

2024
INTEGRATED
REPORT



ICEALIO
LIFE ASSURANCE



A LEGACY OF TRUST



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FOREWORD

ICEA LION @60

The year 2024 was a memorable one as ICEA LION Group celebrated a remarkable milestone, ICEA LION @60. The 60-year journey has been defined by resilience, commitment and a shared vision. The 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.

Over 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. We are not only offering insurance and investment solutions but we are also offering peace of mind to a broad range of clients.



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.

THEME OUR REPORT

The theme to 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

Catherine Karimi was appointed as Chief Executive Officer effective 23rd May 2024. She was appointed following the retirement of George Nyakundi. Catherine brings over 25 years' experience in life insurance with a strong track record of delivering market share growth and profitability to businesses.

OUR PERFORMANCE

In 2024, The Life Group successfully navigated market headwinds to deliver outstanding results. The business recorded a Profit Before Tax (PBT) of Kshs.4.8 billion at the Group level and Kshs 3.8 billion at the Company level, up from Kshs. 4.2 billion and Kshs. 3.6 billion, respectively, in the previous year. This reflects improved profitability for the Group.

OUR GLOBAL CREDIT RATING

On 27 June 2024, GCR Ratings maintained ICEA LION Life Assurance 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.

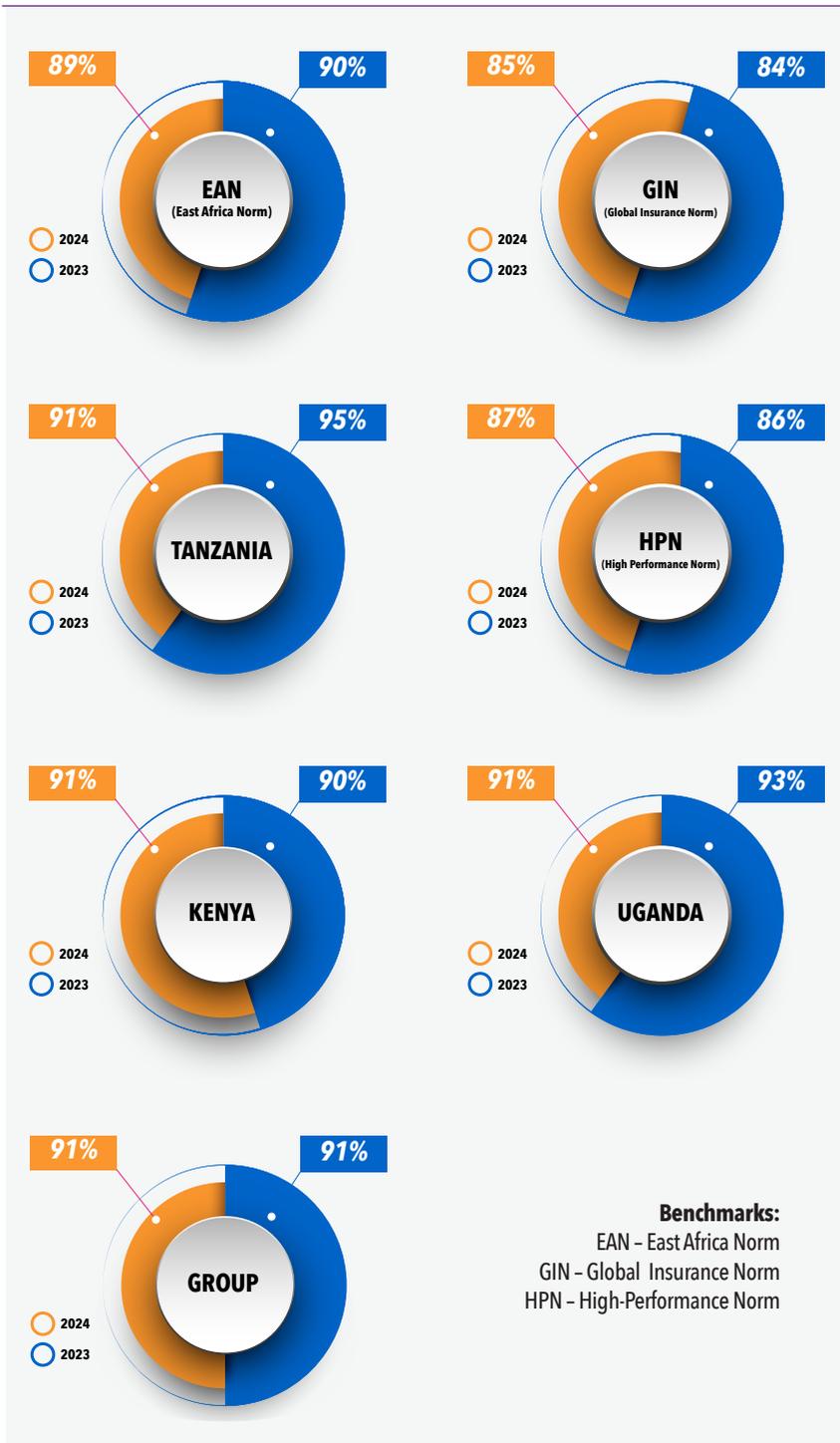


C. OUR PEOPLE

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 Group engagement results



The Group maintained its engagement score at 91%, Kenya businesses improved from 90% to 91%, Tanzania and Uganda businesses maintaining robust scores of at least 91%.

SUSTAINABILITY (ESG)

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

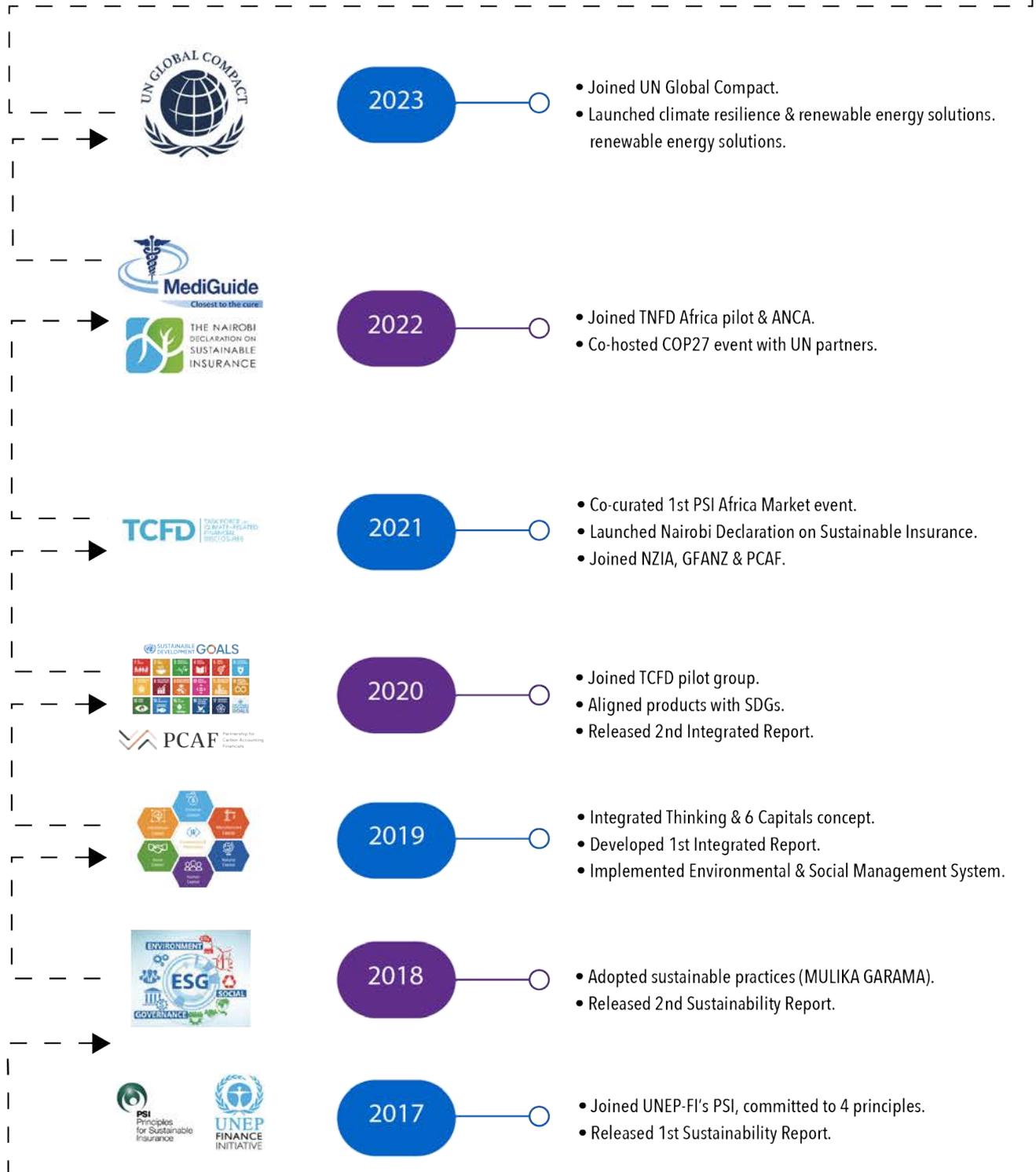
- Launched the Geothermal Well Output insurance product.
- Joined The First Task force on Nature related Disclosure (TNFD) early adopter. The announcement was made in Davos during the World Economic Forum.
- Successful in getting ESG Technical Assistance (TA) from FSD Africa through our membership in NDSI. This was a competitive process.
- Successful 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 at our Riverside Park property.
- Held the inaugural Group ESG Drive and ESG Day for awareness creation across the Group during the ESG week.

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 is will continue building a *Legacy of Trust* to all our stakeholders.

OUR SUSTAINABILITY, INTEGRATED THINKING & REPORTING JOURNEY

- Joined TNFD early adopters (announced in Davos).
- Held 1st Group ESG Drive & ESG Day.
- Secured ESG Technical Assistance from FSD Africa.



ICEA LION GROUP 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 as follows:



- 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 are 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.

ABOUT OUR REPORT

OUR REPORTING SCOPE AND BOUNDARY

Our integrated report is the primary report of ICEA LION Life Assurance Company Limited and its subsidiary (together, the Group) to our stakeholders. This report is a concise, material and honest assessment, reviewed and authorized by our Board of Directors of how we create value in the short, medium and long-term.

The integrated report includes both the Company, ICEA LION Life Assurance Company Limited and its subsidiary, ICEA LION Life Assurance Company (Uganda) Limited together referred to as the 'Group' and Unless otherwise stated, 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 enumerates our strategy 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 Kenya and Uganda.

The report describes our operating context in Kenya and Uganda and sets our strategy focus areas and outcome. Additionally, the report includes statements from the Chairman, Group Chief Executive Officer, Chief Executive Officer and the Chief Financial Officer and describes our Corporate Governance Practices and Risk Management approach.

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 on Corporate Governance. The financial statements have 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 have been audited 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.

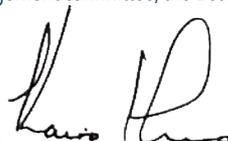
The Board has established internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards, and is supported by qualified legal and compliance professionals.

The Board has applied its collective mind to the contents of this report and believes that it fairly presents the Groups 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 14th March 2024.



Joseph Wangai
Chairman



Kairo Thuo
Director



Catherine Karimi
Chief Executive Officer and Principal Officer

HOW TO READ OUR REPORT

NO.	SECTION	COMMENTARY	KEY CONCEPTS	FRAMEWORKS APPLIED
1.	Our Business 	<i>Describes our History, Staff Complement, Mission, Vision and Values and our Geographical Presence.</i>	<ul style="list-style-type: none"> -About Us -ICEA LION Group Staff Complement -Our History -Who We Are -Our Regional Footprint 	<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 	<i>Our Board Chairman and the Chairmen of the various Board Committees describe key aspects of our business as well as key matters that the Board and its various Committees handled during the year.</i>	<ul style="list-style-type: none"> -Board Chairman Statement -Board Committees' Chairmen Statements 	<ul style="list-style-type: none"> -The Corporate Governance Code (CGC) -IRA Corporate Governance Guidelines -King IV Code -IIRC
3.	Perspectives from the Leadership Team 	<i>Our Leadership Team describes our Operating Context and key business matters covered in the year 2024.</i>	<ul style="list-style-type: none"> -Operating Context -Chief Executive Officer Statement -Chief Financial Officer Statement 	<ul style="list-style-type: none"> -IFRS -Companies Act -King IV Code -GRI -IIRC -CGC
4.	Our Strategy 	<i>2024 was our last year of implementation of Company's 3-year strategy for the period 2022-2024. In this section we highlight the key pillars of our new 2025 - 2027 strategy.</i>	<ul style="list-style-type: none"> -Our Business Model -Our Strategy -Our Leadership Structure 	<ul style="list-style-type: none"> -King IV Code -IIRC -SDGs
5.	Our Approach to Value Creation and its Safeguarding 	<i>The report describes how we create value across the 6 Capitals and also the link thereof with the SDG's. Details of our key activities and outcomes in each of these capitals are also described.</i>	<ul style="list-style-type: none"> -How We Create Value -The 6 Capitals -Materiality Assessment 	<ul style="list-style-type: none"> -King IV -GRI -IIRC
6.	Group's corporate governance practices 	<ul style="list-style-type: none"> -Corporate Governance Statements -Statements from the Chairmen of the various Board Committees -The Risk Landscape 	<ul style="list-style-type: none"> -Corporate Governance Statements -Statements from the Chairmen of the various Board Committees -The Risk Landscape 	<ul style="list-style-type: none"> -CGC -King IV -GRI -IIRC -IRA Corporate Governance Guidelines
7.	Group's Audited Financial Statements 	<i>This section sets out the Group's Audited Financial Statements.</i>	<ul style="list-style-type: none"> -Financial Statements 	<ul style="list-style-type: none"> -IFRSs -The Companies Act -The Income Tax Act -IRA guidelines

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WHAT'S
YOUR?
PLAN.

A SNAPSHOT OF ICEA LION LIFE

Human Capital

ICEA LION Life Employees

	2024	2023
KE	217	194
UG	70	73
Total	287	267

Proportion of Staff who are engaged based on Employee Engagement Survey

	2024	2023
KE	88%	84%
UG	87%	94%
Total Average	88%	89%

Women in our Workforce

	2024	2023
KE	118	103
UG	40	43
Total	158 (55%)	146 (55%)

Staff Fatalities

	2024	2023
	NIL	NIL

Senior Leadership

	2024	2023
KE	22	22
UG	5	6
Total	27	28

Women in Senior Management

	2024	2023
KE	9	7
UG	2	4
Total	11 (41%)	11 (39%)

Natural Capital

Aspect	2024	2023
Water Consumption	▲ 6,511,985	5,657,371
Electricity	▲ 12,604,051	7,828,443
Fuel	▲ 4,713,517	5,073,856
Photocopying Paper	▼ 883,749	1,937,635

*Figures in Kshs



Financial Capital

Aspect	2024	2023
Insurance Revenue (Life Business)	▲ 8,721,465	9,323,911
Sum Insured (Life Business)	▲ 607,604,518	564,720,117
Taxes paid	▲ 1,176,663	1,030,564
Levies paid	▲ 136,370	117,260
Profit Before Tax	▲ 4,785,535	4,234,104

*Figures in Kshs

Intellectual Capital

No of Customer Portals

	2024	2023
	6	6

No of products distributed digitally

	2024	2023
	1	1

No of customers on our social media platforms

	2024	2023
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
No of Customers	154,806	123,512
No of Agents Tied FAs	1,832	1,686
No of Agents Independent FAs	420	403
No of Brokers	73	69

Manufactured Capital

	2024	2023
No of Branches		
Kenya	20	20
Uganda	9	9
Total	29	29
Investment Properties		
Commercial	1	1
Residential	3	3
Total	4	4

ABOUT US



*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 on having one of the strongest insurance group balance sheets in Eastern & Central Africa, empowering all our stakeholders.*

ICEA LION Life Assurance Sub-Group is the long-term insurance arm of ICEA LION Group and currently operates in Kenya and Uganda.

ICEA LION Group is a one-stop financial services provider offering innovative products and services in insurance, pensions, investments, and trusts. 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) in January 2012.

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 on having one of the strongest insurance group balance sheets in Eastern 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 over the years.

As such, we have decades of experience in helping discerning individuals protect and create wealth. We have done so by keeping an eye firmly 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.

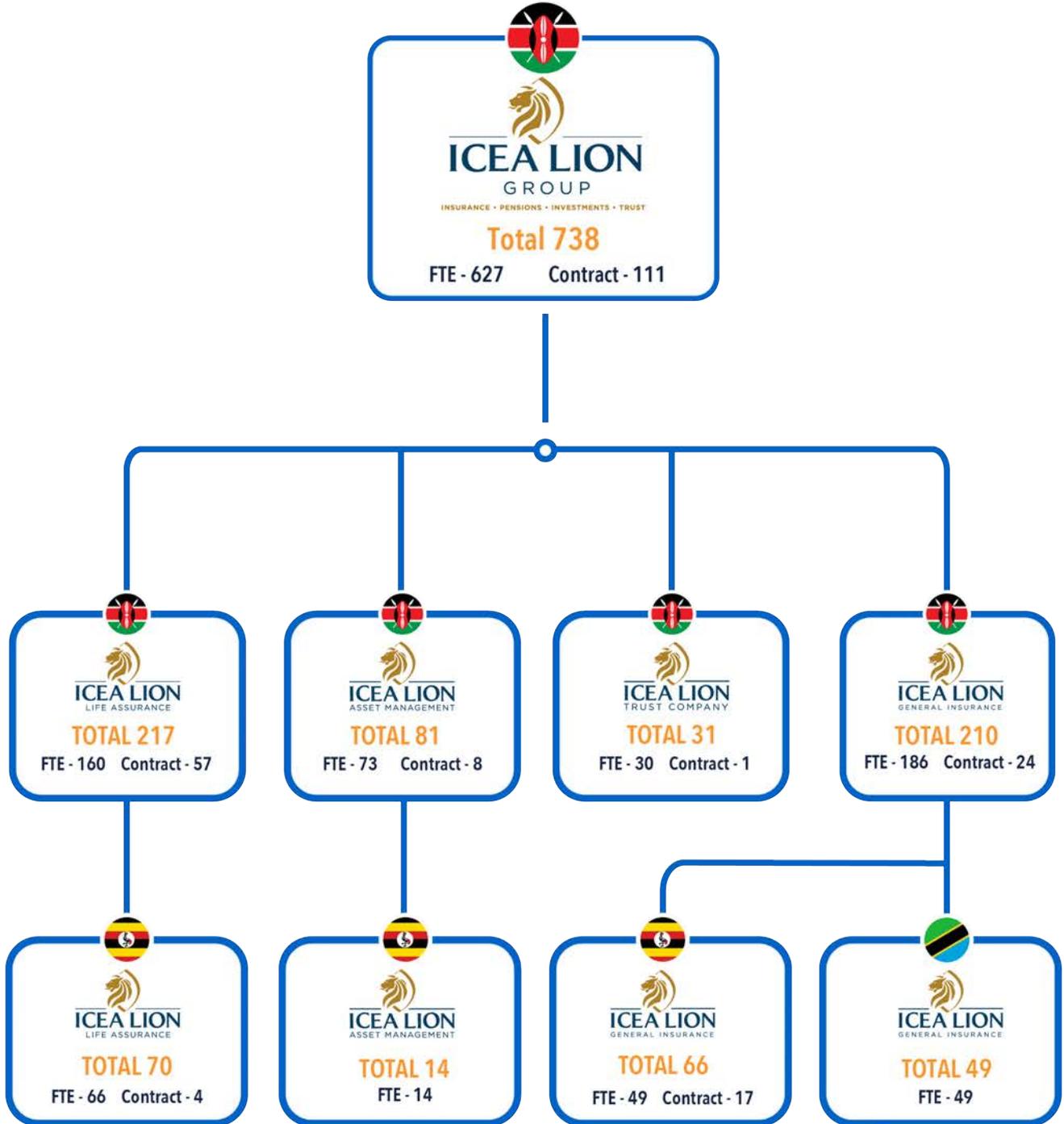
ICEA LION Life Assurance is a member of First Chartered Securities (FCS), a private investment holding company with interests in financial services, logistics, real estate, manufacturing, and agriculture. Over the years, the Group has built impressive investment portfolios in these spheres.

ICEA LION Group companies are owned by ICEA LION Insurance Holdings Limited. Our life and non-life companies are ICEA LION Life Assurance Company Limited and ICEA LION General Insurance Company Limited, respectively. ICEA LION Asset Management Limited and ICEA LION Trust Company Limited are our investment and corporate trusteeship companies, respectively.

The Life and Non-Life insurance and investment subsidiaries in Uganda and the Non-Life insurance subsidiary in Tanzania 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.

STAFF COMPLEMENT ACROSS EAST AFRICA



NOTE Kenya Uganda Tanzania

KEY: FTE - Full Time Employee



THE ICEA LION JOURNEY OF PROTECTING AND CREATING WEALTH

Our Beginnings

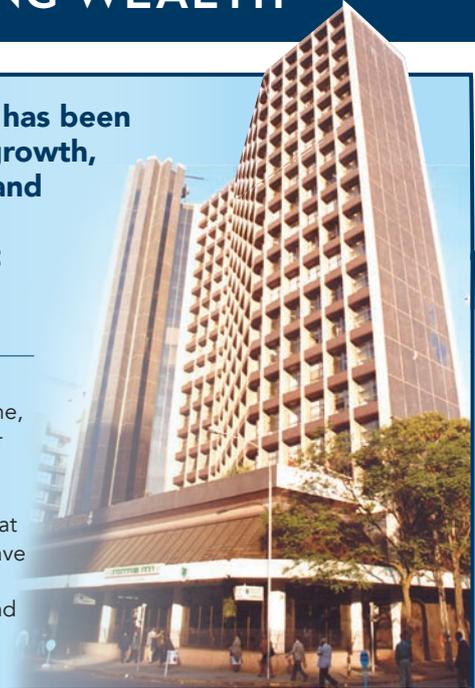
Our story begins in 1964, a year of significant change and promise. As East Africa developed, so did ICEA. During the 1970s, we experienced significant growth and expanded our reach and diversified our offerings.



Downtown Nairobi 1964

Our journey has been marked by growth, innovation, and unwavering commitment to you, our customers.

Building a legacy during your lifetime, as an individual or family, is a truly worthy ambition. And for 60 years, at ICEA LION, we have strove to be a beacon of trust and reliability.



The ICEA building on Kenyatta Avenue in 1981.

The Merger



ICEA & LION OF KENYA INSURANCE COMPANY Merger in 2012

Whilst ICEA was making strides, another key player emerged on the scene - the Lion of Kenya Insurance Company.



LION OF KENYA

Like us, they were founded on a vision of excellence and we shared common ownership through the First Chartered Securities (FCS) Group. In keeping with global best practice, and well ahead of any regulatory requirements, the FCS Group undertook the strategic separation of its Life and General insurance businesses.

This took place in the year 2012 through the merger of Lion of Kenya Insurance with the General insurance division of ICEA. The move was driven by the need to establish a consistent brand identity and realize greater economies of scale. Following this business reorganization, ICEA LION Life sharpened its focus on life assurance and pensions, fueling further growth. Today, it stands as the leading insurer in Eastern and Central Africa, with the region's largest asset base and a AAA credit rating.





Our people and our customers have always been our strength.

Every member of the ICEA LION family, whether staff or customer, is both valued and empowered. Through a partnership built on integrity, trust, team work, expert financial advice and exemplary customer service.



Association of Kenya Insurers (AKI) Awards



Launch of the Culture & Behavioural Change Initiative 'It Starts With Us'



OUR PLAN HAS STOOD FOR 60 YEARS.. HERE'S TO THE NEXT 60.



PLAN.ICEALION.CO.KE

INVESTMENT + INSURANCE + PENSION + TRUST



Over these 60 years, as much as we focused on our own future, we have always been here to help you build yours.

Focus on Sustainability

ICEA LION Group CEO Philip Lopokoiyit speaking at The sixth session of the United Nations Environment Assembly (UNEA-6) at UNEP headquarters in Nairobi, Kenya.



