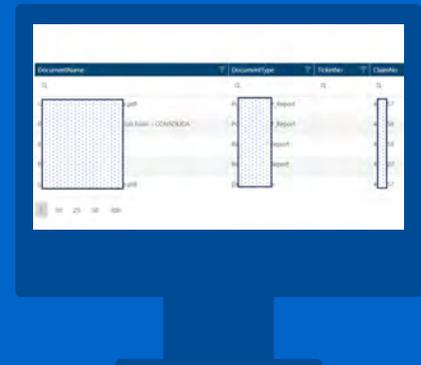
4. PARTNER PORTAL:

The newly introduced onboarding process in Partners Portal 3.0 transforms the way new ordinary policy members are integrated post-successful quote generation. It simplifies the onboarding journey, making it straightforward and efficient for our partners. This upgrade underscores our commitment to streamlining processes and enhancing usability for our partners.



5. SUPPLIERS MODULE:

The Partners Portal 3.0 now features a supplier module, designed to facilitate the General Company in dispatching documents to investigators, loss adjusters, and windscreen fitters. This module also empowers partners to directly update their work progress within the portal, alongside capabilities to upload and monitor the status of their invoices.



6. NEW AGENTS MOBILE APP:

We've created a new App aimed at revolutionizing the onboarding process for customers, eliminating the need for any physical paperwork. This innovative application simplifies the process, allowing agents to onboard customers digitally with ease.



SOCIAL AND RELATIONSHIP CAPITAL



Our Operations Including ESG Specialists and Champions Promoting Local Businesses

In accordance with global Environmental, Social, and Governance (ESG) trends, we reaffirm our commitment to integrating sustainability into our operations through the ongoing efforts of our Group ESG specialists and ESG Champions throughout the organization. These dedicated individuals play a crucial role in managing ESG considerations on a daily basis, ensuring that our business practices align with sustainability objectives and facilitate meaningful impact. Their endeavors exemplify our resolute commitment to cultivating a culture of responsibility and leadership in ESG across all organizational levels.

Our primary objective is to embed Environmental, Social, and Governance (ESG) principles across our operations, aligning with Principle 1 of the Principles for Sustainable Insurance (PSI). This principle emphasizes the importance of integrating ESG considerations into decision-making processes relevant to the insurance business. By adopting this approach, we reaffirm our commitment to responsible and sustainable practices, ensuring that ESG factors remain at the core of our strategies and operations.

Embedding ESG into Operations

At the core of this strategy lies our dedication to incorporating Environmental, Social, and Governance (ESG) considerations into critical business operations, including underwriting, investment decisions, and supplier engagement.

With 98% of our vendors situated locally, we are actively promoting the development of local businesses and small and medium-sized enterprises (SMEs), which serve as the foundation of our economy. In our pursuit of further advancing inclusivity and sustainability, we will establish an ESG checklist for the onboarding of vendors and take proactive measures to cultivate smaller vendors, thereby enhancing diversity through the SPARK Initiative partnership with the United Nations Global Compact Network. The SPARK Initiative equips SMEs with essential tools and resources necessary to expedite their alignment with the Sustainable Development Goals (SDGs), with ICEA LION Group exemplifying leadership in facilitating this advancement.

This proactive stance underscores our leadership in fostering a sustainable ecosystem. By promoting ESG awareness, supporting local enterprises, and aligning our efforts with global sustainability frameworks, we are not only facilitating positive change within our organization but also influencing the trajectory of sustainable business practices across the region. This represents more than an operational shift; it constitutes a call to action for collective accountability and transformation.

ESG Technical Assistance by FSD and Trainings

Through the one-year Environmental, Social, and Governance (ESG) Technical Assistance (TA) afforded by FSD Africa in alignment with our NDSI membership, we are advancing a transformative methodology for integrating sustainability into our operational framework and influencing broader ecosystems. Commencing in 2025, we are undertaking a concerted effort to engage and educate our stakeholders namely, corporate and small to medium-sized enterprise (SME) clients, suppliers, agents, and brokers regarding the paramount significance of ESG principles. This initiative aims to inspire stakeholders to embrace sustainable practices, thereby positioning ESG as a fundamental driver of long-term business resilience and impact.

Conforming to PSI

We are steadfast in our commitment to conforming to the Principles for Sustainable Insurance (PSI) with the objective of incorporating Environmental, Social, and Governance (ESG) considerations into our operational framework. In accordance with Principle 1, we persist in prioritizing the integration of pertinent ESG factors into our decision-making processes within the insurance sector, thereby ensuring that sustainability remains integral to our strategic initiatives and practices.

In accordance with Principle 2, which highlights the importance of collaboration, we are committed to engaging closely with our clients and business associates to enhance awareness of ESG issues, effectively manage risks, and collaboratively develop sustainable solutions. Through the cultivation of partnerships, we aspire to build resilience and assist our stakeholders in navigating the dynamic landscape of sustainability.

In addition to our immediate stakeholders, we are actively engaging with industry associations within the insurance and investment sectors. Through these collaborative efforts, we are advancing the sustainability agenda throughout the industry, aligning with the Principles for Sustainable Insurance (PSI) and reinforcing our commitment to responsible business practices.



In furtherance of our commitment, we persist in engaging with governments, regulators, and other essential stakeholders, in accordance with PSI Principle 3. This engagement is centered on fostering collective action across society regarding Environmental, Social, and Governance (ESG) issues, thereby ensuring that our efforts yield significant and widespread impact. By upholding these commitments, we reaffirm our position as a catalyst for sustainability both within and beyond the financial sector.

We maintain a steadfast commitment to accountability and transparency, in accordance with Principle 4 of the Principles for Sustainable Insurance (PSI): "We shall demonstrate accountability and transparency through the regular public disclosure of our progress in implementing the Principles." This dedication is underscored by our continuous efforts to provide routine public updates on our progress, thereby reinforcing trust and fostering alignment with our stakeholders.

Sustainability Reporting

Beginning in 2025, we will enhance this commitment by initiating reporting in accordance with the Task Force on Nature-related Financial Disclosures (TNFD) framework, as well as adopting the IFRS S1 and S2 standards concerning sustainability and climate-related financial disclosures. These initiatives signify a substantial advancement in our transparency efforts, ensuring that we remain at the forefront of incorporating nature-related and sustainability-oriented considerations into our business practices.

Furthermore, this approach is in concordance with the Nairobi Declaration on Sustainable Insurance (NDSI), emphasizing our commitment to advancing national, regional, and global sustainability goals. By adopting these sophisticated reporting frameworks and ensuring consistent transparency, we reiterate our status as a leader in promoting sustainable and responsible business practices.

In our unwavering commitment to the advancement of the Principles for Sustainable Insurance (PSI), the Nairobi Declaration on Sustainable Insurance (NDSI), and the Sustainable Development Goals (SDGs), we remain devoted to the integration of ESG criteria, as well as nature and climate considerations, into every facet of our operations.

ESG Drive

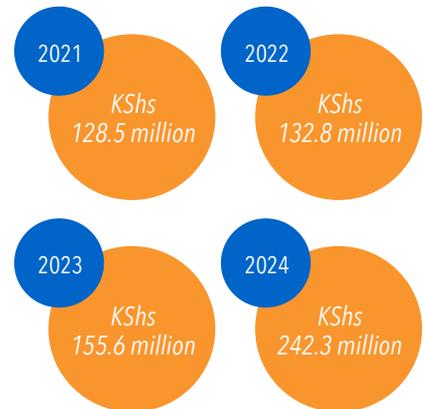
We launched our inaugural ESG Drive, a month-long awareness campaign culminating in ESG Day, an annual event designed to promote sustainability in an engaging and interactive manner. This event featured fun activities such as ESG Trivia, recognition of teams with the highest resource consumption reductions, awards for the highest completion rates in ESG-related e-learning, and prizes for individuals demonstrating exceptional and scalable ESG initiatives both at work and in their personal lives. By promoting healthy lifestyle choices and recognizing outstanding contributions, we created a culture of sustainability that we plan to expand by involving stakeholders in future initiatives.

Customer Experience

Our dedication to customer service is further reflected in our swift responses to client inquiries, ensuring emails are addressed promptly within 24 hours of receipt while demonstrating empathy and providing comprehensive information. We prioritize advising clients on all aspects of their policies, particularly claims, by sharing transparent and complete details to support informed decision-making.

To enhance the customer experience, we continue to leverage digital channels such as the WhatsApp chatbot and the Self-Service Portal, enabling seamless communication and self-management of policies. These tools reflect our ongoing efforts to provide efficient, accessible, and client-focused services while upholding our ESG commitment to responsible and sustainable business practices.

The growth in stakeholder rewards demonstrates this commitment:



Employment Opportunities

Our dedication to sustainability and fostering employment opportunities is reflected in our innovative approach to vehicle parts replacement. By employing tailored strategies that incorporate new, imported, locally sourced, and locally assembled parts, we actively support environmental conservation while bolstering local industries. Additionally, we place significant focus on salvage and recycling initiatives, recognizing their vital contribution to minimizing waste, enhancing sustainability, and creating diverse job opportunities within the value chain.

Customer Interactions

We are still committed to enhancing our communication efficiency and transparency in client interactions. Through improved systems such as automated claims processes, digitized communication platforms, and a dedicated support team, we have significantly reduced our response times ensuring that client emails are addressed within 24 hours and that claims are processed more swiftly. The implementation of turnaround time matrices and the introduction of digital tools like our WhatsApp chatbot and Self-Service Portal have streamlined our operations, allowing us to deliver quick, transparent, and accountable service. These enhancements reflect our dedication to continuously improving client satisfaction and operational efficiency.

Transparency and Responsible Marketing

We remain committed to upholding the highest standards of transparency and responsible marketing, ensuring that our clients fully understand our products and services. All branding and communication materials are designed with clear and accessible language guidelines, allowing customers to easily comprehend what is included and excluded in our offerings.



NATURAL CAPITAL

The intertwined relationship between climate change, biodiversity, and nature has become increasingly evident, with profound implications for economies, societies, and financial systems. In 2024, we witnessed the tangible impacts of climate change through unprecedented flooding across the country, which led to a significant rise in insurance claims. These extreme weather events, including floods, droughts, and tropical cyclones, are becoming more frequent and severe, posing escalating risks to the insurability of clients. This growing unpredictability presents a challenge for the insurance sector, as re-insurers may increasingly shy away from covering such risks, leaving primary insurers more exposed and vulnerable.

The Country experienced heavy rainfall during the months of April and May 2024 followed by heavy floods. 110 claims were registered and approximately KShs.232m in claims reserves. Claims amounting to KShs. 137m, representing 91 claims have been paid.

Beyond climate-related risks, nature-related risks are emerging as equally substantial, significantly influencing both the real economy and financial institutions. Degraded ecosystems, biodiversity loss, and nature's declining resilience now directly impact agriculture, infrastructure, and supply chains, creating ripple effects across industries.

These risks underscore the urgency of addressing the interconnected challenges posed by climate change and the degradation of nature.

Recognizing the gravity of these risks has spurred global and regional initiatives, with new regulatory and policy frameworks taking shape to address the nature crisis. It is clear that the path forward requires collaborative, forward-looking strategies that not only mitigate risks but also harness opportunities to build resilience and foster sustainable development. By acknowledging and addressing these complex challenges, we position ourselves to lead in navigating the evolving risk landscape.

Our Products

In September 2024, ICEA LION General Insurance Company Ltd was well pleased to introduce the Geothermal Well output insurance product, a groundbreaking solution tailored to the geothermal energy sector. Geothermal energy is a clean, renewable, and green source of power, and Kenya holds the distinction of being the seventh-largest producer of geothermal energy globally. This innovative insurance product is designed to de-risk the exploration phase, offering comprehensive coverage for the costs associated with drilling unsuccessful wells. By mitigating financial risks and enabling parametric payments based on well performance metrics, the product aims to attract more investors to tap into Kenya's immense geothermal potential and drive sustainable energy development.

Following the media launch of this transformative product, ICEA LION General Insurance Company Ltd,

in collaboration with project partners, organized two high-impact forums to explore actionable strategies for accelerating geothermal development. These forums brought together key stakeholders, including the State Department of Energy under the Ministry of Energy and Petroleum, FSD Africa (the project lead), Independent Power Producers, and other industry players within the energy sector. Together, these engagements underscore ICEA LION's commitment to fostering collaboration, unlocking investment, and advancing Kenya's leadership in clean energy innovation.

Our Investments

ICEA LION Group continues to strengthen its commitment to impactful ESG-related investments, driving both financial growth and sustainable development. In 2024, we invested in the Acorn Project Two LLP, which underwent early redemption on 4th October 2024, valued at approximately KShs 84 million. Additionally, we significantly expanded our portfolio by investing KES 0.446 billion in the Acorn D-REIT and KES 1.56 billion in the Acorn I-REIT. These strategic investments underscore our alignment with financial and ESG objectives while contributing to the broader economy.



Degraded ecosystems, biodiversity loss, and nature's declining resilience now directly impact agriculture, infrastructure, and supply chains, creating ripple effects across industries.



ICEA LION continues to play a pivotal role in the De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE), reaffirming our commitment to supporting pastoralist communities.

Social Responsibility and Community Wellbeing

ICEA LION Group remains steadfast in its commitment to social responsibility and community well-being through impactful initiatives such as the Milele Trust Portfolio, which now supports approximately 109 orphans, an increase of two children since the previous year. By covering an equivalent of KShs 2,000 per month per child, this initiative has potentially saved the government an estimated KShs 2.616 million annually, easing the financial burden on public welfare systems. This contribution reflects our dedication to fostering sustainable social and economic empowerment for vulnerable communities.

Additionally, in 2024, we issued Policies Incorporating Work and Injury Benefit Assurance (WIBA), demonstrating our ongoing commitment to promoting workplace safety and compliance. Each WIBA product is meticulously screened against Occupational Safety and Health Standards, ensuring robust protection for employees and reinforcing our alignment with best practices in occupational health and safety. These efforts highlight our proactive approach to integrating sustainability, accountability, and impact into every facet of our operations.

Innovative Insurance Solutions

In 2024, ICEA LION Group reinforced its role as a leader in providing innovative insurance solutions that address societal challenges while catering to diverse needs.

a) Annuity Policies

We issued 534 Annuity policies, offering vital financial support to underserved senior citizens. This initiative is projected to save the government an estimated KShs 13 million annually easing the strain on public welfare programs and enhancing the quality of life for senior citizens.

b) Child Education Assurance

Similarly, we issued an impressive 10,479 Child Education Assurance policies in 2024, marking a 132% increase from 2023. This product ensures uninterrupted education for children whose parents have passed on, serving as an educational safety net for families. By mitigating the need for government bursary allocations, which average KShs 60,000 per child annually, this product is estimated to reduce bursary pressure by approximately KShs 629 million.

c) DRIVE

ICEA LION continues to play a pivotal role in the De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE), reaffirming our commitment to supporting pastoralist communities. DRIVE is an innovative index-based livestock insurance initiative designed to protect pastoralists' assets during droughts by ensuring the survival of their livestock. The program is supported by the Kenya Government's Ministry of Agriculture and Livestock Development, which provides insurance premium subsidies to pastoralists, making the cover more accessible and impactful.

As part of the cohort in this transformative initiative, ICEA LION recorded underwriting premiums of KShs 66m in 2024. The project achieved remarkable milestones, including the sale of 74,552 policies in 2024, providing insurance coverage to over 25,000 pastoralist groups and protecting 226,041 tropical livestock units across ten counties, primarily in Kenya's Arid and Semi-Arid Lands (ASALs). This initiative underscores ICEA LION's dedication to fostering resilience in vulnerable communities and advancing sustainable economic growth in the region.

d) Safari Plan Product

We continue to offer our Safari Plan product, a specialized insurance solution designed to protect lodges along the Mara River from risks such as flooding. This product underscores our commitment to supporting the tourism and hospitality sector, which plays a vital role in Kenya’s economy.

In 2024, we issued 160 Safari Plan policies and processed 50 claims, reflecting the product’s ongoing relevance and importance to our clients. Despite a slight decline in policy numbers from 2023, the Safari Plan remains an essential tool for mitigating risks associated with climate-related events, particularly for properties located in flood-prone areas.

In summary, ICEA LION Group’s performance in 2024 reflects a balanced approach to financial growth, innovative product development, impactful social initiatives, and robust risk management. Through its diverse offerings and responsible practices, the Group has demonstrated resilience, adaptability, and an unwavering commitment to meeting the needs of its stakeholders while contributing to sustainable development.

Our Continued Circular Economy

The increasing frequency of extreme weather events, such as the devastating flooding experienced in 2024, underscores the growing risks posed by climate change, particularly for vulnerable communities. These events threaten to reduce the insurability of clients, exacerbating poverty and further widening socio-economic disparities. At ICEA LION Group, we recognize that sustainable and responsible business practices are critical in addressing these challenges and advancing solutions that benefit both people and the planet.

As part of our commitment to sustainability and operational efficiency, we have implemented several initiatives:

	We actively sensitize our employees and partners on our policies and procedures, ensuring they understand the business expectations related to Governance, Risk Management, and Compliance (GRC).
	Automation of claims payment processes has decreased processing time by two days, resulting in fewer customer complaints and improved service delivery.
	Data analytics integration now supports intelligent, data-driven decision-making, allowing us to design more sustainable and impactful strategies.

In line with the UNEP FI Principles for Sustainable Insurance (PSI) and NDSI, we have embraced circular economy principles to minimize waste and reduce our environmental footprint:

	For vehicles less than five years old, damaged parts are replaced with new ones. For older vehicles, parts are sourced from salvage yards, ensuring they are in good condition, reducing waste, and extending the lifecycle of materials.
	Damaged and replaced items are sold to scrap dealers, who repair or recycle them into new products, minimizing environmental pollution and preventing the accumulation of waste in landfills.
	Written-off vehicles are sold through online auctions, which save paper, reduce travel-related emissions, and expand access to potential bidders. The salvaging and repairing of these vehicles create employment opportunities in sectors such as clearing and forwarding, freight, marine insurance, and car and spare parts dealerships.

Additionally, we support local manufacturers who utilize recycled materials to produce carrier boxes and vehicle bodies, promoting innovation and reducing reliance on virgin materials. By integrating circular practices into our operations, we not only reduce pollution and conserve resources but also contribute to job creation and economic development.

By thoughtfully embracing circularity, we address climate change, biodiversity loss, and social inequities, creating a more inclusive and sustainable future.

Our ongoing commitment to circularity is reflected in our strengthened partnership with Taka Taka ni Mali (TTNM), a non-profit organization dedicated to transforming waste into value while empowering marginalized groups, including women, youth, and persons with disabilities, by integrating them into the waste management value chain. Through this collaboration, we continue to reshape our waste management ecosystem, establishing dedicated waste segregation areas within our premises, with TTNM facilitating the collection and recycling of segregated waste.

Recycled materials are transformed into practical products: paper waste is recycled at Chandaria Paper Industries to produce items such as books, while plastic waste is processed at facilities like Mr. Green and Vintz Plastic Ltd., creating durable products like benches, poles, and tables. TTNM’s digital platform provides valuable traceability data, enabling us to monitor the recycling and disposal process, ensuring accountability and transparency in our waste management efforts.

In addition to these efforts, capacity-building sessions are conducted for all staff, emphasizing the importance of sorting, separating, and recycling waste to embed circularity into our workplace culture. Moving forward, we remain

committed to enhancing our resource consumption practices by not only tracking resource costs (paper, water, electricity, and fuel) but also monitoring actual consumption levels for more accurate performance indicators.

By fostering a culture of sustainability and circularity, we ensure our approach yields meaningful and lasting environmental, economic, and social benefits, contributing to a cleaner environment and more inclusive communities. Through our partnership with TTNM, we continue to lead by example in promoting a sustainable and circular economy.

Our Environmental Management

We continue to demonstrate our unwavering commitment to environmental stewardship through a range of proactive initiatives and practices aimed at reducing our environmental impact and fostering responsible operations:

1. Adherence to Environmental Regulations:

We remain steadfast in complying with all relevant environmental legislation, standards, and codes of practice applicable to our business. By proactively identifying these requirements, we ensure that our operations align with regulatory expectations, reflecting our dedication to responsible environmental stewardship.

2. Contamination Management:

We remain vigilant in identifying and addressing any instances of soil, groundwater, or surface water contamination that may arise from our operations. Through responsible and proactive measures, we ensure that potential environmental risks are mitigated effectively, aligning with our commitment to sustainable and responsible practices.

3. Enhanced Sanitation Standards:

Our dedication to environmental and stakeholder well-being is reflected in our maintenance of high sanitation standards. By prioritizing cleanliness and safety, we provide a safe and healthy environment for all stakeholders, reinforcing our role as a responsible and sustainable organization.

4. Energy Efficiency Measures:

At ICEA LION Group, we continue to prioritize resource efficiency as part of our sustainability strategy, achieving significant milestones in 2024:

To further enhance resource management, starting



ICEA LION General Insurance team poses for a group photo during the launch of Geothermal Insurance product

in 2025, we aim to implement systems capable of tracing electricity and fuel consumption, in addition to cost monitoring. This initiative will provide a more comprehensive view of our resource efficiency efforts, enabling better decision-making and accountability.

We also conduct regular energy audits to assess and refine our energy consumption patterns. By implementing audit recommendations, we ensure efficient energy use across all sites, reinforcing our commitment to sustainability and responsible resource management.

During the year 2024 the head office premises is undergoing major renovations including installation of solar panels to reduce energy consumption.

5. Responsible Business Practices:

We consciously avoid engaging with companies involved in industrial activities that significantly convert or degrade critical habitats. Furthermore, we strictly refrain from partnering with entities that violate local laws, regulations, and standards on pollution prevention.

Our commitment also extends to ensuring that we do not conduct business with organizations that contravene international environmental agreements enacted into law. These principles underscore our dedication to fostering ethical partnerships that prioritize the protection of natural ecosystems and compliance with both local and global environmental standards.

Tree Growing

In 2024, ICEA LION Group selected tree growing as our Corporate Social Responsibility (CSR) initiative, taking meaningful steps toward creating a greener and healthier future.

As part of this commitment, we launched a tree seedling nursery at our Riverside Park headquarters, which now holds over 5,000 tree seedlings. This initiative supports our goal of environmental preservation while aligning with the Kenyan government's efforts to increase national forest cover.

Our partnership with Kahawa Garrison and Miti Alliance further amplified these efforts with a major reforestation initiative at Kahawa Garrison, Mwhoko Camp, where we planted 21,100 trees. Miti Alliance will nurture and care for the trees for three years, ensuring their growth and long-term impact.

Bridging Social Inequality

We also partnered with the KASNEB Foundation, aimed at:

- Promoting financial literacy and empowering young professionals.
- Supporting underprivileged students and marginalized communities to pursue KASNEB qualifications.
- Driving institutional growth through targeted financial literacy initiatives.

These efforts align with our mission to make a tangible impact on the environment and society. We encourage our staff, partners, and communities to embrace collective responsibility for environmental stewardship, including taking home tree seeds to extend the tree growing spirit beyond organized events. By combining reforestation, education, and sustainability-focused actions, ICEA LION Group remains at the forefront of fostering a brighter, greener, and more inclusive future for generations to come.

MANUFACTURED CAPITAL

The Group's manufactured capital represents our physical infrastructure which includes the traditional brick and mortar customer contact points, investment property, vehicles, IT equipment and furniture as well as our digital infrastructure. The efficient use of manufactured capital enables us to be flexible and responsive to customer needs, resulting in the effective and efficient delivery of products and services to customers.

OUR INVESTMENT PROPERTIES

Our investment properties provide the long-term investment returns that would enable us keep our promises to all stakeholders.

Below are the prime properties we own:



Arboretum View
located on Riverside Drive.



Lion Place located on
Waiyaki Way.



Williamson House located on
4th Ngong Avenue.

BRANCHES AND GEOGRAPHICAL FOOTPRINT

Our manufactured capital includes ICEA LION's geographical footprint covering the head office, and branches. Our branch network also acts as a distribution network reaching devolved units within the counties. The Group pursues financial inclusion by having branches across the country that allows a greater population to access our products and services.

For all our properties, we have employed best practice processes in terms of health, safety and environmental management. Please refer to Page 16 for more details on our branches.

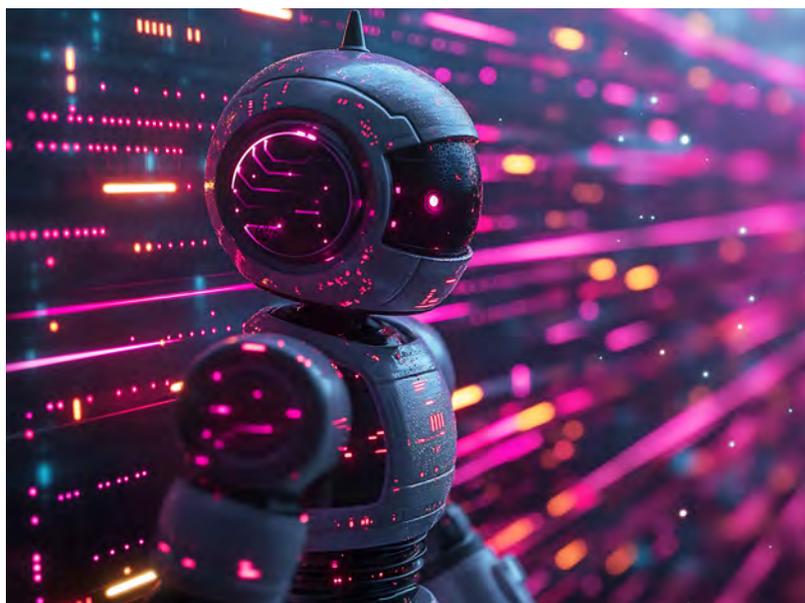
OUR DIGITAL PLATFORMS AND OPERATING PHILOSOPHY

Manufactured capital, particularly our digital infrastructure plays a vital role in reducing resource use, allowing human capital to be directed towards strategic, creative and value generating activities. Having identified the crucial role played by manufactured capital in driving customer accessibility, satisfaction and process efficiency, we place great strategic importance on optimizing and leveraging on our physical and digital infrastructure to drive stakeholder value.

A key element of our manufactured capital is the ICT system infrastructure which includes servers, core systems, utilities, IP telephony and security systems. This is governed by a well-structured ICT governance model. We have invested heavily on infrastructure over the past few years, an essential component in building efficiencies within our business model. The operational philosophy that drives the Group's digital agenda accelerates the flow of knowledge and information within the organisation and to parties outside the organization, external suppliers and distribution channels. Special focus has been given to our digital distribution channels such as mobile apps and portals including the partners portal that continue to be fine tuned to ensure optimal service to our customers.

Below is a list of our key ICT infrastructure.

Robust Infrastructure	Cyber Security	CRM Solution Zoho	Data Platform
Data Centre	Website	Intranet	Live Chat
Social Media	HR Module Zoho People	Governance Risk & Control Module	
Contact Centre	Cloud Based Solution	Robust Financial Systems	
Business Intelligence Portal		Electronic Data Management System	
Data Governance Framework		Unified Threat Management Solutions	
Analytics Capabilities	Mobile Platforms	Motor Insurance Portal	
Shared Economy Model		Boardvantage	



FINANCIAL CAPITAL

The Group analyses our financial capital based on the inputs we have as a business as well as outputs. Key metrics have been analysed to depict both our inputs and outputs. In a bid to make our contribution to sustainability of our economy, the business tracks our paper, electricity and water costs and takes the necessary measures to reduce wastage and usage.