We are proud of our journey and excited for what lies ahead - an optimistic future of innovation, sustainability and growth.

"Our vision has always been clear: to lead as the foremost Pan-African provider of accessible, reliable, and innovative insurance and investment solutions. We strive to empower individuals and businesses across the region to achieve their aspirations and secure their futures. This commitment is what unites us."

ICEA LION Group CEO Philip Lopokoiyit.



"A legacy like ours is not built alone. It's the result of countless individuals, past and present leaders, dedicated employees, loyal partners, and supportive clients, who have believed in ICEA LION's mission and worked tirelessly to bring it to life."

ICEA LION Group Chairman James Ndegwa

Celebrating 60 Years

For the last 60 years, our growth and success has been built on trust. At the heart of which is a promise that will resonate through everything we do in the next 60. It is simply this. Through every life changing moment, unexpected or planned, we will be better together.

What's your plan?



From left to right, Joseph Wangai, Chairman, ICEA LION Insurance, Godfrey Kiptum, Commissioner of Insurance and CEO, Insurance Regulatory Authority, James Ndegwa, ICEA LION Group Chairman, and Philip Lopokoiyit, ICEA LION Group CEO, celebrating ICEA LION GROUP's 60th Anniversary.



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

2021

A business reorganisation between ICEA and Lion of Kenya (LOK) gave birth to ICEA LION Life Assurance & ICEA LION General Insurance respectively

2012

Within the region, Insurance Company of East Africa (Uganda) Limited, a composite company (i.e. offering both General and Life products) was set up in 2000

2000

In 1976, the Company's foreign shareholders sold their interests to a group of pioneering local investors, making ICEA among the first wholly Kenyan-owned and locally incorporated insurance companies.

1976

The insurance Company of East Africa (ICEA) was established in 1964 by Eagle Star Insurance Company, both of the UK, and the New Zealand Insurance Company

1964 - 1966

ICEA started writing:

- General Business in 1965
- Life Business in 1966

**OUR
HISTORY**



WHAT DRIVES US

MISSION

To Protect and
Create Wealth

VISION

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

OUR BRAND PROMISE

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 REGIONAL FOOTPRINT



KENYA HEAD OFFICE ICEA LION CENTRE

RIVERSIDE PARK - CHIROMO ROAD WESTLANDS
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 2750000
MOBILE: +254 719 071000 | 730 151000
CONTACT CENTRE: 0719 071999
EMAIL: INFO@ICEALION.COM

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P.O. BOX 46143 - 00100 NAIROBI
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KENYATTA AVENUE BRANCH

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MOBILE: +254 719 071302

MOMBASA ROAD BRANCH

6TH FLOOR, TULIP HOUSE
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TEL: +254 (0)20 2751850
MOBILE: +254 719 071850

UNIVERSITY WAY BRANCH

9TH FLOOR, AMBANK HOUSE
P.O. BOX 46143 - 00100 NAIROBI
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MOBILE: +254 719 071814

CARDINAL OTUNGA BRANCH

CARDINAL OTUNGA PLAZA, 6TH FLOOR KAUNDA
ST, NAIROBI P.O. BOX 46143 - 00100 NAIROBI
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MOBILE: +254 719 071553

WESTLANDS BRANCH

3RD & 8TH FLOOR UNGA HOUSE,
MUTHITHI ROAD
P.O. BOX 46143 - 00100, NAIROBI
TEL: +254 (0)20 2751880
MOBILE: +254 719 071880

KAREN BRANCH

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

THIKA BRANCH

6TH FLOOR, ZURI CENTRE KENYATTA HIGHWAY
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NAKURU BRANCH

3RD FLOOR, JENNIFER RIRIA HUB,
TOM MBOYA ST
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ELDORET BRANCH

THE ANCHOR HOUSE 5TH FLOOR
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KISUMU BRANCH

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P.O. BOX 3122 - 40100, KISUMU
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KAKAMEGA BRANCH

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

NANYUKI BRANCH

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

NYERI BRANCH

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

MERU BRANCH

1ST FLOOR, ROYAL BUSINESS PARK
TOM MBOYA STREET,
P.O. BOX 46143 - 00100 NAIROBI
MOBILE: +254 719 071000 | 730 151000

KERICHO BRANCH

2ND FLOOR, GREEN SQUARE MALL,
KERICHO - KISUMU HIGHWAY
P.O. BOX 3122 - 40100 KISUMU
MOBILE: +254 719 071249

KISII BRANCH

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

MOMBASA TOWN BRANCH

MEZZANINE 2, ACACIA CENTRE
P.O. BOX 90101 - 80100, MOMBASA
MOBILE: +254 719 071701

MOMBASA NYALI BRANCH

4TH FLOOR, NYALI CENTRE,
SOUTH WING LINKS ROAD
P.O. BOX 90101 - 80100, MOMBASA
MOBILE: +254 719 071890



HEAD OFFICE

RWENZORI COURTS BUILDING,
GROUND, 2ND FLOOR
PLOT 2 & 4A - NAKASERO ROAD
P.O. BOX 33953, KAMPALA
TEL: +256 414 232337 / 341 495
TOLL FREE: 0800 100 120 /311
EMAIL: INFO@ICEA.CO.UG
WEBSITE: WWW.ICEA.CO.UG

JINJA ROAD BRANCH

3RD FLOOR, PRIME PLAZA
TEL: +256 41 7706710

ARROW CENTRE BRANCH

1ST FLOOR, ARROW CENTRE
TEL: +256 417 706711

GULU BRANCH

1ST FLOOR
HOUSING FINANCE BUILDING,
ACHOLI ROAD
TEL: +256 392 001094

MBALE BRANCH

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

KAMPALA ROAD BRANCH

GROUND FLOOR, ZEBRA PLAZA
TEL: +256 392 000115

KABALE BRANCH

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

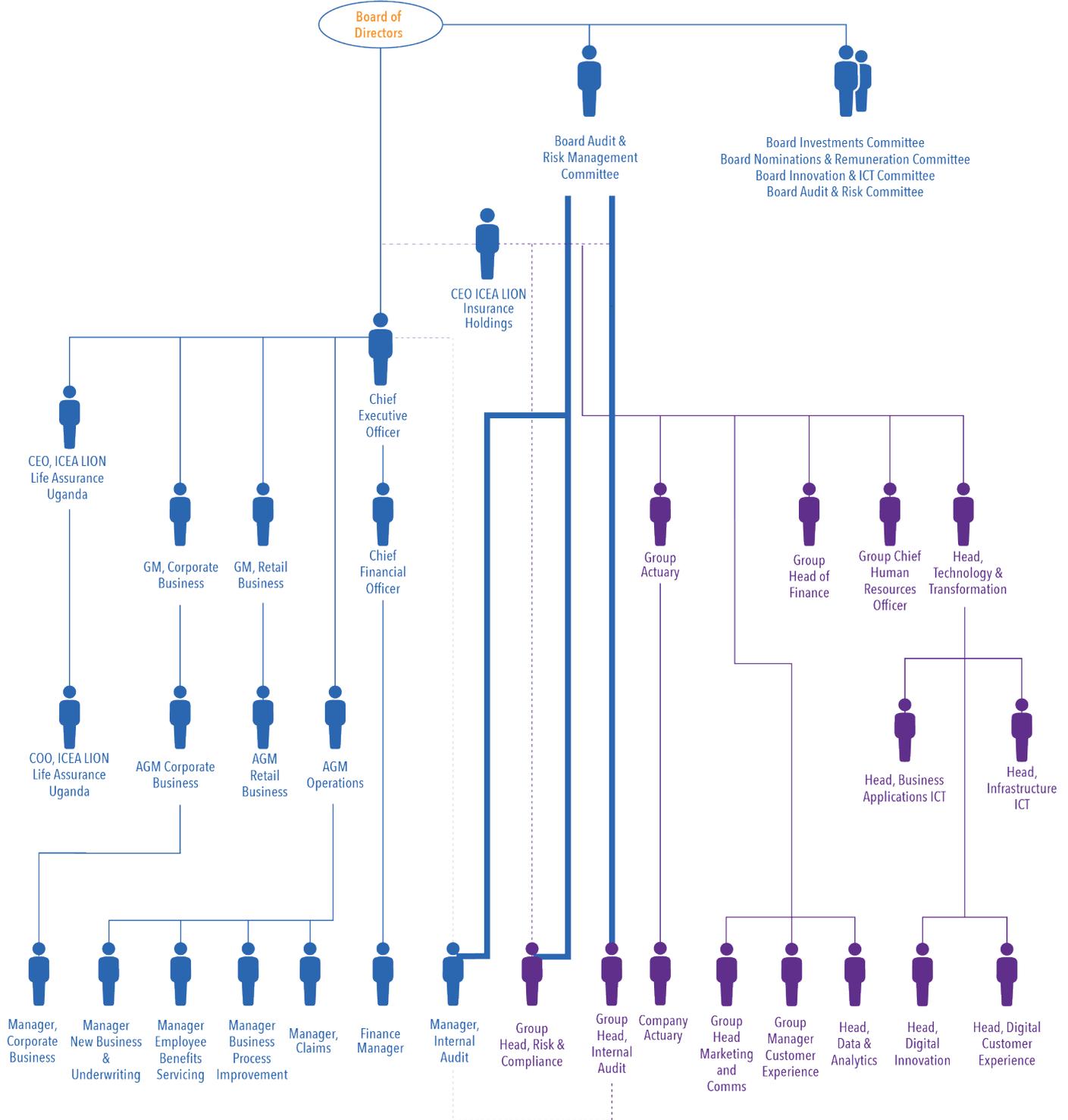
ARUA BRANCH

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

MBARARA BRANCH

1ST FLOOR, THE HIGH STREET PLACE
HIGH STREET
TEL: +256 417 706712/
+256 392 280501

OUR LEADERSHIP STRUCTURE



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

INITIATIVE				
STRATEGIC INVESTMENTS	SOCIAL IMPACT			
<p>The Group Investment through our investment company, ICEA LION Asset Management (ILAM)</p> <ul style="list-style-type: none"> Reported redemption of KES 84 million from the Acorn Project Two LLP, underscoring prudent financial management. Disbursed KES 337 million towards Acorn D-REIT and KES 669 million into Acorn I-REIT, supporting the expansion of urban infrastructure. Directed KES 34 million from our Life Business portfolio into Acorn REITs, demonstrating diversification in asset management. 	<ul style="list-style-type: none"> We supported 109 orphans through the Milele Trust portfolio, yielding a KES 2.6 million reduction in government welfare obligations. In 2024 we issued 8 Group Policies under Work and Injury Benefit Assurance (WIBA), ensuring compliance with occupational safety standards. 			
SENIOR CITIZENS' WELFARE				
<ul style="list-style-type: none"> In 2024 we delivered 534 annuity policies, reducing welfare dependency by an estimated KES 13 million annually while addressing income security for retirees. In 2024, we issued 10,479 Child Education Assurance policies, reflecting a remarkable 132% increase from 2023, and ensuring uninterrupted education for children after the loss of their parents. This policy not only secures the future of young learners but also eases the government's financial burden by reducing the need for bursary allocations, estimated at KShs. 629 million annually, with an average bursary of KShs. 60,000 per child. In 2024, the premium for our De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE) reached KES 42,860,298. This innovative, index-based livestock insurance product is specifically designed to protect the livelihoods of pastoralists by serving as an asset protection drought insurance cover. The primary objective of DRIVE is to ensure livestock survival during periods of drought, addressing a critical vulnerability in pastoral economies. By safeguarding pastoralists' primary assets, this product not only strengthens resilience against climate-related shocks but also enhances economic stability and inclusivity in one of the region's most climate-sensitive sectors. 				
1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION 	ALIGNMENT TO SDG		15 LIFE ON LAND 	
ALIGNMENT TO OTHER SUSTAINABILITY PRINCIPLES				
<p>THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE</p>		<p>PSI Principles for Sustainable Insurance</p>		<ul style="list-style-type: none"> Alignment to United Nations Environmental Program Finance Initiative Principles for Sustainable Insurance (UNEP, FI PSI) Alignment to the Nairobi Declaration on Sustainable Insurance (NDSI)

HOW WE CREATE VALUE

NATURAL CAPITAL

INITIATIVE	
<p>ICEA LION Group Embarks on Task Force on Nature-Related Financial Disclosures (TNFD) Journey Starting 2025</p> <p>This marks a significant milestone in our commitment to integrating nature and biodiversity considerations into financial decision-making processes. The TNFD framework will enable us to identify, assess and manage nature-related risks and opportunities within our operations, investments and partnerships.</p>	<p>By adopting the TNFD approach, we aim to enhance transparency and accountability, align our business practices with global sustainability standards and contribute to safeguarding natural ecosystems. This initiative underscores our dedication to driving a sustainable future while delivering long-term value to our stakeholders.</p>
<p>We participated in and contributed to the United Nations Environmental Assembly (UNEA), highlighting the pivotal role of insurance as a key tool in driving climate change adaptation and resilience. Our engagement underscored how innovative insurance solutions can address climate-related risks, protect vulnerable communities and enhance sustainable development efforts globally.</p>	<p>We participated in the UN Global Compact Leaders in Action event, where we shared insights alongside distinguished attendees, including the Global Vice Chair of the UN Global Compact. Our contributions emphasized actionable strategies for advancing sustainable development and fostering impactful leadership within the framework of the Global Compact's principles.</p>
<p>We participated in and contributed to the Nairobi Declaration for Sustainable Insurance (NDSI) engagement during the Annual African Insurance Organization (AIO) conference, highlighting the critical role of sustainable insurance in driving resilience, promoting inclusive growth and addressing climate-related challenges across Africa.</p>	<p>We actively participated in and spoke at the inaugural African Natural Capital Alliance (ANCA) annual conference and its annual executive forum, contributing to critical discussions on advancing natural capital and biodiversity conservation across Africa. Additionally, one of our staff members was selected to join the first cohort of the ANCA Nature Executive Fellowship, a pioneering initiative aimed at fostering leadership and expertise in natural capital and biodiversity stewardship across the continent.</p>
<p>We participated in and spoke at the United Nations Environment Programme Finance Initiative (UNEP FI) Global Roundtable, held in partnership with the Building Bridges Initiative, where we engaged in discussions on advancing sustainable finance solutions to address global environmental challenges and drive impactful change.</p>	<p>We successfully reduced the fire premium rate for one of our hotel clients from 0.75% to 0.2%, driven by their commitment to improved ESG risk management. This significant reduction was achieved after the client replaced their makuti (thatched) roof, demonstrating how proactive sustainability measures can directly translate into reduced risk and cost savings.</p>
<p>We launched the Geothermal Well Output-insurance Product, a specialized solution designed for the geothermal energy sector, offering comprehensive coverage for costs associated with drilling unsuccessful wells.</p>	<p>This product supports the growth of geothermal energy, a clean and green source of sustainable power.</p>

Additionally, our Asset Management arm, ICEA LION Asset Management (ILAM), has developed an ESG questionnaire to be shared with potential investees, reinforcing our commitment to integrating environmental, social and governance considerations into investment decisions.

ALIGNMENT TO SDG



ALIGNMENT TO OTHER SUSTAINABILITY PRINCIPLES

- Alignment to United Nations Environmental Program Finance Initiative Principles for Sustainable Insurance (UNEP, FI PSI)
- Alignment to the Nairobi Declaration on Sustainable Insurance (NDSI)



CHAIRMAN'S STATEMENT



JOSEPH WANGAI
CHAIRMAN

As one of Kenya's oldest and most trusted providers of insurance and financial services, ICEA LION has flourished through innovation, unwavering commitment to our customers, and a relentless pursuit of excellence.

TO OUR ESTEEMED STAKEHOLDERS

It is my pleasure to present our 2024 Integrated Report which highlights commendable performance amid significant challenges. This success is the result of carefully crafted strategies and plans, executed by our dedicated and hardworking members of staff. A substantial part of 2024 was marked by unfortunate interruptions to business caused by political tensions linked to the 2023 Finance Bill. Globally, macroeconomic challenges and geopolitical tensions continued to present both risks and opportunities for our business. Despite these headwinds, the Company remained resilient and delivered value to its stakeholders.

LEADERSHIP CHANGES

After eight years of service to the Company in various leadership capacities, *George Nyakundi retired as Chief Executive Officer of ICEA LION Life Assurance Company Limited.* The Company has benefited greatly from George's contribution over the years. Since his appointment as Chief Executive Officer in 2021, George oversaw the growth of the Company's Gross Premium and Contributions from Kshs 20 billion in 2021 to Kshs 28.5 billion in 2024 while Total Assets increased from Kshs 103.6 billion as at 31st December 2021 to Kshs 183 billion as at 31st December 2024. Accordingly, George has played a key role in the growth of the Company over the last three years and the Board is very appreciative of his significant contribution over this period.

Catherine Karimi was appointed as Chief Executive Officer effective 23rd May 2024. She brings over 25 years' experience in life insurance to the role. In her career, Catherine has held senior leadership positions at Jubilee Insurance, Kenyan Alliance and most recently at APA Life Assurance Company where she was the Chief Executive Officer.

Catherine is a seasoned industry professional and a proven leader with a strong track record of delivering market share growth and profitability to businesses. She holds a first-class honours Bachelor of Education (Science) Degree from Kenyatta University and professionally, she is an Associate of the Chartered Insurance Institute of London (ACII). The Board is confident that her wide experience, leadership and management competencies will drive sustainable growth for the business into the future as we pursue and deliver on our strategic vision.

BRAND THEMATIC CAMPAIGN

In the year 2024, the Group launched a brand thematic campaign titled *"What's your plan?"*. This thematic campaign aligns our brand with the broader organizational strategy, enhancing emotional connections with consumers and creating a dynamic pipeline of products and services while reinforcing our brand promise and values. The *"What's Your Plan?"* campaign is not about leaving the past behind us but about expanding opportunities by tapping into new segments all while building on the solid foundation of our strengths developed over the past 60 years. It celebrates our legacy of success while positioning our brand for leadership in the next phase of growth. At its heart, the campaign is simple, bold, brave, colorful, inclusive, and vibrant, with a core brand strategy centered on differentiation to curve out a unique identity. We view this strategy not just as a marketing approach but as a key driver for our long-term growth and sustainability.

ICEA LION@60

2024 holds special significance for ICEA LION Life Assurance Company as we celebrate a remarkable milestone of 60 years of existence. We take pride in our enduring commitment to safeguarding and nurturing the financial future of our customers. For six decades, ICEA LION Life Assurance Company has been a steadfast exemplar of trust, stability and reliability, dedicated to protecting and creating wealth for individuals and families across generations. Our journey, marked by resilience, integrity and sound corporate governance has empowered countless lives steering them towards prosperity and financial security.

As one of Kenya's oldest and most trusted providers of insurance and financial services, the ICEA LION Brand has flourished through innovation, unwavering commitment to our customers and a relentless pursuit of excellence. Our journey has been defined by strategic growth, technological advancements and the qualities that distinguish our leadership, our employees and partners. Over the years, ICEA LION has broadened its product offerings to meet the diverse financial needs of both individuals and businesses, expanded its presence with 38 branches across Kenya, Uganda and Tanzania and reinforced its market leadership through strategic initiatives and customer-centric growth strategies. We are deeply grateful to our founders for their visionary leadership in establishing strong foundations and entrenching high governance standards; strong attributes that have guided us for decades. I salute our dedicated members of staff and our customers for their enduring trust in us over the decades. More details on our highly successful journey are as set out in **Our History** section on page 16 of the Integrated Report.



ICEA LION@60 celebrations (left to right): ICEA LION Group Chairman Mr. James Ndegwa, ICEA LION Life Insurance Chairman Mr. Joe Wangai, the Commissioner of Insurance and CEO of the Insurance Regulatory Authority (IRA) Mr. Godfrey Kiptum, and ICEA LION Group CEO Mr. Philip Lopokoiyit.

STRATEGY

Towards the close of 2024, the Company set out a new strategic plan covering a three year period from 2025 to 2027. The Board reaffirms its dedication to aiding management in executing this strategic plan in order to ensure that the Company remains on a path of enduring growth and profitability. This strategy is anchored on three key pillars: Profitable Growth, Business Transformation and Customer Focus. Further details of the 2025 to 2027 strategic plan are provided in **Our Strategy** section on page 43 of the Integrated Report. This strategy will be realized through the development and acquisition of the requisite key capabilities. To support successful execution of this strategy, we have put in place a robust Enterprise Risk Management framework to support us in effectively navigating significant market changes and seizing opportunities for sustainable business growth.

PERFORMANCE FOR THE YEAR

The Company achieved Gross premiums and contributions of Kshs 28.3 billion in 2024, reflecting a 3% increase compared to 2023. Profit Before Tax for the year reached Kshs 4.770 billion compared to Kshs 4.234 billion achieved in 2023. As of 31st December 2024, the Company's total assets stood at Kshs 182 billion, reinforcing our leadership in the insurance sector across Eastern and Central Africa based on balance sheet size. A more detailed breakdown of our Company and subsidiary performance as well as key economic metrics for the year are laid out in the **Chief Financial Officer's Statement** on page 32 of the Integrated Report. I would like to extend my appreciation to the Management team for achieving these results despite the challenging operating environment.

PEOPLE AND CULTURE

One of our core values is that **Our People are Important to us**. Living this value among others is integral to attracting and retaining exceptional talent and shaping how we operate internally. Our culture continues to be a key driver of performance, consistently positioning us among the top performers in the insurance sector. To keep our finger on the pulse, we annually conduct a Survey on key facets of our culture. For the year 2024, I am pleased to report that the Culture Survey results reflected significant improvement across most of the metrics over the year 2023. Through these results, opportunities for enhancement have been identified and Management has put in place specific measures to address issues of concern to our employees.

In 2023, we identified and commenced the journey towards entrenching a set of new agile cultural behaviors that will guide us into the future. Through various engagement forums, our people are now very much aware of the key cultural imperatives that guide us in engaging with all stakeholders. The resultant cultural awareness is commendable as borne out by the results of the 2024 Culture Survey.

GOING FORWARD

ICEA LION's business approach continues to lay strong emphasis and unrelenting focus on customer service backed by a sound governance foundation and ethical business practices. Championing integrity and professionalism remains a core value guiding the Company's actions. Through our clear strategy, delivered through our talented team while striving to meet all regulatory requirements, I have no doubt we will continue to delight our customers. As we embark on the implementation of our 2025-2027 Strategic Plan, our business fundamentals remain strong placing us on a solid footing to continue delivering sustainable value to all our stakeholders for years to come.

APPRECIATION

I wish to express my sincere gratitude to our customers, intermediaries, fund managers, scheme administrators and trustees for their trust and support and continued patronage. My gratitude also extends to the Management team and our staff for their unwavering service and dedication to the Company and also to my fellow Board members for their valuable contribution towards stewardship of the Company.

JOSEPH WANGAI,
CHAIRMAN OF THE BOARD OF DIRECTOR'S.

BOARD OF DIRECTORS



CHAIRMAN
JOSEPH WANGAI



DIRECTOR
JAMES NDEGWA



DIRECTOR
MARIAM ABDULLAHI



DIRECTOR
MUGWE MANGA



DIRECTOR
KAIRO THUO



ALTERNATE DIRECTOR
ROBIN NDEGWA



DIRECTOR
DOUG LACEY



DIRECTOR
ANDREW NDEGWA



ALTERNATE DIRECTOR
PATRICK MUGAMBI



DIRECTOR
DAVID HUTCHISON



DIRECTOR
ERNEST NDEGWA



DIRECTOR
NORMAN KELLY



CHIEF EXECUTIVE OFFICER
CATHERINE KARIMI



COMPANY SECRETARY
KENNEDY ONTITI

COMMITTEE KEY

-  Main Board
-  Audit and Risk
-  Chairman
-  Executive

-  Nomination and Remuneration
-  Investments
-  Innovation and ICT

GROUP CEO STATEMENT



PHILIP LOPOKOIYIT
GROUP CHIEF EXECUTIVE OFFICER

“Our operating business units have witnessed significant growth over the planning period marked by growth in topline, increase in market share and improved profitability.”

GROUP CEO'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 in 2025 and beyond.

PERFORMANCE

Our businesses across Kenya, Uganda and Tanzania have continued to grow from both a topline, profit and market share positions. Below is a summary of our market shares across the three countries. The 2024 market share is based on the latest available 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.

The Life operating units maintained their top three positions while the General Companies outside Kenya increased their respective market shares. The Kenyan General business unit maintained its market position.

STRATEGY

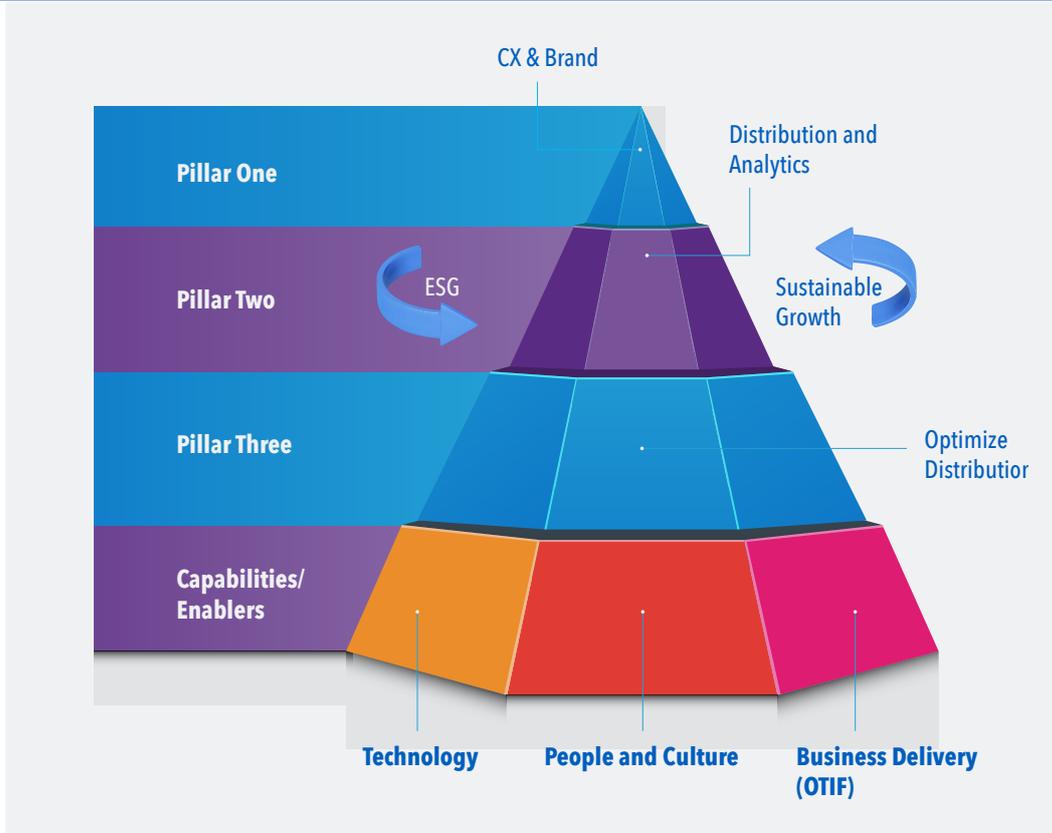
2024 marked the end of our 3-year strategic cycle across the ICEA LION Group businesses. Our operating business units have witnessed significant growth over the planning period marked by growth in topline, increase in market share and improved profitability. During the year, the Group embarked on a process of preparation of another 3-year strategy for the period 2025-2027.

This strategy has a strapline *Business Unusual- Step Change Delivery*



The Group companies have set ambitious targets from both revenue and profitability perspectives including the pursuit of new market segments. This will be underpinned by technology, people and culture, *On Time and In Full (OTIF)* business delivery philosophy as the key enablers. Seamless customer experience, brand, digital and data analytics together with optimized distribution have been identified as key focus areas for the Group over the new strategy cycle.

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:

The staff participated in various activities including distribution of seed balls, health and paper efficiency around the offices.



Launched the Geothermal Well Output insurance product.

The Group also participated in the world environmental day and encouraged staff to take the stairs instead of the elevator, have stand-up meetings, wear green in solidarity with World Environmental Day and our corporate culture and plant a tree with the provided seed balls. When Kenya was hit by one of the heaviest flooding seasons, appropriate precautions were taken to ensure the security of our staff.



Tree growing at Kahawa Garrison



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

A. PEOPLE AND CULTURE

LEADERSHIP HIRES

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

LEADERSHIP APPOINTMENTS 2024



MOKAYA MOKAYA
GROUP CHIEF HUMAN
RESOURCES OFFICER



BENSON WAKABA
GROUP HEAD OF RISK &
COMPLIANCE



ENOCK KEYA
GROUP HEAD OF
DATA ANALYTICS



GERALD GONDO
GROUP CHIEF INVESTMENT
OFFICER



JULIANA NGULI
GROUP HEAD PEOPLE AND CULTURE
Retired

RETIREMENTS

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.

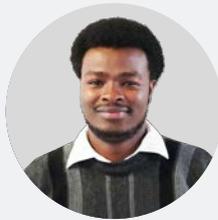
B. GRADUATE MANAGEMENT TRAINEES

The Group has continued to build a talent and leadership pipeline through the Graduate Management Trainees (GMTs) Program. 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 to the growth of the Group.

WELCOMING OF GMTS COHORT 2



SCOTT VELMA
B.SC. ECONOMICS
JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY



IAN MWEMA
BACHELOR OF ECONOMICS
UNIVERSITY OF NAIROBI



PAULINE KANYI
B.SC. ECONOMICS & 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
UNIVERSITY OF NAIROBI



PATRICK SAMMY
B.SC. ACTUARIAL SCIENCE
KENYATTA UNIVERSITY



CRISPUS KABUTE
BACHELOR OF ECONOMICS
AND STATISTICS
UNIVERSITY OF NAIROBI



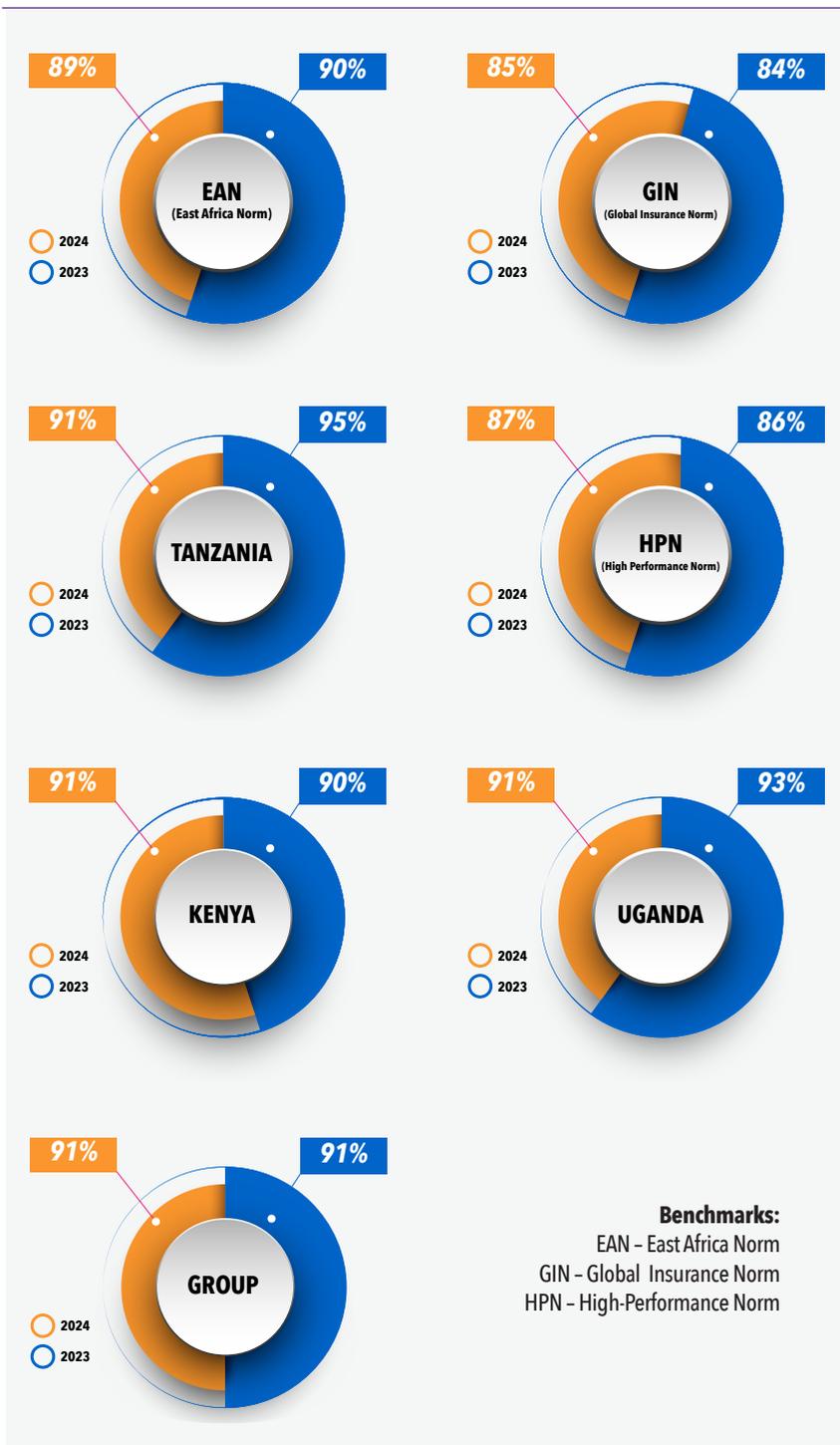
LENNOX KIPKOSKEY
B.SC. ACTUARIAL SCIENCE
DAYSTAR UNIVERSITY

C. 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*. The Group maintained its engagement score at 91%, Kenyan entities improved from 90% to 91%, Tanzania and Uganda business units maintained high scores of at least 91%.

Below is a summary of our Group engagement results



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

Some of the feedback 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, when work gets done has greatly 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 in this survey. The leadership team is committed to following through on all areas to ensure sustainable engagement of our people.

D. CULTURE

The Group has continued to implement the culture campaign dubbed *"It Starts with Us"*. During the year various engagements were carried out to further reinforce the culture including a team building event that was designed to achieve this objective. The Group culture and engagement score not only improved in comparison to 2023 but it was also higher than the High-Performance Norm score. Sustaining a high performance culture remains a top high priority for our Group.

IN CONCLUSION

The year 2024 was a productive one for ICEA LION Group as we delivered great results across our business operations in Kenya, Uganda and Tanzania. This would not have been possible without the immense support and contribution by our Board of Directors, shareholders, the leadership team, staff fraternity, Customers, Partners and all our Stakeholders. I take this opportunity to say Asante Sana!.

PHILIP LOPOKOIYIT,
 GROUP CHIEF EXECUTIVE OFFICER.

CHIEF EXECUTIVE OFFICER'S STATEMENT



CATHERINE KARIMI
CHIEF EXECUTIVE OFFICER

Looking forward, I am cognizant of the task ahead in view of the expectations already laid down in our ambitious 2025-2027 Strategic plan. The next frontier of growth for our organisation can only be achieved through our mantra of Business Unusual, Step Change Delivery.

INTRODUCTION

I am delighted to present my inaugural Integrated Report for the year ended 31st December 2024. Firstly, I express my sincere gratitude to the Board, for entrusting me with the responsibility of leading the great team of ICEA LION Life staff. I consider this a defining moment, in our quest to harness and enhance our achievements over the years, as we position the Company for the next strategy cycle. Similarly, I would like to extend my appreciation to my colleagues for their support and commitment for the year 2024, during which we achieved a number of milestones that I believe will form part of the next chapter. I also thank my predecessor, Mr. George Nyakundi, for facilitating a smooth transition.

PROGRESS OF OUR 2022-2024 STRATEGIC PLAN

In 2022, we unveiled our three-year strategic plan, inspired by our vision to be the leading pan African provider of insurance and financial services and underpinned by our brand promise of *Through Every Life Changing Moment, We Are Better Together*. We have now come to the end of our current strategic cycle that focused on profitable business growth, retail model expansion, improving operational efficiency and customer retention. The effective operational implementation of our 2022-2024 strategy has enabled us to deliver the strong performance witnessed in 2024.

On profitable business growth, we delivered significant revenue growth, over the strategic period. This was driven by pursuing new markets and partnerships and growth across all product lines while offering a differentiated service value proposition.

Our retail revamp and expansion strategy saw the revamp of 14 existing branches and opening of 5 new ones. We further rationalized our productive sales force by ensuring our Financial Advisors are well trained and managed. This initiative was supported by the brand thematic campaign, existing product revamp and new product development. These initiatives led to significant growth of the retail business over the strategic period.

Our continued investment in Business Process Improvements (BPI) has seen the Company realize significant milestones on operational efficiency. The BPI initiative continues to improve the quality of our customer experience by enabling faster transaction processing and reducing operational turnaround times. In 2024, we enhanced our client touch points by doubling down on digital channels to enhance customer experience and improve operational efficiency.

The implementation of the Company's 2022-2024 strategy has helped us move closer to the achievement of our goal of being a truly customer obsessed company that creates value for all our stakeholders.



CULTURE TRANSFORMATION

In 2023, the Group embarked on a remarkable culture transformation journey to reinforce the desired green behaviors. This was cascaded to all employees and change champions appointed to monitor and evaluate the progress of implementation. We continue to engage our employees through regular surveys and culture transformation initiatives. In 2024, the staff engagement survey notably improved over the previous year indicating that our culture transformation initiatives are indeed bearing fruit.

Additionally, the Company concluded its job evaluation project which establishes a standardized grading structure reflecting the relative importance of each role across the organization.

OUR 2025-2027 STRATEGIC PLAN

Looking forward, I am cognizant of the task ahead in view of the expectations already laid down in our ambitious 2025-2027 Strategic plan. The next frontier of growth for our organisation can only be achieved through our mantra of *Business Unusual, Step Change Delivery*. I hereby wish to briefly highlight part of our agenda that we plan to pursue as a Company, over the next three years. Our Strategy is predicated on three key pillars namely: Profitable Growth, Business Transformation and Customer Focus. Underpinning these pillars are seven capabilities that include: Organisation Structure and People, Brand Visibility and Positioning, Digital and Data Analytics, Product Development and Management, Alternative Channels and Partnerships, 360-degree Customer View and Investment Asset Optimization.



LOOKING INTO THE FUTURE

While the operating environment continues to present uncertainties, we are focused on executing our 2025 -2027 strategic priorities. We recognize the risks that could impact successful execution and have implemented a comprehensive enterprise risk management framework to ensure our business remains resilient in the face of potential challenges. Our commitment to growing the business sustainably and consistently as we work to deliver long-term value to all stakeholders remains unwavering. We have great confidence in the strength of our brand and the remarkable talent and dedication of our team.

The customer continues to be at the heart of everything we do and we will keep investing in our brand while leveraging the strength of our business portfolio to drive quality growth. We will continue to focus on refreshing our product offering, growing our partnerships and sustaining our business process improvement initiative to support sustained growth, increased efficiency and improve customer retention. With these efforts, alongside our highly capable and motivated people, we are well-positioned to navigate challenges and seize opportunities in the market.

CONCLUSION

In conclusion, on behalf of our staff and management, I would like to extend my heartfelt gratitude to the Board of Directors for their unwavering support, guidance and for fostering a strong corporate governance framework.

I also recognize and celebrate our customers, suppliers, partners, and regulatory agencies for their invaluable contributions. Additionally, I want to acknowledge and commend our management team and all of our staff for their resilience and agility throughout the year.

Our people have displayed exceptional commitment, creativity and innovation, which have been key to our outstanding performance and our ability to adapt in a time of uncertainty. I remain confident in the bright future of our business, brand, and talented team, as we continue to focus on our mission of *Protecting and Creating Wealth*.

CATHERINE KARIMI,
CHIEF EXECUTIVE OFFICER.

OUR LEADERSHIP TEAM



CATHERINE KARIMI
CHIEF EXECUTIVE OFFICER



KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER



DAVID MUCHIRI
GENERAL MANAGER
RETAIL BUSINESS



CHRISTINE MUTAHI
GENERAL MANAGER
CORPORATE BUSINESS



PATRICIA KIHARA
ASSISTANT GENERAL
MANAGER - RETAIL BUSINESS



GLADYS MUSEMBI
ASSISTANT GENERAL
MANAGER - OPERATIONS



KENNEDY ODENYO
ASSISTANT GENERAL
MANAGER CORPORATE
BUSINESS



KENNETH MUCHIRI
MANAGER
CORPORATE BUSINESS



MARGARET NDUNGU
COMPANY ACTUARY



FELIX CHOMBA
MANAGER - EMPLOYEE
BENEFITS



DEBORAH KAMUNDI
MANAGER - ORDINARY
LIFE OPERATIONS



BETH MWIKALI
MANAGER CLAIMS



BENSON NZIMI
FINANCE MANAGER



JESSICA MURIITHI
MANAGER BUSINESS
PROCESS IMPROVEMENT



ENID OTIENO
MANAGER - INTERNAL AUDIT



**GROUP
SHARED
SERVICES
TEAM**



PHILIP LOPOIKIYIT
CEO ICEA LION INSURANCE
HOLDINGS



NAOMI MUNYI
GROUP HEAD OF FINANCE
ICEA LION INSURANCE
HOLDINGS



MOKAYA MOKAYA
GROUP CHIEF HUMAN
RESOURCE OFFICER



ANTHONY MUTURI
GROUP ACTUARY



CYNTHIA KANTAI
GROUP HEAD - MARKETING
AND COMMUNICATIONS



KEVIN KOMBO
GROUP HEAD - INTERNAL
AUDIT



ENOCH KEYA
GROUP HEAD - DATA
AND ANALYTICS



PAUL KIOI
GENERAL MANAGER
TECHNOLOGY AND
TRANSFORMATION



CAROLINE MAINA
GROUP HEAD - ICT
BUSINESS APPLICATIONS



DAVID TOO
GROUP HEAD - ICT
INFRASTRUCTURE



DR. ABIIDI MULONGO
GROUP HEAD - DIGITAL



BENSON WAKABA
HEAD OF RISK
AND COMPLIANCE



LEONARD SHALAKHA
GROUP TAX COMPLIANCE
MANAGER



ERIC MUTHENGI
GROUP HEAD CUSTOMER
EXPERIENCE

OUR SUBSIDIARIES TEAM



EMMANUEL MWAKA
CEO - ICEA LION LIFE
ASSURANCE COMPANY
(UGANDA) LTD.



ANNE NJUGI
COO - ICEA LION LIFE
ASSURANCE COMPANY
(UGANDA) LTD.

CHIEF FINANCIAL OFFICER'S STATEMENT



KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER

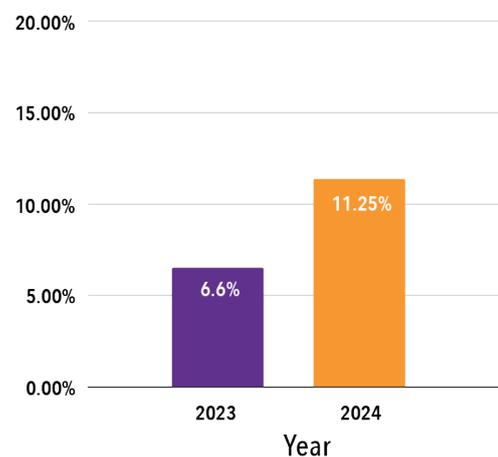
“Our strategic priorities will continue to emphasize customer focus, enhancing operational efficiency through business transformation and expanding our market presence while upholding strong financial discipline and integrity.”

ECONOMIC BACKGROUND

In 2024, Kenya faced a challenging economic environment characterized by macroeconomic and political instability, slower growth and fiscal pressures. The rejection of proposed tax reforms following the Gen Z protests further heightened uncertainty, though the impact of these protests had diminished by year-end. Higher taxes led to reduced disposable income while the construction and mining sectors experienced declines. On the other hand, economic growth was supported by expansions in key sectors, including accommodation and food services, real estate, transportation, wholesale and retail trade, and agriculture.

During the year, the Kenyan shilling appreciated against all major currencies, gaining 21% against the US dollar. Inflation eased to 3% in Q4, down from 6.6% the previous year, driven by lower food and energy prices. In response, the Central Bank reduced the CBR rate to 11.25% by year-end. Despite this challenging economic background, the Group delivered great performance, supported by our financial strength and definitive strategic choices.

Inflation



GROUP BUSINESS PERFORMANCE OVERVIEW

I am pleased to share our 2024 full-year financial results, marking our second year of reporting under the IFRS-17 accounting standard for Insurance Contracts. In the continued application of the standard, coupled with additional experience, we identified areas of implementation where some enhancements and refinements were considered necessary. These changes largely related to accounting estimates and judgements and have been applied prospectively to the 2024 financial statements.

INSURANCE REVENUE

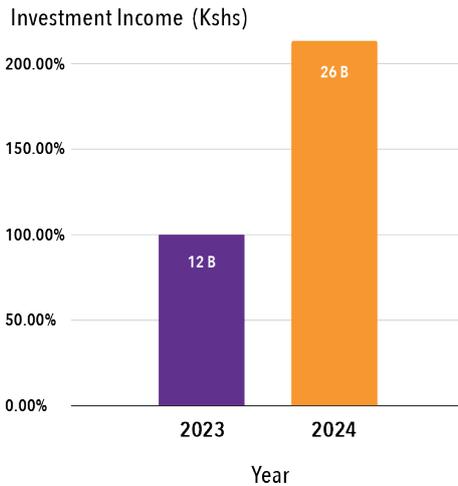
The Group's Insurance Revenue declined by 6% to Kshs 8.7 billion compared to a Kshs 9.3 billion in 2023. This decline was primarily driven by IFRS 17 implementation refinements and enhancements. These adjustments were one off in nature and are not expected to recur in the future.

INSURANCE SERVICE EXPENSES

In 2024, the Group recorded total insurance service expenses of Kshs 5.2 billion compared to Kshs 8.8 billion in 2023. These expenses were largely driven by claims and insurance-related costs amounting to Kshs 3.7 billion (2023: Ksh 7 billion). The decrease was also primarily attributable to one-off IFRS 17 implementation refinements, which impacted both insurance revenue and insurance service expenses. These refinements involved the prospective exclusion of the investment component from actual claims and expenses.

INVESTMENT INCOME

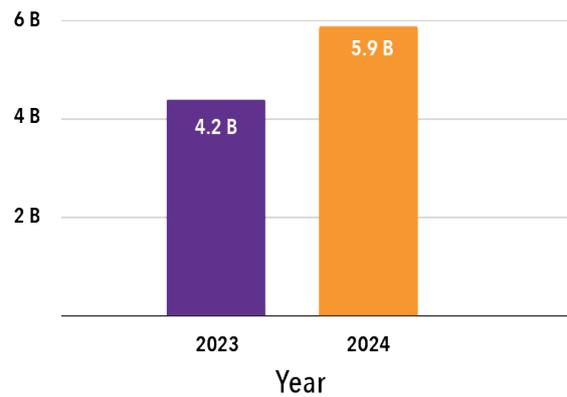
The Group's total investment income grew by 216% to Kshs 26 billion in 2024, compared to Kshs 12 billion in 2023. This stellar growth was primarily driven by higher interest income from fixed deposits along with revaluation gains on mark-to-market Government bonds and listed equities.



PROFITABILITY

The Group's Profit Before Tax increased by 13% to Kshs 4.8 billion, up from Kshs 4.2 billion in 2023, driven by strong investment income amid elevated interest rates, an expanded asset base fueled by business growth and revaluation gains on Government bonds, equities and investment properties. Lower interest rates towards the year-end negatively impacted profitability by increasing Insurance Finance Expense, as the unwinding of discounted policy obligations outgo and a lower discount rate led to higher actuarial liabilities.