Capacity Given to the Market

Capacity given to the market in Kenya, Uganda and Tanzania to allow our insureds continue doing business without fear of losses amounted to: -

	Company	Group
2024	Kshs. 2.97 Trillion	Kshs. 3.7 Trillion
2023	Kshs. 2.71 Trillion	Kshs. 3.44 Trillion

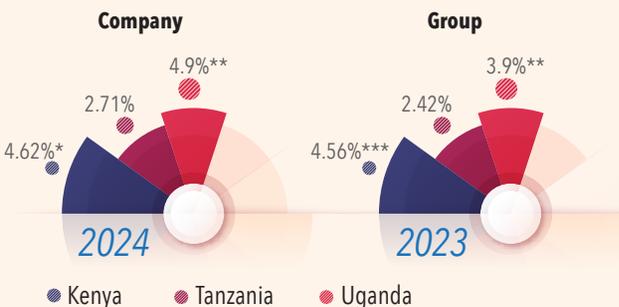
Value Added to the Economy

	Company	Group
2024	Kshs. 6.0 Billion	Kshs. 7.8 Billion
2023	Kshs. 5.6 Billion	Kshs. 7.2 Billion

Net Assets

	Company	Group
2024	Kshs. 8.3 Billion	Kshs. 9.1 Billion
2023	Kshs. 7.4 Billion	Kshs. 8.1 Billion

Market Share



*Based on Q2 Industry data

**Based on Q3 Industry data

***Based on Q4 Industry data

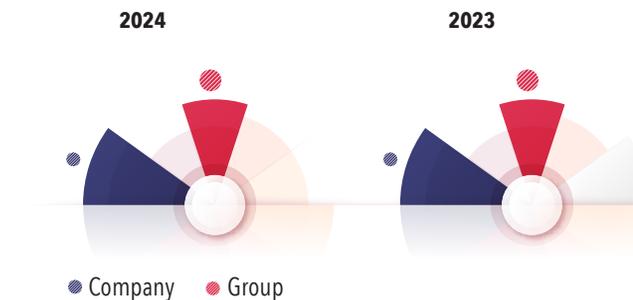
Taxes Paid

Our Contribution to economic sustainability in term of taxes paid to the Government during the year amounted to:-

	Company	Group
2024	Kshs. 738.5 Million	Kshs. 1.255 Billion
2023	Kshs. 664.6 Million	Kshs. 1.136 Billion

Payment to Foreign Entities

Our expenditure is heavily biased towards supporting local suppliers with the ratio of local to international suppliers being:-



Electricity Cost

	Company	Group
2024	Kshs. 9.88 Million	Kshs. 14.22 Million
2023	Kshs. 6.55 Million	Kshs. 10.64 Million

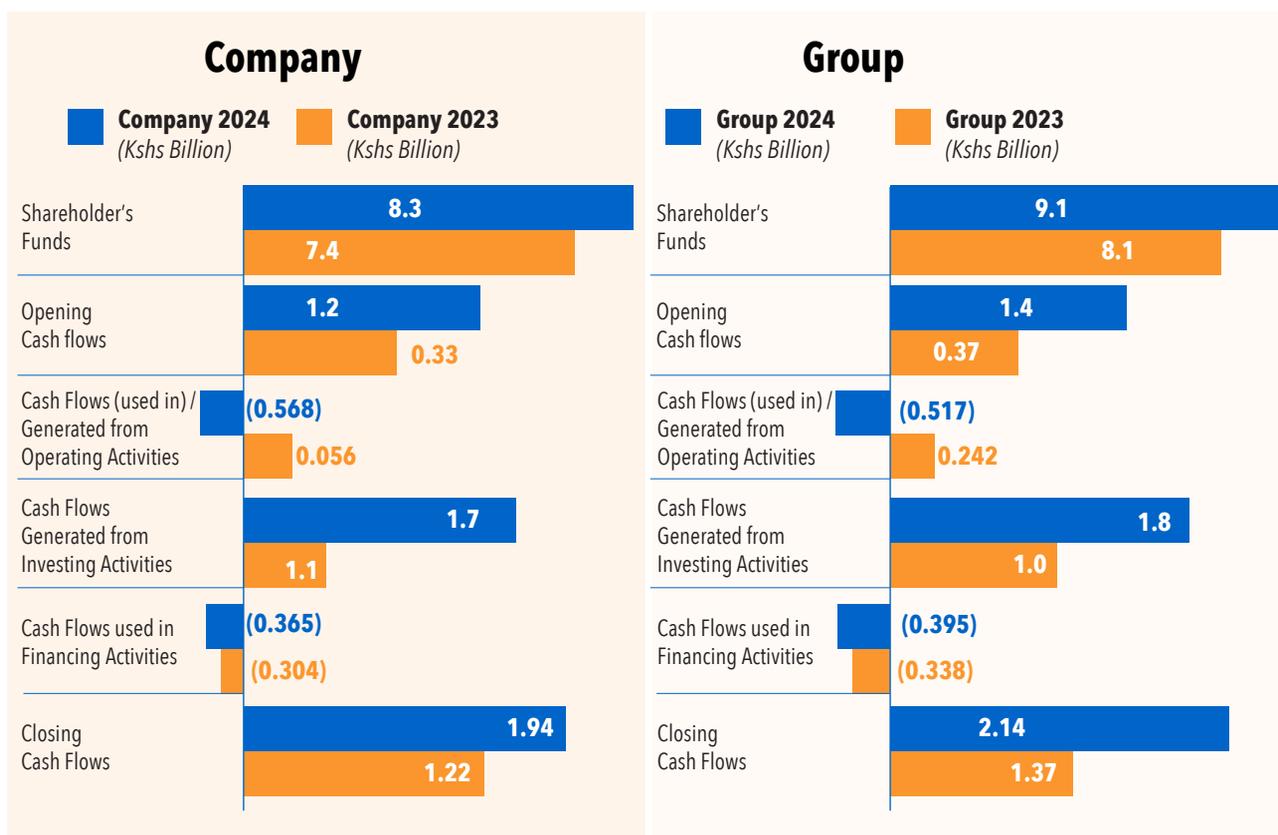
Water Cost

	Company	Group
2024	Kshs. 1.63 Million	Kshs. 1.89 Million
2023	Kshs. 1.03 Million	Kshs. 1.22 Million

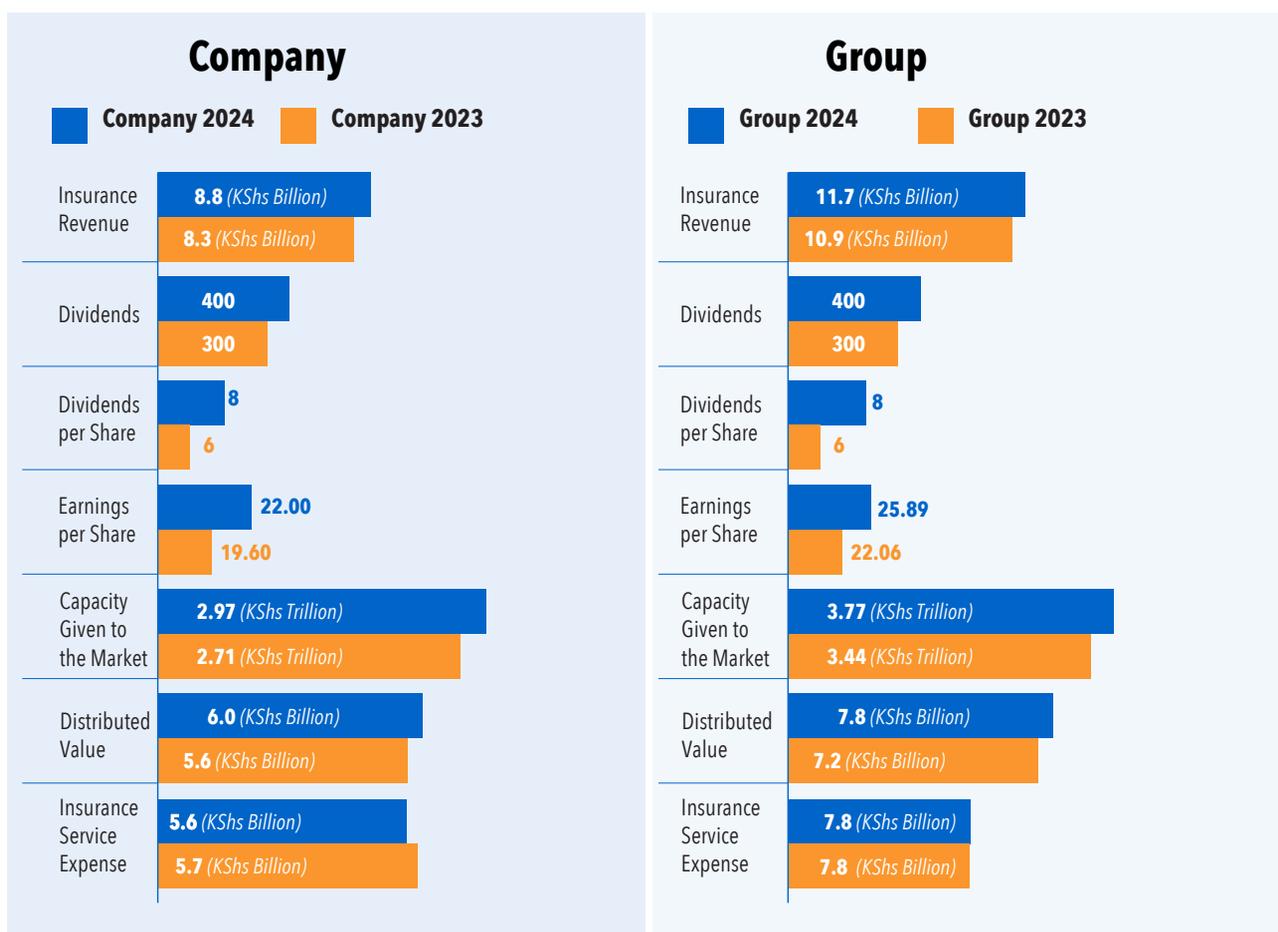
Paper Cost

	Company	Group
2024	Kshs. 8.98 Million	Kshs. 14.97 Million
2023	Kshs. 10.15 Million	Kshs. 13.33 Million

Key Inputs



Key Outputs



FINANCIAL STATEMENTS

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WHAT'S
YOUR?
PLAN.

REPORT OF DIRECTORS

Directors submit their report together with the audited financial statements for the year ended 31 December 2024 which disclose the state of affairs of ICEA LION General Insurance Limited (the "Company"), and ICEA LION General Insurance Company (Tanzania) Limited, and ICEA LION General Insurance Company Uganda Limited, together ("the Group").

BUSINESS REVIEW

The principal activity of the company and its subsidiary is the transaction of general insurance business.

The Group reported a profit before tax of Kshs 1,701,742,000 (2023: Kshs 1,650,277,000) whereas the company reported a profit before tax of Kshs 1,403,560,000 (2023: Kshs 1,409,463,000).

The Group is exposed to various risks including insurance risk, financial risk and capital risk. The details of these risks and how the Group manages them are discussed on Note 4 on pages 125 to 142.

GROUP AND COMPANY RESULTS	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Profit before income tax	1,701,742	1,650,277	1,403,560	1,409,463
Income tax expense	(360,312)	(501,507)	(303,510)	(429,633)
Profit for the year	1,341,430	1,148,770	1,100,050	979,830
Attributable to owners of the parent	1,294,516	1,103,148	1,100,050	979,830
Attributable to non-controlling interest	46,914	45,622	-	-
Profit attributable to equity holders of the parent company transferred to retained earnings	1,341,430	1,148,770	1,100,050	979,830

RESULTS AND DIVIDEND

Profit for the year of Ksh 1,294,516,000 (2023: Ksh 1,103,148,000) has been added to retained earnings. During the year, no interim dividend was paid (2023: nil). The directors recommend the approval of a final dividend of Ksh 400,000,000 (2023: Ksh 300,000,000).

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 23.

RELEVANT AUDIT INFORMATION

The Directors in office as at the date of this report can confirm that:

- (i) There is no relevant information of which the Company's auditor is unaware; and
- (ii) Each Director has taken all the steps that they ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

REPORT OF DIRECTORS (continued)

EMPLOYEES

The average number of employees in 2024 was 325 (2023: 312). 2024 managerial staff averaged at 34 (2023: 31) while non-managerial staff averaged at 291 (2023: 281). During the year, the key strategic plan was to implement a new Human Resources Management System (HRIMS), revamp performance management supported by the new HRMIS, implement action points arising from Employee Engagement Survey, leadership development and implementation of culture transformation initiatives.

AUDITOR

KPMG Kenya have expressed their willingness to continue in office in accordance with the Company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015 and in compliance with guidelines to the Insurance Industry on external auditors issued by the Insurance Regulatory Authority.

The directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

PROFESSIONAL INDEMNITY COVER

This is provided in line with best market practice to provide protection for the non-executive directors in undertaking their duties in such capacity.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue at a meeting of the Directors held on 14 March 2025.

By Order of the Board



SECRETARY

14 March 2025
Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of ICEA LION General Insurance Company Limited (the "Group and Company") set out on pages 95 to 176 which comprise the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policies.

The Directors' responsibilities include determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015, the Directors are required to prepare financial statements for each financial period which give a true and fair view of the financial position of the Group and Company as at the end of the financial period and of the profit or loss of the Group and Company for that period. It also requires the Directors to ensure the Group and Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and Company and its profit or loss.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and Company and of its profit or loss.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on 14 March 2025.

J WANGAI
Chairman



K THUO
Director



14 March 2025

REPORT OF THE PARENT COMPANY CONSULTING ACTUARY

I have conducted an actuarial valuation of the Company's insurance liabilities as at 31 December 2024. The valuation was conducted in accordance with IFRS 17 requirements, generally accepted actuarial principles and taking into account the requirements of the Insurance Act Cap 487 of the Laws of Kenya.

IFRS 17 requires best estimate valuation of liabilities for insurance contracts together with an explicit allowance in the reserves for deviation in experience from that allowed for in the best estimates. Provision is not made for all possible contingencies. In completing the actuarial valuation, I have relied upon the audited financial statements of the Company.

In my opinion, the Company's insurance liabilities reserves were adequate as at 31 December 2024.



Katlego Thaba
Fellow of the Actuarial Society of South Africa

14 March 2025



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Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way
PO Box 40612 00100 GPO
Nairobi, Kenya

Telephone +254-20-2806000
Email: info@kpmg.co.ke
Web: www.kpmg.com/estafrica

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of ICEA LION General Insurance Company Limited (the "Group and Company") set out on pages 95 to 176, which comprise the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the ICEA LION General Insurance Company Limited as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

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 consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Kenya, a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai
BM Ndung'u
BO Amukah
GM Kasimu
JI Kariuki
JM Gathecha
JM Ndunyu

JM Ngonga
MM Gachuhi
M Muthusi
PI Kinuthia
S Obock
W Genga



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements (continued)

Key audit matters (continued)

Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities) in consolidated and separate financial statements

See notes 2(c), 3, 34, 35(a), and 35(b) to the consolidated and separate financial statements

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>At 31 December 2024, the Group and Company held insurance contract assets and liabilities as well as reinsurance contract assets and liabilities as a result of its insurance operations. As at that date, the value of Insurance contract liabilities balance at Group and Company was KShs 9.30 Billion and KShs 7.06 Billion respectively while that of reinsurance contract assets was KShs 5.18 Billion and KShs 3.69 Billion respectively.</p> <p>Determination of insurance contract liability balances</p> <p>All contracts were accounted for under the simplified premium allocation approach. The insurance contract liability balance reflects, within the liability for remaining coverage component, the premiums received for which insurance cover should still be provided. It also includes a liability for incurred claims element, which represents the estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.</p> <p>In valuing the insurance contract liability balances, management applies significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.</p>	<p>Our audit procedures over insurance contract liability balances included:</p> <p>We tailored our testing of the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied, as follows:</p> <ul style="list-style-type: none"> – With the assistance of our actuarial specialists, we assessed the valuation methodologies and assumptions for compliance against the latest actuarial guidance, legislation and approved Company accounting policy; – We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data and our assessment of the Group's and Company's analysis of experience to date and allowance for future uncertainty. – We assessed management's determination of the confidence levels applied in the determination of the risk adjustment for non-financial risk, in line with the minimum regulatory requirements. This included assessing the reasonableness of key assumptions, such as claim variability, lapse risk, and operational risk, used in determining the confidence level by comparing with industry benchmarks or peer companies where available and verifying if the model accounts for entity-specific risk appetite and experience data. – We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17. We obtained management's portfolio assessment for the product type (which included their assessment of 'managed together' and 'similar risks') and evaluated whether management's portfolio assessment is in accordance with the requirements of IFRS 17, and vouched to standard contractual terms for the product type. Where management applied the premium allocation approach (PAA) to measure a group of contracts, we also assessed compliance of these groups with the eligibility criteria in IFRS 17. – We evaluated the accuracy of the risk adjustment, including calculation method, and its related release by conducting walkthroughs of the risk adjustment models and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors;



Report on the audit of the consolidated and separate financial statements (continued)
Key audit matters (continued)

Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities) in consolidated and separate financial statements (continued)

See notes 2(c), 3, 34, 35(a), and 35(b) to the consolidated and separate financial statements (continued)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p><i>Determination of year-end balances of insurance contract liability balances (continued)</i></p> <p>The most significant assumptions made in the valuation of insurance contract liability balances arising from the Group's insurance contracts relate to:</p> <ul style="list-style-type: none"> – Discount rates – Confidence levels applied in determining the risk adjustment for non-financial risk. <p>We considered the valuation of insurance contract liability balances to be a key audit matter in our audit of the financial statements because of the following:</p> <ul style="list-style-type: none"> – The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and – The material nature of the insurance contract liability balances as at 31 December 2024. 	<p><i>Our audit procedures over year-end balances included: (continued)</i></p> <ul style="list-style-type: none"> – For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group and Company, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to prior years, key ratios and market data, and investigated material differences to assess whether they indicate bias in management's assumptions; and – We evaluated whether the IFRS 17 specific disclosures in the financial statements are adequate and in accordance with IFRS 17.

Other information

The directors are responsible for the other information. The other information comprise the information included in the *ICEA LION General Insurance Company Limited's 2024 Integrated Report*, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

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

Directors' responsibilities for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control, as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and/or the Company or cease operations, or have no realistic alternative but to do so.



Report on the audit of the consolidated and separate financial statements (continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group's and/or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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 Kenyan Companies Act, 2015, we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion, the information given in the report of the directors on pages 87 and 88 is consistent with the consolidated and separate financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Jacob Gathecha – Practicing Certificate No. P/1610

For and behalf of:

KPMG Kenya
Certified Public Accountants
PO Box 40612 – 00100
Nairobi, Kenya

Date: **29** March 2025

CONSOLIDATED AND COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Notes	GROUP		COMPANY	
		2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Insurance revenue	5	11,745,289	10,887,918	8,832,957	8,340,636
Insurance service expenses	6	(7,821,098)	(7,754,094)	(5,563,689)	(5,719,740)
Allocation of reinsurance premiums paid	7	(4,946,813)	(4,446,606)	(3,722,593)	(3,582,271)
Amounts recovered from insurance contracts	8	1,403,369	1,738,544	777,280	1,416,989
Insurance service result		380,747	425,762	323,955	455,614
Interest revenue calculated using the effective interest method	9(a)	1,181,444	1,148,169	932,130	923,018
Other investment revenue	9(b)	601,373	85,536	566,785	42,671
Impairment (loss)/gain on financial assets	9(c)	(31,394)	1,684	(6,603)	1,685
Investment return		1,751,423	1,235,389	1,492,312	967,374
Net finance expense from insurance contracts	10	(510,889)	(105,514)	(461,571)	(65,790)
Net finance income from reinsurance contracts	10	215,941	73,820	185,596	49,458
Net insurance finance income/(expense)	10	(294,948)	(31,694)	(275,975)	(16,332)
Net financial result		1,456,475	1,203,695	1,216,337	951,042
Other income	11	24,856	30,629	19,117	24,467
Foreign exchange (loss)/gains	12	(74,745)	87,708	(81,774)	65,158
Other expenses	15	(85,591)	(97,517)	(74,075)	(86,818)
Profit before tax		1,701,742	1,650,277	1,403,560	1,409,463
Income tax expense	17	(360,312)	(501,507)	(303,510)	(429,633)
Profit for the year		1,341,430	1,148,770	1,100,050	979,830
Other comprehensive income net of tax					
Items that may not be subsequently classified to profit and Loss					
Change in fair value of equity securities at Fair Value Through Other Comprehensive Income	26	(7,027)	13,497	-	-
Deferred tax on fair value (loss)/gain	25(b)	2,108	(4,049)	-	-
		(4,919)	9,448	-	-
Items that may be subsequently classified to profit and Loss					
Exchange differences on Translating net assets of foreign subsidiary		(184,742)	201,708	-	-
Change in fair value of debt securities at Fair Value Through Other Comprehensive Income	30	103,235	(113,420)	103,235	(113,420)
		(81,507)	88,288	103,235	(113,420)
Total other comprehensive (loss)/income net of tax		(86,426)	97,736	103,235	(113,420)
Total comprehensive income for the year		1,255,004	1,246,506	1,203,285	866,410
Profit attributable to;					
Owners of the company	19	1,294,516	1,103,148	1,100,050	979,830
Non-controlling interest	46	46,914	45,622	-	-
		1,341,430	1,148,770	1,100,050	979,830
Total comprehensive income attributable to;					
Owners of the company		1,246,085	1,164,387	1,203,285	866,410
Non-controlling interest	46	8,919	82,119	-	-
		1,255,004	1,246,506	1,203,285	866,410
Earnings per share					
Basic and diluted	19	25.89	22.06	22.00	19.60

The notes on pages 100 to 176 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

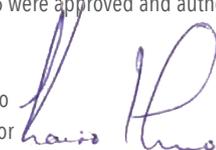
	Notes	GROUP		COMPANY	
		2024 Kshs '000'	2023 Kshs '000'	2024 Kshs '000'	2023 Kshs '000'
ASSETS					
Property and equipment	21	87,487	83,459	56,699	48,041
Investment properties	22	2,865,000	2,780,000	2,865,000	2,780,000
Right-of-use asset	23	150,684	218,912	74,625	97,986
Intangible assets	24	67,004	70,448	65,215	62,303
Deferred income tax	25	9,617	-	-	-
Equity securities held at fair value through other comprehensive income	26	15,578	26,760	-	-
Equity securities held at fair value through profit or loss	27	952,391	777,608	732,046	547,174
Investment in Real Estate Investment Trusts	28	36,282	35,560	36,282	35,560
Debt Securities at amortised cost	29	5,934,595	6,542,014	4,529,418	5,010,005
Debt Securities at fair value through other comprehensive income	30	1,274,232	1,170,997	1,274,232	1,170,997
Corporate bonds at amortised cost	31	73,992	77,776	58,124	58,039
Receivables from intermediaries	32	805,977	760,629	691,276	708,322
Reinsurance contracts - assets	34	5,181,121	4,889,598	3,694,714	3,405,554
Current tax recoverable	17(d)	117,318	50,436	71,500	-
Other receivables	36	351,989	307,354	171,819	155,663
Kenya Motor Insurance Pool	37	56,360	49,846	56,360	49,846
Investment in subsidiaries at cost	38	-	-	564,244	564,244
Due from subsidiary company	40	-	-	13,573	15,912
Deposits with Financial Institutions at amortised cost	41	2,645,708	1,857,447	1,918,871	1,133,177
Cash and bank balances	42	153,945	219,218	17,181	83,598
Total assets		20,779,280	19,918,062	16,891,179	15,926,421
EQUITY					
Share Capital	44	1,000,000	1,000,000	1,000,000	1,000,000
Other reserve	45(a)	(112,343)	(212,971)	(116,543)	(219,778)
Contingency reserve	45(b)	113,780	92,682	-	-
Currency translation reserve	45(c)	4,105	153,164	-	-
Retained earnings	45(d)	7,406,135	6,532,717	7,059,120	6,359,070
Proposed dividends	20	400,000	300,000	400,000	300,000
Equity attributable to owners of the company		8,811,677	7,865,592	8,342,577	7,439,292
Non-controlling interests	46	244,976	240,385	-	-
Total Equity		9,056,653	8,105,977	8,342,577	7,439,292
LIABILITIES					
Long-term loan	47	140,803	165,347	-	-
Insurance contracts liabilities	35(a)	9,303,013	9,062,443	7,062,282	6,759,255
Deferred income tax	25(c)	449,103	455,533	449,103	455,443
Lease Liability	48	208,582	310,420	134,666	190,406
Other payables	49	1,174,308	1,007,857	729,497	605,673
Current tax payable	17(d)	-	124,727	-	124,727
Reinsurance contracts liabilities	35(a)	446,818	685,758	173,054	351,625
Total liabilities		11,722,627	11,812,085	8,548,602	8,487,129
Total Equity and Liabilities		20,779,280	19,918,062	16,891,179	15,926,421

The financial statements on pages 95 to 176 were approved and authorised for issue by the board of directors on 14 March 2025 and were signed on its behalf by:

J. Wangai
Chairman



K. Thuo
Director



G. Kioi
Chief Executive Officer
and Principal Officer



The notes on pages 100 to 176 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital Ksh '000	Other reserve Ksh '000	Contingency reserve Ksh '000	Currency translation reserve Ksh '000	Retained earnings Ksh '000	Proposed dividends Ksh '000	Attributable to shareholders Ksh '000	Non-controlling interest Ksh '000	Total Ksh '000
2023									
At 1 January 2023	1,000,000	(104,559)	71,318	(16,487)	5,767,229	250,000	6,967,501	158,266	7,125,767
Total comprehensive income									
Profit for the year	-	-	-	-	1,103,148	-	1,103,148	45,622	1,148,770
Other comprehensive income	-	(108,412)	-	169,651	-	-	61,239	36,497	97,736
Total comprehensive income for the year	-	(108,412)	-	169,651	1,103,148	-	1,164,387	82,119	1,246,506
Loss on purchase of subsidiary (note 39)	-	-	-	-	(16,296)	-	(16,296)	-	(16,296)
Transfer from retained earnings to contingency reserve	-	-	21,364	-	(21,364)	-	-	-	-
Transaction with owners									
- 2022 final dividend paid	-	-	-	-	-	(250,000)	(250,000)	-	(250,000)
- 2023 proposed final dividend	-	-	-	-	(300,000)	300,000	-	-	-
Balance as at 31 December 2023	1,000,000	(212,971)	92,682	153,164	6,532,717	300,000	7,865,592	240,385	8,105,977
2024									
At 1 January 2024	1,000,000	(212,971)	92,682	153,164	6,532,717	300,000	7,865,592	240,385	8,105,977
Total comprehensive income									
Profit for the year	-	-	-	-	1,294,516	-	1,294,516	46,914	1,341,430
Other comprehensive income	-	100,628	-	(149,059)	-	-	(48,431)	(37,995)	(86,426)
Total comprehensive income for the year	-	100,628	-	(149,059)	1,294,516	-	1,246,085	8,919	1,255,004
Transfer from retained earnings to contingency reserve	-	-	21,098	-	(21,098)	-	-	-	-
Transaction with owners									
- 2023 final dividend paid	-	-	-	-	-	(300,000)	(300,000)	(4,328)	(304,328)
- 2024 proposed final dividend	-	-	-	-	(400,000)	400,000	-	-	-
Balance as at 31 December 2024	1,000,000	(112,343)	113,780	4,105	7,406,135	400,000	8,811,677	244,976	9,056,653

The notes on pages 100 to 176 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital Ksh '000	Other reserve Ksh '000	Retained earnings Ksh '000	Proposed dividends Ksh '000	TOTAL Ksh '000
2023					
At 1 January 2023	1,000,000	(106,358)	5,695,536	250,000	6,839,178
Total comprehensive income					
Profit for the year	-	-	979,830	-	979,830
Other comprehensive income-fair value	-	(113,420)	-	-	(113,420)
Total comprehensive income for the year	-	(113,420)	979,830	-	866,410
Loss on purchase of subsidiary (note 39)	-	-	(16,296)	-	(16,296)
Transfer to retained earnings from contingency reserve					
Transaction with owners					
- 2022 final dividends	-	-	-	(250,000)	(250,000)
- 2023 proposed dividend	-	-	(300,000)	300,000	-
Balance as at 31 December 2023	1,000,000	(219,778)	6,359,070	300,000	7,439,292
2024					
At 1 January 2024	1,000,000	(219,778)	6,359,070	300,000	7,439,292
Total comprehensive income					
Profit for the year	-	-	1,100,050	-	1,100,050
Other comprehensive income-fair value	-	103,235	-	-	103,235
Total comprehensive income for the year	-	103,235	1,100,050		1,203,285
Transfer to retained earnings from contingency reserve					
Transaction with owners					
- 2023 final dividends	-	-	-	(300,000)	(300,000)
- 2024 proposed dividend	-	-	(400,000)	400,000	-
Balance as at 31 December 2024	1,000,000	(116,543)	7,059,120	400,000	8,342,577

The notes on pages 100 to 176 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2024

	Notes	GROUP		COMPANY	
		2024 Ksh '000	2023 Ksh '000	2024 Ksh '000	2023 Ksh '000
Cash flows generated from operating activities					
Cash generated from/(used in) operations	53	82,128	583,391	(42,477)	336,855
Income tax paid	17(c)	(570,524)	(308,725)	(506,077)	(254,367)
Interest paid on lease liability	48	(28,632)	(32,662)	(19,779)	(26,595)
Net cash (used in)/generated from operating activities		(517,028)	242,004	(568,333)	55,893
Cash flows from investing activities					
Consideration paid on business combination	39	-	(530,392)	-	(530,392)
Dividend income received	9(b)	70,158	66,003	56,515	55,799
Dividend income received from subsidiary	9(b)	-	-	3,733	-
REIT income received	9(b)	1,322	1,306	1,322	1,306
Purchase of intangible assets	24	(11,441)	(29,452)	(10,274)	(27,253)
Purchase of property and equipment	21	(46,888)	(38,308)	(34,381)	(22,574)
Proceeds from sale of property and equipment		1,977	3,518	1,109	2,693
Purchases of Investment Property	22	-	(21,395)	-	(21,395)
Purchases of debt securities at amortised cost	29(b)	(365,289)	(484,242)	-	-
Proceeds from maturities on debt securities at amortised cost	29(b)	905,390	636,247	596,201	320,935
Proceeds from disposal of debt securities at fair value through other comprehensive income		-	102,110	-	102,110
Proceeds of sale of equity securities held at fair value through profit or loss		15,781	65,970	15,781	65,970
Purchase of equity instruments held at fair value through profit or loss	27	-	(575)	-	-
Purchase of equity at fair value through other comprehensive income	26	(157)	(344)	-	-
Purchases of deposits maturing after 3 months	41(b)	(974,749)	(838,836)	-	-
Proceeds from maturities of deposits maturing after 3 months	41(b)	983,492	765,911	-	-
Interest income received		953,775	1,094,954	863,970	941,708
Rental income received		218,840	219,149	218,840	219,149
Net cash generated from investing activities		1,752,211	1,011,624	1,712,816	1,108,056
Cash flows from financing activities					
Dividends paid to shareholders of parent company	20	(300,000)	(250,000)	(300,000)	(250,000)
Repayment of principal lease payment	48	(94,744)	(88,247)	(65,265)	(54,074)
Net cash used in financing activities		(394,744)	(338,247)	(365,265)	(304,074)
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of year		1,368,004	365,400	1,216,775	325,330
Cash brought forward on business Combination		-	45,865	-	-
Effect of exchange rate changes on translation of cash and cash equivalents	41(b)	(69,076)	41,358	(59,941)	31,570
Cash and cash equivalents at year end	53(b)	2,139,367	1,368,004	1,936,052	1,216,775

The notes on pages 100 to 176 are an integral part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes

1 GENERAL INFORMATION

ICEA LION General Insurance Company Limited (the "Company") transacts general insurance business and is incorporated in Kenya under the Companies Act as a private limited liability company. The Company is domiciled in Kenya. The Company has two Subsidiaries ICEA LION General Insurance Company (Tanzania) Limited incorporated in Tanzania and ICEA LION General Insurance Company (Uganda) Limited both as private limited liability companies. The subsidiaries are domiciled in Tanzania and Uganda respectively and transacts general business.

Please refer to the Corporate Information on page 180 on details of the Company and the Subsidiaries addresses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Where reference is made in the accounting policies to Group or Company it should be interpreted as being applicable to the consolidated or company financial statements as the context requires. The consolidated and company financial statements are hereinafter referred to as "the financial statements".

Below is a definition of abbreviations used in this report;

PAA	Premium Allocation Approach
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
OCI	Other Comprehensive Income
ECL	Expected Credit Losses

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the Company and its subsidiary as well as the company financial statements of the Company, together referred to as "the financial statements", have been prepared on going concern basis in accordance

with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Kenyan Companies Act, 2015. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). For the Kenyan Companies Act, 2015 reporting purposes the balance sheet is represented by the statement of financial position and the profit or loss account is represented by the statement of profit or loss and other comprehensive income.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:-

- Financial instruments at fair value through profit or loss,
- Financial assets at fair value through other comprehensive income,
- Investment properties and;
- Investments in Real Estate Investment Trust

(iii) Functional and presentation currency

The financial statements are presented in Kenya Shillings (KSh), which is the functional currency of the parent company. Except as otherwise indicated, financial information presentation in Kenya shillings has been rounded to the nearest thousand (KSh '000').

(iv) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New standards amendments and interpretations

i) New standards, amendments and interpretations effective and adopted through the year

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new standards in preparing these consolidated financial statements.

Standards available for early adoption	
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 Jan 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01 Jan 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	01 Jan 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 Jan 2024

The adoption of these amendments did not have a material impact on the financial statements of the Company.

ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024

Standards available for early adoption	
Lack of exchangeability (Amendments to IAS 21)	01 Jan 2025
Classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 Jan 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	01 Jan 2026
IFRS 18 Presentation and Disclosure in Financial Statements	01 Jan 2027
IFRS 19 Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures	01 Jan 2027

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing and discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cashflows when presenting operating cashflows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPM's. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

b) Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The implementation of this amendment is not likely to have a material impact on the financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

c) Amendments to IAS 21 - Lack of Exchangeability effective 1 January 2025

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The implementation of this amendment is not likely to have a material impact on the financial statements.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the Company and its subsidiaries. Control is achieved when the company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

i) Subsidiaries

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- The size of the Company's holding of voting relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the Company ceases control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries ICEA LION General Insurance Company (Tanzania) Limited and ICEA LION General Insurance Company (U) Limited made up to 31 December.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control over an entity, any retained interest in the entity is remeasured to its fair value at the date when

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Investment in subsidiary companies

In the company financial statements, investment in subsidiary is accounted for at cost.

(iii) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. In determining whether an acquired set of activities and assets is a business, the Group assesses whether the acquired set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as they are incurred, unless they are related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(c) Insurance contracts

i) Key types of insurance contracts issued and reinsurance contracts held

The Group issues short term insurance contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

ii). Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by

agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

iii). Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect.

The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

iv). Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

The Group may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

iv). Level of aggregation (continued)

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into two groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group.

The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the Premium Allocation Approach (PAA) is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

v). Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the Group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- For a group of onerous contracts, when the group becomes onerous

The Group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the Group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the Group have been recognised.

vi). Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had the Group issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

vi). Contract boundaries (continued)

competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Group exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

vii). Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs
- Claim handling costs
- Costs of providing contractual benefits in kind, such as home and vehicle repair
- Transaction-based taxes

- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

viii). Discount rates

The Fulfilment Cash Flows ("FCF"), which are a component of the insurance liabilities, include an adjustment to reflect the time value of money and the financial risks related to the future cash flows.

The Group will use a discount rate that explicitly adjusts for time value of money, financial risks and liquidity characteristics of the insurance contract cash flows. No credit risk allowed for in the discount rate applied.

In order to compute the discount rate, the bottom-up approach, one of the methods prescribed in the IFRS 17 standard, will be used by the Group to determine discount rates for all product groups, as risk free rates are readily available and the only further adjustment required will be the illiquidity premium.

IFRS 17 does not prescribe a method for deriving a risk free curve, therefore, the Group will use the Government of Kenya yield curve. The Group does not expect to have cash flows extending up to and beyond 14 years and therefore extrapolation of discount rates will not be applicable.

Once a liquid risk-free yield curve is in place, the Group will adjust it with an illiquidity premium that will reflect the differences between the liquidity characteristics of the financial instrument, that underlie the rates observed in the market, and the liquidity characteristics of the insurance contracts.

In order to determine the illiquidity premium, the Group will use covered bonds, where the bonds are covered with a collateral that is considered very safe. The illiquidity premium in this case is equal to the covered bond spread over the liquid risk-free rate.

The term structure of illiquidity premium could be, but is not necessarily, constant over time, with respect to its level or its shape. However, considering market data limitations the Group will use a single illiquidity adjustment at all durations. Considering market data limitations and practicability, the Group will, where applicable, use the same illiquidity premium adjustment in determining discount rates for all contracts.

One discount rate shall be applied across all portfolios unless facts and circumstances indicate that specific portfolios will have different liquidity characteristics.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

ix). Risk adjustment for non-financial risk

The measurement of insurance contract liabilities in accordance with IFRS 17, requires an explicit risk adjustment ("RA") for non-financial risk. The RA excludes financial risks, such as investment returns (cash flows not directly tied to contract cash flows). The non-financial risks that the Group is exposed to are premium and claim liability risk exposures with respect to timing and amount of cash flows. IFRS 17 does not specify a technique to determine the RA. However, it requires an entity to disclose confidence intervals, regardless of the method chosen to determine the Risk Adjustment (RA).

The purpose of the RA is to determine the insurer's own assessment of the uncertainty and variability inherent in the fulfilment cash flows. As such, the disclosure in the financial statements should provide a reasonable description of the basis on which the RA is determined to ensure sufficient understanding and comparability.

A range of risk adjustment techniques were considered by the Group, and it was concluded that the Quantile Technique - Value at Risk, would be used for both underlying and reinsurance contracts. The consideration behind the uptake of this approach is that this method is easy to communicate and translate into a confidence interval for disclosure purposes.

It is a requirement that the confidence level used to determine the RA for non-financial risk is disclosed. A key feature of having a confidence level is to facilitate comparisons, both across time and with other entities.

IFRS 17 does not specify the level of granularity at which the RA must be calculated. The Group has currently opted to determine the RA at an aggregate level, that is, a uniform risk adjustment rate will be used for all classes of business.

x). Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the Group itself or the portfolio of insurance contracts to which the Group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the Group but directly attributable to the portfolio.

The Group shall recognise:

- (a) Insurance acquisition cash flows it expects to pay after the related group of insurance contracts is recognised as part of the fulfilment cash flows of the group of insurance contracts.

- (b) Insurance acquisition cash flows paid before the related group of insurance contracts is recognised as an asset. The Group shall recognise such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The Group shall derecognise an asset recognised when the insurance acquisition cash flows allocated to the group of insurance contracts are included in the measurement of the Group. If the Group recognises in a reporting period only some of the insurance contracts expected to be included in the Group, the Group shall determine the related portion of an asset for insurance acquisition cash flows for the Group on a systematic and rational basis considering the expected timing of recognition of contracts in the Group. The Group shall derecognise that portion of the asset and include it in the measurement of a group of insurance contracts.

At the end of each reporting period, the Group shall assess the recoverability of an asset recognised if facts and circumstances indicate the asset may be impaired. If facts and circumstances indicate the asset may be impaired, the Group shall adjust the carrying amount of the asset and recognise any impairment loss identified. The Group shall adjust the carrying amount of the asset and recognise the reversal of any such loss.

xi). Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both Liabilities for Incurred Claims (LIC) and Liability for Remaining Coverage (LRC) to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xi). Changes in fulfilment cash flows (continued)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the Group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events.

xii). Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Group applies the following methods:

- For groups of home insurance contracts acquired with claims in a settlement phase, the Group's obligation is to stand ready to discover and settle the ultimate cost of claims when they fall due after the acquisition date. Based on this principle, the coverage units reflect the expected duration for the acquired claims to fall due for settlement and the benefit is the number of expected claims at acquisition date. Other home and motor insurance contracts are accounted for using the Premium Allocation Approach (PAA).
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.

xiii). Insurance contracts measured under the premium allocation approach

The Group applies the PAA to the measurement of Property, Marine, Aviation, Accident, motor and Liability insurance contracts with a coverage period of each contract in the Group of one year or less.

On initial recognition, the Group measures the Liability for Remaining Coverage (LRC) at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Group applies a policy of expensing all insurance acquisition cash flows over the coverage period equally.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the Liability for Remaining Coverage (LRC). The carrying amount of the LRC at the end of each

subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Group has determined that there is no significant financing component for insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group also applies the PAA to the all - Proportional and Non-Proportional treaties. The coverage period of such reinsurance contracts held is 12 months or less. As the coverage period exceeds one year, the Group at initial recognition assessed that the PAA is a reasonable approximation of the General Model.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts. The allocation is done on the basis of the passage of time. The Group applies a methodology of daily release of LRC for expired time judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

xiv). Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xiv). Onerous contracts (continued)

For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

The Group disaggregates the total finance income or expenses between profit or loss.

For any subsequent changes in the fulfilment cash flows of the LRC, the total of insurance finance income or expenses is disaggregated between profit or loss and allocated on a systematic basis between the loss component and the 'LRC excluding the loss component'.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component)
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component)
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

xv). Reinsurance contracts held

1.1 Recognition

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently.

All reinsurance contracts held are accounted for by applying the PAA.

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xv). Reinsurance contracts held (continued)

The Group recognises a group of reinsurance contracts held that provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later.

The Group recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

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

The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the Group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

xvi). Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the

portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

xvii). Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

xviii). Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xviii). Insurance service expenses (continued)

- Loss component of onerous groups of contracts initially recognised in the period
- Risk Adjustment on LIC both Current and Past.

xix). Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group.

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

xx). Insurance contract revenue

For those groups of contracts for which coverage has expired at the transition date, there is no revenue recognised after the date of transition.

For groups of contracts, other than direct participating contracts, that were determined to be onerous at the date of transition, the loss component was estimated at the transition date. If there is still coverage remaining after the date of transition, revenue for such groups is recognised, but in considering changes in the LRC the Group excludes subsequent increases and decreases in the loss component.

xxi). Insurance finance income or expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial

risk of a group of insurance contracts and a group of reinsurance contracts held.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for motor and home insurance policies with a coverage period of one year or less. The Group discounts the liability for incurred claims. The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI based on the systematic allocation method over the duration of the contracts in the Group.

In applying the premium allocation approach to insurance contracts, an entity may be required, or may choose, to discount the liability for incurred claims. In such cases, it may choose to disaggregate the insurance finance income or expenses. If the entity makes this choice, it shall determine the insurance finance income or expenses in profit or loss using the discount rate specified

xxii). Exchange differences arising from IFRS 17 contracts

IFRS 17 requires an entity to treat an insurance contract as a monetary item under IAS 21 for the purpose of translating foreign exchange items into the entity's functional currency. An entity includes exchange differences on changes in the carrying amount of groups of insurance contracts in the statement of profit or loss, unless they relate to changes in the carrying amount of groups of insurance contracts included in other comprehensive income in which case they shall be included in other comprehensive income.

(d) Kenya Motor Insurance Pool

The Kenya Motor Insurance Pool balances represent the Group's share of the surplus and net assets of the pool.

Results of the company's share of the two Kenya Motor Insurance Pools are accounted for in profit or loss in accordance with the Pool's accounting year which runs from October of the previous year to September of the current year. As a result, the Pool's results for the 4th quarter of the Group's accounting year are accounted for in the subsequent year.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

(i) Functional and presentation currency (continued)

Currency"). The consolidated financial statements are presented in Kenya Shillings ("Ksh") rounded to the nearest thousand, which is the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of individual entities in the Group, transactions in foreign currencies during the year are recorded at rates ruling at the transaction dates. Assets and liabilities at the end of each reporting period which are expressed in foreign currencies are translated at rates ruling at that date. The resulting differences are dealt with in profit or loss in the year in which they arise.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Kenya shillings, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to Kenya shillings using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in other comprehensive income and accumulated in equity under the Groups' currency translation reserve. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(f) Retirement contribution obligations

The Kenya and Uganda General businesses operates defined contribution pension schemes for its employees. The assets of these schemes are held in separate trustee administered funds. The schemes are funded by contributions from both the employees and the employer. Contributions are determined by the rules of the schemes.

All the three entities in the Group also contributes to the statutory defined contribution pension schemes, the respective National Social Security Fund (NSSF) in Kenya Uganda and Tanzania. Contributions to these schemes are determined by local statute.

The Group's obligations to retirement contribution schemes are charged to profit or loss as they fall due. There is no further obligation to the Group.

(g) Income tax expense

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

(h) Investment properties

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. Investment properties are carried at fair value, representing market value determined by external independent valuers. Changes in their carrying amount between the statement of financial position dates are accounted for through profit or loss. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Dividends payable

Dividends payable on ordinary shares are charged to equity in the period in which they are declared. Dividends declared after the reporting date are not recognised as liabilities at the end of each reporting period.

Proposed dividends are shown as a separate component of equity.

(j) Property and equipment

All property and equipment are initially recorded at cost. These are stated at historical cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation

Depreciation is calculated on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life at the following rates:

Furniture, fixtures and fittings and office equipment	12.5% - 20%
Motor vehicles	25%
Computer equipment	25%

Property and equipment is periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts.

(k) Intangible assets

Intangible assets comprise of computer software costs which are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of 3 years.

The useful lives of intangible assets are assessed to be either finite or indefinite. Costs associated with maintaining computer software are recognized as an expense as incurred. However, expenditure that enhances or extends the benefits of computer software beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software.

Computer software development costs recognized as assets are amortized using the straight-line method over a period of 3 years. There are no intangible assets with indefinite useful lives.

(l) Leases

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(I) Leases (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and

accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as the lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt securities

Subsequent measurement of debt securities depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Equity securities

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments on major exchanges Nairobi Securities Exchange (NSE), Dar-es-Salaam Stock Exchange (DSE) and Uganda Securities Exchange (USE). The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For example a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and debt instruments carried at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

IFRS 9 replaced the previous 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. The new impairment model applies to the following financial instruments that are not measured at FVTPL:

- Debt securities measured at amortised cost
- Corporate bonds;
- Deposits with financial institutions; and
- Cash and bank balances.

No impairment loss is recognised on equity investments and financial assets measured at FVTPL.

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date. The Group will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
- Other financial instruments (other than trade and lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for premium and rent receivables will always be measured at an amount equal to lifetime ECLs. The impairment requirements of IFRS 9 require management judgement, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses and will be measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset. The following are examples of such events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract - e.g. a default or past-due event;
- a lender having granted a concession to the borrower - for economic or contractual reasons relating to the borrower's financial difficulty - that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Expected credit losses

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

$ECL = PD \times LGD \times EAD$

In applying the IFRS 9 impairment requirements, the Group follows the general approach.

Under the general approach, at each reporting date, the Group determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- **Stage 1** - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group will recognise 12 month ECL and recognise interest income on a gross basis – this

means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

- **Stage 2** - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Group will recognise lifetime ECL but interest income will continue to be recognised on a gross basis.
- **Stage 3** - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Group will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

Definition of default

The Group will consider a financial asset to be in default when:

- the counterparty or borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the counterparty or borrower is more than 90 days past due on any material credit obligation to the Group. This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Group; or
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

In assessing whether the counterparty or borrower is in default, the Group considers indicators that are:

- Qualitative: e.g. Breach of covenant and other indicators of financial distress;
- Quantitative: e.g. Overdue status and non-payment of another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Significant increase in credit risk (SIICR)

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of Default;
- Loss given default (LGD); and
- Exposure at default (EAD).

To determine lifetime and 12-month PDs, the Group uses the PD tables supplied by Standard & Poors based on the default history of obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk

grades to the equivalent external credit ratings (see (i)). The PDs are recalibrated based on current bond yields and CDS prices, and adjusted to reflect forward-looking information as described above. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include:

- instrument type;
- credit risk grading;
- collateral type;
- date of initial recognition;
- remaining term to maturity; industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Fair value through profit or loss (FVTPL)

If a financial asset or group of financial assets is not held within the "hold to collect" or the "hold to collect and sell" business model it should be measured at FVTPL. FVTPL is the residual category and IFRS 9. Additionally, a business model in which an entity manages financial assets, with the objective of realizing cash flows through solely the sale of the assets would result into FVTPL business model. Even though the entity might collect contractual cash flows while it holds the financial assets the objectives of such a business model is not achieved by both collecting contractual cash flows and selling financial assets. This is because the collection of contractual cash flows is not integral to achieving the business models objectives; instead it is incidental to it.

Financial liabilities

Two measurement categories exist for financial liabilities; FVTPL and amortised cost. Financial liabilities that are held for trading are measured at FVTPL and all other financial liabilities are measured at amortised cost unless the fair value option is applied. IFRS 9, contains an option to designate a financial liability as measured at FVTPL when:-

- (i) Doing so significantly reduces or eliminates an accounting mismatch that would arise from measuring assets and liabilities or recognising gains or losses on different basis
- (ii) The liability is part of a group of financial liabilities that are managed and performance is evaluated on a fair value basis.

A financial liability that does not meet any of the above two criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

Derecognition of financial liabilities

A financial liability is removed from the statement of financial position when and only when it is extinguished, i.e. when the obligation in the contract is either discharged or cancelled or it expires. Where there been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as extinguishment of the original financial liability and the recognition of a new financial liability.

A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(o) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have an original maturity of 3 months or less.

(p) Impairment of non-financial assets

At each end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the impairment loss is recognised in the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(q) Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

- Assessment of significance of insurance risk:** The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Group's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Group.

- Determination of the contract boundary:** The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance. See Note 1.G for more details

- Identification of portfolios:** The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. For some product lines, the Group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

- Proportional and Non Property, Marine, Aviation, Personal Accident, Medical, Accident, Motor and Liability** reinsurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the Group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

A. Critical judgements in applying the Group's accounting policies (continued)

• **Assessment of significance of modification:** As explained in Note 1.K, the Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

• **Level of aggregation for determining the risk adjustment for non-financial risk:** IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the Group's expected fulfilment cash flows to the total expected fulfilment cash flows

• **Selecting a method of allocation of coverage units:** IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the Group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

Level of aggregation

The Group included contracts into groups of contracts issued more than one year apart as there was no reasonable and supportable information available to make the division.

Measurement at the transition date

In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

The Group used discount rates as at the date of transition, instead of discount rates as at the date of initial recognition.

Reinsurance contracts held

For a group of reinsurance contracts held the Group determines the loss-recovery component of the asset for remaining coverage at transition by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at the transition date with the percentage of claims for the Group of underlying onerous insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

B. Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. As at 31 December, the carrying amount were as tabulated below:

	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Reinsurance contracts Held that are assets	5,181,121	4,889,598	3,694,714	3,405,554
Insurance contracts issued that are liabilities	(9,303,013)	(9,062,443)	(7,062,282)	(6,759,255)
Total	(4,121,892)	(4,172,845)	(3,367,568)	(3,353,701)

GROUP 2024	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	465,808	259,155
Gross loss ratio	-5%	(465,808)	(259,155)
Parallell shift in discount rates	1%	93,162	51,831
Parallell shift in discount rates	-1%	(93,162)	(51,831)
Risk Adjustment	1%	4,851	2,679
Risk Adjustment	-1%	(4,851)	(2,679)

GROUP 2023	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	453,122	244,480
Gross loss ratio	-5%	(453,122)	(244,480)
Parallell shift in discount rates	1%	90,624	48,896
Parallell shift in discount rates	-1%	(90,624)	(48,896)
Risk Adjustment	1%	8,461	4,775
Risk Adjustment	-1%	(8,461)	(4,775)

COMPANY 2024	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	353,771	184,835
Gross loss ratio	-5%	(353,771)	(184,835)
Parallell shift in discount rates	1%	70,754	36,967
Parallell shift in discount rates	-1%	(70,754)	(36,967)
Risk Adjustment	1%	3,940	1,836
Risk Adjustment	-1%	(3,940)	(1,836)

COMPANY 2023	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	337,965	170,278
Gross loss ratio	-5%	(337,965)	(170,278)
Parallell shift in discount rates	1%	67,593	34,056
Parallell shift in discount rates	-1%	(67,593)	(34,056)
Risk Adjustment	1%	6,393	3,467
Risk Adjustment	-1%	(6,393)	(3,467)

A sensitivity analysis of exposure to insurance risk and its impact on profit or loss and equity is included in Note 4.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Method of estimating discount rates

Discount rates

The Fulfilment Cash Flows ("FCF"), which are a component of the insurance liabilities, include an adjustment to reflect the time value of money and the financial risks related to the future cash flows.

The Group uses a discount rate that explicitly adjusts for time value of money, financial risks and liquidity characteristics of the insurance contract cash flows. No credit risk allowed for in the discount rate applied.

In order to compute the discount rate, the bottom-up approach, one of the methods prescribed in the IFRS 17 standard, has been used by the Group to determine discount rates for all product groups, as risk free rates are readily available.

IFRS 17 does not prescribe a method for deriving a risk free curve, therefore, the Group will use the Government of Kenya yield curve. The Group does not expect to have cash flows extending up to and beyond 14 years and therefore extrapolation of discount rates will not be applicable.

Once a liquid risk-free yield curve is in place, the Group will adjust it with an illiquidity premium that will reflect the differences between the liquidity characteristics of the financial instrument, that underlie the rates observed in the market, and the liquidity characteristics of the insurance contracts.

In order to determine the illiquidity premium, the Group will use covered bonds, where the bonds are covered with a collateral that is considered very safe. The illiquidity premium in this case is equal to the covered bond spread over the liquid risk-free rate.

The term structure of illiquidity premium could be, but is not necessarily, constant over time, with respect to its level or its shape. However, considering market data limitations the Group will use a single illiquidity adjustment at all durations. We have not applied an illiquidity premium adjustment as we have not found it to be material to our discounting.

One discount rate shall be applied across all portfolios unless facts and circumstances indicate that specific portfolios will have different liquidity characteristics.

The Group used the following yield curves to discount cash flows.

Kenya	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%
2023	16.10%	17.92%	17.96%	17.87%	17.45%	16.79%	16.32%	15.97%	15.73%	15.70%
Tanzania	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2024	12.99%	11.68%	11.95%	12.23%	12.50%	12.77%	13.04%	13.08%	13.11%	13.15%
2023	8.80%	10.00%	10.77%	11.10%	11.44%	11.77%	12.10%	12.43%	12.76%	
Uganda	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2024	12.70%	15.83%	15.85%	15.88%	15.98%	16.15%	16.28%	16.40%	16.53%	16.62%
2023	11.44%	13.07%	13.90%	14.45%	14.85%	15.00%	15.15%	15.26%	15.37%	15.48%

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Estimation of allocation rate for insurance finance income or expenses

The Group uses either the constant or crediting rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the Group contracts. In determining the constant rate, the Group estimates the expected insurance finance income or expenses over the remaining duration of the Group that is partly implicit in the estimated cash flows.