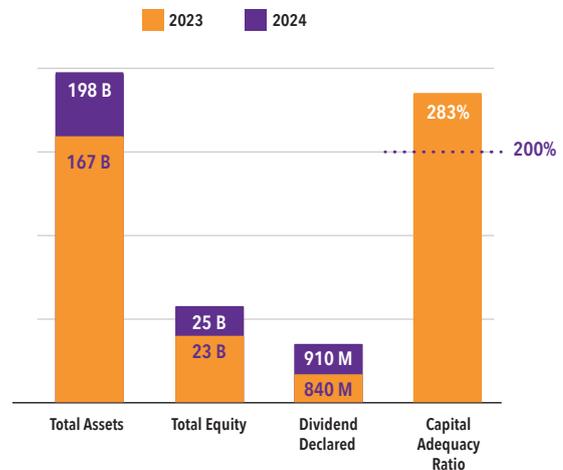
Group Profit Before Tax (Kshs)



BALANCE SHEET STRENGTH & SHAREHOLDER MATTERS

The Group's asset base expanded by Kshs 32 billion to close the year at Kshs 197 billion representing a growth of 19%. Similarly, Group total equity grew to Kshs 25 billion driven by higher profitability, whereas the Company's Capital Adequacy Ratio (CAR) remained solid at 283%, well above the regulatory risk-based CAR of 200%. As a reflection of the Group's continued strong profitability, The Board declared a dividend of Kshs 1.05 billion for the year (2023: Kshs 840 million) representing an increase of 25%

Balance Sheet Strength & Dividends (Kshs)



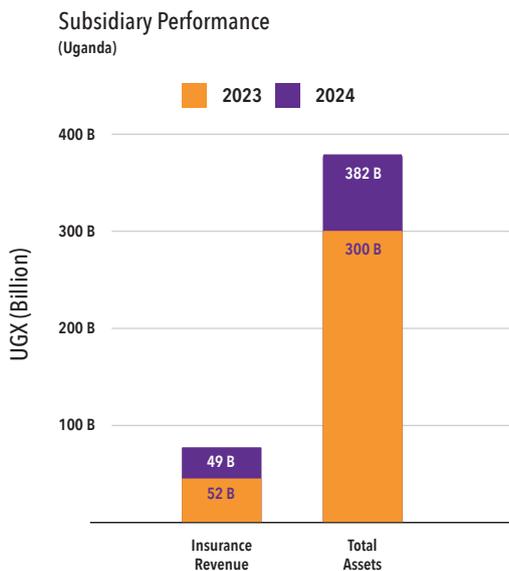
OUR GLOBAL CREDIT RATING

For the third consecutive year, ICEA LION Life Assurance Company Limited has achieved a financial rating of AAA (KE) with a stable outlook, as assessed by Global Credit Rating (GCR), an affiliate of Moody's Ratings. This rating represents the highest level awarded to a local insurance group, highlighting the strong financial foundation of the parent company, ICEA LION Insurance Holdings. It reflects the Group's exceptional risk-adjusted capitalization, robust liquidity and dominant market position. Ultimately, this rating serves as a clear endorsement of the Group's ability to fulfill its contractual obligations to all stakeholders.

OUR SUBSIDIARY PERFORMANCE

ICEA LION LIFE ASSURANCE COMPANY (UGANDA) LIMITED

Total Insurance Revenue for the ICEA LION Life Assurance (Uganda) Limited slightly reduced by 7% to UGX 49 billion (2023: UGX 52 billion), while Company assets grew by 27% to UGX 382 billion (2023: UGX 300 billion). The Company has a strong track record of performance, which has enabled it to declare competitive rates of return on Deposit Administration schemes and attractive bonus rates on 'with Profits' ordinary life policies. The subsidiary has firmly established its market leadership in Uganda and is well-positioned to continue achieving profitable growth in the future



ESG MATTERS

We continue to integrate ESG into our strategy and operations, making significant progress in 2024. To celebrate these efforts, we hosted our inaugural ESG Day, recognizing contributions across the Group. We remain committed to reducing our carbon footprint through energy efficiency, resource optimization, and regulatory compliance. Key achievements include a 57% reduction in paper usage, lower energy and fuel consumption, solarization of ICEA LION Center and sustainability initiatives such as a tree nursery at our Head Office park and partnerships with Miti Alliance and the Kenya Defense Forces at Kahawa Garrison.

For details, see the *Foreword* section on page 4 and *Our Value Creation* section on page 66. On the social front, as ICEA LION Group, we prioritize social impact through support for orphans via Milele Trust and aid to pastoralist communities with index-based insurance for drought protection.

With regard to Governance, the Company is a leader in implementing sustainability-related reporting in Kenya. Through ongoing efforts, as outlined in *Our Value Creation* section page 66, we have consistently led the conversation on sustainable insurance, encouraging wider adoption of these principles within the local market. As a result, we are at the forefront of adopting the International Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB i.e IFRS S1: General Requirements for Disclosure of Sustainability related financial information and IFRS S2 Climate Related Disclosures. These standards are effective January 2026 for Uganda and 2027 for Kenya respectively. These standards are designed to enhance transparency, consistency and comparability in ESG reporting, signaling a significant shift in the way ESG matters are disclosed. As a Group we are on course to ensure implementation and compliance with these new standards to promote standardization of ESG reporting.

LOOKING AHEAD

As our commercial ethos dictates, we remain firmly committed to sustainable business growth while navigating potential challenges in the broader economic landscape. Our strategic priorities will continue to emphasize customer focus, enhancing operational efficiency through business transformation and expanding our market presence while upholding strong financial discipline and integrity. We are confident that our investment in innovation and technology, alongside a steadfast commitment to risk management, will position us well for long-term success. While uncertainties will inevitably arise, we are confident that our strong financial foundation, effective strategy execution and people with integrity and talent, will enable us to capitalize on opportunities and manage risks effectively to continue building on our 60 year Legacy of Trust.

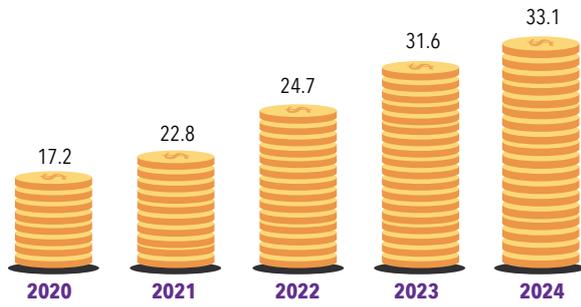
KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER

GROUP FINANCIAL HIGHLIGHTS

	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Insurance revenue	8,721	9,324	6,980	7,371
Insurance service expense	(5,215)	(8,807)	(4,037)	(6,986)
Total investment return	28,239	13,119	26,569	11,811
Total Expenses	(961)	(1,105)	(868)	(947)
Profit/(Loss) before tax	4,771	4,234	3,827	3,599
Income Tax	(1,177)	(1,031)	(1,002)	(886)
Profit/(Loss) after tax	3,594	3,203	2,825	2,713
Total Comprehensive Income	3,594	3,203	2,825	2,713

	GROUP		COMPANY	
	2024 Kshs'000	2023 Kshs'000	2024 Kshs'000	2023 Kshs'000
Assets				
Investment property	10,288	9,886	10,288	9,886
Government securities	118,576	112,885	108,160	103,700
Deposits with financial institutions	53,566	29,492	51,819	27,773
Equities	8,034	6,288	7,656	6,066
Other Assets	6,608	8,083	4,161	5,422
Total	197,072	166,634	182,084	152,847
Liabilities				
Insurance contract liabilities	165,386	138,157	153,762	127,271
Deferred tax	3,990	3,538	3,990	3,538
Other liabilities	2,513	2,228	2,132	1,823
Total liabilities	171,889	143,923	159,884	132,632
Total Equity	25,183	22,712	22,200	20,215
Total Liabilities and Equity	197,072	166,635	182,084	152,847

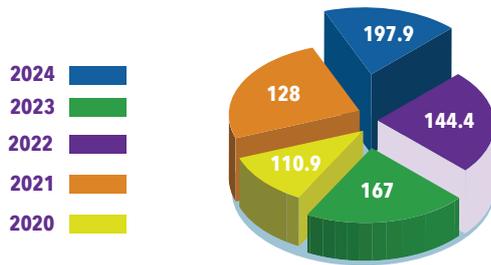
GROUP GWP (Figures in billions)



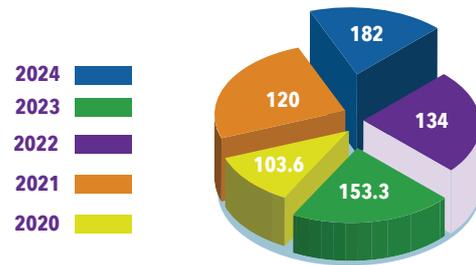
COMPANY GWP (Figures in billions)



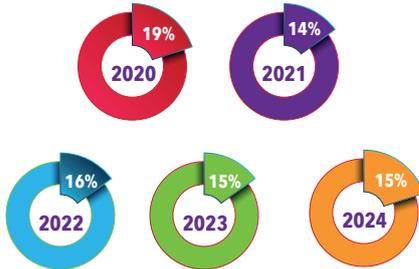
GROUP TOTAL ASSETS (Figures in billions)



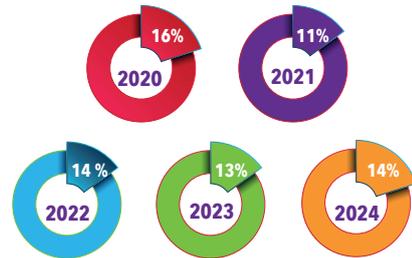
COMPANY TOTAL ASSETS (Figures in billions)



GROUP TOTAL EXPENSES RATIO



COMPANY TOTAL EXPENSES RATIO



COMPANY CAPITAL ADEQUACY RATIO (CAR) 2024



COMPANY CAPITAL ADEQUACY RATIO (CAR) 2023



GROUP PROFIT BEFORE TAX (Figures in billions)



COMPANY PROFIT BEFORE TAX (Figures in billions)



WHERE AND HOW WE OPERATE

38	Operating Context
41	Stakeholder Mapping
42	Our Stakeholders
42	Our Business Model
43	Our Strategy

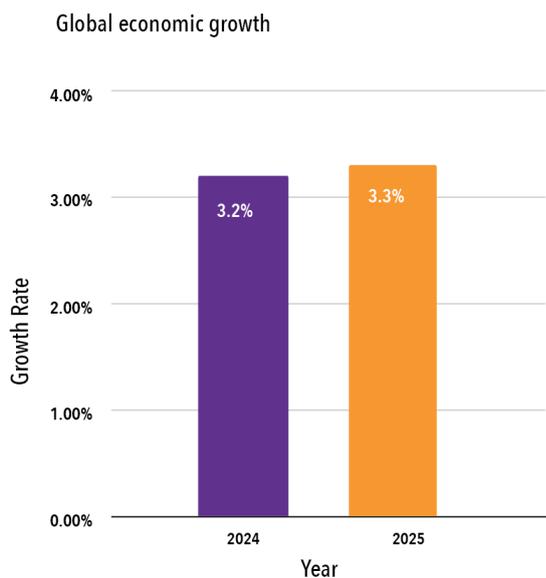


WHAT'S
YOUR?
PLAN.

OPERATING CONTEXT

GLOBAL ECONOMY

Global economic growth is projected to improve to 3.3% in 2025 from 3.2% in 2024, based on the January 2025 World Economic Outlook Update. This is primarily on account of upgrades to the forecast for the United States offsetting downgrades for other advanced economies, in particular, the largest European economies. Major Central Banks are expected to continue lowering their policy rates subject to inflation and labor market dynamics. In Sub-Saharan Africa, the IMF estimates that GDP will grow by 4.2% in 2025. This comes as Sub-Saharan African countries are implementing difficult and much needed reforms to restore macroeconomic stability amid tight financing conditions. The region however, remains vulnerable to external shocks arising from geopolitical tensions. Consequently, debt, fiscal and exchange rate pressures remain a concern. Additionally, geopolitical tensions and trade policy uncertainty pose risks to the economic recovery.



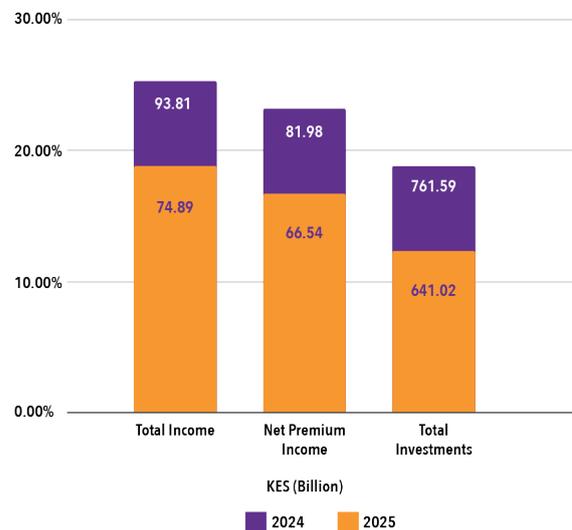
KENYAN ECONOMY

The Central Bank of Kenya projects GDP growth to rise to 5.4% in 2025, up from 4.6% in 2024, driven by growth in manufacturing, construction, and service sectors. GDP growth slowed to 4.5% in the first nine months of 2024, down from 5.7% in 2023 due to a slowdown across most sectors. Interest rates are likely to decline further as the Central Bank eases monetary policy in response to reduced inflation and currency pressures, though sovereign credit rating downgrades and fiscal imbalance may keep rates elevated. Lower fixed income yields could boost domestic demand for equities, while lower global central bank rates may increase their attractiveness of foreign investment in emerging and frontier markets. Key risks include a sharper depreciation of the Kenyan shilling or renewed inflation, which could push interest rates higher coupled with potential underperformance of financial markets due to foreign investor outflows.

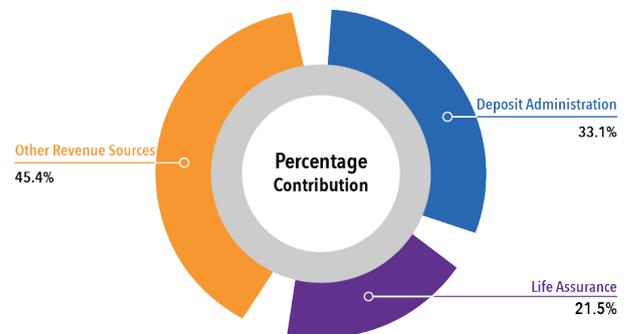
THE LIFE INSURANCE INDUSTRY

According to Insurance Regulatory Authority (IRA) Q2 2024 report, the Insurance Industry Gross Written Premium (GWP) was Kshs 212.85 billion representing an increase of 18.2% from Kshs 180.03 billion in Q2 2023. The total income reported under long term insurance business stood at KES 93.81 billion representing a growth of 25.3% from Kshs 74.89 billion in Q2 2023. Deposit Administration and Life Assurance classes remained the biggest contributors to the long-term insurance business revenue accounting for 33.1% and 21.5% respectively.

Long-Term Insurance Business Performance (Q2 2023 vs. Q2 2024)



Composition of Long-Term Insurance Business Revenue (Q2 2024)

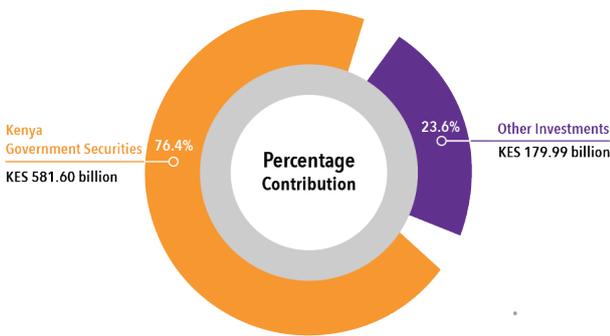


The net premium income reported by the end of Q2 2024 by the long-term insurers was KES 81.98 billion representing an increase of 23.2% from KES 66.54 billion reported by the end of Q2 2023. Total investments under long term insurance business as at end of June 2024 amounted to KES 761.59 billion, an increase of 18.8% compared to KES 641.02 billion reported as at end of Q2 2023. Kenya Government securities maintained their attractiveness to long term insurers comprising 76.4% (KES 581.60 billion) of the total long term insurers' investments.

FUTURE OUTLOOK & OPPORTUNITIES

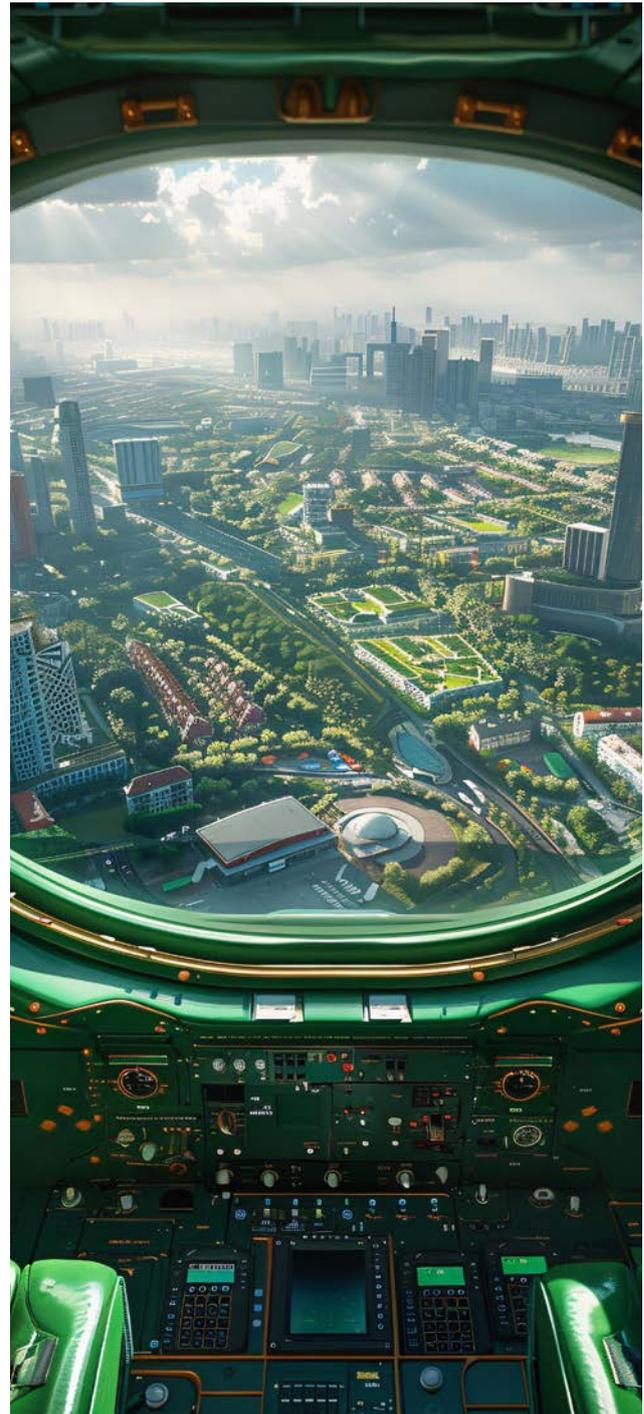
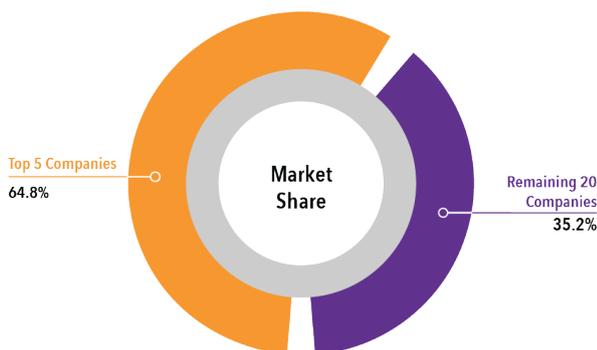
The future of the insurance industry offers opportunities driven by technology, changing consumer needs and global trends. To stay competitive, insurers must focus on innovation and customer-focused solutions. Trends like mobile insurance, micro-insurance and pay-as-you-go models are key to reaching the uninsured and underinsured. For Kenya's insurance industry to succeed, it must embrace digital transformation, meet the evolving customer preferences and ensure sustainable growth practices that match price to risk in a competitive market.

Composition of Long-Term Insurers' Investments
(Q2 2024)



The top five out of 25 life insurance companies, controlled a market share of at least 5% each of the total Gross Premium Income and Contributions under long term insurance business segment by the end of Q2 2024 and cumulatively 64.8%. The remaining twenty companies controlled 35.2% of the market, indicating dominance of the Kenyan long term insurance market by a few players.

Market Share of Life Insurance Companies



OUR GROUP PERFORMANCE

	2024 KES Billion	2023 KES Billion
Total Income (Gross premium and contributions)	33	27.4
Group Profit Before Tax	4.8	4.2
Total Assets	197	165

MACRO ECONOMIC INDICATORS - KENYA

	2024	2023
Gross Domestic Product (GDP) (USD bn)	116.32	119.66
Private Sector Credit Growth (%)	4.67%	12.10%
91 Day Treasury Bill Rate (%)	9.89%	15.98%
10 Year Treasury Bond Rate	13.60%	15.70%
GDP Growth Rate	4.60%	5.50%
Average Headline Inflation	4.53%	7.69%
182 Day Treasury Bill Rate	10.02%	15.97%
15 Year Treasury Bond Rate	13.72%	15.73%
GDP per Capita (USD)	2,218	2,188
USD/KES Exchange Rate	129.29	156.46
364 Day Treasury Bill Rate	11.41%	16.10%
20 Year Treasury Bond Rate	14.78%	15.90%

KENYAN ECONOMY



MACRO ECONOMIC INDICATORS - UGANDA

	2024	2023
Gross Domestic Product (GDP) (USD)	51.37	46.8
91 Day Treasury Bill Rate (%)	10.38%	10.38%
10 Year Treasury Bond Rate	16.50%	15%
GDP Growth Rate	6.0%	6.10%
Average Headline Inflation	3.30%	2.6%
182 Day Treasury Bill Rate	13.40%	12.36%
15 Year Treasury Bond Rate	16.75%	16%
GDP per Capita (USD)	997.13	1,056
USD/Ushs Exchange Rate	3,670	3,695
364 Day Treasury Bill Rate	15.05%	12.80%

UGANDAN ECONOMY



STAKEHOLDER MAPPING

INTRODUCTION

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 (2025-2027), 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 therefore 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.

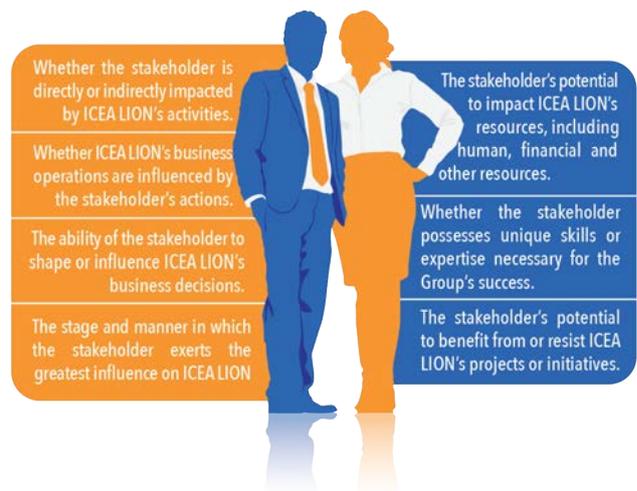
At the heart of our operations, stakeholders are seen as invaluable collaborators in driving success. Effective communication and engagement are cornerstones of our shared journey, enabling us to cultivate trust, foster collaboration and build enduring partnerships.

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:



A Commitment to Stakeholder Collaboration

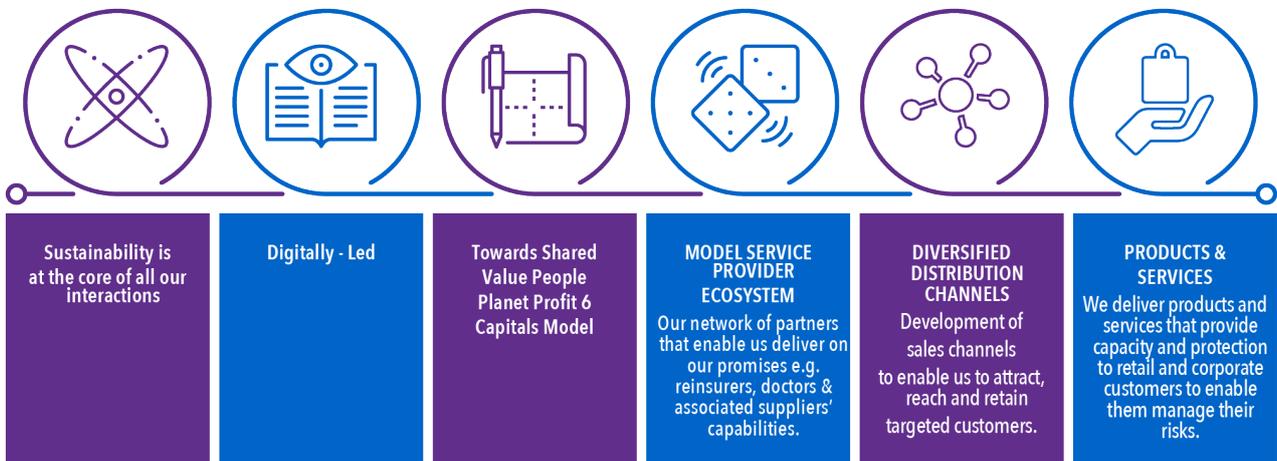
At ICEA LION, our mission, *To Protect and Create Wealth*, drives our dedication to meaningful stakeholder engagement across Kenya, Uganda and Tanzania. Guided by the Stakeholder Management Plan, we have implemented a structured framework that enables clear, inclusive and effective communication. This 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



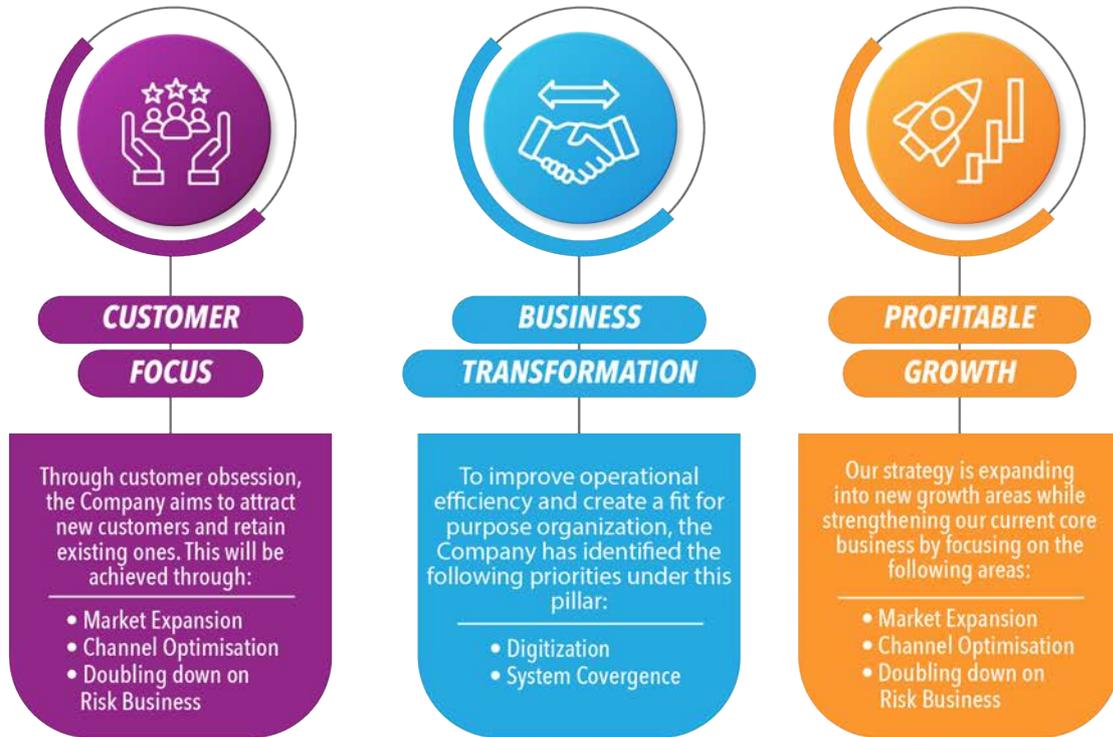
OUR BUSINESS MODEL



OUR STRATEGY 2025-2027

Our strategy is aimed at profitable growth and is centred on 2 main themes as set out below:

1. Retaining and growing our existing business
2. Exploring new opportunities



Our Target Outcomes



GOVERNANCE STATEMENTS

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58	Board Innovation and ICT Committee Statement



CHAIRMAN'S GOVERNANCE STATEMENT



JOSEPH WANGAI
CHAIRMAN

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.

On behalf of the ICEA LION Life Assurance 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 higher volatility in the global markets due to the increasing frequency of extreme weather events and geopolitical tensions. In our local market, the insurance industry was further affected by higher cost of living, stiff competition and political tension. Our Company displayed remarkable resilience in under these circumstances.

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 and the OECD (Organization for Economic Co-operation and Development) Principles of Corporate Governance. 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 provide value for all stakeholders.

BOARD CHARTER & WORK PLAN

Our Board Charter includes provisions to ensure the Board adheres to the highest standards of corporate governance. The work plan features a detailed schedule that identifies matters reserved solely for the Board's attention, providing thorough oversight of key issues. It also outlines the timing of both board and committee meetings, along with the main agenda items for each session. Special meetings are scheduled as needed.

OUR BOARD CHARTER

Key components in our Board charter include the following:



BOARD COMPOSITION & APPOINTMENTS

Our Board of Directors is comprised of the Chief Executive Officer and twelve non-executive directors, including myself as Chairman. These directors bring a diverse range of skills, experience and expertise in key areas. Additionally, they meet the "fit and proper persons" criteria in accordance with the "Guidelines on Suitability of Persons" set by the Insurance Regulatory Authority. Directors are appointed by the Board's Nomination and Remuneration Committee of the Board.

BOARD MEETINGS AND INFORMATION FOR DIRECTORS

In 2024, our Board met four times on scheduled dates to review and oversee the execution of strategic initiatives and business plans. The meetings also included discussions of quarterly financial results, approval of financial reports and the exercise of effective oversight in strategic, financial, operational and compliance matters. To ensure smooth day-to-day operations, the Board has delegated authority to the Chief Executive Officer. In line with the Company's Articles of Association, all directors receive prior notice of Board meetings, along with agendas and relevant documents, which include regular business progress reports and discussion papers on specific issues. The Company Secretary is always available to assist with matters related to the Board and its Committees.

Additionally, reports from regulatory bodies, including the Insurance Regulatory Authority, the Kenya Revenue Authority, auditors, actuaries and rating agencies, are carefully reviewed at Board meetings and appropriate actions are taken in response.

Board Evaluation

The guidelines for board evaluations set the foundation and the evaluation led by an external consultant, with oversight from the Chairman and Company Secretary, goes beyond mere compliance. Our evaluation process brings substantial improvements across four key areas: the Organization, the Board, Individual Board Members and key Stakeholders. Over the past five years, annual evaluations have been carried out consistently, driving significant progress.

Role and mandate of the Board of Directors

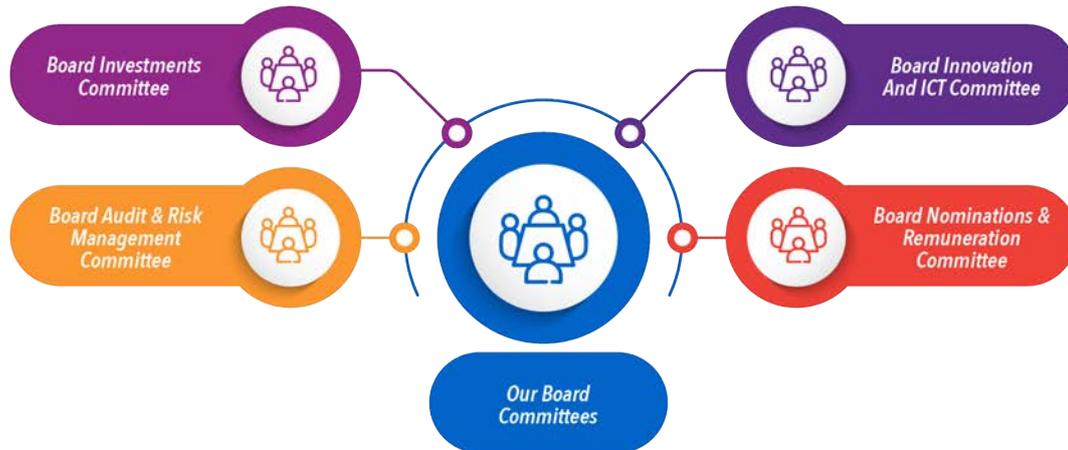
The Board provides overall oversight over the Company. The Board is the custodian of corporate governance and is responsible for directing, administering, and controlling the Company's affairs in a transparent, fair, ethical and responsible manner.

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 sustainably achieve its key strategic deliverables. 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:

- To determine the Company's overall objectives, approve strategic plans to achieve the objectives, monitor operational performance, ensure effective risk management and internal controls, and monitor legislative, regulatory and governance requirements.
- Ensure that there are clear and formal procedures in key areas so that regulators and auditors can readily review decisions and actions, both internally and externally.
- Conduct business in accordance with the Company's code of ethics.
- Overseeing the issuance of reports to comply with legal requirements and to meet the legitimate and reasonable information needs of material stakeholders.
- Allocate major roles and responsibilities according to the Company's delegation of authority framework.
- Oversee and appreciate that the Company's core purpose, strategy, risk and opportunities, business model, performance and sustainable development are all inseparable elements of the value creation process.



- Delegate to Management the formulation and development of the Company's short, medium and long-term strategy to ensure that the Company achieves its objectives as a business enterprise. This is done while considering the organisation's impact on the Company's stakeholders, its financial performance and the environment.
- Oversee the Company's investments, the strategic investments and corporate actions.

ROLE OF THE CHAIRMAN & THE CHIEF EXECUTIVE OFFICER

The chairperson of the Board of directors and the Chief Executive Officer (CEO) exercise important roles in the corporate governance structure of a company. The Board is committed to a clear division of responsibilities between the Chairman and the CEO. The Chairman is responsible for managing the Board and providing strategic leadership to the Company.

The CEO directs the implementation of Board decisions and directives. Our CEO steers the organization to realize its strategic objectives in conjunction with the senior leadership team.

OUR BOARD COMMITTEES

The Board has established various committees to enhance the effectiveness of fulfilling its responsibilities and obligations. 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.

Board Audit & Risk Management Committee

The committee is chaired by a non-executive director and comprises three non-executive directors, two of whom are independent. The CEO, Chief Financial Officer, Internal Audit Manager and Risk and Compliance Manager attend by invitation.

In 2024, the Committee convened four times. It is responsible for ensuring the establishment, monitoring and reporting of the Company's systems, controls, procedures, policies and risk management activities. The Committee reviews the external auditors' plans and reports, internal audit findings and any proposals or reports that impact ICEA LION's internal control environment. It also addresses matters related to ethics and policyholder protection.

Furthermore, the Audit, Risk and Compliance Committee oversees Management's financial reporting process, ensuring accuracy, timeliness and compliance with applicable standards. The Committee is also committed to promoting sound corporate governance practices at ICEA LION.

Board Investments Committee

This committee has five non-executive directors, one of whom is independent. The CEO, Chief Financial Officer and CEO of ICEA LION Asset Management Limited attend by invitation. The Committee met four times during the year to review financial and investment strategies, approve or recommend investment projects to the Board in alignment with the Company's investment policy and assess the performance of the investment portfolio while monitoring special projects.

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 Financial Officer and the Head of Risk and Compliance, attend by invitation. This Committee met four times in 2024. The 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 evaluates the Company innovation strategy and investments 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.

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. The 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 commitment to not only to executing tasks correctly but also to pursuing the right objectives. Our team possesses the requisite 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.

OUR SUSTAINABILITY PRACTICES

We endeavour to consciously integrate sustainability into our value chain in a bid to promote resilience and reduce risks. 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 pivotal 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 adopting 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 uncertainty. These systems play a crucial role in safeguarding Company assets and ensuring compliance. In response to potential risks that may adversely impact stakeholders, 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 the 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 of the Company. This function evaluates the sufficiency and effectiveness of ICEA LION's adherence to Company 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 our employees. ICEA LION ensures compliance with local and international standards through its anti-money laundering program, promoting regulatory 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 interest of ICEA LION. It is our practice to prevent directors from placing themselves in situations where their personal interests could be in conflict 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 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 35 on page 182.

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 35 to the financial statements for the year ended 31 December 2024. (See page 182)

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 set 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 MEETING ATTENDANCE - 2024

MAIN BOARD MEETING

Name	Designation	15.03.24	21.06.2024	13.09.2024	22.11.2024
Joseph Wangai	Chairman	○	○	○	○
James Ndegwa	Director	○	○	○	○
Mariam Abdullahi	Director	○	○	○	○
Mugwe Manga	Director	○	○	○	○
Kairo Thuo	Director	○	○	○	○
Robin Ndegwa	Alternate Director	○	○	○	○
Doug Lacey	Director	○	○	○	○
Andrew Ndegwa	Director	○	○	○	○
Patrick Mugambi	Director	○	○	○	○
David Hutchison	Director	○	○	○	○
Ernest Ndegwa	Director	○	○	○	○
Norman Kelly	Director	○	○	○	○
George Nyakundi	CEO (Outgoing)	○	○		
Catherine Karimi	CEO (Incoming)		○	○	○
Kennedy Ontiti	Company Secretary	○	○	○	○

BOARD AUDIT & RISK MANAGEMENT COMMITTEE

Name	Designation	11.03.2024	18.06.2024	12.09.2024	19.11.2024
Kairo Thuo	Chairman	○	○	○	○
Robin Ndegwa	Alternate Director	○	○	○	○
Doug Lacey	Director	○	○	○	○
Andrew Ndegwa	Director	○	○	○	○
Patrick Mugambi	Director	○	○	○	○
David Hutchison	Director	○	○	○	○
Ernest Ndegwa	Director	○	○	○	○
Norman Kelly	Director	○	○	○	○
George Nyakundi	CEO (Outgoing)	○	○		
Catherine Karimi	CEO (Incoming)		○	○	○

BOARD REMUNERATION & NOMINATIONS COMMITTEE

Name	Designation	08.03.2024	02.12.2024
Joseph Wangai	Chairman	○	○
James Ndegwa	Director	○	○
Doug Lacey	Director	○	○
Andrew Ndegwa	Director	○	○
Norman Kelly	Director	○	○
George Nyakundi	CEO (Outgoing)	○	
Catherine Karimi	CEO (Incoming)		○

Present ○ Absent with Apologies ○

STRATEGY & BOARD TRAINING

Name	Designation	30.10.2024	31.10.2024
Joseph Wangai	Chairman	○	○
James Ndegwa	Director	○	○
Mariam Abdullahi	Director	○	○
Mugwe Manga	Director	○	○
Kairo Thuo	Director	○	○
Robin Ndegwa	Alternate Director	○	○
Doug Lacey	Director	○	○
Andrew Ndegwa	Director	○	○
Patrick Mugambi	Director	○	○
David Hutchison	Director	○	○
Ernest Ndegwa	Director	○	○
Norman Kelly	Director	○	○
Catherine Karimi	CEO	○	○
Kennedy Ontiti	Company Secretary	○	○

BOARD INVESTMENTS COMMITTEE

Name	Designation	12.03.2024	17.06.2024	09.09.2024	18.11.2024
Andrew Ndegwa	Chairman	○	○	○	○
Mugwe Manga	Member	○	○	○	○
Doug Lacey	Member	○	○	○	○
Patrick Mugambi	Member	○	○	○	○
Norman Kelly	Member	○	○	○	○
George Nyakundi	CEO (Outgoing)	○	○		
Catherine Karimi	CEO (Incoming)		○	○	○

BOARD INNOVATION & ICT COMMITTEE

Name	Designation	12.03.2024	17.06.2024	09.09.2024	18.11.2024
Mugwe Manga	Chairman	○	○	○	○
Mariam Abdullahi	Director	○	○	○	○
Doug Lacey	Director	○	○	○	○
Andrew Ndegwa	Director	○	○	○	○
Patrick Mugambi	Director	○	○	○	○
Norman Kelly	Member	○	○	○	○
George Nyakundi	CEO (Outgoing)	○	○		
Catherine Karimi	CEO (Incoming)		○	○	○

BOARD EXECUTIVE COMMITTEE

Name	Designation	Q1	Q2
Joseph Wangai	Chairman	○	○
James Ndegwa	Member	○	○
Doug Lacey	Member	○	○
Andrew Ndegwa	Member	○	○
Norman Kelly	Member	○	○
Patrick Mugambi	Member	○	○
George Nyakundi	CEO (Outgoing)	○	
Catherine Karimi	CEO (Incoming)		○
Kennedy Ontinti	Company Secretary	○	○

Present ○ Absent with Apologies ○

BOARD INVESTMENTS COMMITTEE STATEMENT



ANDREW NDEGWA
COMMITTEE CHAIRMAN

To ensure portfolio diversification the Committee approved new Company Investment Policy Statements (IPs) that incorporate the impact of both commercial and market risks on assets and liabilities.

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

The Committee is charged with the responsibility of:



2024 FOCUS AREAS

To ensure portfolio diversification the Committee approved new Company Investment Policy Statements (IPs) that incorporate the impact of both commercial and market risks on assets and liabilities. In this regard, 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. Additionally, the Committee also examined the Company's investment strategy, placing special focus on the long-term outlook for sovereign credit risk, the equity portfolio investment rationale and the optimization of property assets.

INVESTMENT PERFORMANCE

Our Company's investment portfolio grew by Kshs 31billion, from Kshs 149.3 billion to Kshs 180 billion, marking a growth of 18.6%. This portfolio growth was due to new business inflows and the reinvestment of net realized investment income after covering claims payments and management expenses. The above performance was against the background of relatively lower interest rates and inflation coupled with a stable Kenyan shilling. This led to a recovery in both bond and equity markets resulting in sizeable revaluation gains on listed securities.

Owing to our liability profile, Government securities remained the main asset class in our portfolio, accounting for 60% of the total investments. Compared to 2023, the portfolio recorded a strong performance in terms of revaluation gains on the back of higher bond prices in response to lower interest rates.

As part of our ongoing effort to diversify the portfolio, manage risk and volatility, 28% of our total investments amounting to Kshs 51 billion was held in cash and cash equivalents. We earned competitive returns on this asset class buoyed by relatively higher interest rates earlier on in the year. While this temporary high liquidity position may not always yield the most competitive returns, it gives us the flexibility to move with speed to seize profitable opportunities when they come along. In this regard, our Alternative Investments Framework will help us spot those attractive opportunities, all the while keeping a close eye on risk from asset selection to post investment management. Given our long-term investment horizon and leveraging our enhanced capabilities in this area, we are confident that our portfolio diversification strategy will pay off.

Our real estate holdings, which constitute about 6% of the Company's investment portfolio, delivered a revaluation gain of Kshs 272 million largely driven by increased rental income. This growth stemmed from the successful rollout of new rental models, alongside targeted refurbishments and property upgrades. Additionally, our strategic development plans remain on course to improve the property overall portfolio yield in the long term. Finally, our equities portfolio remains a significant part of our investments, comprising approximately 4% of the Company's investment assets. Through a disciplined, fundamentals-driven strategy, our portfolio delivered a return of 50%, outperforming the market-weighted NSE-25 Share Index, which posted a 43% gain.

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



KAIRO THUO
COMMITTEE CHAIRMAN

The 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.

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.

Regarding financial statements, the Committee's focus included:

With evolving risks—such as geopolitical tensions, supply chain disruptions, and the rapid adoption of generative AI—the 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.

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.



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 XX of this report.

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.

The Company’s principal risks are set out on page 61 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
12 TH MARCH 2024	<ul style="list-style-type: none"> • Operations • Finance 	<ul style="list-style-type: none"> • Data Protection • Investment Properties
12 TH MARCH 2024	<ul style="list-style-type: none"> • Information Technology • Operations • Operations 	<ul style="list-style-type: none"> • Business Continuity Management • Commissions • Deposit Administration
12 TH JUNE 2024	<ul style="list-style-type: none"> • Finance 	<ul style="list-style-type: none"> • Payments
19 TH NOVEMBER 2024	<ul style="list-style-type: none"> • Information Technology • Finance • Compliance & Regulatory 	<ul style="list-style-type: none"> • Host to Host • Financial Investments • Anti-Money Laundering

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 REMUNERATION & NOMINATIONS COMMITTEE STATEMENT



JAMES NDEGWA
COMMITTEE CHAIRMAN

Throughout the year, the Committee provides strategic oversight by defining high-level performance priorities aligned with the Group's mission and strategy.

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.

2024 KEY FOCUS AREAS

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

(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 employees 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.

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 Systems

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.

APPOINTMENT OF KEY LEADERSHIP POSITIONS

(i) Ms Catherine Karimi - Chief Executive Officer, ICEA LION Life Assurance

The board approved the appointment of Ms. Catherine as the CEO for the Life Assurance Company Ltd, Kenya. Catherine was appointed on 23 May 2024 following regulatory approval. She joined ICEA LION from APA Life Assurance Company Ltd where she worked as the Chief Executive Officer since February 2017. Prior to that, she worked in the industry in various companies in senior executive roles. Ms. Karimi holds a first class honours degree in Education (Science) from Kenyatta University. She is also a ACII holder in addition to other various leadership development Program (LDP) from Strathmore Business School. Her vast experience, spanning over 25 years in the insurance industry, will be invaluable to ICEA LION, bringing deep industry expertise, strategic insight, and a strong track record of driving growth, innovation and profitability to the business.

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

Mr. Lopokoiyit was appointed as the Chief Executive Officer of the Insurance Holding Company and the Group Chief Executive Officer effective October 2024. Philip is a seasoned Commercial and Market Transformation Expert with both executive and non-executive Board Member experience. Before joining ICEA LION General Insurance Company, Philip executed key strategy execution and business delivery leadership in companies as diverse as Flamingo Horticulture Kenya and British American Tobacco (in both East and Central Africa, West Africa and Nigeria) having begun his professional career at PricewaterhouseCoopers. He has also carried responsibilities of a Non-Executive Director in various NCBA and NIC Group entities within Kenya and Uganda, as well as on the Boards of CIC Insurance Group and CIC Asset Management.

Philip was pivotal in the transformation of the ICEA LION General strategy, leadership and business performance. During his tenure, the team successfully realigned the business strategy to drive sustainable and profitable growth.

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 & ICT COMMITTEE



MUGWE MANGA
COMMITTEE CHAIRMAN

I am pleased to report that 2024 marked a significant milestone as we developed the Group's ambitious three-year digital and innovation strategy.

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. 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.

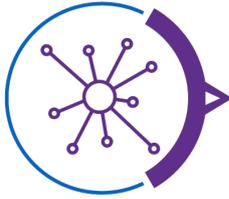
THE THREE-YEAR DIGITAL AND INNOVATION STRATEGY

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 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.