For direct participating contracts for which the Group does not hold the underlying items, the Group uses the crediting rate for the systematic allocation of insurance finance income or expenses. In determining the crediting rate, the Group estimates the constant factor.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as claims risk and expense risk. It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk and reflects the degree of the Group's risk aversion. The Group determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts.

In determining the risk adjustment for non-financial risk, the Group assesses each portfolio of insurance contracts individually before aggregating the results to the entity level, incorporating diversification effects where applicable. The risk adjustment is estimated using the Value at Risk (VaR) method, which quantifies the additional capital needed to address uncertainty in fulfillment cash flows. This approach involves modeling the statistical distribution of these cash flows over a one-year horizon, with the 99th percentile selected as the threshold. This percentile reflects the level of compensation required by shareholders to bear non-financial risks

ensuring a robust and strong risk management framework. The resulting risk adjustment corresponds to a 99% confidence level.

Non-financial risk factors, also referred to as underwriting variables, are the key sources of estimation uncertainty, as they impact estimates of future cash flows and their associated probabilities, and affect the amount of projected capital required at 99% confidence level, which in turn impacts the overall amount of risk adjustment for non-financial risk.

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

Calculation of loss allowance

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on the financial assets had been 5% higher (lower) as of 31 December 2024, the loss allowance would have been Kshs. 26,748,200 and Kshs. 22,900,150 (2023: Kshs. 22,664,000 and Kshs. 21,562,000) for the group and the company respectively.

Valuation of investment properties

The valuation takes into effect the general state of the economy. This has been reflected in the valuation hence resulting into a key judgement area.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

The effects of changes in gross annual rental and yield will have the following effect on the fair value of the properties:-

GROUP AND COMPANY

	change %	31 December 2024	31 December 2023
		Impact on profit before tax Kshs'000	Impact on profit before tax Kshs'000
Gross annual rental	+5%	10,942	10,957
Gross annual rental	-5%	(10,942)	(10,957)
Rate of return	+2.5%	5,471	5,479
Rate of return	-2.5%	(5,471)	(5,479)

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms.

Useful lives and residual values of property, plant and equipment

The Group reviews the estimated residual values and expected useful lives of intangible assets, property, plant and equipment at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks.

Property and equipment

Critical estimates are made by management in determining depreciation rates and timing of capitalisma of the assets. The depreciation rates used are set out in note 2(j) above and Property Plant and Equipment note 21.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 2). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Going concern

Management does an assessment of the Group's and Company's ability to continue as a going concern at the end of every financial year. The assessment involves review of the Group's and Company's net assets and total assets against total liabilities and the plans management have put in place to address any going concern indicators. Furthermore, an assessment of events and conditions that may cast significant doubt upon the Group's and Company's ability to continue as a going concern is done. The Group and Company also evaluates existing growth opportunities and potential threats that may have a significant impact on their existence including compliance with statutory requirements. The Group and Company leverage on existing opportunities in developing future business plan to ensure that they continue operating in a profitable manner.

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place. The Group has a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to management.

Management of Insurance and financial risk

The Group's activities expose it to a variety of risks. The Group classifies the various risks it is exposed to into insurance risk and financial risk. Financial risks include credit risk, liquidity risk and market risk. Market risk includes the effect of changes in equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets, identification and management of risks. It seeks to minimise potential adverse effects on its financial performance by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients and defined criteria for the approval of intermediaries and reinsurers. The Group has put in place investment policies which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk.

i) Insurance risk

Insurance risk in the Group arises from:

- (a) Fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
- (b) Unexpected claims arising from a single source;
- (c) Inaccurate pricing of risks or inappropriate underwriting of risks when underwritten;
- (d) Inadequate reinsurance protection or other risk transfer techniques; and
- (e) Inadequate reserves
 - (a), (b) and (c) can be classified as the core insurance risk, (d) relates to reinsurance planning, while (e) is about reserving.

Core insurance risk

This risk is managed through:

- Diversification across a large portfolio of insurance contracts;
- Careful selection guided by a conservative underwriting philosophy;
- Continuous monitoring of the business performance per class and per client and corrective action taken as deemed appropriate;

- A minimum of one review of each policy at renewal to determine whether the risk remains within the acceptable criteria;
- Having a business acceptance criteria which is reviewed from time to time based on the experience and other developments; and
- Having a mechanism of identifying, quantifying and accumulating exposures to contain them within the set underwriting limits.

Reinsurance planning

Reinsurance purchases are reviewed annually to verify that the levels of protection being sought reflect developments in exposure and risk appetite of the Group. The basis of these purchases is underpinned by the Group's experience, financial modelling by and exposure of the reinsurance broker.

The reinsurance is placed with providers who meet the Group's counter party security requirements.

Claims reserving

Estimates are made of the estimated cost of settling a claim based on the best available information on registration of a claim, and this is updated as and when additional information is obtained and annual reviews done to ensure that the reserves are adequate. Management is regularly provided with claims settlement reports to inform on the reserving performance. The claims reserves also includes an estimate for incurred but not reported claims.

Short-term insurance contracts

The Group principally issues the following types of general insurance contracts: Aviation, engineering, fire, liability, marine, motor, personal accident, theft, workmen compensation and various miscellaneous general risk classes. The risks under these policies usually cover twelve months duration.

These risks on these contracts do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Underwriting risk

Underwriting risk management

Underwriting risk consists of insurance risk, persistency risk and expense risk.

Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Group's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

The Group is exposed to different elements of insurance risks:

- Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor and home policies:
 - Catastrophe risk: the risk of incurring significant losses as a result of catastrophic events
- All policies:
 - Premium risk: the risk that premiums charged to policyholders are less than claims cost on business written
 - Reserve risk: the risk that the claims reserves are insufficient to cover all claims

Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability home insurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake.

The Group is exposed to reserve risk and premium risk arising on all insurance contracts issued.

The Group mitigates its exposure by applying its underwriting strategy to diversify the type of insurance risks accepted and the level of insured benefit.

The Group also mitigates these risks by purchasing excess of loss reinsurance programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Group has a variety of approved reinsurers to mitigate reinsurance risk, the risk of placement of ineffective reinsurance arrangements.

The Group's exposure to catastrophe risk on Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor insurance contracts issued is mitigated through holding.

The Group manages the insurance and reinsurance risk by:

- Ensuring that the Group has appropriate underwriting and reinsurance strategy within an overall risk management framework, including an effective system of internal control
- Identifying, assessing and measuring insurance risk across the Group, from an individual policy to a portfolio level
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of insurance and reinsurance policies
- Ensuring that risk management policies and procedures are reviewed regularly to reflect changes in the Group's activities and market conditions
- Monitoring that individual and aggregate claims reserves are reviewed regularly by internal actuaries using a variety of actuarial techniques
- Ensuring reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital
- Monitoring that reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis
- Limiting concentrations of exposure by class of business, counterparties, geographic location etc.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Group's objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous period.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000	Ksh '000	Ksh '000	Ksh '000
		Below 20m	20m to 50m	Over 50 million	Total
31 December 2024					
Aviation	Gross	1,106,938	685,430	450,171,594	451,963,962
	Reinsurance	961,061	671,440	449,069,158	450,701,659
Engineering	Gross	5,149,073	6,729,465	248,518,965	260,397,503
	Reinsurance	806,873	1,642,305	221,144,479	223,593,657
Fire Domestic	Gross	35,049,959	38,602,466	102,754,258	176,406,683
	Reinsurance	637,427	375,609	21,793,350	22,806,386
Fire Industrial	Gross	55,365,003	48,630,735	1,752,372,445	1,856,368,183
	Reinsurance	23,758,596	13,015,251	1,454,091,719	1,490,865,566
Liability	Gross	12,590,450	4,057,498	188,589,002	205,236,950
	Reinsurance	3,896,015	3,243,679	138,389,588	145,529,282
Marine	Gross	4,788,962	4,171,485	119,184,624	128,145,071
	Reinsurance	1,184,387	1,591,574	110,449,604	113,225,565
Motor Private	Gross	56,664,440	6,475,667	8,921,106	72,061,213
	Reinsurance	4,564,270	892,318	528,103	5,984,691
Motor Commercial	Gross	11,689,879	4,448,380	16,852,111	32,990,370
	Reinsurance	1,472,752	890,323	2,176,498	4,539,573
Personal Accident	Gross	37,443,789	19,919,676	242,421,298	299,784,763
	Reinsurance	33,126,906	11,499,479	130,047,368	174,673,753
Theft	Gross	11,848,422	7,916,642	63,801,190	83,566,254
	Reinsurance	2,611,715	1,888,170	19,116,699	23,616,584
Workmen's Compensation	Gross	7,566,033	5,830,572	160,948,346	174,344,951
	Reinsurance	1,331,332	465,875	21,097,706	22,894,913
Miscellaneous Accident	Gross	4,147,407	2,550,798	22,155,686	28,853,891
	Reinsurance	3,401,891	3,972,268	18,315,743	25,689,902
31 December 2024	Gross	243,410,355	150,018,814	3,376,690,625	3,770,119,794
	Reinsurance	77,753,225	40,148,291	2,586,220,015	2,704,121,531
	Net	165,657,130	109,870,523	790,470,610	1,065,998,263

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000	Ksh '000	Ksh '000	Ksh '000
		Below 20m	20m to 50m	Over 50 million	Total
31 December 2023					
Aviation	Gross	959,784	626,531	450,838,445	452,424,760
	Reinsurance	822,945	597,365	449,739,216	451,159,526
Engineering	Gross	4,872,880	7,059,960	219,245,552	231,178,392
	Reinsurance	825,699	1,285,632	192,871,552	194,982,883
Fire Domestic	Gross	19,384,298	26,120,602	52,400,811	97,905,711
	Reinsurance	199,397	162,931	10,859,414	11,221,742
Fire Industrial	Gross	46,014,060	42,649,889	1,397,541,180	1,486,205,129
	Reinsurance	22,688,430	11,582,422	1,220,625,185	1,254,896,037
Liability	Gross	9,734,793	12,275,130	259,342,959	281,352,882
	Reinsurance	2,601,211	3,690,290	240,140,409	246,431,910
Marine	Gross	3,658,731	4,849,449	163,894,148	172,402,328
	Reinsurance	798,039	2,093,873	153,202,162	156,094,074
Miscellaneous Accident	Gross	51,681,413	5,733,637	14,301,975	71,717,025
	Reinsurance	3,336,665	1,654,072	1,371,697	6,362,434
Motor Commercial	Gross	11,897,935	4,868,406	18,861,121	35,627,462
	Reinsurance	1,330,460	1,605,472	10,717,729	13,653,661
Motor Private	Gross	34,540,644	29,996,542	209,824,279	274,361,465
	Reinsurance	25,110,742	14,179,809	132,782,512	172,073,063
Personal Accident	Gross	11,599,407	9,671,141	84,029,755	105,300,303
	Reinsurance	1,376,950	1,429,459	29,986,535	32,792,944
Theft	Gross	1,238,351	58,493,051	142,060,526	201,791,928
	Reinsurance	249,316	2,050,116	60,780,874	63,080,306
Workmen's Compensation	Gross	3,878,949	5,198,612	22,110,731	31,188,292
	Reinsurance	2,917,357	4,384,428	20,674,133	27,975,918
31 December 2023	Gross	199,461,245	207,542,950	3,034,451,482	3,441,455,677
	Reinsurance	62,257,211	44,715,869	2,523,751,418	2,630,724,498
	Net	137,204,034	162,827,081	510,700,064	810,731,179

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2024		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	1,103,367	664,094	431,807,283	433,574,744
	Reinsurance	957,492	650,102	430,704,847	432,312,441
Engineering	Gross	3,502,425	3,984,069	91,068,529	98,555,023
	Reinsurance	207,406	813,504	75,477,582	76,498,492
Fire Domestic	Gross	33,225,436	37,582,795	101,328,992	172,137,223
	Reinsurance	306,196	354,613	21,692,346	22,353,155
Fire Industrial	Gross	45,264,193	38,157,269	1,469,753,355	1,553,174,817
	Reinsurance	20,647,844	10,700,639	1,228,880,953	1,260,229,436
Liability	Gross	10,598,703	2,608,000	105,927,262	119,133,965
	Reinsurance	3,336,988	1,624,200	83,213,167	88,174,355
Marine	Gross	3,576,116	2,718,656	79,611,834	85,906,606
	Reinsurance	640,194	618,756	76,700,363	77,959,313
Motor Private	Gross	47,616,385	4,644,468	7,185,117	59,445,970
	Reinsurance	2,498,351	775,282	216,655	3,490,288
Motor Commercial	Gross	6,542,821	1,955,705	6,115,436	14,613,962
	Reinsurance	81,068	127,083	127,348	335,499
Personal Accident	Gross	36,643,772	17,982,712	136,076,818	190,703,302
	Reinsurance	32,802,156	10,737,879	67,049,597	110,589,632
Theft	Gross	9,476,222	5,848,392	54,298,625	69,623,239
	Reinsurance	2,019,228	1,367,365	14,833,495	18,220,088
Workmen's Compensation	Gross	6,886,210	4,663,655	143,922,694	155,472,559
	Reinsurance	1,197,728	245,000	8,485,442	9,928,170
Miscellaneous Accident	Gross	2,781,769	1,594,747	15,315,499	19,692,015
	Reinsurance	2,206,100	3,032,542	12,745,751	17,984,393
31 December 2024	Gross	207,217,419	122,404,562	2,642,411,444	2,972,033,425
	Reinsurance	66,900,751	31,046,965	2,020,127,546	2,118,075,262
	Net	140,316,668	91,357,597	622,283,898	853,958,163

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2023		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	948,206	626,531	442,929,667	444,504,404
	Reinsurance	811,368	597,365	441,830,438	443,239,171
Engineering	Gross	3,208,610	3,925,693	161,971,611	169,105,914
	Reinsurance	94,203	143,283	145,564,279	145,801,765
Fire Domestic	Gross	18,136,006	25,155,815	50,483,577	93,775,398
	Reinsurance	49,258	32,659	10,312,094	10,394,011
Fire Industrial	Gross	35,805,920	29,933,392	1,094,433,903	1,160,173,215
	Reinsurance	20,394,798	8,575,236	956,137,059	985,107,093
Liability	Gross	7,787,952	10,291,250	136,174,883	154,254,085
	Reinsurance	1,476,522	2,744,350	117,987,344	122,208,216
Marine	Gross	2,707,023	2,774,596	138,241,411	143,723,030
	Reinsurance	177,447	757,277	134,007,685	134,942,409
Motor Commercial	Gross	43,770,607	3,949,995	6,791,600	54,512,202
	Reinsurance	2,103,673	1,012,051	416,724	3,532,448
Motor Private	Gross	7,451,917	2,270,874	5,247,268	14,970,059
	Reinsurance	167,503	223,561	1,034,490	1,425,554
Personal Accident	Gross	33,477,540	27,989,482	122,005,409	183,472,431
	Reinsurance	24,812,595	13,787,457	67,150,868	105,750,920
Theft	Gross	9,276,073	7,269,671	74,971,435	91,517,179
	Reinsurance	693,385	633,755	24,869,863	26,197,003
Workmen's Compensation	Gross	557,036	57,253,414	121,417,355	179,227,805
	Reinsurance	11,529	1,715,937	46,630,817	48,358,283
Miscellaneous Accident	Gross	1,940,268	3,539,373	12,871,313	18,350,954
	Reinsurance	1,376,538	3,050,708	12,239,176	16,666,422
31 December 2023	Gross	165,067,158	174,980,086	2,367,539,432	2,707,586,676
	Reinsurance	52,168,819	33,273,639	1,958,180,837	2,043,623,295
	Net	112,898,339	141,706,447	409,358,595	663,963,381

The geographical concentration of the Group's sum insured is disclosed below. The disclosure is based on the countries where the business is written.

31 December 2024	Insurance contracts issued Ksh'000	Reinsurance contracts held Ksh'000	Net Sum insured Ksh'000
Kenya	2,972,033,425	2,118,075,262	853,958,163
Tanzania	381,723,993	281,661,449	100,062,544
Uganda	416,362,376	304,384,820	111,977,556
Total	3,770,119,794	2,704,121,531	1,065,998,263
31 December 2023			
Kenya	2,707,586,676	2,043,623,295	663,963,381
Tanzania	311,708,174	206,006,565	105,701,609
Uganda	422,160,827	381,094,638	41,066,189
Total	3,441,455,677	2,630,724,498	810,731,179

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors reinsurance risk by individual reinsurers. An analysis of the Group's reinsurance risk concentrations per individual reinsurers is provided in the following tables. The amounts in the table represent gross carrying amounts.

Exposure	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Reinsurer A	769,947,260	544,522,436	603,081,713	439,043,242
Reinsurer B	472,109,478	394,608,675	369,792,332	306,543,494
Reinsurer C	307,503,963	307,016,961	240,860,675	228,811,551
Reinsurer D	297,910,710	254,223,889	233,346,504	198,873,437
Reinsurer E	263,946,126	238,240,172	206,742,838	182,855,724
Reinsurer F	119,989,707	234,431,240	93,985,136	176,590,023
Reinsurer G	104,960,834	146,030,618	82,213,371	113,440,831
Reinsurer H	72,842,396	101,344,661	57,055,748	78,727,480
Reinsurer I	294,911,057	410,305,846	230,996,945	318,737,513
Total	2,704,121,531	2,630,724,498	2,118,075,262	2,043,623,295

The Directors do not believe that there are significant concentrations of insurance or reinsurance risks. Below is a spread of concentration of reinsurance by region.

Reinsurance contract assets	2024 Kshs'000	2023 Kshs'000
Concentration by region		
Kenya	3,694,714	3,405,554
Tanzania	689,353	580,462
Uganda	797,054	903,582
Total	5,181,121	4,889,598

Sensitivities

The following table details the impact of changes in key assumptions on the Group's profit or loss, and equity before and after risk mitigation from reinsurance and insurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

Group Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the Group profit before tax for the year by Ksh 53,299,913 (2023: Ksh40,536,559).

Company Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the company profit before tax for the year by Ksh 42,697,908 (2023: Ksh 33,198,169).

Group Sensitivity impact after tax (impact on equity)

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the Group profit after tax for the year by Ksh 37,309,939 (2023: Ksh 28,375,591).

Company Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the company profit after tax for the year by Ksh 29,888,536 (2023: Ksh 23,238,718).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risks, equity price risk and foreign exchange currency risk. The sensitivity analyses presented below are based on a change in one assumption while holding all other assumptions constant.

(i) Foreign exchange currency risk

Foreign exchange currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities, which mitigate the foreign currency exchange rate risk. The currency risk is also effectively managed by ensuring that the transactions between the Group and other parties are designated in the functional currencies of the individual group companies.

Balances denominated in foreign currency at period end is as follows:

Exposure foreign exchange currency risk	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Bank Balances	1,592	91,878	(543)	36,845
Deposits with financial institutions	638,871	440,488	504,290	359,632
Total	640,463	532,366	503,747	396,477

Sensitivity impact before tax

Group

At 31 December 2024, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the Group profit before tax for the year would have been Ksh 3,737,250 (2023: Ksh 4,385,400) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Tanzania.

Company

At 31 December 2024, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the company profit before tax for the year would have been Ksh 4,088,700 (2023: Ksh 3,257,900) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Tanzania.

Sensitivity impact after tax (impact on equity)

Movements in foreign exchange are added back for tax purposes and deferred tax recognised and hence the impact after tax (on equity) is the same as impact before tax.

(ii) Interest rate risk

The Group is exposed to the risk that the level of interest income and in effect the cash flows will fluctuate due to changes in market interest rates. To manage this, the Group ensures that the investment maturity profiles are well spread. The securities that are subject to interest rate risk are bank deposits, corporate bonds and debt securities.

Exposure at period end is as follows:

Exposure to interest rate risk	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Debt securities at amortised cost	5,934,595	6,542,014	4,529,418	5,010,005
Debt securities at fair value through OCI	1,274,232	1,170,997	1,274,232	1,170,997
Corporate bonds at amortised cost	73,992	77,776	58,124	58,039
Deposits with financial institutions at amortised cost	2,645,708	1,857,447	1,918,871	1,133,177
Total	9,928,527	9,648,234	7,780,645	7,372,218

Sensitivity impact before tax

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the Group profit before tax for the year by Ksh 59,072,200 (2023: Ksh 57,408,450).

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit before tax for the year by Ksh 46,606,500 (2023: Ksh 46,150,900).

Sensitivity impact after tax (impact on equity)

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the Group profit after tax (equity) for the year by Ksh 41,350,540 (2023: Ksh 40,185,915).

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit after tax (equity) for the year by Ksh 32,624,550 (2023: Ksh 32,305,630).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk (continued)

(iii) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk as a result of its holdings in equity investments which are listed and traded on the Nairobi Securities Exchange and on the Dar-es-Salaam Stock Exchange which are classified at fair value through profit or loss. Exposure to equity price risk in aggregate is monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes.

The Group has a defined investment policy which sets limits on the Group's exposure to equity securities both in aggregate terms and by category/share. This policy of diversification is used to manage the Group's price risk arising from its investments in equity securities.

Exposure to equity price risk	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Equity securities held at fair value through other comprehensive income	15,578	26,760	-	-
Equity securities held at fair value through profit or loss	952,391	777,608	732,046	547,174
Total	967,969	804,368	732,046	547,174

Sensitivity impact before tax

Group

At 31 December 2024, if equity market indices had increased/decreased by 5%, with all other variables held constant, the Group profit before tax for the year would have increased/decreased by Ksh 11,071,400 (2023: Ksh 8,434,000).

Company

At 31 December 2024, if equity market indices had increased/decreased by 5%, with all other variables held constant, the company profit before tax for the year would have increased/decreased by Ksh 9,837,500 (2023: Ksh 10,066,000).

Sensitivity impact after tax (impact on equity)

Movements in equity are added back for tax purposes and hence the impact after tax (on equity) is the same as impact before tax.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the Group by failing to discharge a contractual obligation. The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- Net exposure limits are set for each counterparty or group of counterparties i.e. limits are set for investments and cash deposits, and minimum credit ratings for investments that may be held.
- Reinsurance is placed with counterparties that have a good credit rating.
- Ongoing monitoring by the management credit committee.

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the directors include details of provisions for impairment on receivables and subsequent write offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. The table below shows the carrying amounts of financial assets bearing credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The provision rates are based on days past due for various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

Set out below is the information about the credit risk exposure on the Group and Company's receivables from direct insurance business and reinsurance receivables.

Total exposure on receivables from intermediaries

GROUP

As at December 2024

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	186,312	141,960	109,358	144,486	541,500	1,123,616
Impairment	85	111	336	54,052	263,055	317,639
Net Carrying amount	186,227	141,849	109,022	90,434	278,445	805,977
Loss Rates	0%	0%	0%	37%	49%	28%

As at December 2023

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	140,253	83,391	115,435	184,371	499,491	1,022,941
Impairment	99	517	376	47,971	213,349	262,312
Net Carrying amount	140,154	82,874	115,059	136,400	286,142	760,629
Loss Rates	0%	0%	0%	26%	43%	26%

COMPANY

As at December 2024

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	168,040	128,941	78,562	141,034	480,881	997,458
Impairment	83	108	190	53,483	252,318	306,182
Net Carrying amount	167,957	128,833	78,372	87,551	228,563	691,276
Loss Rates	0%	0%	0%	38%	52%	31%

As at December 2023

	0-30 Days	31-60 Days	61-90 Days	Days 91-180	Over 180 Days	Total
Exposure	144,135	82,653	110,740	179,330	445,469	962,327
Impairment	62	282	258	46,377	207,026	254,005
Net Carrying amount	144,073	82,371	110,482	132,953	238,443	708,322
Loss Rates	0%	0%	0%	26%	46%	26%

In determining the expected credit losses for these assets the Group has taken into account the historical default experience, the financial position of the counterparties, financial analysts reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. In the case of equity investments classified at fair value through profit or loss, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk is as summarised below:

GROUP

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2024			
Receivables from intermediaries	1,123,616	(317,639)	805,977
Debt securities at amortised cost	5,943,447	(8,852)	5,934,595
Corporate bonds at amortised cost	74,058	(66)	73,992
Deposits with financial institutions at amortised cost	2,650,681	(4,973)	2,645,708
Other receivables*	320,764	(4,327)	316,437
Cash and bank balances **	154,967	(1,235)	153,732
	10,267,533	(337,092)	9,930,441

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2023			
Receivables from intermediaries	1,079,799	(319,170)	760,629
Debt securities at amortised cost	6,543,789	(1,775)	6,542,014
Corporate bonds at amortised cost	78,719	(943)	77,776
Deposits with financial institutions at amortised cost	1,862,420	(4,973)	1,857,447
Other receivables*	278,558	(4,327)	274,231
Cash and bank balances **	221,264	(2,510)	218,754
	10,064,549	(333,698)	9,730,851

COMPANY

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2024			
Receivables from intermediaries	997,458	(306,182)	691,276
Debt securities at amortised cost	4,537,731	(8,313)	4,529,418
Corporate bonds at amortised cost	58,058	66	58,124
Deposits with financial institutions at amortised cost	1,923,377	(4,506)	1,918,871
Other receivables*	140,942	-	140,942
Cash and bank balances **	17,092	(31)	17,061
	7,674,658	(318,966)	7,355,692

* Excludes prepayments

** Excludes petty cash balances

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2023			
Receivables from intermediaries	962,327	(254,005)	708,322
Debt securities at amortised cost	5,010,422	(417)	5,010,005
Corporate bonds at amortised cost	58,954	(915)	58,039
Deposits with financial institutions at amortised cost	1,134,389	(1,212)	1,133,177
Other receivables*	141,285	-	141,285
Cash and bank balances **	84,128	(650)	83,478
	7,391,505	(257,199)	7,134,306

* Excludes prepayments

** Excludes petty cash balances

Credit quality analysis for reinsurance contract assets

The following table provides information on the credit quality of reinsurance contracts held that are assets based on the Group's internal ratings:

Group's Risk Grade	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
1 - AAA to AA- by (S&P, Fitch, GCR) or Aaa to Aa3 by (Moody's) or A++ to A- by (AM Best)	4,589,676	2,637,750	3,273,451	1,837,165
2 - A+ to A- by (S&P, Fitch, GCR) or A1 to A3 by (Moody's) or B++ to B+ by (AM Best)	269,761	466,148	192,399	324,667
3 - BBB+ to BBB- by (S&P, Fitch, GCR) or Baa1 to Baa3 by (Moody's) or B to B- by (AM Best)	32,431	373,682	23,130	260,266
4 - Unrated	289,253	1,412,018	205,734	983,456
Total Reinsurance Assets	5,181,121	4,889,598	3,694,714	3,405,554

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has developed and put in place an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. This framework involves the monthly assessment of the asset liability matching and liquidity gap against preset benchmarks. In addition the Group manages liquidity risk by maintaining adequate reserves and a proportion of current investments that are sufficient to meet liabilities as they fall due. The Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities. Where liquidity gaps are identified appropriate steps are taken to fill those gaps by looking for investment assets that match the liabilities maturity profile for that instance.

Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that are liabilities

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held that are in a liability position based on the estimated timing of the remaining contractual undiscounted cash flows. The amounts presented below do not include those relating to liability for remaining coverage of insurance and reinsurance contracts that are measured under the PAA.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

GROUP

2024	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	4,881,665	3,709,844	1,748,346	541,850	235,198
Reinsurance contract liabilities	446,818	172,415	208,865	55,711	12,859
Total	5,328,483	3,882,259	1,957,211	597,561	248,057

2023	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	5,138,684	2,967,808	1,416,749	471,700	246,474
Reinsurance contract liabilities	685,758	331,600	149,695	149,695	74,847
Total	5,824,442	3,299,408	1,566,444	621,395	321,321

COMPANY

2024	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	3,939,722	2,513,883	1,416,762	541,850	235,198
Reinsurance contract liabilities	173,054	51,805	55,711	55,711	27,856
Total	4,112,776	2,565,688	1,472,473	597,561	263,054

2023	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	3,930,597	2,298,718	1,242,881	455,208	243,080
Reinsurance contract liabilities	351,625	119,015	93,692	93,692	46,846
Total	4,282,222	2,417,733	1,336,573	548,900	289,926

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

GROUP

31 December 2024	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,456,730	3,097,563	2,566,650	4,495,517	11,616,460
Debt securities at fair value through other comprehensive income	1,274,233	-	-	-	1,274,233
Corporate bonds at amortised cost	7,084	64,914	15,868	-	87,866
Deposits with financial institutions	2,028,911	588,083	-	-	2,616,994
Cash and bank balances	17,181	91,409	-	-	108,590
Equity securities at fair value through profit or loss	61,554	94,177	105,617	323,637	584,985
Investment property	229,200	510,788	566,650	1,683,919	2,990,557
Receivables from intermediaries	5,656,074	437,847	248,856	124,428	6,467,205
Other receivables	1,117,339	958,554	-	-	2,075,893
Total assets	11,848,306	5,843,335	3,503,641	6,627,501	27,822,783
Insurance Contract Liabilities	3,709,844	1,748,346	541,850	235,198	6,235,238
Reinsurance Contract Liabilities	172,415	208,865	55,711	12,859	449,850
Lease liability	111,416	93,098	15,042	12,859	232,415
Other payables	1,018,824	362,594	-	140,803	1,522,221
Total liabilities	5,012,499	2,412,903	612,603	401,719	8,439,724
Liquidity gap	6,835,807	3,430,432	2,891,038	6,225,782	19,383,059

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

GROUP

31 December 2023	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,509,695	3,569,677	3,084,265	5,649,609	13,813,246
Debt securities at fair value through other comprehensive income	1,170,997	-	-	-	1,170,997
Corporate bonds at amortised cost	136,557	75,731	20,530	-	232,818
Deposits with financial institutions	1,204,479	-	-	-	1,204,479
Cash and bank balances	219,218	-	-	-	219,218
Equity securities at fair value through profit or loss	290,964	491,317	544,765	1,643,680	2,970,726
Investment property	41,967	89,762	98,313	484,014	714,056
Receivables from intermediaries	76,267	273,745	273,745	136,872	760,629
Other receivables	400,960	388,555	-	-	789,515
Total assets	5,051,104	4,888,787	4,021,618	7,914,175	21,875,684
Liabilities					
Insurance Contract Liabilities	2,967,808	1,416,749	471,700	246,474	5,102,731
Reinsurance Contract Liabilities	331,600	149,695	149,695	74,847	705,837
Lease liability	109,408	203,485	20,030	22715	355,638
Other payables	466,441	382,534	8,882	-	857,857
Total liabilities	3,875,257	2,152,463	650,307	344,036	7,022,063
Liquidity gap	1,175,847	2,736,324	3,371,311	7,570,139	14,853,621

COMPANY

31 December 2024	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,268,423	2,665,694	2,566,650	3,710,517	10,211,284
Debt securities at fair value through other comprehensive income	1,274,233	-	-	-	1,274,233
Corporate bonds at amortised cost	7,084	64,914	-	-	71,998
Deposits with financial institutions	1,890,156	-	-	-	1,890,156
Cash and bank balances	17,181	-	-	-	17,181
Equity securities at fair value through profit or loss	43,191	94,177	105,617	323,637	566,622
Investment property	229,200	510,788	566,650	1,683,919	2,990,557
Receivables from intermediaries	822,883	69,820	69,820	34,910	997,433
Other receivables	275,731	262,158	-	-	537,889
Total assets	5,828,082	3,667,551	3,308,737	5,752,983	18,557,353
Liabilities					
Insurance Contract Liabilities	2,513,883	1,416,762	541,850	235,198	4,707,693
Reinsurance Contract Liabilities	51,805	55,711	55,711	27,856	191,083
Lease liability	85,467	22,773	22,358	15,042	145,640
Other payables	815,103	103,171	-	-	918,274
Total liabilities	3,466,258	1,598,417	619,919	278,096	5,962,690
Liquidity gap	2,361,824	2,069,134	2,688,818	5,474,887	12,594,663

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

COMPANY

31 December 2023	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,157,446	2,875,853	2,609,428	3,622,506	10,265,233
Debt securities at fair value through other comprehensive income	1,170,997	-	-	-	1,170,997
Corporate bonds at amortised cost	7,084	71,998	-	-	79,082
Deposits with financial institutions	1,114,173	-	-	-	1,114,173
Cash and bank balances	83,598	-	-	-	83,598
Equity securities at fair value through profit or loss	32,283	70,393	78,944	241,905	423,525
Investment property	219,296	488,715	542,163	1,611,153	2,861,327
Receivables from intermediaries	260,441	260,441	57,220	130,220	708,322
Other receivables	251,927	243,110	-	-	495,037
Total assets	4,297,245	4,010,510	3,287,755	5,605,784	17,201,294
Insurance Contract Liabilities	2,298,718	1,242,881	455,208	243,080	4,239,887
Reinsurance Contract Liabilities	119,015	93,692	93,692	46,846	353,245
Lease liability	80,561	105,094	42,654	-	228,309
Other payables	339,666	136,007	-	-	475,673
Total liabilities	2,837,960	1,577,674	591,554	289,926	5,297,114
Liquidity gap	1,459,285	2,432,836	2,696,201	5,315,858	11,904,180

(d) Fair value hierarchy

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Nairobi Securities Exchange ("NSE"), and Dar es Salaam Securities ("DSE") equity investments and government bonds classified at fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

The table below shows an analysis of the fair value of assets by level in the fair value hierarchy, however, it does not include instruments whose fair value approximates the carrying amount at 31 December 2024 and 31 December 2023.

GROUP

31 December 2024	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	952,391	-	-	952,391	952,391
- Equity securities at fair value through other comprehensive income	15,578	-	-	15,578	15,578
- Investment property	-	-	2,865,000	2,865,000	2,865,000
- Real Estate Investment Trusts	-	36,282	-	36,282	36,282
- Debt securities at fair value through other comprehensive income	1,274,232	-	-	1,274,232	1,274,232
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	5,579,394	-	-	5,579,394	5,934,595
- Corporate bonds at amortised cost	78,094	-	-	78,094	73,992
	7,899,689	36,282	2,865,000	10,800,971	11,152,070

GROUP

31 December 2023	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	777,608	-	-	777,608	777,608
- Equity securities at fair value through other comprehensive income	26,760	-	-	26,760	26,760
- Investment property	-	-	2,780,000	2,780,000	2,780,000
- Real Estate Investment Trusts	-	35,560	-	35,560	35,560
- Debt securities at fair value through other comprehensive income	1,170,997	-	-	1,170,997	1,170,997
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	5,882,755	-	-	5,882,755	6,542,014
- Corporate bonds at amortised cost	73,822	-	-	73,822	77,776
	7,931,942	35,560	2,780,000	10,747,502	11,410,715

COMPANY

31 December 2024	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	732,046	-	-	732,046	732,046
- Investment property	-	-	2,865,000	2,865,000	2,865,000
- Real Estate Investment Trusts	-	36,282	-	36,282	36,282
- Debt securities at fair value through other comprehensive income	1,274,232	-	-	1,274,232	1,274,232
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	4,174,218	-	-	4,174,218	4,529,418
- Corporate bonds at amortised cost	57,954	-	-	57,954	58,124
	6,238,450	36,282	2,865,000	9,139,732	9,495,102

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

COMPANY

31 December 2023	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	547,174	-	-	547,174	547,174
- Investment property	-	-	2,780,000	2,780,000	2,780,000
- Real Estate Investment Trusts	-	35,560	-	35,560	35,560
- Debt securities at fair value through other comprehensive income	1,170,997	-	-	1,170,997	1,170,997
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	4,560,108	-	-	4,560,108	5,010,005
- Corporate bonds at amortised cost	58,357	-	-	58,357	58,039
	6,336,636	35,560	2,780,000	9,152,196	9,601,775

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques used in determining fair value of financial assets.

Instrument	Level	Valuation Basis	Inputs
Real Estate Investment Trusts	2	Prices based on underlying Net Asset Value	Current unit price of underlying unitised asset

Investment properties fair valuation

The fair value of investment property was determined 31 December 2024 by external, independent property valuers, Lloyd Masika Ltd, who have appropriate recognized professional qualifications and recent experience in the location and category of the property valued. Investment property is valued annually by the independent valuers.

The following table shows the valuation technique used in measuring the fair values of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants.	Expected market rental growth 5%. Discount rate 13.20%.	The estimated fair value would Increase/(decrease) if: <ul style="list-style-type: none"> - expected market rental growth were higher/(lower); - void periods were shorter/(longer); - the occupancy rate were higher/(lower); - rent-free periods were shorter/(longer); or - the discount rate were lower/(higher).

(e) Capital Risk Management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- Allocation of capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- Aligning the profile of assets and liabilities taking account of risks inherent in the business.
- Maintaining financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- Maintaining strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders value.

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(e) Capital Risk Management (continued)

The Group has met all of these requirements throughout the financial year.

The Kenyan and Uganda Insurance Acts require each insurance company to hold a minimum level of paid up capital of Kshs 600 million and Ugx 6 billion respectively.

As per the provisions of the Tanzania Insurance Act, the minimum amount of paid up share capital to be maintained by a life or general insurer shall be:-

- for the year ending 31 December, 2012, one billion five hundred Million Tanzania Shillings, as the base;
- for the end of subsequent years, the minimum amount of paid up share capital for the prior year times the lesser of 1.1 or the ratio of the current year Consumer Price Index to the prior year Consumer Price Index;
- for companies transacting non-life and non- marine business only the minimum amount of capital to be maintained shall be half of the amount provided under this sub regulation.

The Company and its Subsidiaries are in compliance with the capital requirements as at 31 December 2024.

The solvency margin of the Company and its subsidiaries as at 31 December 2024 and 31 December 2023 are as shown below.

Kenya

The Capital Adequacy Ratio based on the Risk Based Model is as follows:-

	2024 Ksh'000	2023 Ksh'000
Total Capital Available	7,606,203	6,705,719
Risk Based Capital Minimum	1,906,423	1,897,996
Capital Adequacy Ratio	399%	353%

Tanzania

The Excess Admitted Assets depicting Tanzania's Solvency is as follows:-

	2024 Ksh'000	2023 Ksh'000
Excess admitted assets	109,321	42,391

Uganda

The Capital Adequacy Ratio based on the Risk Based Model is as follows:-

	2024 Ksh'000	2023 Ksh'000
Total Capital Available	836,012	828,534
Risk Based Capital Minimum	211,205	248,021
Capital Adequacy Ratio	396%	334%

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

5 INSURANCE SERVICE REVENUE

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Aviation	1,525,555	1,303,852	1,449,999	1,257,410
Engineering	445,283	362,761	250,321	217,671
Fire Domestic	165,709	140,335	158,808	133,193
Fire Industrial	2,166,421	1,958,785	1,665,087	1,514,910
Liability	361,297	307,016	245,023	221,821
Marine	346,363	382,077	247,007	291,076
Medical	823,059	663,949	455,346	392,595
Miscellaneous	323,764	394,285	233,761	290,713
Motor Commercial	1,150,631	1,128,599	607,728	637,411
Motor Private	2,565,139	2,412,945	2,142,362	2,000,536
Personal Accident	590,256	494,044	313,946	267,062
Theft	375,987	396,151	206,455	212,211
Workmen Compensation	905,825	943,119	857,114	904,027
Total	11,745,289	10,887,918	8,832,957	8,340,636

6 INSURANCE SERVICE EXPENSES

	GROUP		COMPANY	
	2024 Ksh'000	2023 *Restated Ksh'000	2024 Ksh'000	2023 *Restated Ksh'000
Incurred claims (note 35(a))	3,892,671	4,232,857	2,789,360	3,236,147
Losses on onerous contracts and reversals of those loses	39,469	(67,743)	16,607	(64,552)
Attributable expenses (note 15)	2,390,904	2,178,897	1,732,532	1,548,304
Insurance acquisition cash flows amortisation (note 35(a))	1,498,054	1,410,083	1,025,190	999,841
Total insurance service expenses	7,821,098	7,754,094	5,563,689	5,719,740

*See note 51 for details.

7 REINSURANCE EXPENSES

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Allocation of Reinsurance Premium Paid	5,971,905	5,416,586	4,353,235	4,217,595
Reinsurance amortize acquisition cost	(1,158,148)	(1,092,245)	(720,783)	(716,813)
Total	4,813,757	4,324,341	3,632,452	3,500,782
Attributable expenses (note 15)	133,056	122,265	90,141	81,489
Grand Total	4,946,813	4,446,606	3,722,593	3,582,271

8 AMOUNTS RECOVERED FROM REINSURANCE CONTRACTS HELD

	GROUP		COMPANY	
	2024 Ksh'000	2023 *Restated Ksh'000	2024 Ksh'000	2023 *Restated Ksh'000
Amounts recoverable for incurred claims	1,380,609	1,741,219	778,896	1,409,468
Effect of changes in the risk of reinsure's non-performance	10,280	1,510	(588)	11,748
Recoveries of loss on recognition of underlying onerous contracts	12,480	(4,185)	(1,028)	(4,227)
	1,403,369	1,738,544	777,280	1,416,989

*See note 51 for details.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

9(a) INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Interest on deposits with financial institutions	226,232	159,169	168,352	107,887
Interest on corporate bonds held at amortised cost	8,646	8,978	7,104	7,162
Interest on debt securities – amortised cost	782,276	832,279	592,384	660,226
– fair value through other comprehensive income	164,290	147,743	164,290	147,743
Total interest income	1,181,444	1,148,169	932,130	923,018

9(b) OTHER INVESTMENT REVENUE

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Dividends receivable on equity instruments	70,158	66,003	56,515	55,799
REITs income	1,322	1,306	1,322	1,306
Dividend income from subsidiary	-	-	3,733	-
Total dividend income	71,480	67,309	61,570	57,105
Rental income from investment properties	218,840	219,149	218,840	219,149
Fair value gain/(losses) on investment properties (Note 22)	85,000	(41,395)	85,000	(41,395)
Gain on disposal of Treasury Bonds	-	(533)	-	(533)
Gain/(loss) on revaluation of equity instruments (Note 27)	221,428	(168,675)	196,750	(201,336)
Gain on revaluation of Real Estate Investment Trust (REIT) (Note 28)	722	1,439	722	1,439
Gain on disposal of equity instruments	3,903	8,242	3,903	8,242
	601,373	85,536	566,785	42,671

9(c) IMPAIRMENT ON FINANCIAL ASSETS

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Corporate bonds	66	(916)	66	(915)
Debt securities at amortised cost	(8,837)	1,633	(3,344)	1,629
Deposits held at amortised cost	(3,325)	967	(3,325)	971
Others	(19,298)	-	-	-
Total	(31,394)	1,684	(6,603)	1,685

10 INSURANCE FINANCE INCOME/(EXPENSE)

	GROUP		COMPANY	
	2024 Ksh'000	2023 *Restated Ksh'000	2024 Ksh'000	2023 *Restated Ksh'000
Effect of changes in interest rates and other financial assumptions	(59,275)	73,232	(61,919)	72,127
Interest accreted	(451,614)	(178,746)	(399,652)	(137,917)
Insurance finance expenses from insurance contracts	(510,889)	(105,514)	(461,571)	(65,790)
Effect of changes in interest rates and other financial assumptions	10,154	(8,143)	12,116	(7,564)
Interest accreted	205,787	81,963	173,480	57,022
Reinsurance finance income from reinsurance contracts	215,941	73,820	185,596	49,458
Net insurance finance income/(expense)	(294,948)	(31,694)	(275,975)	(16,332)

*See note 51 for details.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

11 OTHER INCOME

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Gain on disposal of discontinued lease	-	15,449	-	15,449
Gain on disposal of property and equipment	1,595	3,289	1,063	2,588
Other*	23,261	11,891	18,054	6,430
	24,856	30,629	19,117	24,467

*This includes share of income from Kenya Motor Pool and proceeds from sale of scrap.

12 FOREIGN EXCHANGE (LOSS)/GAINS

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Realized gains	(18,664)	38,480	(21,833)	27,259
Unrealized gains	(56,081)	49,228	(59,941)	37,899
Net foreign exchange (loss)/gains	(74,745)	87,708	(81,774)	65,158

13 FINANCE COST

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Interest on lease liabilities* (Note 48)	28,632	32,662	19,779	26,595
	28,632	32,662	19,779	26,595

*Amounts are included under insurance service expenses as attributable.

14(a) IMPAIRMENT OF FINANCIAL ASSETS

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Net impairment charge/(write back) on receivables	40,641	10,294	35,734	8,510
Impairment of investments	31,394	(1,684)	6,603	(1,685)
Impairment write back on other assets	-	(409)	-	(1,324)
	72,035	8,201	42,337	5,501

14(b) MOVEMENT IN EXPECTED CREDIT LOSSES

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
At 1 January	492,643	464,775	415,682	442,516
Acquired through business combination	-	50,802	-	-
Charge to profit and loss (9c)	31,394	(1,684)	6,603	(1,685)
Non-attributable	40,641	9,885	35,734	7,186
Write-off	-	(32,335)	-	(32,335)
Exchange difference	(4,552)	1,200	-	-
	560,126	492,643	458,019	415,682

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

15 OPERATING AND OTHER EXPENSES

GROUP

	Notes	2024				2023			
		Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Employee benefit expense	16	357,087	992,263	-	1,349,350	120,290	1,094,657	-	1,214,947
Investment expenses		-	-	52,244	52,244	-	-	59,211	59,211
Impairment gain on financial asset		-	-	6,749	6,749	-	-	(1,684)	(1,684)
Depreciation on property and equipment	21	-	37,155	-	37,155	-	40,521	-	40,521
Depreciation on right-of-use asset	23	-	61,493	-	61,493	-	57,007	-	57,007
Repairs and maintenance		-	76,385	-	76,385	-	66,731	-	66,731
Branding and marketing expenses		214,912	-	-	214,912	172,155	-	-	172,155
Professional and consultancy fees		-	74,232	-	74,232	-	88,164	-	88,164
Levies		-	114,870	-	114,870	-	88,636	-	88,636
Licenses and permits		-	2,760	-	2,760	-	10,735	-	10,735
Auditors' remuneration		-	14,274	-	14,274	-	18,177	-	18,177
Directors' emoluments		-	-	-	-	-	-	-	-
- fees for services as directors		-	22,141	-	22,141	-	18,795	-	18,795
Amortisation of intangible assets	24	-	13,655	-	13,655	-	12,414	-	12,414
Recruitment fees		-	4,629	-	4,629	-	2,286	-	2,286
Training fee		-	9,056	-	9,056	-	13,770	-	13,770
Electricity and water		-	13,509	-	13,509	-	10,172	-	10,172
Entertainment		-	14,093	-	14,093	-	14,506	-	14,506
Motor vehicle expenses		-	9,243	-	9,243	-	16,164	-	16,164
Printing and stationery		-	61,759	-	61,759	-	19,404	-	19,404
Postage and telephone		-	35,658	-	35,658	-	30,974	-	30,974
Travelling		14,612	18,709	-	33,321	4,558	38,652	-	43,210
Bank charges		-	11,747	-	11,747	-	13,607	-	13,607
Subscriptions		-	6,275	-	6,275	-	7,412	-	7,412
Donations		-	725	-	725	-	1,184	-	1,184
Books, newspapers, magazines & periodicals		-	956	-	956	-	591	-	591
Business development marketing expenses		67,708	-	-	67,708	21,483	30,190	-	51,673
Software expenses		-	89,638	-	89,638	-	88,631	-	88,631
IT expenses		-	-	-	-	-	-	-	-
Insurance		-	51,096	-	51,096	-	58,996	-	58,996
Security		-	8,238	-	8,238	-	4,833	-	4,833
Cleaning		-	5,594	-	5,594	-	6,019	-	6,019
Rent and parking		-	31,695	-	31,695	-	35,352	-	35,352
Interest expense_lease liabilities	48	-	28,632	-	28,632	-	32,662	-	32,662
Other expenses		-	59,161	33,347	92,508	-	61,434	38,306	99,740
Total		654,319	1,869,641	92,340	2,616,300	318,486	1,982,676	95,833	2,396,995
Allocated as follows:									
Insurance Contracts		636,466	1,754,438	-	2,390,904	302,562	1,876,335	-	2,178,897
Reinsurance Contracts		17,853	115,203	-	133,056	15,924	106,341	-	122,265
Impairment gain on financial asset		-	-	6,749	6,749	-	-	(1,684)	(1,684)
Non attributable		-	-	85,591	85,591	-	-	97,517	97,517
Total		654,319	1,869,641	92,340	2,616,300	318,486	1,982,676	95,833	2,396,995

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

15 OPERATING AND OTHER EXPENSES

COMPANY

	Notes	2024				2023			
		Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Employee benefit expense	16	132,983	839,799	-	972,782	120,290	759,641	-	879,931
Investment expenses		-	-	40,728	40,728	-	-	41,838	41,838
Impairment gain on financial asset		-	-	6,603	6,603	-	-	(1,685)	(1,685)
Depreciation on property and equipment	21	-	25,677	-	25,677	-	28,005	-	28,005
Depreciation on right-of-use asset	23	-	33,351	-	33,351	-	30,428	-	30,428
Repairs and maintenance		-	70,736	-	70,736	-	60,236	-	60,236
Branding and marketing expenses		196,956	-	-	196,956	172,155	-	-	172,155
Professional and consultancy fees		-	59,760	-	59,760	-	56,240	-	56,240
Levies		-	75,387	-	75,387	-	60,202	-	60,202
Licenses and permits		-	702	-	702	-	807	-	807
Auditors' remuneration		-	6,154	-	6,154	-	6,919	-	6,919
Directors' emoluments									
- fees for services as directors		-	8,310	-	8,310	-	9,900	-	9,900
Amortisation of intangible assets	24	-	7,362	-	7,362	-	4,669	-	4,669
Recruitment fees		-	4,629	-	4,629	-	2,286	-	2,286
Training fee		-	9,056	-	9,056	-	9,776	-	9,776
Electricity and water		-	11,508	-	11,508	-	6,628	-	6,628
Entertainment		-	14,093	-	14,093	-	9,431	-	9,431
Motor vehicle expenses		-	9,243	-	9,243	-	9,228	-	9,228
Printing and stationery		-	15,987	-	15,987	-	16,004	-	16,004
Postage and telephone		-	27,913	-	27,913	-	16,545	-	16,545
Travelling		2,962	18,709	-	21,671	4,558	19,407	-	23,965
Bank charges		-	8,487	-	8,487	-	7,815	-	7,815
Subscriptions		-	6,275	-	6,275	-	5,824	-	5,824
Donations		-	725	-	725	-	1,115	-	1,115
Books, newspapers, magazines & periodicals		-	956	-	956	-	591	-	591
Business development marketing expenses		24,157	-	-	24,157	21,483	-	-	21,483
Software expenses		-	89,638	-	89,638	-	80,485	-	80,485
IT expenses		-	-	-	-	-	-	-	-
Insurance		-	51,096	-	51,096	-	42,629	-	42,629
Security		-	8,238	-	8,238	-	3,555	-	3,555
Cleaning		-	5,594	-	5,594	-	5,175	-	5,175
Rent and parking		-	31,430	-	31,430	-	31,171	-	31,171
Interest expense_lease liabilities	48	-	19,779	-	19,779	-	26,595	-	26,595
Other expenses		-	5,021	33,347	38,368	-	-	44,980	44,980
Total		357,058	1,465,615	80,678	1,903,351	318,486	1,311,307	85,133	1,714,926
Allocated as follows:									
Insurance Contracts		339,205	1,393,327	-	1,732,532	302,562	1,245,742	-	1,548,304
Reinsurance Contracts		17,853	72,288	-	90,141	15,924	65,565	-	81,489
Impairment gain on financial asset		-	-	6,603	6,603	-	-	(1,685)	(1,685)
Non attributable		-	-	74,075	74,075	-	-	86,818	86,818
Total		357,058	1,465,615	80,678	1,903,351	318,486	1,311,307	85,133	1,714,926

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

16 EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Employee costs				
Salaries and benefits	1,135,216	1,064,384	846,597	778,153
Defined contribution retirement schemes				
- Group pension fund	62,744	61,769	56,725	46,190
- National Social Security Fund	29,526	18,752	1,842	2,458
Medical	43,581	41,508	36,051	33,865
Staff welfare	78,283	28,534	31,567	19,265
	1,349,350	1,214,947	972,782	879,931
The average number of employees during the year was as follows:				
- Business Development and Operations	291	281	187	180
- Management	34	31	23	21
	325	312	210	201

17 INCOME TAX EXPENSE

a) Tax expense

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Current income tax expense	371,111	477,866	307,007	418,082
Prior year current tax under-provision	2,843	-	2,843	-
Total current year tax expense	373,954	477,866	309,850	418,082
Deferred income tax credit (Note 25(b))	(13,268)	23,641	(5,966)	11,551
Prior year deferred tax over provision (Note 25(b))	(374)	-	(374)	-
Total deferred tax expense	(13,642)	23,641	(6,340)	11,551
	360,312	501,507	303,510	429,633

b) Reconciliation of tax expense to expected tax based on accounting profit

The Group's income tax expense is computed in accordance with income tax rules applicable to general insurance companies. The tax rate is 30%.

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Profit before income tax	1,701,742	1,650,277	1,403,560	1,409,463
Tax calculated at a rate of 30% (2023 - 30%) for the Company and 30% at Subsidiaries (2023:30%)	510,523	495,083	421,068	422,839
Tax effect of:				
- Income not subject to tax	(229,471)	(162,981)	(166,108)	(115,547)
- Expenses not deductible for tax purposes	50,772	135,360	46,080	122,341
Deferred tax not recognised	(2,511)	3,130	-	-
Tax on Government Securities at applicable rate of 20%	28,529	30,915	-	-
Prior year current tax under-provision	2,844	-	2,844	-
Prior year deferred tax over-provision	(374)	-	(374)	-
	360,312	501,507	303,510	429,633

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

17 INCOME TAX EXPENSE (continued)

c) Tax movement

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
At 1 January	74,291	(73,860)	124,727	(38,988)
Addition from business combination	-	(12,197)	-	-
Current taxation expense	373,954	477,866	309,850	418,082
Tax paid	(570,524)	(308,725)	(506,077)	(254,367)
Exchange difference on translation	4,961	(8,793)	-	-
At 31 December	(117,318)	74,291	(71,500)	124,727
d) Analysed as follows:				
Current tax recoverable	(117,318)	(50,436)	(71,500)	-
Current tax payable	-	124,727	-	124,727
	(117,318)	74,291	(71,500)	124,727

18 PROFIT FOR THE YEAR

A profit of Ksh 1,100,050,000 (2023: Ksh 979,830,000) has been dealt with in the books of the company, ICEA LION General Insurance Company Limited.

19 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the year attributable to equity holders of the parent company by the number of ordinary shares in issue at the end of the reporting period.

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Profit attributable to ordinary shareholders (Ksh'000)	1,294,516	1,103,148	1,100,050	979,830
Number of ordinary shares ('000)	50,000	50,000	50,000	50,000
Basic and diluted earnings per share (Ksh)	25.89	22.06	22.00	19.60

There were no potentially dilutive shares outstanding at 31 December 2024 or 31 December 2023. Diluted earnings per share is therefore the same as basic earnings per share.