The key focus areas for the next three years include:

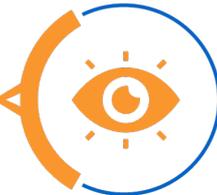


Expanding Distribution and Partnerships

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

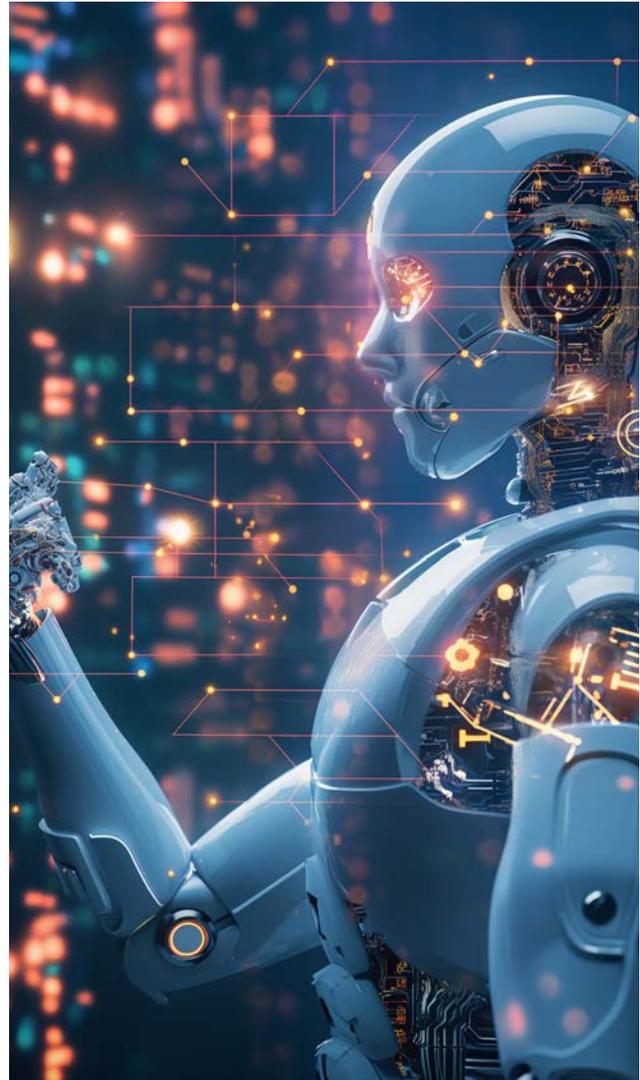
Building a nimble and flexible system architecture capable of integrating with an increasing number of partners.



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.

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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Governance Risk and Compliance



RISK LANDSCAPE- GOVERNANCE, RISK AND COMPLIANCE

This section provides an in-depth overview of Governance, Risk Management, and Compliance (GRC) within ICEA LION. Our governance structure ensures robust oversight, transparency, and ethical standards, promoting alignment with organizational goals. The governance framework is designed to foster accountability and support strategic decision-making processes. Through proactive risk management practices, we emphasize early risk identification, mitigation strategies, and continuous monitoring.

Compliance forms a cornerstone of our operations, with dedicated efforts to stay ahead of regulatory changes. This is achieved through consistent policy development, mandatory compliance training programs, and rigorous adherence to ethical conduct.

OUR APPROACH TO RISK MANAGEMENT

At ICEA LION, risk management and governance are deeply integrated into our strategic vision. Leveraging globally recognized frameworks like COSO and ISO 31000, we position ourselves as industry leaders in risk mitigation and corporate governance.

THE THREE LINES OF DEFENSE (LOD)

First Line of Defense (Business Units and Operations):

Business units through frontline employees are empowered guardians who actively identify, evaluate, and address risks as a natural extension of their roles. By embedding operational controls directly into our workflows, we create a dynamic and responsive framework that continuously monitors, mitigates, and adapts to emerging challenges.

Second Line of Defense (Risk Management and Compliance):

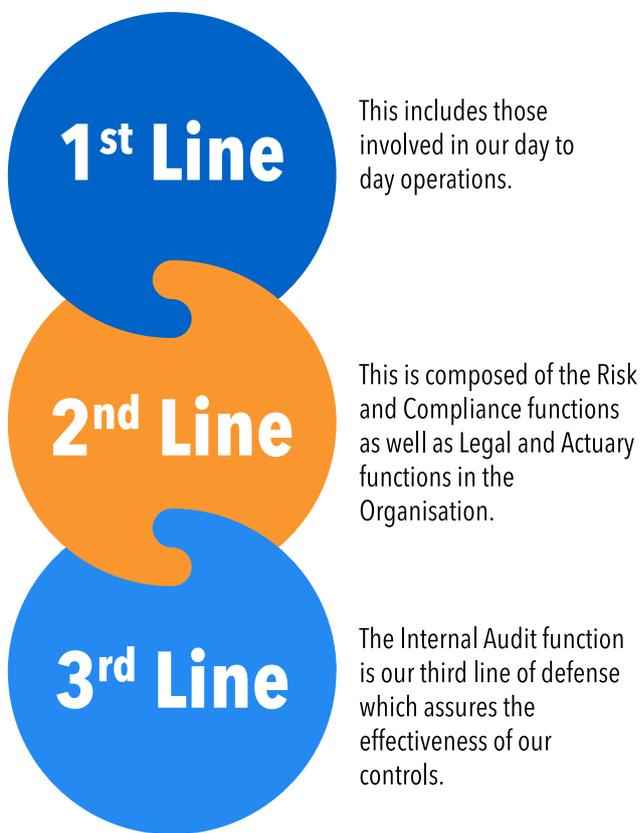
The risk management and compliance function, our trusted second line of defense, plays a pivotal role in safeguarding organizational integrity in today's dynamic regulatory landscape. Acting as a steadfast guardian, this team delivers crucial oversight, expert guidance, and objective evaluations to navigate evolving risks.

Third Line of Defense (Internal Audit):

Our internal audit function performs independent evaluation of our risk management and control systems in an increasingly complex business environment. Through their findings and recommendations, internal audit plays a vital role in fostering continuous improvement and enhancing operational resilience.

Integration of the Three Lines:

Unity in diversity is the driving force behind the seamless collaboration of our three lines of defense. This synergy is enhanced by leveraging cutting-edge technologies, real-time monitoring systems, and integrated platforms that break silos, ensuring a cohesive risk management framework. Together, these lines work in unison to strengthen our capabilities in identifying risks, implementing dynamic mitigation measures, and achieving full compliance with increasingly intricate regulatory requirements.



BUILDING RESILIENCE THROUGH RISK INTELLIGENCE

To build a resilient organization capable of thriving in today's dynamic environment, we have implemented an integrated risk management framework that seamlessly aligns with our daily operations. Spearheading this initiative is our risk management and compliance team. To ensure objectivity and accountability, this function reports directly to the Board Audit and Risk Committee.

At the heart of our approach is a clearly articulated risk appetite framework, approved by the Board of Directors and cascaded to all levels of the organization. This ensures a unified understanding of risk tolerance and promotes a culture of proactive risk management. Regular risk assessments, leveraging predictive analytics and AI-powered tools, allow us to evaluate emerging and critical risks against predefined thresholds. Our systematic approach is further supported by comprehensive internal policies, well-defined reporting hierarchies, and tailored training programs. Furthermore, we have integrated ESG (Environmental, Social, and Governance) risk considerations into our framework, reflecting our commitment to sustainability and long-term value creation.

As we navigate an era of rapid regulatory changes and technological advancements, our forward-thinking strategies ensure we remain agile and resilient.

RISK APPETITE PROCESS AND SETTING

The risk appetite framework serves as a guiding principle for decision-making. By clearly defining acceptable risk thresholds, we enable teams to strike a balance between pursuing opportunities and managing potential threats. This structured process is rooted in detailed analyses, strategic priorities, and regular reviews to ensure relevance in an evolving business environment. The framework also includes scenario analyses to forecast potential impacts, thus enhancing preparedness and adaptability.



Risk Appetite, the cornerstone of Enterprise Risk Management, PECB 2016

RISK FACTORS AND MEASUREMENT

To navigate an increasingly complex risk environment, we prioritize accurate measurement and monitoring of risks. Key areas of focus include:

Insurance Risk:

These risks stem from uncertainties in underwriting, claims management, and reinsurance arrangements. ICEA LION employs advanced actuarial models to forecast potential scenarios and establish reserves accordingly. Policies are regularly reviewed and adjusted to address evolving market dynamics and regulatory expectations, ensuring a robust risk management structure. The policies guide key processes such as product design, pricing, underwriting, claims management, reserving, and reinsurance.

Business Risks:

- a. **Cost Risks:** Operational efficiency is a cornerstone of managing cost risks. This involves continuous optimization of operational workflows and cost structures to ensure sustainability.
- b. **Policyholder Behavior Risks:** Predictive analytics and behavioral studies allow us to anticipate policyholder actions, such as lapses or early withdrawals, enabling preemptive adjustments to products and services. Policyholder behavior risks arise from the unpredictable and potentially adverse decisions policyholders make when exercising their contractual options. These include actions such as early contract termination, policy surrenders, partial withdrawals, renewals, or opting for annuities. Such behaviors can significantly impact the company's financial and operational dynamics.

To address these risks, ICEA LION employs well-established actuarial techniques to develop assumptions grounded in historical policyholder data industry benchmarks and expert judgment to ensure robust and reliable projections. We have elevated our risk oversight mechanisms by integrating data analytics monitoring tools.

To honor our commitments to policyholders, we adopt a meticulous approach to asset management. We align our investment strategy with the liability profile, solvency requirements, and broader risk-return objectives. Our asset allocation strategy is dynamic, undergoing periodic reviews to adapt to market changes and ensure optimal protection for the company and its stakeholders. Additionally, our commitment to sustainability is embedded within our asset management framework. ESG (Environmental, Social, and Governance) considerations are integrated into investment decisions, reflecting our dedication to long-term value creation and responsible stewardship.

Investment Risks:

Investment risk represents the potential for financial loss or underperformance arising from uncertainties or unfavorable changes in the value of assets. It encompasses various factors, including market volatility, economic shifts, interest rate changes, credit defaults, inflationary pressures, geopolitical instability, and liquidity challenges. These risks are addressed by diversifying asset portfolios and adhering strictly to investment guidelines. Rigorous monitoring ensures compliance and maximizes returns within acceptable risk parameters.

Operational Risks:

Operational risk is the risk of loss arising from deficiencies or failures in internal processes, human actions, technology systems, or external events. It encompasses diverse challenges such as employee errors, fraud, system outages, cyberattacks, supply chain disruptions, regulatory breaches, and natural disasters. This form of risk is intrinsic to an organization’s daily operations and can significantly impact its performance, reputation, and financial well-being. Proactive management of operational risks involves identifying weaknesses, implementing strong controls, nurturing a culture of risk awareness. These risks encompass human resource management, ICT systems, and fraud prevention. Through regular training and development programs, ICEA LION ensures that employee competence is enhanced in risk identification and mitigation. The Company has also ensured ICT resilience measures, including robust cybersecurity frameworks and operational continuity controls.

Market Risks:

Market risks arise from fluctuations in market conditions that can affect the value of the company's assets, liabilities, or the income generated from those assets. These risks are central to financial stability, and the primary categories faced by the company include:

Interest-rate Risk
The risk of changes in interest rates affecting the value of financial instruments.

Exchange-rate Risk
The possibility of financial losses due to fluctuations in currency exchange rates impacting the Company's operating activities.

Liquidity Risk
The risk of insufficient liquid assets to meet policy payouts (e.g., surrenders, expenses, or maturities), which may force the sale of assets at reduced prices, resulting in losses.

To effectively manage and mitigate these market risks, the Company employs a range of advanced risk management strategies, including:

Setting & Monitoring Functional Market Risk Limits
Defining boundaries to control exposure and ensuring adherence through active oversight.

Asset & Liability Management (ALM)
Designing an optimal strategic asset allocation that aligns with liability profile, minimizing risk to acceptable levels while maintaining financial stability.

A Disciplined Investment Process
Involving comprehensive analysis by the investment team as per fund management mandates and overseeing by the Board Investment Committee.

Reputational Risks:

Reputation has remained a cornerstone of our success, with its preservation being crucial to fostering client loyalty and attracting new opportunities. We operate with zero tolerance for reputational vulnerabilities and remain unwavering in our commitment to safeguarding our corporate image.

To navigate the complex landscape of reputational risks, we have deployed an agile Crisis Management Team that is equipped with the expertise and tools to counteract challenges ranging from media scrutiny to social media disruptions, ensuring swift containment and resolution.

Business Continuity Risks:

Internal hiccups like system failures or external shocks such as natural disasters, floods, or civil unrest carry the potential for business disruptions. Our unwavering commitment to operational continuity is reflected in the establishment of comprehensive frameworks for business continuity, disaster recovery, and crisis management, ensuring we remain prepared for any eventuality.

Compliance Risks:

Compliance risks arise from potential breaches of laws, regulations, contractual obligations, established protocols, or ethical norms. They also encompass the challenges posed by misinterpretation or misapplication of prevailing legal and regulatory frameworks. Mitigating compliance risks remains a top priority, and we tackle this by embedding strict adherence to legal requirements, codes of conduct, best practices, and internal governance policies across our operations. This includes independent assurance and oversight from our Compliance and Internal Audit teams.

Fraud Risk Management:

Fraud risk encompasses deliberate deceptive actions or willful misrepresentation that can inflict significant harm on the company, potentially perpetrated by management, employees, or external parties. We integrate fraud risk management into the broader fabric of our enterprise risk strategy, ensuring it is embedded within every layer of our operations. We enforce the highest standards across all business activities and a Board-approved fraud management policy is in place.

Our comprehensive fraud management framework includes:

- 

The establishment of a whistleblower policy, supported by an independently managed hotline, enabling employees and third parties to confidentially report any concerns.
- 

A robust Anti-Bribery policy, reinforcing our stance against unethical financial practices.
- 

The imposition of sanctions and potential legal action against those found guilty of fraudulent activities.
- 

A range of fraud awareness initiatives, including specialized training programs aimed at educating staff on how to identify and prevent fraudulent behavior.
- 

Due diligence processes for thoroughly vetting new employees, suppliers, and key stakeholders, ensuring that we partner only with trusted and ethically sound individuals and organizations.
- 

Through these proactive and comprehensive measures, we aim to strengthen our defenses against fraud and corruption, fostering a culture of integrity and accountability at every level of our organization.

NAVIGATING SHIFTING TIDES: EMERGING RISKS

In today's hyper-connected, rapidly evolving landscape, the nature of risk is undergoing a paradigm shift. Unprecedented geopolitical upheavals have set off cascading consequences that continue to reshape global dynamics. Simultaneously, the intensifying impacts of climate change and the mounting threat of sophisticated cyberattacks on intangible assets and critical data create new and complex challenges. This shifting global risk environment tests the resilience and adaptability of organizations, stretching their capacity to absorb financial and operational shocks.

ICEA LION is acutely aware of these transformative risks and opportunities has identified critical emerging trends that may influence our operations. These include:

Regulatory Compliance Changes:

Continuous updates to regulatory frameworks, the introduction of new legislation, and legal actions present growing compliance challenges, often driving up operational costs. Failure to comply can result in severe repercussions, including hefty fines, legal penalties, reputational damage, and, in extreme cases, the loss of operating licenses.

To navigate this evolving regulatory terrain, we have established a robust compliance management framework under the oversight of our Board.

Technological Disruption:

Cutting-edge technologies are revolutionizing the insurance landscape, pushing the industry to adapt for sustained relevance and competitiveness. As these technologies evolve at breakneck speed, traditional insurance models face significant disruption. In response, our Company is embracing these transformative trends with a forward-thinking approach to meet the expectations of our stakeholders.

Cybersecurity Threats:

From ransomware and data breaches to distributed denial-of-service (DDoS) attacks, cyber threats pose significant risks, including financial losses, reputational harm, regulatory sanctions, and legal liabilities. Cyber intrusions can compromise critical customer information, disrupt operations, destabilize finances, and erode trust.

In response to these growing challenges, we are leveraging modern security technologies, conducting comprehensive training programs to cultivate a cyber-aware culture, and implementing robust incident response plans to anticipate and neutralize threats proactively.

Climate Change:

Climate change poses and far-reaching challenges, driving global economic losses, property damage, and adverse health effects. For the insurance industry, this translates into more frequent and severe claims, escalating reinsurance costs, and complexities in accurately evaluating climate-related risks. Recognizing these imperatives, ICEA LION Group has reinforced its commitment to sustainability through impactful environmental, social, and governance (ESG) initiatives aligned with global and regional efforts.

A key pillar of our strategy is active participation in the Nairobi Declaration on Sustainable Insurance (NDSI), where we collaborate with financial institutions to mitigate Africa's vulnerability to climate risks. Our partnership with the African Development Bank Group in conceptualizing and operationalizing the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) stands as a cornerstone of this commitment. ACRIFA channels concessionary capital, high-risk funding, and grants to foster the development of targeted climate insurance solutions, paving the way for greater resilience across the continent.

As an advocate for nature-positive finance, we have embraced the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), joining its pilot program under FSD Africa to enhance institutional capacity and awareness of nature-related risks and opportunities.

Economic Uncertainty:

Economic volatility, driven by factors such as geopolitical tensions, inflationary pressures, and fluctuating commodity prices, necessitates agile business planning. Our diversified investment strategies, stress-testing methodologies, and scenario planning enable us to navigate uncertain economic conditions effectively. By fostering resilience through liquidity management and maintaining a dynamic operational model, we ensure stability and adaptability in volatile markets.

Competition From Other Industries:

Non-traditional competitors, including fintechs and big tech firms, are entering the insurance and financial services sectors with innovative, tech-centric offerings. To counteract this, we have embraced digital transformation, leveraging big data and analytics to personalize customer experiences. Furthermore, we continue to innovate by introducing agile product development processes and forming strategic alliances that enhance our service portfolio, ensuring we remain a preferred choice for our clients.



OUR VALUE CREATION

67	Materiality Matrix
68	The Capitals
69	Human Capital
74	Intellectual Capital
75	Manufactured Capital
77	Social & Relationship Capital
78	Natural Capital
81	Financial Capital



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

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.



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.



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.



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.



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.



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.



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.

1) 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.
- 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 of 7% in the workforce complement while attracting a diverse talent of new hires. This increase has been necessitated by underline business growth.

HUMAN CAPITAL

HEADCOUNT



29

NEW HIRES BY GENDER

35



OUR
WORKFORCE
COMPOSITION

b) Developing Our Workforce

The business growth and sustainability are anchored on our employees' capability to serve our customers. We operate in a dynamic and competitive market requiring us to be astute in our approach of tailoring solutions to our customers while ensuring compliance 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 through engage teams.

A graduate management training program was launched in March 2023. The first cohort of four trainees underwent comprehensive on-the-job training, gaining critical skills and insights across different business departments.

Two trainees completed the program in August 2024 and were deployed in the Operations and Finance departments. The second cohort, comprising four trainees, was onboarded in December 2024.

We continue to structure learning and development programs that support and address our current and future business needs. Some of the programs held during the year under review are as set out below:

Training	Course	2024	2023
Technical & Professional Training	Technical & Professional Training (headcount)	89	88
	PRINCE 2 Foundation (headcount)	3	Nil
Compliance & Regulatory Training	AML/CFT & Data Privacy & Protection (compliance)	92%	88%
	Finance Act Tax Training (headcount)	14	16
	IFRS 17 (recordings)	Nil	2
Customer Obsession and Product Training	Customer Obsession Training (uptake levels)	87%	85%
	Product Training	Nil	4
Leadership Development	Leadership Masterclass: Coaching for High Performance (headcount)	Nil	13
	Global Leadership Professional Coaching	5	Nil
	License to Lead (headcount)	27	Nil

CULTURE & EMPLOYEE ENGAGEMENT

a) Culture Transformation

Our culture transformation journey continues to be instrumental in executing the business strategy following the launch of the 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 quest to delight our esteemed customers.

In April 2024, we conducted a pitstop review of the progress made in our culture transformation journey on our behaviors 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 and relatable 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, a culture 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.





2024 Team Building

HEALTH AND WELLNESS

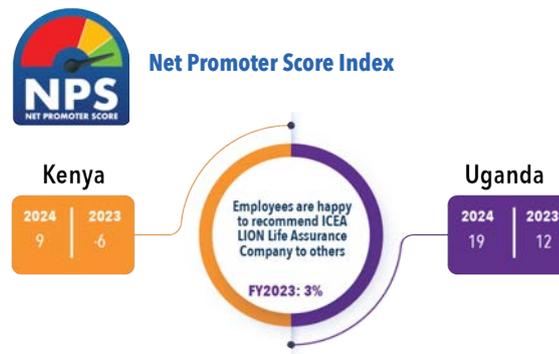
The health and well-being of our employees is a critical component for a sustainable workforce. We prioritize the health and wellbeing of our employees through various programmes which are aimed at equipping employees with the tools to make healthy and safe choices through prevention, treatment, care, 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 with a focus 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.



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 88% 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;

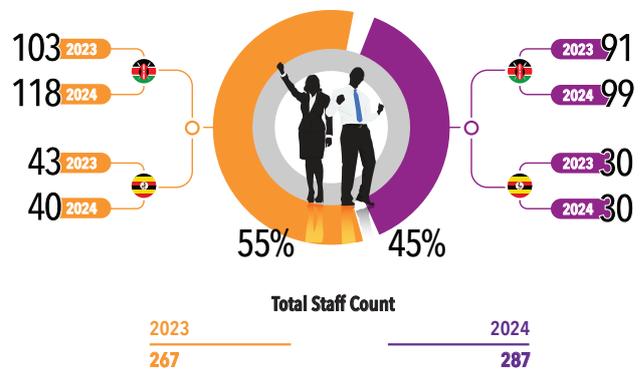


ORGANIZATION DIVERSITY & ESG

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 to 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, and efforts are underway to bridge the gender parity at senior leadership level.





2024 Women's Month



ICEA LION ESG Day



2024 Men's Month

2024 ACCOLADES

1) 2024 AKI Sports

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 Insurers Sports Day

2) Environment, Social & Governance Sensitization

ICEA LION is a big 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 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 a tree seedling nursery within our Riverside Park Office as a source for 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.

2) 2024 AKI Future Leaders of Insurance Competition

Each year The Association of Kenya Insurers (AKI) Secretariat runs the Future Leaders of Insurance Competition to engage young professionals in the industry to share their innovative ideas. The 2024 Competition was launched on 15th July 2024 and the main focus was to generate ideas that leverage technology to generate innovative ideas for Life Insurance solutions that address the low uptake among the youth.

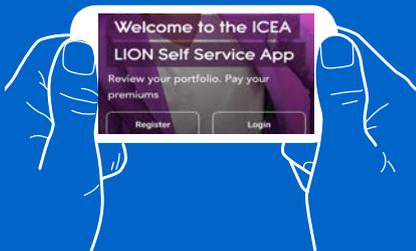
Emeldah Kimathi was among the 5 finalists shortlisted to make their final presentations and she emerged as the 2nd Place Winner with her innovative idea of incorporating sustainability and technology into Life Insurance policies to attract young people. Congratulations Emeldah Kimathi for winning 2nd Place in the AKI Future Leaders of Insurance Competition and having successfully graduated as one of the graduands of the 1st cohort of the Graduate Management Program.

2) INTELLECTUAL CAPITAL

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

1. SELF SERVICE PORTAL

The Self-Service portal is a digital platform that provides customers with the ability to register as a new user, update their basic profile details such as names, email addresses, review their product portfolio, view and download statements, buy new products, make payments and lodge claims.



2. CUSTOMER MOBILE APP

The Customer Mobile App is a digital platform meant to reduce turnaround times and automate the business flow between ICEA LION and its partners; scheme sponsors/employers and scheme trustees. The key functionalities include members' onboarding, contributions schedule uploading (Normal and Tier II), claim enquiries and scheme reports.



3. AGENT MOBILE APP

The Mobile app provides our Financial Advisors with a digital platform for efficiently onboarding customers, calculating policy premiums and benefits and sharing information with customers without requiring our them to fill manual proposal forms.

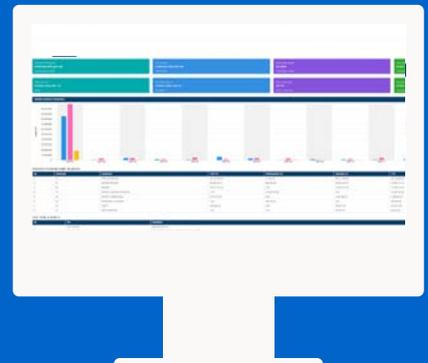


4. USSD: *793#

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.

5. PRS PORTAL

This is a digital web portal that enables prospective and existing customers to purchase and contribute towards our ICEA LION Personal Retirement Scheme fund within 5 minutes. The platform supports multiple payments options from which our customers can choose their most convenient payment option. The portal is also seamlessly integrated into our Customer Relationship Management and our Core insurance systems. This enables us to promptly support our customers whenever they are stuck with an issue on the platform or when they have inquiries to be clarified.