20 DIVIDENDS

No interim dividend was paid in the year. At the annual general meeting, a final dividend in respect of 2024 of Kshs 8 (2023 - Kshs 6) per share amounting to Kshs 400,000,000 (2023: Ksh 300,000,000) will be proposed by the directors. The final proposed dividend for the year is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The total dividend for the year ended 31 December 2024 will therefore be Ksh 8.00 per share (2023: Ksh 6.00 per share) amounting to a total of Ksh 400,000,000 (2023: Ksh 300,000,000).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

21 PROPERTY AND EQUIPMENT

(a) GROUP				
Cost	Motor vehicles Ksh'000	Computer equipment Ksh'000	Furniture fittings & office equipment Ksh'000	Total Ksh'000
At 1 January 2023	68,757	138,594	312,383	519,734
Acquired through business combination	6,760	24,662	53,956	85,378
Additions	1,499	16,612	20,197	38,308
Disposals	(4,512)	(4,742)	(5,867)	(15,121)
Exchange difference	4,799	8,385	18,159	31,343
At 31 December 2023	77,303	183,511	398,828	659,642
At 1 January 2024	77,304	183,511	398,827	659,642
Additions	-	23,727	23,161	46,888
Disposals	(9,534)	(3,454)	-	(12,988)
Exchange difference	(4,771)	(7,311)	(15,427)	(27,509)
At 31 December 2024	62,999	196,473	406,561	666,033
Depreciation				
At 1 January 2023	52,954	116,387	282,151	451,492
Acquired through business combination	6,733	23,127	43,626	73,486
Charge for the year	6,295	17,860	16,366	40,521
Eliminated on disposals	(4,512)	(4,512)	(5,867)	(14,891)
Exchange differences	4,401	6,085	15,089	25,575
At 31 December 2023	65,871	158,947	351,365	576,183
At 1 January 2024	65,871	158,947	351,365	576,183
Charge for the year	5,595	14,016	17,544	37,155
Eliminated on disposals	(9,534)	(3,072)	-	(12,606)
Exchange differences	(3,850)	(6,269)	(12,067)	(22,186)
At 31 December 2024	58,082	163,622	356,842	578,546
Net book value				
At 31 December 2023	11,432	24,564	47,463	83,459
At 31 December 2024	4,917	32,851	49,719	87,487

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

21 PROPERTY AND EQUIPMENT (CONTINUED)

Fully depreciated assets at 31 December 2024 amounted to Ksh430,466,967 (2023 – Ksh 443,872,730). The notional annual depreciation on these assets would have been Ksh 74,435,183 (2023 – Ksh 78,164,839).

None of the Group's property and equipment has been pledged as security for borrowings.

(b) COMPANY	Motor vehicles Ksh'000	Computer equipment Ksh'000	Furniture fittings & office equipment Ksh'000	Total Ksh'000
Cost				
At 1 January 2023	51,698	129,193	287,464	468,355
Additions	-	9,631	12,943	22,574
Disposals	(4,512)	(4,452)	(5,064)	(14,028)
At 31 December 2023	47,186	134,372	295,343	476,901
At 1 January 2024				
At 1 January 2024	47,186	134,372	295,343	476,901
Additions	-	16,814	17,567	34,381
Disposals	(3,100)	(2,146)	-	(5,246)
At 31 December 2024	44,086	149,040	312,910	506,036
Depreciation				
At 1 January 2023	41,578	108,345	264,855	414,778
Charge for the year	4,409	12,872	10,724	28,005
Eliminated on disposals	(4,512)	(4,347)	(5,064)	(13,923)
At 31 December 2023	41,475	116,870	270,515	428,860
At 1 January 2024				
At 1 January 2024	41,475	116,870	270,515	428,860
Charge for the year	4,010	10,346	11,321	25,677
Eliminated on disposals	(3,100)	(2,100)	-	(5,200)
At 31 December 2024	42,385	125,116	281,836	449,337
Net book value				
At 31 December 2023	5,711	17,502	24,828	48,041
At 31 December 2024	1,701	23,924	31,074	56,699

Fully depreciated assets at 31 December 2024 amounted to Ksh 405,461,589 (2023: Ksh 336,665,093). The notional annual depreciation on these assets would have been Ksh 69,200,270 (2023: Ksh 57,511,154).

None of the Company's assets has been pledged as security for borrowings.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

22 INVESTMENT PROPERTIES

	GROUP AND COMPANY	
	2024 Ksh'000	2023 Ksh'000
At 1 January	2,780,000	2,800,000
Additions	-	21,395
Fair value gains	85,000	(41,395)
At 31 December	2,865,000	2,780,000

The investment properties were valued on 31 December 2024 by Lloyd Masika Limited.

Rental income arising from investment properties during the year amounted to Ksh 218,840,000 (2023: Ksh 219,149,000). Expenses relating to investment property amounted to Ksh 40,727,000 (2023: Ksh 43,523,000).

Refer to note 4(d) (ii) on valuation technique, significant unobservable inputs and inter-relationship between key unobservable inputs and fair value measurement and note 3 for the sensitivity effects of changes in gross annual rental and the yield.

23 RIGHT-OF-USE ASSET

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Cost				
At 1 January	576,828	353,008	277,871	272,551
Acquired through business combination	-	93,946	-	-
Additions	20,164	114,467	18,606	38,897
Lease modification	(8,616)	(13,105)	(8,616)	(13,105)
De-recognition of right of use asset	-	(20,472)	-	(20,472)
Exchange difference	(44,822)	48,984	-	-
At 31 December	543,554	576,828	287,861	277,871
Depreciation				
At 1 January	357,916	194,004	179,885	149,457
Acquired through business combination	-	76,141	-	-
Charge for the year	61,493	57,007	33,351	30,428
Exchange differences	(26,539)	30,764	-	-
At 31 December	392,870	357,916	213,236	179,885
Net Book Value				
At 31 December	150,684	218,912	74,625	97,986

The Group and Company leases various office premises. The average lease term is five years.

The maturity analysis of the lease liabilities is presented in note 48.

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Expenses charged to profit or loss relating to right-of-use assets and lease liabilities				
Amortisation expense on right-of-use assets (note 15, 23)	61,493	57,007	33,351	30,428
Interest expense on lease liabilities (note 15, 48)	28,632	32,662	19,779	26,595
Variable lease payment (note 15)	31,695	35,352	31,430	31,171

The Group and Company makes payments in relation to service charge on its leased properties. These amounts are not included in the calculation of the lease liability as the actual cost to the Group depends on the actual expenses incurred which varies from time to time. The Group and Company has no restrictions or covenants imposed by its leases, neither are there arranged sale and leaseback transactions.

The Company has determined the threshold for low values leases as Ksh 1,000,000.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

24 INTANGIBLE ASSETS - COMPUTER SOFTWARE

(a) GROUP	2024 Computer Software Ksh'000	2024 Work in progress Ksh'000	2024 Total Ksh'000	2023 Computer Software Ksh'000	2023 Work in progress Ksh'000	2023 Total Ksh'000
Cost						
At 1 January	181,698	47,742	229,440	147,645	34,633	182,278
Acquired through business combination	-	-	-	11,812	-	11,812
Additions	10,008	1,433	11,441	4,436	25,016	29,452
Transfers from work in progress	-	-	-	11,907	(11,907)	-
Exchange difference	(5,045)	-	(5,045)	5,550	-	5,550
At 31 December	186,661	49,175	235,836	181,350	47,742	229,092
Amortisation						
At 1 January	158,992	-	158,992	135,916	-	135,916
Acquired through business combination	-	-	-	6,698	-	6,698
Charge for the year	13,655	-	13,655	12,414	-	12,414
Exchange difference	(3,815)	-	(3,815)	3,616	-	3,616
At 31 December	168,832	-	168,832	158,644	-	158,644
Net book value						
At 31 December	17,829	49,175	67,004	22,706	47,742	70,448

Work in progress represents costs incurred towards development of an operations software.

(b) COMPANY	2024 Computer Software Ksh'000	2024 Work in progress Ksh'000	2024 Total Ksh'000	2023 Computer Software Ksh'000	2023 Work in progress Ksh'000	2023 Total Ksh'000
Cost						
At 1 January	148,032	47,742	195,774	133,888	34,633	168,521
Additions	8,841	1,433	10,274	2,237	25,016	27,253
Transfers from work in progress	-	-	-	11,907	(11,907)	-
At 31 December	156,873	49,175	206,048	148,032	47,742	195,774
Amortisation						
At 1 January	133,471	-	133,471	128,802	-	128,802
Charge for the year	7,362	-	7,362	4,669	-	4,669
At 31 December	140,833	-	140,833	133,471	-	133,471
Net book value						
At 31 December	16,040	49,175	65,215	14,561	47,742	62,303

Work in progress represents costs incurred towards development of an operations software.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

25 DEFERRED INCOME TAX ASSET/LIABILITY

Deferred taxation is calculated, on all temporary differences under the liability method using the income tax rates of 30% applicable in both Kenya and Tanzania.

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
(a) The deferred income tax liability/asset is attributable to the following items:				
Deferred tax liability:				
Revaluation surplus - Investment properties	566,735	541,236	566,736	541,236
Unrealised exchange gain	872	15,153	-	11,370
IFRS 17 adjustment	100,225	100,225	100,225	100,225
Fair value gains on OCI	23,155	6,155	-	-
Right of Use Assets	22,388	-	22,388	-
	713,375	662,769	689,349	652,831
Deferred tax assets:				
Excess depreciation over capital allowances	(12,769)	(16,903)	(12,467)	(17,667)
Provisions	(203,433)	(162,155)	(169,397)	(151,675)
Unrealised exchange losses	(17,982)	-	(17,982)	-
Lease liability and right-of-use asset	(39,705)	(28,178)	(40,400)	(28,046)
	(273,889)	(207,236)	(240,246)	(197,388)
Net deferred tax liability	439,486	455,533	449,103	455,443
(b) Deferred tax movement:				
At 1 January	455,533	429,104	455,443	443,892
Charge to P&L (note 17)	(13,268)	23,641	(5,966)	11,551
Deferred tax credit prior year (note 17)	(374)	-	(374)	-
Charge for the year	(13,642)	23,641	(6,340)	11,551
Charge to OCI, items that may not be subsequently classified to profit or loss	(2,108)	4,049	-	-
Exchange difference on Translation	(297)	(1,261)	-	-
At 31 December	439,486	455,533	449,103	455,443
(c) Analysis of the year-end balance is as follows:				
Deferred taxation assets	(9,617)	-	-	-
Deferred taxation liabilities	449,103	455,533	449,103	455,443
At 31 December	439,486	455,533	449,103	455,443

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

26 EQUITY SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP	
	2024 Ksh'000	2023 Ksh'000
At 1 January	26,760	9,889
Additions	157	344
Fair value gains	(7,027)	13,497
Exchange difference on translation	(4,312)	3,030
At 31 December	15,578	26,760

27 EQUITY SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023	2024	2023
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January	777,608	958,805	547,174	806,174
Acquired through business combination	-	11,933	-	-
Additions	-	575	-	-
Disposals	(11,878)	(57,664)	(11,878)	(57,664)
Fair value losses	221,428	(168,675)	196,750	(201,336)
Exchange difference on translation	(34,767)	32,634	-	-
At 31 December	952,391	777,608	732,046	547,174

28 REAL ESTATE INVESTMENT TRUSTS

	GROUP AND COMPANY	
	2024 Ksh'000	2023 Ksh'000
At 1 January	35,560	34,121
Fair value gain	722	1,439
At 31 December	36,282	35,560

The dividend earned together with fair value gains during the year was Ksh 2,044,000 (2023 - Ksh 2,745,000). The effective rate of return was 5.6% (2023 - 7.7%).

29(a) DEBT SECURITIES AT AMORTISED COST

	2024	2023	2024	2023
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Treasury bills and bonds maturity				
- Within 4 to 12 months	712,011	399,828	541,069	84,322
- Within 1 to 5 years	3,596,637	832,892	2,965,974	320,721
- Over 5 years	1,625,947	5,309,294	1,022,375	4,604,962
	5,934,595	6,542,014	4,529,418	5,010,005

If the financial assets were measured at fair value, they would be disclosed at level 1 in the fair value measurement hierarchy. The fair value of these investments as at 31 December 2024 was Ksh 5,579,394,446 and Ksh 4,174,217,958 (2023: Ksh 5,882,754,765 and Ksh 4,560,108,000) at the Group and Company level respectively. Please refer to note 4(b) and note 14(a) for details of expected credit losses.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

29(b) MOVEMENT IN DEBT SECURITIES AT AMORTISED COST

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
At 1 January	6,542,014	5,486,996	5,010,005	5,355,249
Acquired through business combination	-	1,189,598	-	-
Additions				
- Beyond 3 months	365,289	484,242	-	-
- Within 3 months	-	-	-	-
Maturities				
- Beyond 3 months	(905,390)	(636,247)	(596,201)	(320,935)
- Within 3 months	-	-	-	-
Impairment	(9,575)	(1,773)	(8,313)	(417)
Accrued interest	184,027	-	137,582	-
Amortisation	(13,655)	(23,892)	(13,655)	(23,892)
Exchange difference	(228,115)	43,090	-	-
At 31 December	5,934,595	6,542,014	4,529,418	5,010,005

30 DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP AND COMPANY	
	2024 Ksh'000	2023 Ksh'000
At 1 January	1,170,997	1,387,061
Disposals	-	(102,644)
Fair value gain/(losses)	103,235	(113,420)
At 31 December	1,274,232	1,170,997

31(a) CORPORATE BONDS AT AMORTISED COST

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Corporate bonds maturing within:				
- 0 to 1 year	-	-	-	-
- 1 to 5 years	73,992	77,776	58,124	58,039
At 31 December	73,992	77,776	58,124	58,039

31(b) CORPORATE BONDS MOVEMENT

	2024	2023	2024	2023
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January	77,776	74,833	58,039	58,915
Accrued interest	(774)	992	19	39
Impairment	43	(940)	66	(915)
Translation	(3,053)	2,891	-	-
At 31 December	73,992	77,776	58,124	58,039

Please refer to note 4(b) for expected credit losses on corporate bonds.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

32 RECEIVABLES FROM INTERMEDIARIES

The approved credit period with respect to the Company for corporate accounts is 60 days while for retail accounts is 30 days. One of the subsidiaries operates on a cash and carry basis. Before accepting any new customer, the Group assesses the customer's credit quality and defines credit limits for that specific customer. The concentration of credit risk arises from commercial lines business which contributes over 6% (2023 - over 70%) of the total gross written premium.

GROUP	Fully performing Ksh'000	Impaired Ksh'000	Total Ksh'000
31 December 2024			
Insurance contract assets	805,977	317,644	1,123,621
Provision for impairment	-	(317,644)	(317,644)
	805,977	-	805,977
31 December 2023			
Insurance contract assets	760,629	319,170	1,079,799
Provision for impairment	-	(319,170)	(319,170)
	760,629	-	760,629
COMPANY			
31 December 2024			
Insurance contract assets	691,276	306,182	997,458
Provision for impairment	-	(306,182)	(306,182)
	691,276	-	691,276
31 December 2023			
Insurance contract assets	708,322	254,729	963,051
Provision for impairment	-	(254,729)	(254,729)
	708,322	-	708,322

33 OPERATING LEASE INCOME

Maturity analysis of operating lease receipts:

	GROUP AND COMPANY	
	2024 Ksh'000	2023 Ksh'000
Year 1	241,612	230,106
Year 2	253,692	241,612
Year 3	266,377	253,692
Year 4	279,696	266,377
Year 5	293,681	279,696
Year 6	308,365	293,681
Year 7 and onwards	284,419	308,365
	1,927,842	1,873,529

The following table presents the amounts reported in profit or loss:

	2024 Ksh'000	2023 Ksh'000
Lease income on operating leases	218,840	219,149

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

34 REINSURERS' CONTRACT ASSETS

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Asset for remaining coverage	2,027,038	1,781,103	1,380,680	1,311,172
Incurred claims recoverable	1,909,208	1,952,470	1,466,436	1,350,282
Reinsurance risk adjustment	267,892	477,527	183,593	346,670
Reinsurance contract assets	976,983	678,498	664,005	397,430
	5,181,121	4,889,598	3,694,714	3,405,554

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Liability for remaining coverage	4,421,348	3,923,759	3,122,560	2,828,658
Liability for incurred claims	4,881,665	5,138,684	3,939,722	3,930,597
Net insurance contract liabilities	9,303,013	9,062,443	7,062,282	6,759,255
Reinsurance contract assets	(5,181,121)	(4,889,598)	(3,694,714)	(3,405,554)
Reinsurance contracts held that are liabilities	446,818	685,758	173,054	351,625
Net	(4,734,303)	(4,203,840)	(3,521,660)	(3,053,929)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

GROUP 2024	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Insurance contract issued that are liabilities Kshs'000
Opening liabilities	(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)
Insurance revenue	11,745,289	-	11,745,289	-	-	-	11,745,289
Total	11,745,289	-	11,745,289	-	-	-	11,745,289
Insurance service expenses							
Changes that related to Loss component	-	(39,469)	(39,469)	-	-	-	(39,469)
Incurred claims	-	-	-	(4,312,872)	420,201	(3,892,671)	(3,892,671)
Other directly attributable expenses	-	-	-	(2,390,904)	-	(2,390,904)	(2,390,904)
Amortisation of insurance acquisition costs	(1,498,054)	-	(1,498,054)	-	-	-	(1,498,054)
Net expenses from insurance contracts	(1,498,054)	(39,469)	(1,537,523)	(6,703,776)	420,201	(6,283,575)	(7,821,098)
Interest accreted	-	-	-	(392,462)	(59,153)	(451,615)	(451,615)
Effect of changes in interest rates	-	-	-	(59,274)	-	(59,274)	(59,274)
Net Insurance finance income/expense	-	-	-	(451,736)	(59,153)	(510,889)	(510,889)
Total changes in the statement of profit or loss and OCI	10,247,235	(39,469)	10,207,766	(7,155,512)	361,048	(6,794,464)	3,413,302
Other Movements	-	61,042	61,042	2	-	2	61,044
Cash flows							
Premiums received for insurance contracts issued	(12,374,036)	-	(12,374,036)	-	-	-	(12,374,036)
Insurance acquisition cash flows	1,607,639	-	1,607,639	-	-	-	1,607,639
Claims paid	-	-	-	4,660,577	-	4,660,577	4,660,577
Other directly attributable expenses paid	-	-	-	2,390,904	-	2,390,904	2,390,904
Total cash flows	(10,766,397)	-	(10,766,397)	7,051,481	-	7,051,481	(3,714,916)
Closing Liabilities	(4,356,103)	(65,245)	(4,421,348)	(4,396,577)	(485,088)	(4,881,665)	(9,303,013)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation (continued)

GROUP 2023	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Insurance contract issued that are liabilities Kshs'000
Opening liabilities	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)
Acquisition on Business Combination	(394,139)	(36,134)	(430,273)	(464,969)	(96,102)	(561,071)	(991,344)
Insurance revenue	10,887,918	-	10,887,918	-	-	-	10,887,918
Total	10,887,918	-	10,887,918	-	-	-	10,887,918
Insurance service expenses							
Changes that related to Loss component	-	67,743	67,743	-	-	-	67,743
Incurred claims	-	-	-	(4,109,134)	(123,723)	(4,232,857)	(4,232,857)
Other directly attributable expenses	-	-	-	(2,178,897)	-	(2,178,897)	(2,178,897)
Amortisation of insurance acquisition costs	(1,410,083)	-	(1,410,083)	-	-	-	(1,410,083)
Total insurance service expenses	(1,410,083)	67,743	(1,342,340)	(6,288,031)	(123,723)	(6,411,754)	(7,754,094)
Interest accreted	-	-	-	(144,326)	(34,420)	(178,746)	(178,746)
Effect of changes in interest rates	-	-	-	73,232	-	73,232	73,232
Net insurance finance income/expense	-	-	-	(71,094)	(34,420)	(105,514)	(105,514)
Total changes in the statement of profit or loss and OCI	9,477,835	67,743	9,545,578	(6,359,125)	(158,143)	(6,517,268)	3,028,310
Other movements	-	(5,237)	(5,237)	-	-	-	(5,237)
Cash flows							
Premiums received for insurance contracts issued	(11,432,706)	-	(11,432,706)	-	-	-	(11,432,706)
Insurance acquisition cash flows	1,299,874	-	1,299,874	-	-	-	1,299,874
Claims paid	-	-	-	4,132,887	-	4,132,887	4,132,887
Other directly attributable expenses paid	-	-	-	2,178,897	-	2,178,897	2,178,897
Total cash flows	(10,132,832)	-	(10,132,832)	6,311,784	-	6,311,784	(3,821,048)
Closing Liabilities	(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

COMPANY 2024	Liability for remaining coverage			Liability for incurred claims			Insurance contract issued that are liabilities Kshs'000
	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening liabilities	(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)
Insurance revenue	8,832,957	-	8,832,957	-	-	-	8,832,957
Total	8,832,957	-	8,832,957	-	-	-	8,832,957
Insurance service expenses							
Changes that related to Loss component	-	(16,607)	(16,607)	-	-	-	(16,607)
Incurred claims	-	-	-	(3,147,394)	358,034	(2,789,360)	(2,789,360)
Other directly attributable expenses	-	-	-	(1,732,532)	-	(1,732,532)	(1,732,532)
Amortisation of insurance acquisition costs	(1,025,190)	-	(1,025,190)	-	-	-	(1,025,190)
Net expenses from insurance contracts	(1,025,190)	(16,607)	(1,041,797)	(4,879,926)	358,034	(4,521,892)	(5,563,689)
Interest accreted	-	-	-	(350,111)	(49,541)	(399,652)	(399,652)
Effect of changes in interest rates	-	-	-	(61,919)	-	(61,919)	(61,919)
Net insurance finance income/expense	-	-	-	(412,030)	(49,541)	(461,571)	(461,571)
Total changes in the statement of profit or loss and OCI	7,807,767	(16,607)	7,791,160	(5,291,956)	308,493	(4,983,463)	2,807,697
Other movements	-	-	-	-	30	30	30
Cash flows							
Premiums received for insurance contracts issued	(9,143,199)	-	(9,143,199)	-	-	-	(9,143,199)
Insurance acquisition cash flows	1,058,137	-	1,058,137	-	-	-	1,058,137
Claims paid	-	-	-	3,241,776	-	3,241,776	3,241,776
Other directly attributable expenses paid	-	-	-	1,732,532	-	1,732,532	1,732,532
Total cash flows	(8,085,062)	-	(8,085,062)	4,974,308	-	4,974,308	(3,110,754)
Closing Liabilities	(3,057,315)	(65,245)	(3,122,560)	(3,608,948)	(330,774)	(3,939,722)	(7,062,282)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation (continued)

COMPANY 2023	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Insurance contract issued that are liabilities Kshs'000
Opening liabilities	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)
Insurance revenue	8,340,636	-	8,340,636	-	-	-	8,340,636
Total	8,340,636	-	8,340,636	-	-	-	8,340,636
Insurance service expenses							
Changes that related to Loss component	-	64,552	64,552	-	-	-	64,552
Incurred claims	-	-	-	(3,161,549)	(74,598)	(3,236,147)	(3,236,147)
Other directly attributable expenses	-	-	-	(1,548,304)	-	(1,548,304)	(1,548,304)
Amortisation of insurance acquisition costs	(999,841)	-	(999,841)	-	-	-	(999,841)
Total Insurance service expenses	(999,841)	64,552	(935,289)	(4,709,853)	(74,598)	(4,784,451)	(5,719,740)
Interest accreted	-	-	-	(110,887)	(27,030)	(137,917)	(137,917)
Effect of changes in interest rates	-	-	-	72,127	-	72,127	72,127
Net insurance finance income/expense	-	-	-	(38,760)	(27,030)	(65,790)	(65,790)
Total changes in the statement of profit or loss and OCI	7,340,795	64,552	7,405,347	(4,748,613)	(101,628)	(4,850,241)	2,555,106
Other movements	-	-	-	6	(6)	-	-
Cash flows							
Premiums received for insurance contracts issued	(8,721,390)	-	(8,721,390)	-	-	-	(8,721,390)
Insurance acquisition cash flows	1,040,047	-	1,040,047	-	-	-	1,040,047
Claims paid	-	-	-	3,403,602	-	3,403,602	3,403,602
Other directly attributable expenses paid	-	-	-	1,548,304	-	1,548,304	1,548,304
Total cash flows	(7,681,343)	-	(7,681,343)	4,951,906	-	4,951,906	(2,729,437)
Closing Liabilities	(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

GROUP 2024	Asset for remaining coverage					Asset for incurred claims			
	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contract held that are assets Kshs'000
Opening Assets	1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,000	477,527	2,428,527	4,889,598
Allocation of reinsurance premium Paid	(5,971,905)	-	(5,971,905)	-	(5,971,905)	-	-	-	(5,971,905)
Reinsurance amortize acquisition Cost	1,158,148	-	1,158,148	-	1,158,148	-	-	-	1,158,148
Total reinsurance premium paid	(4,813,757)	-	(4,813,757)	-	(4,813,757)	-	-	-	(4,813,757)
Other directly attributable expenses	-	-	-	-	-	(133,056)	-	(133,056)	(133,056)
Reinsurance expenses	(4,813,757)	-	(4,813,757)	-	(4,813,757)	(133,056)	-	(133,056)	(4,946,813)
Changes that related to Loss component	-	12,480	12,480	-	12,480	-	-	-	12,480
Recoveries for incurred claims	-	-	-	-	-	1,618,311	(237,702)	1,380,609	1,380,609
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-	-	10,280	-	10,280	10,280
Amounts recovered from reinsurance contracts	-	12,480	12,480	-	12,480	1,628,591	(237,702)	1,390,889	1,403,369
Interest accreted	-	-	-	-	-	177,721	28,067	205,788	205,788
Effect of changes in interest rates	-	-	-	-	-	10,153	-	10,153	10,153
Net insurance finance income/ expense	-	-	-	-	-	187,874	28,067	215,941	215,941
Total changes in the statement of profit or loss	(4,813,757)	12,480	(4,801,277)	-	(4,801,277)	1,683,409	(209,635)	1,473,774	(3,327,503)
Changes that relate to other reinsurance contract assets	-	-	-	297,015	297,015	-	-	-	297,015
Other movements	(12,613)	(32,790)	(45,403)	-	(45,403)	-	-	-	(45,403)
Cash flows	-	-	-	-	-	-	-	-	-
Premiums paid for reinsurance contracts held	6,308,979	-	6,308,979	-	6,308,979	-	-	-	6,308,979
Reinsurance acquisition cash flows	(1,216,364)	-	(1,216,364)	-	(1,216,364)	-	-	-	(1,216,364)
Other directly attributable expenses	-	-	-	-	-	133,056	-	133,056	133,056
Reinsurance recoveries	-	-	-	-	-	(1,858,257)	-	(1,858,257)	(1,858,257)
Total cash flows	5,092,615	-	5,092,615	-	5,092,615	(1,725,201)	-	(1,725,201)	3,367,414
Closing assets	2,024,456	2,582	2,027,038	976,983	3,004,021	1,909,208	267,892	2,177,100	5,181,121

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

GROUP 2023	Asset for remaining coverage					Asset for incurred claims			
	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contract held that are assets Kshs'000
Opening Assets	1,156,734	7,837	1,164,571	634,926	1,799,497	1,649,436	305,191	1,954,627	3,754,124
Acquisition on business combination	184,878	24,673	209,551	89,500	299,051	265,998	79,520	345,518	644,569
Allocation of reinsurance premium Paid	(5,416,586)	-	(5,416,586)	-	(5,416,586)	-	-	-	(5,416,586)
Reinsurance amortize acquisition Cost	1,092,245	-	1,092,245	-	1,092,245	-	-	-	1,092,245
Total reinsurance premium paid	(4,324,341)	-	(4,324,341)	-	(4,324,341)	-	-	-	(4,324,341)
Other directly attributable expenses	-	-	-	-	-	(122,265)	-	(122,265)	(122,265)
Reinsurance expenses	(4,324,341)	-	(4,324,341)	-	(4,324,341)	(122,265)	-	(122,265)	(4,446,606)
Changes that related to Loss component	-	(4,185)	(4,185)	-	(4,185)	-	-	-	(4,185)
Recoveries for incurred claims	-	-	-	-	-	1,666,861	74,358	1,741,219	1,741,219
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-	-	1,510	-	1,510	1,510
Amounts recovered from reinsurance contracts	-	(4,185)	(4,185)	-	(4,185)	1,668,371	74,358	1,742,729	1,738,544
Interest accreted	-	-	-	-	-	63,505	18,458	81,963	81,963
Effect of changes in interest rates	-	-	-	-	-	(8,143)	-	(8,143)	(8,143)
Net insurance finance income/ expense	-	-	-	-	-	55,362	18,458	73,820	73,820
Total changes in the statement of profit or loss	(4,324,341)	(4,185)	(4,328,526)	-	(4,328,526)	1,601,468	92,816	1,694,284	(2,634,242)
Changes that relate to other reinsurance contract assets	-	-	-	(44,458)	(44,458)	-	-	-	(44,458)
Other movements	-	(5,433)	(5,433)	-	(5,433)	-	-	-	(5,433)
Cash flows									
Premiums paid for reinsurance contracts held	6,030,846	-	6,030,846	-	6,030,846	-	-	-	6,030,846
Reinsurance acquisition cash flows	(1,289,906)	-	(1,289,906)	-	(1,289,906)	-	-	-	(1,289,906)
Reinsurance recoveries	-	-	-	-	-	(1,688,167)	-	(1,688,167)	(1,688,167)
Other directly attributable expenses	-	-	-	-	-	122,265	-	122,265	122,265
Total cash flows	4,740,940	-	4,740,940	-	4,740,940	(1,565,902)	-	(1,565,902)	3,175,038
Closing assets	1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,000	477,527	2,428,527	4,889,598

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

COMPANY 2024	Asset for remaining coverage					Asset for incurred claims			
	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contract held that are assets Kshs'000
Opening Assets	1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554
Allocation of reinsurance premium Paid	(4,353,235)	-	(4,353,235)	-	(4,353,235)	-	-	-	(4,353,235)
Reinsurance amortize acquisition Cost	720,783	-	720,783	-	720,783	-	-	-	720,783
Total reinsurance premium paid	(3,632,452)	-	(3,632,452)	-	(3,632,452)	-	-	-	(3,632,452)
Other directly attributable expenses	-	-	-	-	-	(90,141)	-	(90,141)	(90,141)
Reinsurance expenses	(3,632,452)	-	(3,632,452)	-	(3,632,452)	(90,141)	-	(90,141)	(3,722,593)
Changes that related to Loss component	-	(1,028)	(1,028)	-	(1,028)	-	-	-	(1,028)
Recoveries for incurred claims	-	-	-	-	-	958,218	(179,322)	778,896	778,896
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-	-	(588)	-	(588)	(588)
Amounts recovered from reinsurance contracts	-	(1,028)	(1,028)	-	(1,028)	957,630	(179,322)	778,308	777,280
Interest accreted	-	-	-	-	-	157,235	16,245	173,480	173,480
Effect of changes in interest rates	-	-	-	-	-	12,116	-	12,116	12,116
Net insurance finance income/expense	-	-	-	-	-	169,351	16,245	185,596	185,596
Total changes in the statement of profit or loss	(3,632,452)	(1,028)	(3,633,480)	-	(3,633,480)	1,036,840	(163,077)	873,763	(2,759,717)
Changes that relate to other reinsurance contract assets	-	-	-	266,575	266,575	-	-	-	266,575
Cash flows									
Premiums paid for reinsurance contracts held	4,423,992	-	4,423,992	-	4,423,992	-	-	-	4,423,992
Reinsurance acquisition cash flows	(721,004)	-	(721,004)	-	(721,004)	-	-	-	(721,004)
Reinsurance recoveries	-	-	-	-	-	(1,010,827)	-	(1,010,827)	(1,010,827)
Other directly attributable expenses	-	-	-	-	-	90,141	-	90,141	90,141
Total cash flows	3,702,988	-	3,702,988	-	3,702,988	(920,686)	-	(920,686)	2,782,302
Closing Assets	1,378,098	2,582	1,380,680	664,005	2,044,685	1,466,436	183,593	1,650,029	3,694,714

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

COMPANY 2023	Asset for remaining coverage					Asset for incurred claims			
	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contract held that are assets Kshs'000
Opening Assets	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747
Allocation of reinsurance premium Paid	(4,217,595)	-	(4,217,595)	-	(4,217,595)	-	-	-	(4,217,595)
Reinsurance amortize acquisition Cost	716,813	-	716,813	-	716,813	-	-	-	716,813
Total reinsurance premium paid	(3,500,782)	-	(3,500,782)	-	(3,500,782)	-	-	-	(3,500,782)
Other directly attributable expenses	-	-	-	-	-	(81,489)	-	(81,489)	(81,489)
Reinsurance expenses	(3,500,782)	-	(3,500,782)	-	(3,500,782)	(81,489)	-	(81,489)	(3,582,271)
Changes that related to Loss component	-	(4,227)	(4,227)	-	(4,227)	-	-	-	(4,227)
Recoveries for incurred claims	-	-	-	-	-	1,349,650	59,818	1,409,468	1,409,468
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-	-	-	11,748	-	11,748	11,748
Amounts recovered from reinsurance contracts	-	(4,227)	(4,227)	-	(4,227)	1,361,398	59,818	1,421,216	1,416,989
Interest accreted	-	-	-	-	-	(70,753)	13,731	(57,022)	(57,022)
Effect of changes in interest rates	-	-	-	-	-	7,564	-	7,564	7,564
Net insurance finance income/expense	-	-	-	-	-	(63,189)	13,731	(49,458)	(49,458)
Total changes in the statement of profit or loss	(3,500,782)	(4,227)	(3,505,009)	-	(3,505,009)	1,216,720	73,549	1,290,269	(2,214,740)
Changes that relate to other reinsurance contract assets	-	-	-	(158,062)	(158,062)	-	-	-	(158,062)
Cash flows									
Premiums paid for reinsurance contracts held	4,559,586	-	4,559,586	-	4,559,586	-	-	-	4,559,586
Reinsurance acquisition cash flows	(775,438)	-	(775,438)	-	(775,438)	-	-	-	(775,438)
Reinsurance recoveries	-	-	-	-	-	(1,432,028)	-	(1,432,028)	(1,432,028)
Other directly attributable expenses	-	-	-	-	-	81,489	-	81,489	81,489
Total cash flows	3,784,148	-	3,784,148	-	3,784,148	(1,350,539)	-	(1,350,539)	2,433,609
Closing Assets	1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

36 OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Staff receivables	77,158	78,529	47,531	44,710
Sundry receivables	233,448	195,185	91,313	96,058
Prepayments	39,285	30,533	30,877	11,788
Due from related parties (Note 55(d))	2,098	3,107	2,098	3,107
At 31 December	351,989	307,354	171,819	155,663

Please refer to note 4(b) for expected credit losses on other receivables.

37 KENYA MOTOR INSURANCE POOL

This represents the Group's share of the net assets of the pool. This balance is recoverable from the pool through a refund of the amount due upon discontinuation of the pool as well as a share of investment income generated by the pool's investments annually. The movement in the amount due is shown below;

	GROUP AND COMPANY	
	2024 Ksh'000	2023 Ksh'000
At 1 January	49,846	50,858
Net increase/(decrease) in the Group's share of net assets of the pool	6,514	(1,063)
Impairment credit	-	51
At 31 December	56,360	49,846

38 INVESTMENT IN SUBSIDIARIES

COMPANY	Beneficial ownership	Country of incorporation	2024 Ksh'000	2023 Ksh'000
At cost				
ICEA LION General Insurance Company (Tanzania) Limited	53%	Tanzania	50,147	50,147
ICEA LION General Insurance Company (UG) Limited	100%	Uganda	514,097	514,097
			564,244	564,244

The principal activity of ICEA LION General Insurance Company (Tanzania) Limited and ICEA LION General Insurance Company (Uganda) is the underwriting of the general insurance business. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

SIGNIFICANT RESTRICTIONS

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within Tanzania. The supervisory frameworks require the subsidiary to keep certain solvency levels and comply with other ratios.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

38 INVESTMENT IN SUBSIDIARIES (continued)

Set out below is the summarised financial information for the subsidiary.

	Tanzania		Uganda	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
a) Summarised statement of financial position				
Total assets	1,987,341	1,965,224	2,482,310	2,616,331
Total liabilities	(1,465,996)	(1,453,771)	(1,726,363)	(1,896,865)
Net assets	521,345	511,453	755,947	719,466
b) Summarised statement of comprehensive income				
Insurance revenue	1,374,037	1,237,443	1,538,295	1,309,835
Insurance service result	32,912	19,198	23,880	(46,907)
Profit/(loss) before income tax	128,086	138,028	173,828	102,785
Income tax (charge)/credit	(28,272)	(40,960)	(28,529)	(30,915)
Other comprehensive (loss)/income	(4,919)	9,448	-	-
Total comprehensive income	94,895	106,516	145,299	71,870
Summarised cash flows				
Net cash generated from operating activities	56,899	230,191	60,160	(51,140)
Net cash used in investing activities	(16,149)	(172,899)	(53,212)	77,635
Net cash used in financing activities	(26,055)	(20,735)	(17,391)	(20,661)
Net increase/(decrease) in cash and cash equivalents	14,695	36,557	(10,443)	5,834
Cash and cash equivalents at beginning of year	71,057	34,784	58,325	45,865
Cash and cash equivalents at end of year	88,744	71,057	45,959	58,325

39 BUSINESS COMBINATIONS

Since the establishment of ICEA LION Insurance Holdings Limited in 2020, the ICEA LION Group embarked on clustering similar business verticals for better management and sharper focus for greater group strategy. Effective 1 January 2023, ICEA LION Life Assurance Company Limited transferred their ownership in ICEA LION General Insurance (U) Limited to ICEA LION General Insurance Company Limited.

Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration: Outflow of cash to acquire subsidiary, net of cash acquired

	2023 Ksh'000
Cash consideration paid	530,392
Cash balances acquired	(190,636)
Net outflow of cash - investing activities	339,756
Acquisition-related costs	-

The assets and liabilities recognized as a result of the acquisition are as follows:

Acquisition date fair value

Cash consideration paid	530,392
Investment assets	(1,133,138)
Other assets	(773,429)
Insurance contract liabilities	991,343
Other liabilities	401,128
Loss on acquisition	16,296

There were no acquisitions in the year ending 31 December 2024.

Acquired insurance liabilities and financial assets.

Insurance contracts that were acquired as part of the business combination are measured based on the PAA at the date of acquisition. The Group Determined that all contracts at the acquisition date had significant insurance risk and met the definition of insurance contracts issued.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

40 DUE FROM SUBSIDIARY COMPANY

	2024 Ksh'000	2023 Ksh'000
Due from ICEA LION Tanzania Limited (Note 55(c))	12,371	14,785
Due from ICEA LION General Insurance Company (UG) Limited (Note 55(c))	1,202	1,127
At 31 December	13,573	15,912

The balance due from the subsidiary company is non-interest bearing and is repayable within 3 months.

41 (a) DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Deposits maturing:				
- Within 3 months	1,989,928	1,149,998	1,923,377	1,134,389
- Provision for impairment	(4,506)	(1,212)	(4,506)	(1,212)
Total (Note 53(b))	1,985,422	1,148,786	1,918,871	1,133,177
- Beyond 3 months	664,916	712,422	-	-
- Provision for impairment	(4,630)	(3,761)	-	-
Total	2,645,708	1,857,447	1,918,871	1,133,177

(b) MOVEMENT IN DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
At 1 January	1,857,447	654,879	1,133,177	232,375
Acquired through business combination	-	108,984	-	-
Additions:				
- Beyond 3 months	974,749	838,836	-	-
- Within 3 months	4,352,143	8,037,507	4,250,960	8,022,996
Maturities				
- Beyond 3 months	(983,492)	(765,911)	-	-
- Within 3 months	(3,442,741)	(7,126,477)	(3,459,092)	(7,152,291)
Provision for impairment				
- Beyond 3 months	(3,102)	(3,610)	-	-
- Within 3 months	(3,690)	(1,473)	(3,690)	(1,473)
Accrued interest	68,745	-	57,457	-
- Beyond 3 months Exchange difference	(105,275)	73,354	-	-
- Within 3 months Exchange difference	(69,076)	41,358	(59,941)	31,570
At 31 December	2,645,708	1,857,447	1,918,871	1,133,177

42 CASH AND BANK BALANCES

There were no restrictions on the bank and cash balances and hence these have been disclosed as cash and cash equivalents.

	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Bank balances	154,967	221,264	17,092	84,128
Cash balances	213	464	120	120
Provision for impairment	(1,235)	(2,510)	(31)	(650)
	153,945	219,218	17,181	83,598

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

43 WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

The following table summarises the weighted average effective interest rates realised during the year on interest-bearing investments:

	GROUP		COMPANY	
	2024 %	2023 %	2024 %	2023 %
Government securities	12.69	13.00	12.63	12.50
Corporate bonds	11.39	12.00	12.25	12.25
Deposits with financial institutions	10.00	11.00	10.95	11.00

44 SHARE CAPITAL

	Number of shares Ksh'000	Ordinary shares Ksh'000
Balance at 1 January 2023, 31 December 2023 and 31 December 2024	50,000	1,000,000

The total authorised number of ordinary shares is 50,000,000 with a par value of Ksh 20 per share. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regards to the Company's residual assets.

45 RESERVES

(a) Other reserve

The reserve represents the surplus on the revaluation of financial instruments held at fair value through other comprehensive income net of deferred tax. This reserve is not distributable.

(b) Contingency reserve

The contingency reserve relates to the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited. According to Tanzania Insurance Act 2009, a contingency reserve is required to be maintained. This reserve shall not be less than 3% of the net premium written or 20% of net profit, whichever is the greater. The reserve shall accumulate until it reaches the minimum paid up share capital of the company or 50% of the net earned premiums, whichever is greater. This reserve is not distributable.

(c) Currency translation reserve

The statement of financial position of the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited, is translated into Kenya Shillings at year end rate of exchange, while the statement of comprehensive income is translated into Kenya Shillings at the average rate of exchange for the year. The resulting translation differences are dealt with through other comprehensive income and accumulated in equity under the Group's currency translation reserve. This reserve is not distributable.

(d) Retained earnings

Retained earnings represent earnings not paid out as dividends, but retained by the Group to be reinvested in its core business activities.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

46 NON-CONTROLLING INTERESTS

	GROUP	
	2024 Ksh'000	2023 Ksh'000
At 1 January	240,385	158,266
Share of profit for the year	46,914	45,622
Share of other comprehensive income	(37,995)	36,497
Total comprehensive income	8,919	82,119
Share of dividend paid	(4,328)	-
Total at end of year	244,976	240,385

47 LONG-TERM LOAN

	GROUP	
	2024 Ksh'000	2023 Ksh'000
At 1 January	165,347	-
Acquired through business combination	-	132,838
Exchange difference on translation	(24,544)	32,509
At 31 December	140,803	165,347

The loan is denominated in Uganda Shillings (UGX 4billion) and was issued to ICEA LION General Insurance Company (U) Limited (subsidiary), by ICEA LION Life Assurance Company Limited (related company). The loan is subordinated at zero interest rate and is repayable when the subsidiary business generates sufficient cash flows for its repayment.

48 LEASE LIABILITY

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
At 1 January	310,420	289,767	190,406	253,896
Acquired through business combination	-	20,686	-	-
Additions	20,164	106,317	18,606	25,924
Interest charge for the year (note 15)	28,632	32,662	19,779	26,595
Interest charge payments during the year	(28,632)	(32,662)	(19,779)	(26,595)
Principal lease payments during the year	(94,744)	(88,247)	(65,265)	(54,074)
Lease modification	(9,081)	-	(9,081)	-
Lease de-recognition**	-	(35,340)	-	(35,340)
Exchange difference on translation	(18,177)	17,237	-	-
At 31 December	208,582	310,420	134,666	190,406

Maturity analysis of operating lease payments:

	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Year 1	111,416	109,408	85,467	80,561
Year 2	70,740	182,066	22,773	84,037
Year 3	22,358	21,420	22,358	21,057
Year 4	15,042	20,030	15,042	19,939
Year 5 and onwards	12,859	22,715	12,859	22,715
	232,415	355,639	158,499	228,309

** De-recognition during the current and prior year represents surrendered leases.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

48 LEASE LIABILITY (continued)

Amounts recognized in statement of cash flows	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Interest charge payments during the year	28,632	32,662	19,779	26,595
Principal lease payments during the year	94,744	88,247	65,265	54,074

Refer to note 23 for amounts recognized in profit or loss and other comprehensive income.

49 OTHER PAYABLES

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Accrued expenses	695,022	433,913	562,274	433,913
Due to related parties (note 55(e))	53,502	23,575	53,502	23,575
Other liabilities	425,784	550,369	113,721	148,185
	1,174,308	1,007,857	729,497	605,673

Other liabilities mainly comprises of bonus provision.

50 CLAIMS DEVELOPMENT

The table below illustrates how the Group's estimates of total claims outstanding for each accident year has changed at successive year ends.

Group 2024 - Gross of Reinsurance	Accident Year					Total
	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	2024 Kshs'000	
Accident Year	2,744,969	2,444,810	4,462,084	3,724,688	4,063,033	
One year later	3,102,569	2,986,025	5,155,495	4,590,513	-	
Two years later	3,089,304	3,082,208	5,252,048	-	-	
Three years later	3,118,167	3,099,040	-	-	-	
Four years later	3,069,497	-	-	-	-	
Current Estimate of Cumulative Claims	3,069,497	3,099,040	5,252,048	4,590,513	4,063,033	20,074,131
Cumulative Payments to Date	(2,931,904)	(2,802,940)	(4,648,391)	(3,252,572)	(2,303,901)	(15,939,708)
Reserve in Respect of Prior Years	826,316	-	-	-	-	826,316
LIC BEL Adjustment	-	-	-	-	(73,976)	(73,976)
ULAE	-	-	-	-	236,680	236,680
Risk Adjustment	-	-	-	-	563,259	563,259
Discounting	-	-	-	-	(805,037)	(805,037)
Total Gross Liability as per the Balance Sheet	963,909	296,100	603,657	1,337,941	1,680,058	4,881,665

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

50 CLAIMS DEVELOPMENT (continued)

Group 2023 - Gross of Reinsurance	Accident Year					Total
	2019 Kshs'000	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	
Accident Year	2,169,643	2,873,212	2,555,717	4,594,547	3,892,641	
One year later	2,581,173	3,239,694	3,118,661	5,307,632	-	
Two years later	2,526,389	3,222,215	3,206,626	-	-	
Three years later	2,513,209	3,250,067	-	-	-	
Four years later	2,494,629	-	-	-	-	
Current Estimate of Cumulative Claims	2,494,629	3,250,067	3,206,626	5,307,632	3,892,641	18,151,595
Cumulative Payments to Date	(2,388,373)	(3,034,097)	(2,770,876)	(4,364,193)	(1,867,255)	(14,424,794)
Reserve in Respect of Prior Years	1,159,607	-	-	-	-	1,159,607
LIC BEL Adjustment	-	-	-	-	(272,915)	(272,915)
ULAE	-	-	-	-	225,545	225,545
Risk Adjustment	-	-	-	-	938,690	938,690
Discounting	-	-	-	-	(639,044)	(639,044)
Total Gross Liability as per the Balance Sheet	1,265,863	215,970	435,750	943,439	2,277,662	5,138,684

Company 2024 - Gross of Reinsurance	2020	2021	2022	2023	2024	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
Accident Year	2,038,790	1,832,268	3,749,212	2,667,715	2,870,120	
One year later	2,339,235	2,241,756	4,294,552	3,347,417	-	
Two years later	2,348,787	2,384,512	4,408,939	-	-	
Three years later	2,383,528	2,401,348	-	-	-	
Four years later	2,331,558	-	-	-	-	
Current Estimate of Cumulative Claims	2,331,558	2,401,348	4,408,939	3,347,417	2,870,120	15,359,382
Cumulative Payments to Date	(2,203,046)	(2,181,681)	(3,879,436)	(2,202,661)	(1,623,057)	(12,089,881)
Reserve in Respect of Prior Years	749,238	-	-	-	-	749,238
LIC BEL Adjustment	-	-	-	-	49,699	49,699
ULAE	-	-	-	-	184,023	184,023
Risk Adjustment	-	-	-	-	390,913	390,913
Discounting	-	-	-	-	(703,653)	(703,653)
Total Gross Liability as per the Balance Sheet	877,750	219,667	529,503	1,144,756	1,168,045	3,939,722

Company 2023 - Gross of Reinsurance	2019	2020	2021	2022	2023	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
Accident Year	1,582,424	2,039,196	1,833,960	3,755,682	2,764,337	
One year later	1,981,539	2,339,235	2,241,756	4,294,552	-	
Two years later	1,970,067	2,348,787	2,384,512	-	-	
Three years later	1,954,535	2,383,528	-	-	-	
Four years later	1,955,382	-	-	-	-	
Current Estimate of Cumulative Claims	1,955,382	2,383,528	2,384,512	4,294,552	2,764,337	13,782,311
Cumulative Payments to Date	(1,854,368)	(2,179,812)	(2,051,841)	(3,518,178)	(1,243,297)	(10,847,496)
Reserve in Respect of Prior Years	837,579	-	-	-	-	837,579
LIC BEL Adjustment	-	-	-	-	(199,523)	(199,523)
ULAE	-	-	-	-	178,491	178,491
Risk Adjustment	-	-	-	-	713,151	713,151
Discounting	-	-	-	-	(533,916)	(533,916)
Total Gross Liability as per the Balance Sheet	938,593	203,716	332,671	776,374	1,679,243	3,930,597

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

51 PRIOR YEAR RESTATEMENT

The restatement relates to disaggregation of interest accretion and change in interest rates and other financial assumptions between insurance service result and insurance finance income and expense. There was no change in the reported profit before tax and there was no change in the items disclosed in the statement of financial position.

	GROUP			COMPANY		
	As previously stated 2023 Ksh'000	Adjustments 2023 Ksh'000	As restated 2023 Ksh'000	As previously stated 2023 Ksh'000	Adjustments 2023 Ksh'000	As restated 2023 Ksh'000
Insurance service expenses	(8,006,314)	252,220	(7,754,094)	(5,906,013)	186,273	(5,719,740)
Amount recovered from reinsurance contract held	1,905,425	(166,881)	1,738,544	1,543,867	(126,878)	1,416,989
Insurance service result	340,423	85,339	425,762	396,219	59,395	455,614
Insurance finance income/expenses	146,706	(252,220)	(105,514)	120,483	(186,273)	(65,790)
Reinsurance finance income/expenses	(93,061)	166,881	73,820	(77,420)	126,878	49,458
Insurance finance income and expense	53,645	(85,339)	(31,694)	43,063	(59,395)	(16,332)
Profit Before Tax	1,650,277	-	1,650,277	1,409,463	-	1,409,463

The impact of these restatements are not material to the financial statements, either individually or in the aggregate, and as such, the restatement has not been indicated as restated in the primary financial statements. This adjustment was meant to ensure greater clarity and accuracy in presenting the financial performance of the Group and the Company.

52 CONTINGENT LIABILITIES

a) Legal proceedings

The Group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final result of all pending or threatened legal proceedings, management does not believe that such proceedings (including outstanding litigations) will have a material effect on its results and financial position of the Group. However provisions for claims have been made as far as management believe the claim will be paid. The information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds it can be expected to prejudice the outcome of the petition.

b) Solvency regulations

The Group is also subject to insurance solvency regulations in the two territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

c) Kenya Revenue Authority (KRA) Audit

In 2021, the company received a tax assessment from the Kenya Revenue Authority (KRA) following an audit related to Corporate Income Tax (CIT) and Value Added Tax (VAT). The company filed an objection to the assessment. To address the CIT matters, the company engaged in an Alternative Dispute Resolution (ADR) process with the KRA, culminating in an ADR agreement signed on 26 November 2021. Regarding the VAT assessment, the case was escalated to the Tribunal, which ruled in favor of the company. However, the KRA appealed the Tribunal's decision to the High Court, with the judgement deferred to 27 June 2025. The likelihood of the assessment crystallizing into a liability is considered remote.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

53 NOTES TO THE CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

	Notes	GROUP		COMPANY	
		2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
(a) Cash generated from operations					
Reconciliation of profit before tax to cash used in operations;					
Profit before income tax		1,701,742	1,650,277	1,403,560	1,409,463
Adjustments for:					
Depreciation on property and equipment	21	37,155	40,521	25,677	28,005
Depreciation on right of use asset	23	61,493	57,007	33,351	30,428
Loss on disposal of equity instruments at fair value through profit or loss		(3,903)	(8,306)	(3,903)	(8,306)
Gain on disposal of treasury bonds		-	533	-	533
Gain on sale of property and equipment		(1,595)	(3,288)	(1,063)	(2,588)
Impairment on treasury bonds beyond 3 months		9,575	1,680	8,313	417
Impairment on deposits		3,102	(261)	3,690	(261)
Impairment on corporate bond		(43)	915	(66)	915
Exchange difference on debt securities at amortised cost		228,115	-	-	-
Exchange difference on corporate bond		3,053	-	-	-
Interest on lease liabilities		28,632	32,662	19,779	26,595
Amortisation of intangible assets	24	13,655	12,414	7,362	4,669
REIT revaluation	28	(722)	(1,439)	(722)	(1,439)
Fair value gains on Equity revaluation	27	(221,428)	168,675	(196,750)	201,336
Fair value gains on investment properties	22	(85,000)	41,395	(85,000)	41,395
Rental income	9(b)	(218,840)	(219,149)	(218,840)	(219,149)
Dividend income	9(b)	(70,158)	(66,003)	(56,515)	(55,799)
Dividend income from subsidiary	9(b)	-	-	(3,733)	-
REIT income	9(b)	(1,322)	(1,306)	(1,322)	(1,306)
Interest income	9(a)	(1,181,444)	(1,148,169)	(932,130)	(923,018)
Gain on discontinued lease		-	(15,449)	-	(15,449)
Changes in working capital:					
- Kenya motor insurance pool receivable		(6,514)	1,012	(6,514)	1,012
- receivables from intermediaries		(45,348)	(287,239)	17,046	(236,187)
- assets from reinsurance contracts		(291,523)	(1,135,474)	(289,160)	(60,807)
- other receivables net of rental debtors		(44,635)	(128,625)	(16,156)	(23,400)
- due from subsidiary company		-	-	2,339	(13,110)
- liability from Insurance Contracts		240,570	1,789,319	303,027	174,331
- payables arising from direct and reinsurance arrangements		(238,940)	285,334	(178,571)	41,581
- other payables		166,451	161,720	123,824	(63,006)
Working capital items acquired through business combination		-	(645,365)	-	-
Cash (used in)/generated from operations		82,128	583,391	(42,477)	336,855
(b) Analysis of cash and cash equivalents					
Cash and bank balances (Note 42)		153,945	219,218	17,181	83,598
Deposits with financial institutions maturing within 3 months (Note 41(a))		1,985,422	1,148,786	1,918,871	1,133,177
		2,139,367	1,368,004	1,936,052	1,216,775

54 CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
Approved Capital Expenditure	435,788	252,514	373,649	222,695

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Notes (continued)

55 RELATED PARTIES

The ultimate holding company is Asset Managers Limited while the immediate parent company is ICEA LION Insurance Holdings Limited. There are several other companies, which are related to ICEA LION General Insurance Company Limited through common shareholdings or common directorships. In the normal course of business, insurance policies are sold to related parties. All transactions with related parties are held at arm's length. Transactions with related parties during the year and related outstanding balances are disclosed below:

	Nature of relationship	GROUP		COMPANY	
		2024 Ksh'000	2023 Ksh'000	2024 Ksh'000	2023 Ksh'000
a) Transactions with related parties					
Premiums received net of commissions	Common shareholding	532,686	398,009	453,688	398,009
Premiums paid	Common shareholding	25,161	25,085	25,161	25,085
Pension paid	Common shareholding	113,116	98,292	113,116	98,292
Management fees – earned	Subsidiary	-	-	7,977	7,845
– expense	Common shareholding	19,419	10,635	10,902	10,635
Reinsurance premiums	Common shareholding	711,705	635,693	589,392	421,333
b) Balances with related parties					
i) Deposits with financial institutions	Common directorship	932,397	356,848	560,266	356,848
ii) Bank balances	Common directorship	11,879	80,508	11,879	80,508
iii) Interest receivable	Staff and Common directorship	29,218	5,852	13,525	5,852
iv) Premiums receivable from related parties	Common shareholding	49,203	55,445	49,203	55,445
v) Impairment on deposits with NCBA Bank Kenya PLC	Common directorship	(1,126)	(467)	(1,126)	(467)
vi) Loans to staff	Staff	37,622	45,872	35,819	43,816
c) Amounts due from a subsidiary					
ICEA LION General Insurance Company (Tanzania) Limited	Subsidiary	-	-	12,371	14,785
ICEA LION General Insurance Company (U) Limited	Subsidiary	-	-	1,202	1,127
		-	-	13,573	15,912
d) Due from related company*:					
ICEA LION Asset Management	Common shareholding	1,570	45	1,570	45
ICEA LION Trustee Services Ltd	Common shareholding	489	2	489	2
Knight Frank (K)	Common shareholding	-	22	-	22
Mitchell Cotts Freight Kenya Ltd	Common shareholding	-	448	-	448
Kahuho Holdings Ltd	Immediate Parent Company	39	-	39	-
Williamson Development Ltd	Common shareholding	-	2,590	-	2,590
At 31 December		2,098	3,107	2,098	3,107
e) Due to related company:					
ICEA LION Life Assurance Ltd	Common shareholding	46,745	23,165	46,745	23,165
Williamson Development Ltd	Common shareholding	410	410	410	410
ICEA LION Insurance Holdings Ltd	Immediate Parent Company	6,347	-	6,347	-
		53,502	23,575	53,502	23,575
f) Key management and directors' remuneration					
Director's remuneration (fees)		16,544	15,785	8,240	9,900
Key management remuneration					
Short-term employee benefits		363,199	358,444	249,416	239,364
Post employment benefits		21,699	21,714	19,314	17,972
Total		384,898	380,158	268,730	257,336

*No provision for bad debts were held with respect to amounts due from related parties.