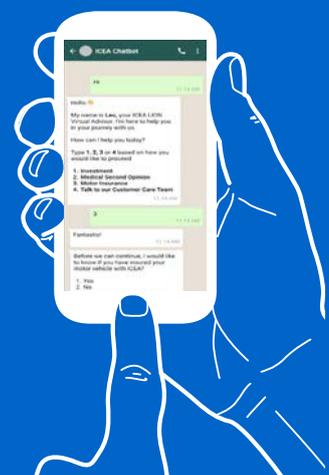
6. WHATSAPP CHATBOT:

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.

7. 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.



3) MANUFACTURED CAPITAL

The Group's manufactured capital represents our physical infrastructure which includes the traditional brick and mortar customer contact points, investment property, motor 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 enable us keep our promises to all stakeholders.

Below are the prime properties we own:



ICEA LION Centre,
Riverside Park, Chiromo Rd, Nairobi.



Riverside Park,
Chiromo Rd, Nairobi.



Clanson Court,
Muthaiga, Nairobi.



St. Austins Gardens,
Lavington, Nairobi.

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.

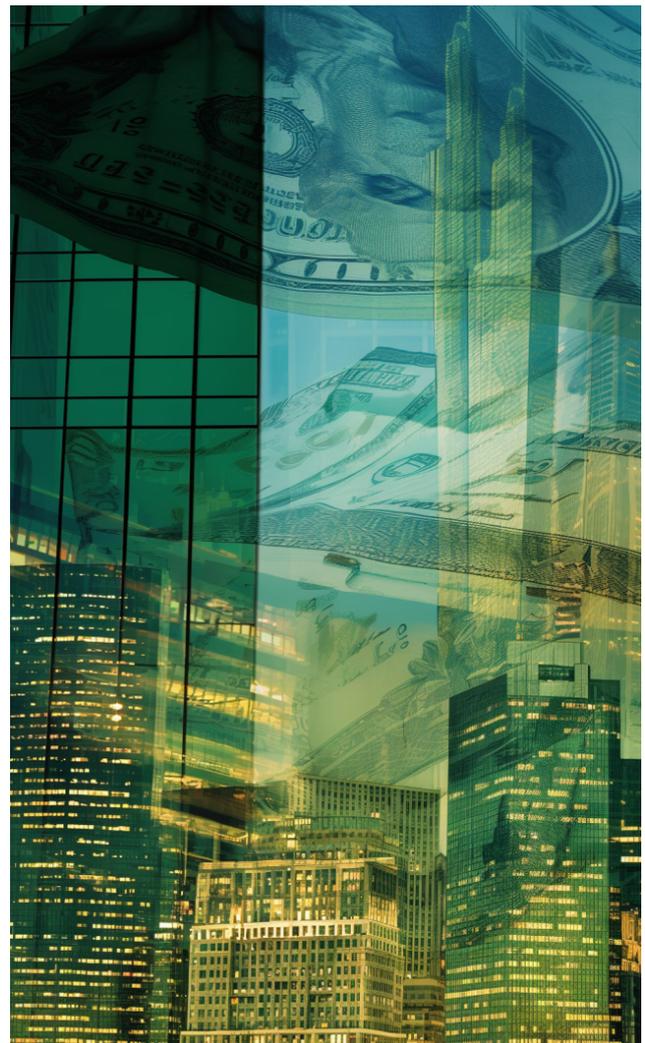
In all our properties, we have employed best practice processes in terms of health, safety and environmental management. Please refer to Page 18 for more details about our branch network.

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.

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 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 operating 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 that continue to be optimised to elevate customer experience.



4) SOCIAL AND RELATIONSHIP CAPITAL

Our operations including ESG specialists and champions

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.

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.

Promoting local businesses

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.

ESG Technical Assistant (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.

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.

We maintain a steadfast commitment to accountability and transparency, in accordance with Principle 4 of the Principles for Sustainable Insurance (PSI). This is through 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.

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.

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.

Customer Experience

Our dedication to customer experience 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.

Employment Opportunities

We place significant focus on recycling initiatives, recognizing their vital contribution to minimizing waste, enhancing sustainability, and creating diverse job opportunities within the value chain.

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.

5) 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.

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.

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 Group through 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 Group, 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 337 million in the Acorn D-REIT and KES 669 million in the Acorn I-REIT. These strategic investments underscore our alignment with financial and ESG objectives while contributing to the broader economy.



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 eight Group 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.

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:

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.

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.

A LEGACY OF TRUST

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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.

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 these measures, we ensure that potential environmental risks are mitigated.

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.

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 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 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 planting

In 2024, ICEA LION Group selected tree planting as our Corporate Social Responsibility (CSR) initiative, taking meaningful steps towards 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-planting 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.



6) FINANCIAL CAPITAL

CREATING REGIONAL VALUE THROUGH OUR FINANCIAL CAPITAL

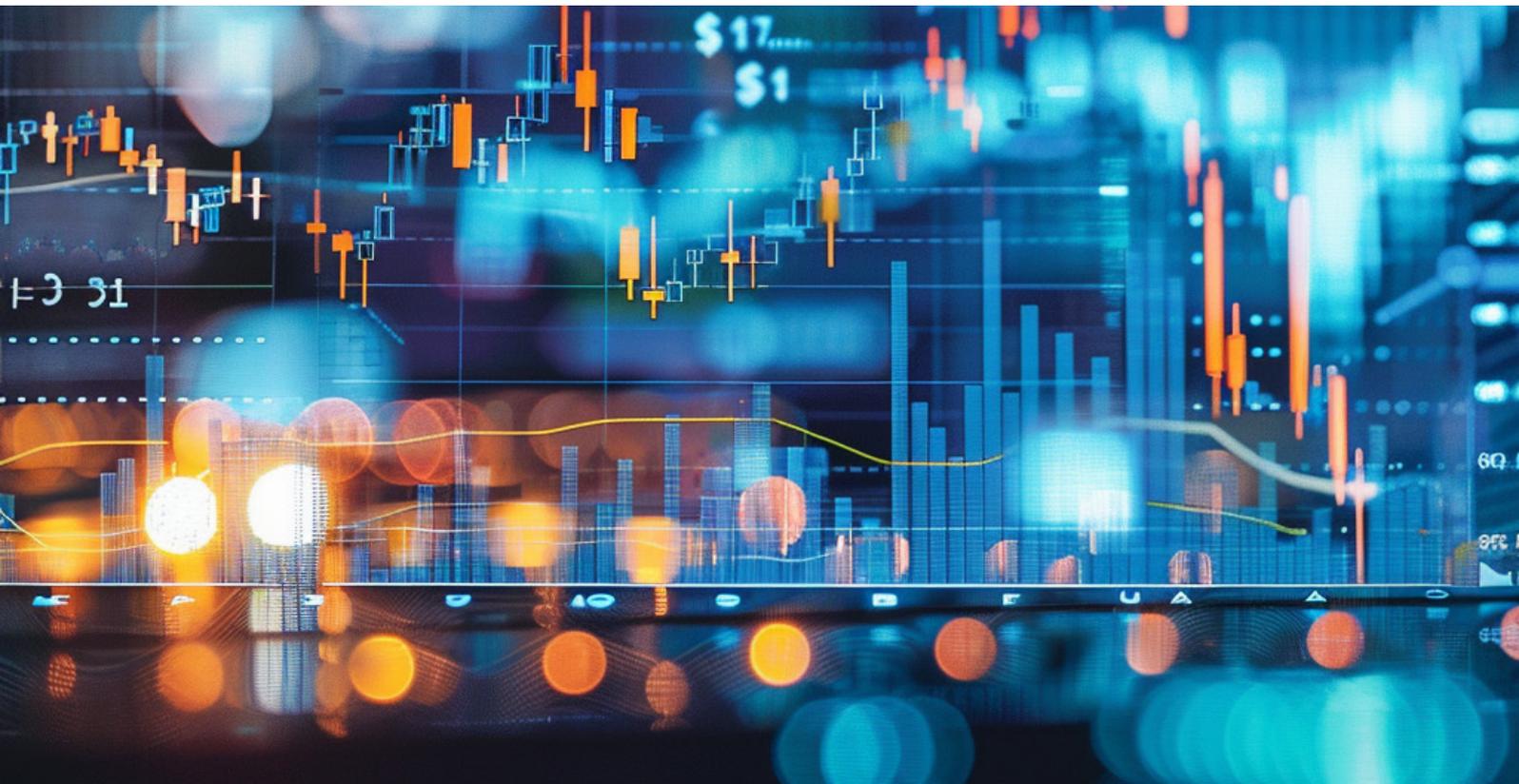
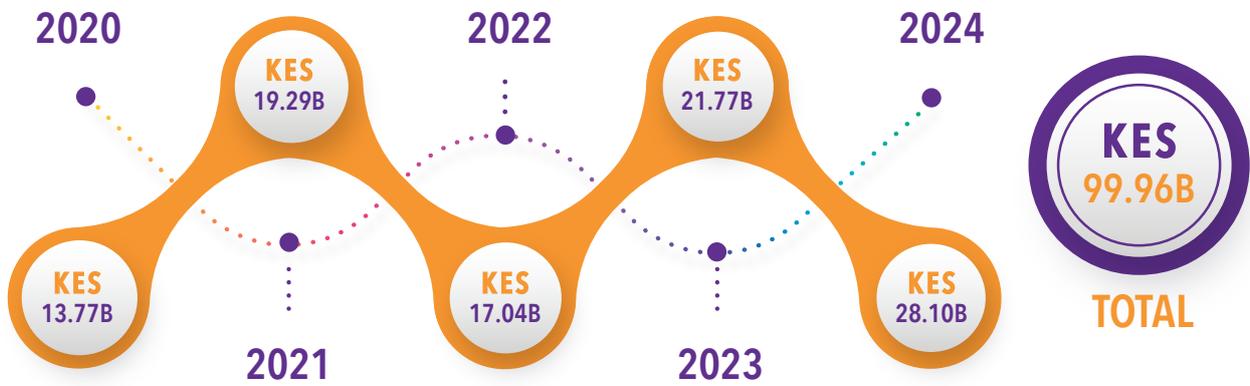
ICEA LION Life Group's contribution to regional economic sustainability over the past five years in terms of payments and transfers to key stakeholders has exceeded Kshs 99.96 billion as shown on the chart below.

Supporting qualified local suppliers when procuring any goods and services is our first choice. In 2023 and 2024, 98% of our purchases was spent on local suppliers.

Our supply chain strategy is to engage with our suppliers and commit to our procurement, sustainability and environmental charters as we embed the principles of sustainable insurance across the entire value chain. We believe that together we can deliver economic solutions to support both our business as well as to ensure the continued socio-economic growth of Kenya.

VALUE DISTRIBUTION TO KEY STAKEHOLDERS

Our key stakeholders include customers, shareholders, employees sales agents and the government.



VALUE ADDED STATEMENT & FINANCIAL CAPITAL

GROUP					
	2024	2023	2022	2021	2020
	Kshs	Kshs	Kshs	Kshs	Kshs
	Millions	Millions	Millions	Millions	Millions
Gross written premiums & interest income	41,654	26,482	21,190	22,111	16,645
Less; Insurance ceded and costs of other services	1,759	1,304	2,325	1,674	1,673
Wealth created:	39,895	25,178	18,865	20,437	14,972
DISTRIBUTION:					
Employees - salaries, wages and other benefits	1,201	1,016	1,090	927	1,060
Benefits to Sales Agents	2,158	1,751	1,659	1,269	1,155
Benefits & interest payment to policy holders	22,519	17,129	13,095	14,209	10,574
Taxes paid to Government	1,177	1,031	493	1,062	541
Dividends to Shareholders	1,050	840	700	1,826	435
RETENTION TO SUPPORT FUTURE BUSINESS GROWTH:					
Depreciation Amortisation	198	208	179	180	252
Retained Earnings	3,609	3,204	2,333	2,834	2,076
Total distribution:	39,895	25,178	18,865	20,437	14,972
COMPANY					
	2024	2023	2022	2021	2020
	Kshs	Kshs	Kshs	Kshs	Kshs
	Millions	Millions	Millions	Millions	Millions
Gross written premiums & interest income	36,916	22,380	17,362	19,185	13,742
Less; Insurance ceded & costs of other services	1,420	1,214	1,200	832	873
Wealth created:	35,496	21,166	16,162	18,353	12,869
DISTRIBUTION:					
Employees - salaries, wages and other benefits	951	804	729	636	577
Benefits to Sales Agents	1,757	1,369	1,220	935	857
Benefits & interest payment to policy holders	20,255	15,239	11,428	13,223	9,807
Taxes paid to Government	1,002	886	341	935	250
Dividends to Shareholders	1,050	840	700	1,826	435
RETENTION TO SUPPORT FUTURE BUSINESS GROWTH:					
Depreciation & Amortisation	132	155	112	118	111
Retained Earnings	2,841	2,712	2,333	2,505	1,582
Total distribution:	35,496	21,166	16,162	18,353	12,869

AUDITED FINANCIAL STATEMENTS AND RELATED NOTES

84	Report of The Directors
86	Statement of Directors' Responsibilities
87	Report of Parent Company Consulting Actuary
88	Independent Auditor's Report



REPORT OF THE DIRECTORS

The directors have the pleasure of presenting their report together with the audited financial statements of ICEA LION Life Assurance Company Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

BUSINESS REVIEW

The principal activities of the Group are the transaction of life insurance business and pension schemes administration in Kenya. The Group is also involved in the transaction of life, pension scheme administration and asset management businesses in Uganda. The Group and Company's 5 year financial highlights including ratios are summarised on pages 35 to 36.

The Group's activities expose it to a variety of financial risks, including underwriting risk, credit risk, the effects of changes in debt and equity market prices, and interest rates. The Group's overall risk management programme focuses on the identification and management of risks and the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. These policies include the 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. Investment policies are in place, which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk. Further, the internal audit and risk and compliance functions help to ensure that these policies are adhered to. The Group's risk management objectives and policies are detailed out in Note 4 and on page 55.

RESULTS

	Long-term business	Short-term business	2024 Total	2023 Total
	Kshs' 000	Kshs' 000	Kshs' 000	Kshs' 000
Profit before income tax	3,944,807	825,576	4,770,383	4,234,104
Income tax expense	(1,063,797)	(112,866)	(1,176,663)	(1,030,564)
Profit for the year	2,881,010	712,710	3,593,720	3,203,540

DIVIDENDS

Net profit for the year of Kshs 3,593,720,000 (2023: Net Profit of Kshs 3,203,540,000) has been added to retained earnings. The directors recommend a final dividend of Kshs 18.67 per share amounting to Kshs 1,050 million (2023: Kshs 14.93 per share amounting to Kshs 840 million).

DIRECTORS

The directors who held office during the year and to the date of this report are as set out on page 24.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

The directors confirm that with respect to each director at the time of approval of this report:

- there was, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all steps that ought to have been 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.

TERMS OF APPOINTMENT OF AUDITORS

The Company auditor, KPMG Kenya, continues in office by virtue of section 719 of the Kenyan Companies Act, 2015.

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

Date: 14 March 2025

Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the financial statements of ICEA LION Life Assurance Company Limited (the "Group and Company") set out on pages 94 to 184 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 as 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 year which give a true and fair view of the financial position of the Group and Company as at the end of the year 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.



Chairman



Director

Date: 14 March 2025

REPORT OF THE PARENT COMPANY CONSULTING ACTUARY

I have conducted an actuarial valuation of the long term business of ICEA LION Life Assurance Company Limited and ICEA LION Life Assurance Company (Uganda) Limited as at 31 December 2024.

The valuations were conducted in accordance with generally accepted actuarial principles and the requirements of the Kenyan and Ugandan Insurance Acts. Those principles require prudent provision for future outgo under contracts, generally based upon the assumptions that current conditions will continue. Provision is therefore not made for all possible contingencies.

In completing the actuarial valuations, I have relied upon the audited financial statements of the respective companies.

In my opinion, the long term business of the group and company were financially sound and the actuarial value of the liabilities in respect of all classes of long term insurance business did not exceed the amount of funds of the long term business at 31 December 2024.



Giles T. Waugh - Fellow of the Actuarial Society of South Africa and Fellow of the Actuarial Society of Kenya

Date: 30 March 2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICEA LION LIFE ASSURANCE 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 Life Assurance Company Limited (the "Group and Company") as set out on pages 94 to 184 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 ICEA LION Life Assurance 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



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 the consolidated and separate financial statements

See Notes 2 (b), 3, 4.1, 5, 7, 8 and 29 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 held insurance contract liabilities as well as reinsurance contract assets and liabilities as a result of its insurance operations. The Group applies IFRS 17 Insurance contracts to insurance contracts and reinsurance contracts it holds.</p> <p>In valuing insurance contract liability and asset balances, management applies significant judgment. Various assumptions are made including probability-weighted estimate assumptions regarding the expected claims and lapses, expected premiums on insurance contracts, expected directly attributable expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.</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"> – Future mortality, longevity, morbidity and policyholder behaviour; – Persistency assumptions with regard to lapse, surrender and paid-up rates; – Future maintenance expenses; – Discount rates; – Inflation; and – 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> <ol style="list-style-type: none"> i. The significant judgements 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; ii. The use of complex actuarial methods, together with significant judgements and assumptions; and iii. The material nature of the insurance contract liability balances and the related disclosures in the consolidated financial statements as at 31 December 2024. 	<p><i>Our audit procedures in this area included:</i></p> <ul style="list-style-type: none"> – Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and Group accounting policy in accordance with IFRS 17. – We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data (market data) and our assessment of the Group's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the following assumptions: <ul style="list-style-type: none"> – the confidence levels applied in the determination of the risk adjustment for non-financial risk, non-financial assumptions (mortality, longevity, lapses/withdrawal, initial and renewal expenses, acquisition costs, maintenance expenses, premium collection rate), economic assumptions (inflation, discount rate and associated illiquidity premium) by comparing to historical claims experience and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors. – We tested the effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management. – We evaluated the accuracy of the risk adjustment for non-financial risk, 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. – We evaluated the reasonability of the build-up and changes in the probability-weighted estimate liabilities (BEL), risk adjustment (RA) and contractual service margin (CSM), comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management / governance structures.



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 the consolidated and separate financial statements – (continued)

See Notes 2 (b), 3, 4.1, 5, 7, 8 and 29 to the consolidated and separate financial statements

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<ul style="list-style-type: none"> – We assessed the appropriateness of management’s allocation of groups of contracts into the various measurement buckets as required by IFRS 17. – 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. – For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group, 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 and key ratios; and – We assessed the adequacy of the insurance contract balances disclosures in the consolidated financial statements in accordance with IFRS 17 requirements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *ICEA LION Life Assurance Company Limited 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 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.



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

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 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 to cease operations, or have no realistic alternative but to do so.

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 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.
- 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.

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 (Continued)

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 in the report of the directors on pages 84 to 85 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.



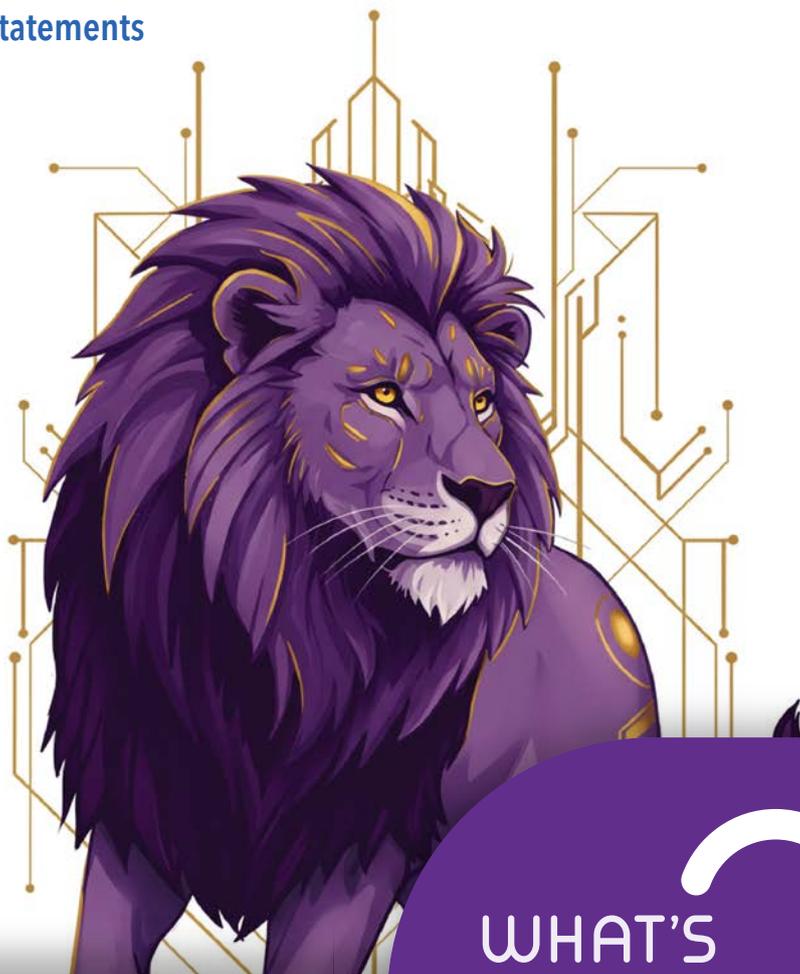
For and behalf of:

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

Date: **31** March 2025

FINANCIAL STATEMENTS

94	Consolidated Statement of Profit or Loss and Other Comprehensive Income
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance revenue	5(a)	8,721,465	-	8,721,465	9,323,991	-	9,323,991
Insurance service expenses	5(b)	(5,214,646)	-	(5,214,646)	(8,807,332)	-	(8,807,332)
Net expenses from reinsurance contracts	5(c)	(240,083)	-	(240,083)	(226,069)	-	(226,069)
Insurance service result		3,266,736	-	3,266,736	290,590	-	290,590
Interest revenue calculated using the effective interest method	6	28,023,427	573,639	28,597,066	13,173,724	93,609	13,267,333
Other investment income							
Net impairment loss on financial assets		(358,457)	-	(358,457)	(123,985)	392	(123,593)
Foreign exchange gains /(loss)		828	-	828	(24,888)	-	(24,888)
Total Investment return		27,665,798	573,639	28,239,437	13,024,851	94,001	13,118,852
Net finance (expenses) / income from insurance contracts	7	(11,102,929)	-	(11,102,929)	746,229	-	746,229
Movement in investment contract liabilities	8	(14,931,962)	-	(14,931,962)	(9,112,738)	-	(9,112,738)
Net finance expenses from reinsurance contracts		-	-	-	1,111	-	1,111
Net financial result		1,630,907	573,639	2,204,546	4,659,453	94,001	4,753,454
Other finance income / (loss)	9(a)	145,738	3,431	149,169	359,802	43,851	403,653
Other operating expenses	9(b)	(1,109,805)	(30)	(1,109,835)	(1,508,563)	(46)	(1,508,609)
Total expenses		(964,067)	3,401	(960,666)	(1,148,761)	43,805	(1,104,956)
Share of profit of equity-accounted investees (EARE) net of tax		-	248,536	248,536	-	287,210	287,210
Share of profit of equity-accounted investees (ILAM Uganda) net of tax		11,231	-	11,231	7,806	-	7,806
Profit before tax		3,944,807	825,576	4,770,383	3,809,088	425,016	4,234,104
Income tax expense	10	(1,063,797)	(112,866)	(1,176,663)	(982,104)	(48,460)	(1,030,564)
Profit for the year attributable to shareholders		2,881,010	712,710	3,593,720	2,826,984	376,556	3,203,540
Other comprehensive income, net of tax: Items that may subsequently be reclassified to profit or loss							
Exchange differences in translating foreign operations		(200,687)	-	(200,687)	203,337	-	203,337
Total comprehensive income for the year		2,680,323	712,710	3,393,033	3,030,321	376,556	3,406,877
Gain on deconsolidation of subsidiary		-	-	-	-	18,426	18,426
Change in associate profit		-	-	-	-	41,418	41,418
Total comprehensive income for the year		2,680,323	712,710	3,393,033	3,030,321	436,400	3,466,721
Attributable to:							
Equity holders of the parent		2,680,323	712,710	3,393,033	3,030,321	436,400	3,466,721
Non-controlling interest		-	-	-	-	-	-
Earnings per share (Basic and Diluted)	11(a)			63.89			56.95