56 EVENTS AFTER THE REPORTING DATE

There were no significant subsequent events after the year and that would necessitate disclosure or adjusting the financial statements.

APPENDIX I - CONSOLIDATED REVENUE ACCOUNTS SUPPLEMENTARY INFORMATION

for the year ended 31 December 2024

Class of Insurance Business	2023										2024																	
	Aviation Ksh'000	Engineering Ksh'000	Fire Domestic Ksh'000	Fire Industrial Ksh'000	Liability Ksh'000	Marine Ksh'000	Motor Private Ksh'000	Motor Comm Ksh'000	Personal Accident Ksh'000	Theft Ksh'000	Workmen's Comp Ksh'000	Medical Ksh'000	Miscella- neous Ksh'000	Total Ksh'000	Aviation Ksh'000	Engineering Ksh'000	Fire Domestic Ksh'000	Fire Industrial Ksh'000	Liability Ksh'000	Marine Ksh'000	Motor Private Ksh'000	Motor Comm Ksh'000	Personal Accident Ksh'000	Theft Ksh'000	Workmen's Comp Ksh'000	Medical Ksh'000	Miscella- neous Ksh'000	Total Ksh'000
Insurance revenue	1,525,555	445,283	1,657,09	2,166,421	3,61,297	346,363	2,565,139	1,150,631	590,256	375,987	905,825	823,059	323,764	11,745,289	1,525,555	445,283	1,657,09	2,166,421	3,61,297	346,363	2,565,139	1,150,631	590,256	375,987	905,825	823,059	323,764	10,887,918
Insurance service expense																												
Inced Claims	(22,588)	43,588	(75,455)	(679,356)	69,725	(52,547)	(1,439,721)	(434,987)	(219,734)	(202,857)	(328,324)	(705,474)	155,059	(3,892,671)	(22,588)	43,588	(75,455)	(679,356)	69,725	(52,547)	(1,439,721)	(434,987)	(219,734)	(202,857)	(328,324)	(705,474)	155,059	(4,232,857)
Other directly attributable Expense	(56,971)	(69,571)	(38,100)	(245,065)	(73,273)	(94,584)	(904,119)	(370,960)	(90,868)	(124,421)	(197,942)	(97,075)	(27,955)	(2,390,904)	(56,971)	(69,571)	(38,100)	(245,065)	(73,273)	(94,584)	(904,119)	(370,960)	(90,868)	(124,421)	(197,942)	(97,075)	(27,955)	(2,178,897)
Losses on onerous contracts and reversal of those losses	-	(12,654)	666	-	-	-	(18,962)	(2,328)	803	(2,917)	(5,414)	1,337	-	(39,469)	-	(12,654)	666	-	-	-	(18,962)	(2,328)	803	(2,917)	(5,414)	1,337	-	67,743
Insurance acquisition cash flows amortisation	(8,580)	(92,597)	(27,873)	(434,076)	(48,167)	(50,598)	(250,574)	(128,686)	(116,633)	(44,668)	(187,932)	(80,757)	(26,913)	(1,498,054)	(8,580)	(92,597)	(27,873)	(434,076)	(48,167)	(50,598)	(250,574)	(128,686)	(116,633)	(44,668)	(187,932)	(80,757)	(26,913)	(1,410,083)
Total insurance service expenses	(88,139)	(131,234)	(140,762)	(1,358,497)	(51,715)	(197,729)	(2,613,376)	(936,961)	(426,432)	(374,863)	(719,612)	(881,969)	100,191	(7,821,098)	(88,139)	(131,234)	(140,762)	(1,358,497)	(51,715)	(197,729)	(2,613,376)	(936,961)	(426,432)	(374,863)	(719,612)	(881,969)	100,191	(7,754,094)
Net expenses from reinsurance contracts held																												
Reinsurance expenses	(1,472,207)	(239,761)	(48,924)	(1,299,668)	(218,108)	(120,000)	(150,862)	(122,908)	(281,448)	(157,975)	(74,893)	(443,808)	(183,195)	(4,813,757)	(1,472,207)	(239,761)	(48,924)	(1,299,668)	(218,108)	(120,000)	(150,862)	(122,908)	(281,448)	(157,975)	(74,893)	(443,808)	(183,195)	(4,324,341)
Directly attributable Expenses	(2,092)	(3,517)	(2,186)	(11,816)	(3,256)	(5,034)	(56,320)	(17,479)	(5,222)	(7,365)	(10,801)	(6,680)	(1,288)	(133,056)	(2,092)	(3,517)	(2,186)	(11,816)	(3,256)	(5,034)	(56,320)	(17,479)	(5,222)	(7,365)	(10,801)	(6,680)	(1,288)	(122,265)
Reinsurance expenses	(1,474,299)	(243,278)	(51,110)	(1,311,484)	(221,364)	(125,034)	(207,182)	(140,387)	(286,670)	(165,340)	(85,694)	(450,488)	(184,483)	(4,946,813)	(1,474,299)	(243,278)	(51,110)	(1,311,484)	(221,364)	(125,034)	(207,182)	(140,387)	(286,670)	(165,340)	(85,694)	(450,488)	(184,483)	(4,446,606)
Amounts recoverable for incurred claims	28,045	(87,420)	248	575,091	(17,197)	(1,219)	61,433	42,032	149,104	129,063	141,269	459,426	(99,266)	1,380,609	28,045	(87,420)	248	575,091	(17,197)	(1,219)	61,433	42,032	149,104	129,063	141,269	459,426	(99,266)	1,741,219
Effect of changes in the risk of reinsurers non performance	(371)	5,040	23	1,293	507	338	228	852	(1,198)	(205)	(1,753)	(762)	6,288	10,280	(371)	5,040	23	1,293	507	338	228	852	(1,198)	(205)	(1,753)	(762)	6,288	1,510
Recoveries of loss on recognition of underlying onerous contracts	-	10,690	-	-	-	-	450	43	(354)	346	2,337	(1,032)	-	12,480	-	10,690	-	-	-	-	450	43	(354)	346	2,337	(1,032)	-	(4,185)
Amounts Recovered from insurance contracts	27,674	(71,690)	271	576,384	(16,690)	(881)	62,111	42,927	147,552	129,204	141,853	457,632	(92,978)	1,403,369	27,674	(71,690)	271	576,384	(16,690)	(881)	62,111	42,927	147,552	129,204	141,853	457,632	(92,978)	1,738,544
Insurance service result	(9,209)	(919)	(25,892)	72,824	71,528	22,719	(193,308)	116,210	24,706	(35,012)	242,372	(51,766)	146,494	380,747	(9,209)	(919)	(25,892)	72,824	71,528	22,719	(193,308)	116,210	24,706	(35,012)	242,372	(51,766)	146,494	425,762
Ratios																												
Retention	0%	21%	68%	16%	21%	52%	93%	87%	33%	48%	89%	38%	26%	49%	0%	21%	68%	16%	21%	52%	93%	87%	33%	48%	89%	38%	26%	50%
Net LIC	(96%)	41%	67%	29%	(70%)	29%	58%	39%	37%	41%	24%	79%	(73%)	43%	(96%)	41%	67%	29%	(70%)	29%	58%	39%	37%	41%	24%	79%	(73%)	46%
Total Expenses	4%	16%	24%	12%	21%	29%	37%	34%	16%	35%	23%	13%	9%	21%	4%	16%	24%	12%	21%	29%	37%	34%	16%	35%	23%	13%	21%	21%
Net Commission	(748%)	(19%)	21%	(23%)	(25%)	3%	9%	10%	2%	4%	20%	5%	(33%)	6%	(748%)	(19%)	21%	(23%)	(25%)	3%	9%	10%	2%	4%	20%	5%	(33%)	6%
Insurance service result	(175%)	(1%)	(23%)	21%	94%	13%	-8%	12%	13%	(19%)	30%	(16%)	172%	7%	(175%)	(1%)	(23%)	21%	94%	13%	-8%	12%	13%	(19%)	30%	(16%)	172%	8%

APPENDIX II - COMPANY REVENUE ACCOUNTS SUPPLEMENTARY INFORMATION

for the year ended 31 December 2024

Class of Insurance Business	Aviation		Engineering		Fire Domestic		Fire Industrial		Liability		Marine		Motor Private		Motor Comm		Personal Accident		Theft		Workmen's Comp		Medical		Miscellaneous		2024 Total		2023 Total		
	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000		
Insurance Revenue	1,449,999	250,321	158,808	1,665,087	245,023	247,007	2,142,362	607,728	313,946	206,455	857,114	455,346	233,761	8,832,957	8,340,636																
Insurance Service Expense																															
Incurred claims	(30,094)	149,006	(73,138)	(516,398)	81,893	(37,907)	(1,285,774)	(174,110)	(12,145)	(83,637)	(286,678)	(371,260)	(40,118)	(2,789,360)	(3,236,147)																
Other directly attributable Expense	(39,722)	(29,747)	(36,532)	(138,934)	(47,710)	(76,639)	(747,671)	(247,793)	(48,520)	(99,369)	(177,033)	(37,799)	(5,063)	(1,732,532)	(1,548,304)																
Changes that related to loss component	-	-	-	-	-	-	(14,394)	(2,329)	803	(2,917)	-	2,230	-	(16,607)	64,552																
Insurance acquisition cash flows amortisation	(7,339)	(42,063)	(26,382)	(304,536)	(33,606)	(34,449)	(197,327)	(56,493)	(62,291)	(25,630)	(177,502)	(44,848)	(12,724)	(1,025,190)	(999,841)																
Total Insurance Service expenses	(77,155)	77,196	(136,052)	(959,868)	577	(148,995)	(2,245,166)	(480,725)	(231,153)	(211,553)	(641,213)	(451,677)	(57,905)	(5,563,689)	(5,719,740)																
Net expenses from reinsurance contracts held																															
Reinsurance expenses	(1,403,400)	(146,218)	(46,783)	(1,067,153)	(148,412)	(70,525)	(89,901)	(15,179)	(168,407)	(42,957)	(55,304)	(245,849)	(132,364)	(3,632,452)	(3,500,782)																
Directly attributable expenses	(2,067)	(1,548)	(1,901)	(7,229)	(2,482)	(3,987)	(38,900)	(12,892)	(2,524)	(5,170)	(9,211)	(1,967)	(263)	(90,141)	(81,489)																
Reinsurance expenses	(1,405,467)	(147,766)	(48,684)	(1,074,382)	(150,894)	(74,512)	(128,801)	(28,071)	(170,931)	(48,127)	(64,515)	(247,816)	(132,627)	(3,722,593)	(3,582,271)																
Amounts recoverable for incurred claims	26,820	(172,951)	168	411,614	(12,580)	7,890	51,441	(22,149)	88,600	29,496	114,668	222,109	33,770	778,896	1,409,468																
Changes in the risk adjustment recognized for the risk expired	(349)	5,299	20	(855)	505	156	(661)	387	(1,372)	(229)	(1,751)	(762)	(976)	(588)	11,748																
Effect of changes in the risk of reinsurers non performance	-	-	-	-	-	-	237	43	(353)	345	-	(1,300)	-	(1,028)	(4,227)																
Total net expenses from reinsurance contracts held	26,471	(167,652)	188	410,759	(12,075)	8,046	51,017	(21,719)	86,875	29,612	112,917	220,047	32,794	777,280	1,416,989																
Insurance service result	(6,152)	12,099	(25,740)	41,596	82,631	31,546	(180,588)	77,213	(1,263)	(23,613)	264,303	(24,100)	76,023	323,955	455,614																
Ratios																															
Retention	0%	25%	68%	13%	20%	60%	94%	97%	30%	73%	92%	40%	30%	51%	49%																
Net LIC	6%	29%	68%	49%	(141%)	20%	61%	33%	37%	36%	22%	82%	10%	45%	45%																
Total Expenses	3%	13%	24%	9%	20%	33%	37%	43%	16%	51%	22%	9%	2%	21%	20%																
Net Commission	(64.4%)	2%	21%	(37%)	(28%)	4%	8%	9%	10%	9%	20%	9%	(25%)	7%	7%																
Insurance service result	(117%)	19%	(24%)	19%	167%	21%	(9%)	13%	(1%)	(16%)	34%	(13%)	107%	7%	10%																

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ICEA LION INTEGRATED LAB &
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ICEA LION GENERAL LEADERSHIP TEAM &
ICEA LION SHARED SERVICES TEAM



WHAT'S
YOUR?
PLAN.

CORPORATE INFORMATION

REGISTERED OFFICE

ICEA LION Centre

Riverside Park, Chiromo Road, Westlands

P.O. Box 30190 - 00100 Nairobi

Tel: +254 (0) 20 2750000

Mobile: +254 719 071000 | +254 730 151000

Contact Centre: +254 719 071999 | +254 730 151999

+254 (0) 20 2750999

Email: info@icealion.com

SECRETARY

Kennedy M Ontiti

First Chartered Securities Limited ICEA LION Centre, Chiromo Road

P.O. Box 30345 - 00100 Nairobi

ADVOCATES

Kaplan and Stratton Advocates Williamson House

4th Ngong Avenue

P.O. Box 40111 - 00100 Nairobi

CONSULTING ACTUARIES

Deloitte Kenya

Deloitte Place

Waiyaki Way, Muthangari

P.O. Box 40092 - 00100 Nairobi

BANKERS

NCBA Bank Kenya PLC NCBA House

P.O. Box 44599 - 00100 Nairobi

Standard Chartered Bank Kenya Limited Kenyatta Avenue Branch

P.O. Box 30003 - 00100 Nairobi

SUBSIDIARIES

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Plot No. 331

Address: Kambarage Road, Mikocheni "A"

P.O. Box: 1948 Dar-es-Salaam, Tanzania

ICEA LION General Insurance Company Uganda Limited

Building: Rwenzori Courts Building

Floor: 1st Floor

Location: Plot 2 & 4a - Nakasero Road

P.O. Box: 37834, Kampala

AUDITOR

Company: KPMG Kenya

Designation: Certified Public Accountants

Building: ABC Towers

Location: Waiyaki Way

P.O. Box: 40612 - 00100 Nairobi, Kenya

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 Certifies that
ICEA LION General Insurance Company Limited
 Has a
 Financial Strength Rating of
AAA_(KE) / Outlook: Stable
 National Scale:
 27-Jun-24
 DATE
 Group Head of Ratings

AWARDS & ACCOLADES 2012 - 2024



WINNER

Top General Insurance agent in Kenya
Peter Kungu
2024

1st in Domestic Package Insurance
Peter Kungu
2024



WINNER

Insurance Sector
2014, 2015

1ST RUNNERS UP
Overall: Mid-size companies (under 500 employees)
2016



WINNER

Insurance Sector
2017, 2014

WINNER
Company Secretary of the Year
Kennedy Ontiti
2016, 2015

1ST RUNNERS UP
Insurance Sector
2016, 2015

Company Secretary of the Year
Kennedy Ontiti
2018

1ST RUNNERS UP
Overall Champions of Governance Award
2018

Insurance Sector
2016

Company Secretary of the Year
Kennedy Ontiti
2017



WINNER

Marine Cargo Insurer
2018



WINNER

Environmental Category
2021

1ST RUNNERS UP
Insurance Category
2022

2ND RUNNERS UP
Environmental Category
2020

1ST RUNNERS UP
Insurance Category
2019

2ND RUNNERS UP
Insurance Category
2018



WINNER

Financial Management Determinant
2017



WINNER

Fraud Detection & Prevention
2017, 2014

Claims Settlement
2016

AWARDS & ACCOLADES 2012 - 2024



WINNER

Overall : Grand Prix Award
#BackYourFuture Campaign

Gold Award :
Integrated Campaign
#BackYourFuture Campaign

Silver Award :
Integrated Campaign
Travel Insurance Campaign



WINNER

Insurance Sector
2014



WINNER

2017



WINNER

International Workplace Safety Award
2019



WINNER

Indoor Games
2019, 2018

Swimming
2019

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Overall Champions
2019, 2018, 2016

Track & Field Games Champions
2019, 2018

Auxiliary Games, Indoor Games, Volleyball and Athletics Games Champions



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General Insurer of the Year
2017, 2014

Lifetime Achievement Award
CEO - Steven Oluoch
2018

Best Insurer in Product Distribution & Marketing
2017

Corporate Risk Manager of the Year
Dorothy Maseke
2018, 2017

Training
2016

Customer Satisfaction
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Customer Service
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2016, 2014

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2018

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Training
2015

Fraud Detection & Prevention
2018, 2016, 2015

2ND RUNNERS UP

General Insurer of the Year
2018, 2016, 2015

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2018, 2014

ICEA LION INTEGRATED LAB

Meet our team that spearheaded and continues to champion Integrated Thinking and delivered the 2024 Integrated Report that was developed and designed in consultancy with The Digital Monkeys.



Standing from left to right: Kuria Kanyingi: Assistant Manager, Corporate Communications, Joseph Kimani: Financial Analyst, Cynthia Kantai: Group Head, Marketing & Communications, Paul Mutua: Finance Manager, General Insurance, Denis Odoyo: Design Lead-Brand & Marketing
Sitting from left to right: Benson Wakaba: Group Head Risk & Compliance, Zipporah Chege: Chief Finance Officer, General Insurance, Kevin Nyakeri, CFA: Chief Finance Officer, Life Assurance, Sarah Kinyanjui: HR Business Partner, General Insurance.

ICEA LION GENERAL INSURANCE FINANCE & ACTUARIAL TEAM



We appreciate this dedicated team from our finance and actuarial function who worked diligently in liaison with integrated lab team to deliver our 2024 integrated report.

Standing from left to right: Asman Musa, Jessica Mghoi, Paul Kariuki, Magdaline Muchiri, Elisha Muruga, Theresiah Kasive, Victor Kabaki, Zipporah Chege, Jeremiah Ng'ethe, Caroline Wanjiru, Cosmos Mwiti, Shelmith Muthaiga, David Kamau, James Mbinda

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Godfrey Kioi: Chief Executive Officer

We appreciate this dedicated team

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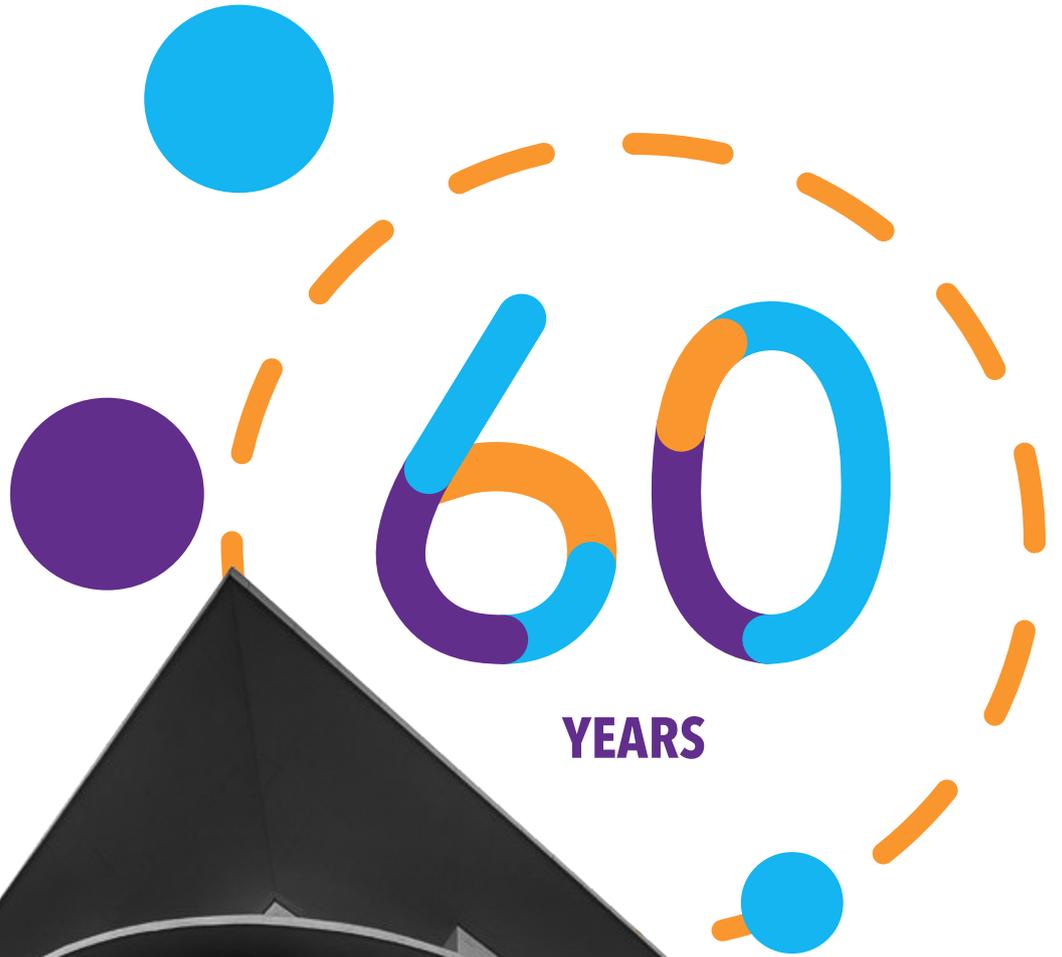
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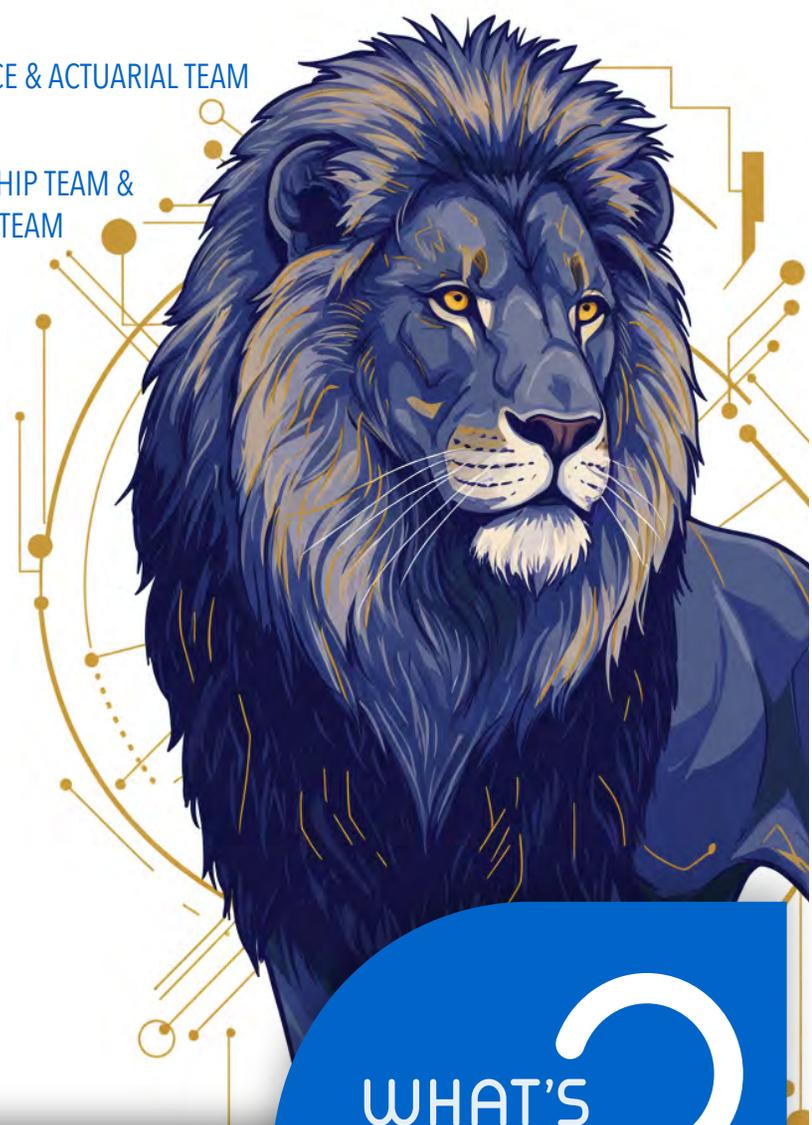


YEARS



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National Scale: **AAA_(KE) / Outlook: Stable**

27-Jun-24
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[Signature]
Group Head of Ratings

GCR's ratings are subject to change. To confirm the latest ratings or to learn more about GCR, visit www.GCRratings.com

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