The notes on pages 101 to 184 are an integral part of the financial statements

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance revenue	5(a)	6,980,322	-	6,980,322	7,371,371	-	7,371,371
Insurance service expenses	5(b)	(4,036,521)	-	(4,036,521)	(6,985,642)	-	(6,985,642)
Net expenses from reinsurance contracts	5(c)	(166,684)	-	(166,684)	(172,564)	-	(172,564)
Insurance service result		2,777,117	-	2,777,117	213,165	-	213,165
Interest revenue calculated using the effective interest method	6	26,341,083	573,639	26,914,722	11,841,189	93,609	11,934,798
Net impairment loss on financial assets		(345,060)	-	(345,060)	(123,985)	392	(123,593)
Total investment return		25,996,023	573,639	26,569,662	11,717,204	94,001	11,811,205
Net finance (expenses) / income from insurance contracts	7	(10,443,987)	-	(10,443,987)	1,170,867	-	1,170,867
Movement in investment contract liabilities	8	(14,206,654)	-	(14,206,654)	(8,650,310)	-	(8,650,310)
Net finance expenses from reinsurance contracts		-	-	-	354	-	354
Net financial result		1,345,382	573,639	1,919,021	4,238,115	94,001	4,332,116
Other finance income	9(a)	81,847	3,431	85,278	434,360	43,851	478,211
Other operating expenses	9(b)	(953,927)	(30)	(953,957)	(1,424,676)	(46)	(1,424,722)
Total expenses		(872,080)	3,401	(868,679)	(990,316)	43,805	(946,511)
Profit before tax		3,250,419	577,040	3,827,459	3,460,964	137,806	3,598,770
Income tax expense	10	(888,991)	(112,866)	(1,001,857)	(837,863)	(48,460)	(886,323)
Profit for the year attributable to shareholders		2,361,428	464,174	2,825,602	2,623,101	89,346	2,712,447
Total comprehensive income for the year		2,361,428	464,174	2,825,602	2,623,101	89,346	2,712,447
Earnings per share (Basic and Diluted)	11(a)			50.23			48.22

The notes on pages 101 to 184 are an integral part of the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

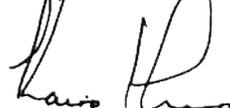
As at 31 December 2024

	Notes	Long term business 2024 Kshs'000	Short term business 2024 Kshs'000	Total 2024 Kshs'000	Long term business 2023 Kshs'000	Short term business 2023 Kshs'000	Total 2023 Kshs'000
ASSETS							
Investment properties	17	8,799,000	1,489,000	10,288,000	8,525,000	1,361,000	9,886,000
Motor vehicle and equipment	14	329,730	-	329,730	265,458	-	265,458
Intangible assets	15	70,805	-	70,805	5,481	-	5,481
Right-of-use assets	16	309,795	-	309,795	411,012	-	411,012
Investment in associate (ILAM Uganda and EARE)	20	31,835	2,285,997	2,317,832	24,379	2,149,666	2,174,045
Deferred income tax	31	46,306	50,982	97,288	46,309	50,982	97,291
Mortgage loans	22(a)	581,173	-	581,173	636,818	-	636,818
Government securities:							
-at amortised cost	26	81,582,717	-	81,582,717	82,586,213	-	82,586,213
-held at fair value through profit or loss	26	36,942,912	50,098	36,993,010	30,254,938	44,204	30,299,142
Corporate bonds at amortised cost	25	224,793	-	224,793	232,259	-	232,259
Kenya motor pool balances	21	-	27,024	27,024	-	23,593	23,593
Equities securities:							
-at fair value through profit or loss	18(a)	8,034,195	-	8,034,195	6,287,932	-	6,287,932
Statutory Deposit		78,418	-	78,418	76,981	-	76,981
Subordinated Loan	19(d)	-	129,033	129,033	-	129,033	129,033
Reinsurance contract assets	23	486,321	-	486,321	407,425	-	407,425
Current income tax	10(b)	85,549	-	85,549	76,935	39,961	116,896
Other receivables	24	1,080,916	118,301	1,199,217	1,041,085	47,546	1,088,631
Due from long term business		(941,698)	941,698	-	(723,770)	723,770	-
Deposits with financial institutions	27	52,116,936	1,449,317	53,566,253	28,352,447	1,139,827	29,492,274
REIT Investment	18(b)	272,114	260,901	533,015	266,704	148,537	415,241
Cash and bank balances		135,338	3,391	138,729	721,643	3,813	725,456
Total assets		190,267,155	6,805,742	197,072,897	159,495,249	5,861,932	165,357,181
Equity							
Ordinary shares	28	150,000	975,000	1,125,000	150,000	975,000	1,125,000
Share premium	11(b)	-	1,125,000	1,125,000	-	1,125,000	1,125,000
Statutory reserve	12	18,867,466	-	18,867,466	17,036,457	-	17,036,457
Translation reserve	12	-	(372,638)	(372,638)	-	(171,952)	(171,952)
Revaluation reserve	12	-	(4,787)	(4,787)	-	(4,786)	(4,786)
Retained earnings		-	3,393,802	3,393,802	242,083	2,520,342	2,762,425
Proposed dividend	28(c)	-	1,050,000	1,050,000	-	840,000	840,000
Total equity		19,017,466	6,166,377	25,183,843	17,428,540	5,283,604	22,712,144
Liabilities							
Current income tax	10(b)	66,016	21,233	87,249	14,332	-	14,332
Lease Liabilities	34	442,145	-	442,145	551,174	-	551,174
Other payables	30	1,612,381	371,292	1,983,673	1,318,524	343,810	1,662,334
Life Insurance contract liabilities	29	165,386,445	-	165,386,445	136,878,967	-	136,878,967
Deferred income tax	31	3,742,702	246,840	3,989,542	3,303,712	234,518	3,538,230
Total liabilities		171,249,689	639,365	171,889,054	142,066,709	578,328	142,645,037
Total equity and liabilities		190,267,155	6,805,742	197,072,897	159,495,249	5,861,932	165,357,181

The financial statements on pages 94 to 184 were approved and authorised for issue by the board of directors on 14 March 2025 and were signed on its behalf by:



Joseph Wangai - Chairman



Kairo Thuo - Director



Catherine Karimi - Principal Officer

The notes on pages 101 to 184 are an integral part of the financial statement

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Notes	Long term	Short term	Total	Long term	Short term	Total	
	business	business		business	business		
	2024	2024	2024	2023	2023	2023	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
ASSETS							
Investment properties	17	8,799,000	1,489,000	10,288,000	8,525,000	1,361,000	9,886,000
Motor vehicle and Equipment	14	265,014	-	265,014	230,433	-	230,433
Intangible assets	15	54,763	-	54,763	3,010	-	3,010
Right-of-use assets	16	149,192	-	149,192	185,808	-	185,808
Investment in subsidiaries	19	-	193,192	193,192	-	193,172	193,172
Investment in associate	20	-	553,922	553,922	-	553,922	553,922
Subordinated Loan	19(d)	-	129,033	129,033	-	129,033	129,033
Mortgage loans	22(a)	581,173	-	581,173	636,818	-	636,818
Government securities held at fair value through profit or loss	26	36,942,912	50,098	36,993,010	30,254,938	44,204	30,299,142
Government securities held at amortised cost	26	71,167,368	-	71,167,368	73,400,663	-	73,400,663
Corporate bonds held at amortised cost	25	224,793	-	224,793	232,259	-	232,259
Kenya motor pool balances		-	27,024	27,024	-	23,593	23,593
Equity investments at fair value (through profit or loss - quoted)	18(a)	7,656,223	-	7,656,223	6,065,649	-	6,065,649
Reinsurance contract assets	23	155,120	-	155,120	125,492	-	125,492
Tax recoverable	10(b)	-	-	-	-	39,961	39,961
Deferred taxation	31	46,306	50,982	97,288	46,309	50,982	97,291
Other receivables	24	1,103,975	43,181	1,147,156	969,189	47,545	1,016,734
Due from Long term business		(941,698)	941,698	-	(723,770)	723,770	-
Deposits with financial institutions	27	50,369,262	1,449,317	51,818,579	26,633,444	1,139,827	27,773,271
REIT Investment	18(b)	272,114	260,901	533,015	266,704	148,537	415,241
Cash and bank balances		47,503	3,391	50,894	540,187	3,814	544,001
Total assets		176,893,020	5,191,739	182,084,759	147,392,133	4,459,360	151,851,493
Equity							
Ordinary shares	28	150,000	975,000	1,125,000	150,000	975,000	1,125,000
Share premium	11(b)	-	1,125,000	1,125,000	-	1,125,000	1,125,000
Statutory reserve	12	17,495,139	-	17,495,139	16,183,711	-	16,183,711
Retained earnings		-	1,405,204	1,405,204	-	941,030	941,030
Proposed dividends	28	-	1,050,000	1,050,000	-	840,000	840,000
Total equity		17,645,139	4,555,204	22,200,343	16,333,711	3,881,030	20,214,741
Liabilities							
Current income tax	10(b)	66,016	21,233	87,249	14,332	-	14,332
Lease Liabilities	34	245,362	-	245,362	282,139	-	282,139
Other payables	30	1,431,928	368,462	1,800,390	1,182,158	343,812	1,525,970
Deferred income tax	31	3,742,702	246,840	3,989,542	3,303,712	234,518	3,538,230
Life Insurance contract liabilities	29	153,761,873	-	153,761,873	126,276,081	-	126,276,081
Total liabilities		159,247,881	636,535	159,884,416	131,058,422	578,330	131,636,752
Total equity and liabilities		176,893,020	5,191,739	182,084,759	147,392,133	4,459,360	151,851,493

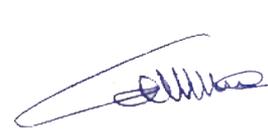
The financial statements on pages 94 to 184 were approved and authorised for issue by the board of directors on 14 March 2025 and were signed on its behalf by:



Joseph Wangai - Chairman



Kairo Thuo - Director



Catherine Karimi - Principal Officer

The notes on pages 101 to 184 are an integral part of the financial statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

2023	Notes	Share Capital	Share Premium	Statutory Reserves	Revaluation Reserve	Translation Reserve	Retained earnings	Proposed dividends	Non controlling Interes	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January 2023		1,125,000	1,125,000	15,049,472	(4,786)	(375,288)	2,313,908	840,000	12,117	20,085,423
Total comprehensive income										
Profit for the year		-	-	2,826,984	-	-	376,556	-	-	3,203,540
Change in associate profit		-	-	-	-	-	41,418	-	-	41,418
Gain on deconsolidation of subsidiary		-	-	-	-	-	18,426	-	-	18,426
Elimination of non-controlling interest		-	-	-	-	-	12,117	-	(12,117)	-
Other comprehensive income-translation		-	-	-	-	203,337	-	-	-	203,337
Total comprehensive income for the year		-	-	2,826,984	-	203,337	448,517	-	(12,117)	3,466,721
Transfer from statutory reserve to retained earnings	13	-	-	(840,000)	-	-	840,000	-	-	-
Transaction with owners:										
- 2022 final dividends		-	-	-	-	-	-	(840,000)	-	(840,000)
- 2023 proposed dividend		-	-	-	-	-	(840,000)	840,000	-	-
Balance as at 31 December 2023		1,125,000	1,125,000	17,036,456	(4,786)	(171,951)	2,762,425	840,000	-	22,712,144
2024										
At 1 January 2024		1,125,000	1,125,000	17,036,456	(4,786)	(171,951)	2,762,425	840,000	-	22,712,144
Total comprehensive income										
Profit for the year		-	-	2,881,010	-	-	712,710	-	-	3,593,720
Net movement in share of net assets of associate	20	-	-	-	-	-	(81,333)	-	-	(81,333)
Other comprehensive income-translation		-	-	-	-	(200,687)	-	-	-	(200,687)
Others		-	-	-	(1)	-	-	-	-	(1)
Total comprehensive income for the year		-	-	2,881,010	(1)	(200,687)	631,377	-	-	3,311,699
Transfer from statutory reserve to retained earnings	13	-	-	(1,050,000)	-	-	1,050,000	-	-	-
Transaction with owners:										
- 2023 final dividends		-	-	-	-	-	-	(840,000)	-	(840,000)
- 2024 proposed dividend		-	-	-	-	-	(1,050,000)	1,050,000	-	-
Balance as at 31 December 2024		1,125,000	1,125,000	18,867,466	(4,787)	(372,638)	3,393,802	1,050,000	-	25,183,843

The notes on pages 101 to 184 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

As at 31 December 2024

	Notes	Share Capital	Share Premium	Statutory Reserves	Retained earnings	Proposed dividends	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January 2022		1,125,000	1,125,000	14,402,374	833,256	840,000	18,325,630
Balance at 31 December 2022		1,125,000	1,125,000	14,402,374	833,256	840,000	18,325,630
2023							
At 1 January 2023		1,125,000	1,125,000	14,402,374	833,256	840,000	18,325,630
Total comprehensive income							
Profit for the year		-	-	2,623,101	89,346	-	2,712,447
Gain on disposal of subsidiaries		-	-	-	18,428	-	18,428
Other adjustment		-	-	(1,764)	-	-	(1,764)
Transfer from statutory reserve	13	-	-	(840,000)	840,000	-	-
Transaction with owners:							
- 2022 final dividends	13	-	-	-	-	(840,000)	(840,000)
- 2023 proposed dividend	13	-	-	-	(840,000)	840,000	-
Balance as at 31 December 2023		1,125,000	1,125,000	16,183,711	941,030	840,000	20,214,741
2024							
At 1 January 2024		1,125,000	1,125,000	16,183,711	941,030	840,000	20,214,741
Total comprehensive income							
Profit for the year		-	-	2,361,428	464,174	-	2,825,602
Transfer from statutory reserve	13	-	-	(1,050,000)	-	1,050,000	-
- 2023 proposed dividend	13	-	-	-	-	(840,000)	(840,000)
Balance as at 31 December 2024		1,125,000	1,125,000	17,495,139	1,405,204	1,050,000	22,200,343

The notes on pages 101 to 184 are an integral part of these financial statements.

CONSOLIDATED & COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
		Ksh '000	Ksh '000	Ksh '000	Ksh '000
Cash flows generated from operating activities					
Cash generated from operations	32(a)	2,653,393	10,570,747	3,778,047	8,031,593
Income tax paid	10	(624,473)	(610,350)	(429,350)	(445,626)
Interest paid on lease liability	34	(55,890)	(81,718)	(33,668)	(57,125)
Net cash generated from operating activities		1,973,030	9,878,679	3,315,029	7,528,842
Cash flows from investing activities					
Interest income	6	21,440,469	16,033,397	19,933,202	15,618,232
Interest income on policy loans	6	339,866	151,229	339,866	140,889
Interest income mortgage loans	6	92,339	93,655	92,339	93,655
Purchase of property and equipment	14	(210,558)	(241,124)	(160,303)	(182,608)
Purchase of intangible assets	15	(83,001)	(3,522)	(58,196)	(3,522)
Refurbishment of investment property	17	(129,052)	(170,300)	(129,052)	(170,300)
Dividend received from Associate Company	20	61,817	61,817	61,817	61,817
Proceeds from disposal of subsidiary		-	-	-	558,040
Disposal of PPE assets of subsidiary		-	14,107	-	-
Purchase of quoted shares	18(a)	(308,039)	(900,245)	(246,399)	(897,374)
Purchase of government securities held at amortised cost	26	(6,077,069)	(7,202,884)	(2,181,288)	(3,983,050)
Purchase of government securities at held fair value through other comprehensive income	26	(3,269,129)	-	(3,269,129)	-
Proceeds		-	4,946,555	-	3,206,157
Proceeds from sale of property and equipment	14	13,087	-	10,387	-
Gain on sale of property and equipment	9(a)	3,535	-	3,271	-
Proceeds from maturities of corporate bonds	25	989	-	989	-
Proceeds from disposal of debt securities held at fair value through other comprehensive income	26	205,950	-	205,950	-
Proceeds from disposal of debt held at amortised cost	26	6,595,921	-	4,116,150	-
Purchase of REIT	18(b)	(1,551)	(262,929)	(1,551)	(262,929)
Purchase of corporate bonds	25	(329)	-	(329)	-
Policy loans advanced		-	(478,663)	-	(309,819)
Policy loans recovered		-	403,291	-	232,478
Mortgage loans advanced	22	(43,481)	(120,796)	(43,481)	(120,796)
Mortgage loans recovered	22	135,651	186,001	135,651	186,001
Placement of deposit with financial institutions	27	(31,767,665)	(155,245)	(31,461,737)	-
Proceeds from maturities of deposits		-	4,138,906	-	4,138,906
Proceeds from disposal of quoted Shares	18(a)	417,489	608,582	417,489	588,279
Gain on sale of equity securities held at FVTPL	6	80,451	-	80,451	-
REIT income	6	26,524	9,794	26,524	9,794
Dividend income on equity investments	6	641,524	684,861	609,029	657,993
Additional lease liability	34	24,553	-	-	-
Additional Statutory deposit		(10,910)	-	-	-
Rental income	6	595,235	484,601	595,235	484,601
Net cash (used in)/generated from investing activities		(11,225,384)	18,281,088	(10,923,115)	20,046,444
Cash flows from financing activities					
Dividends paid to shareholders of parent company		(840,000)	(840,000)	(840,000)	(840,000)
Repayment of principal lease payment	34	(128,438)	(132,123)	(70,445)	(72,887)
Net cash used in financing activities		(968,438)	(972,123)	(910,445)	(912,887)
Net (decrease)/increase in cash and cash equivalents		(10,220,792)	27,187,644	(8,518,531)	26,662,399
Cash and cash equivalents at beginning of year	32(b)	28,583,417	1,399,351	26,857,150	194,751
Effect of exchange rate changes on translation of cash and cash equivalents		1,549,873	(3,578)	-	-
Cash and cash equivalents at year end	32(b)	19,912,498	28,583,417	18,338,619	26,857,150

The notes on pages 101 to 184 are an integral part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ICEA LION Life Assurance Company Limited is incorporated in Kenya under the Companies Act as a private limited liability company and is domiciled in Kenya. The address of its registered office is:-

ICEA LION Centre
Riverside Park, Chiromo Road Westlands
P.O Box 46143-00100
Nairobi

The Company acts as an insurance company and a holding company for insurance, investment management, schemes administration and trust services in Kenya and Uganda.

The Group comprises of four entities; ICEA LION Life Assurance Company Limited which is the parent company and a wholly owned subsidiary ICEA LION Life Assurance Company (Uganda) Limited through which it owns a 25% stake in ICEA LION Asset Management Company (Uganda) Limited that is accounted for as an associate. The Group also has a 30.9% stake in East Africa Reinsurance Company Limited in Kenya which is also accounted for as an associate.

The Group is organised into two main divisions, Short term business and Long term business. Long term business relates to the underwriting of risks relating to death of an insured person, and includes contracts subject to the payment of premiums for a term dependent on the termination or continuance of the life of an insured person. The Group also issues a diversified portfolio of deposit administration contracts to provide its customers with asset management solutions for their savings and retirement needs. Short term business relates to all other categories of non-life insurance business underwritten by the Group, analyzed principally property, casualty and medical insurance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the Company and its subsidiary and associates as well as the separate financial statements of the Company, together referred to as "the financial statements", have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The financial statements comply with 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 and loss account is represented by the statement of 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 alternative basis: -

- Financial instruments at fair value through profit or loss,
- Financial assets at fair value through other comprehensive income, and;
- Investment properties at fair value
- Insurance and reinsurance contracts at fulfilment cashflows and if any, contractual service margin.

(iii) Functional and presentation currency

The financial statements are presented in Kenya Shillings (KShs), 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 (KShs '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 recognized 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.

Information about assumptions made in measuring insurance and reinsurance contracts is included in Note 3. Significant changes in the following key assumptions can change the fulfilment cash flows materially during 2024: assumptions about future cash flows relating to mortality, morbidity, policyholder behaviour, participation percentages and crediting rates; assumptions about discount rates, including any illiquidity premiums.

Adoption of new and revised IFRS accounting standards

(i) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2024:

- a) Amendments to IAS 1 - Non-current liabilities with covenants
- b) Amendment to IFRS 16 - Leases on sale and leaseback
- c) Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)
- d) Amendments to IAS 21 Lack of Exchangeability

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Amendments to IAS 1 - Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16 – Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted

Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a Company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some Company's supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the Company had not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New standards and Amendments to standards	Effective for annual periods beginning on or after
Amendments to IAS 21 Lack of Exchangeability	1 January 2025
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures"	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability'	1 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	1 January 2027 (Kenya) & 1 January 2026 (Uganda)

Amendments to IAS 21 Lack of Exchangeability

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. However, the Company does not anticipate any impact to its financial statements.

Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments.

The amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The changes offer further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. There are also new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets). Further, there are updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). The Company anticipates an impact to its financial statements.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The Company anticipates impact to its financial statement's disclosures.

IFRS 19, 'Subsidiaries without Public Accountability'

The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. The Company does not anticipate any impact to its financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. These are climate related risks and opportunities that could reasonably be expected to affect the entity's prospects. IFRS S2 applies to climate-related risks to which the entity is exposed, which are climate-related physical risks and climate-related transition risks.

(iii) Early adoption of standards

The Directors did not early adopt any new standards or amendments during the year.

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Insurance contracts and investment contracts are classified into one main category, depending on the duration of risk and as per the provisions of the Insurance Act.

There are contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life.

The Company measures its insurance contracts and investment contracts with discretionary participation features i.e. investment contracts with DPF) using the principles of IFRS 17 insurance contracts.

IFRS 17 Insurance Contracts

The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of IFRS 17 are summarized below:

(i) Recognition, measurement, and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under IFRS 17, insurance revenue represents the changes in the liability for remaining coverage over the period by the Company, excluding changes in the liability that do not relate to services expected to be covered by the consideration received. The consideration received refers to the amount of premiums paid to the Company, adjusted for the discounting effect and excluding any investment components. The amount of insurance revenue recognized in the reporting period depicts the delivery of promised services at an amount that reflects the portion of premiums the Company expects to be entitled to in exchange for those services.

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

Identifying contracts in the scope of IFRS 17

The company applies IFRS 17 - Insurance Contracts to insurance contracts and reinsurance contracts it issues, intra-group reinsurance contracts it holds and investment contracts with discretionary participation features (DPF) it issues.

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

Once a contract has been classified as an insurance contract the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the term of the contract is modified.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

(i) Recognition, measurement, and presentation of insurance contracts (continued)

Insurance contracts without direct participation features

A contract is classified as an insurance contract without direct participation features where the Company provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk is assessed on a contract level and exists where there is at least one scenario in which the insured event results both in significant additional payments and also in an overall loss to the Company on a present value basis. A contract where the Company generates an investment return for the policyholder (investment-return service) that does not meet the criteria for being a substantially investment-related service contract (an insurance contract with direct participation features), is also classified as an insurance contract without direct participation features.

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

The accounting model applied to these insurance contracts (including reinsurance contracts issued and/or held) for liability measurement purposes is the General Measurement Model (GMM), unless the Premium Allocation Approach (PAA) applies. The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts.

Insurance contracts with direct participation features

The Company issues insurance contracts with direct participation features where ICEA LION shares the performance of the underlying assets with the policyholder i.e. ICEA LION offers an investment-related service under which the investment return for these contracts is based on the underlying assets that are managed on behalf of the policyholders. The Company expects to pay amounts to these policyholders equal from a substantial share of the fair value returns on the underlying items, and a substantial proportion of any change in the amounts to be paid to the policyholders is expected to vary with the change in fair value of the underlying items. Underlying items comprise reference portfolios of investment assets that determine some of the amounts payable to the policyholders.

The model applied to these insurance contracts for liability measurement purposes is the Variable Fee Approach (VFA).

Investment contracts

Investment contracts with direct participation features (DPF) are in scope of IFRS 17 as the Company also issues insurance contracts. These contracts are in scope of IFRS17 even though they do not include a transfer of significant insurance risk.

The Company applies various measurement models depending on the type of contract as shown below:

Line of Business	Measurement Model
Group Life	Premium Allocation Approach (PAA)
Group Credit	PAA
Group mortgage	PAA
Deposit Administration (DA)	PAA
Personal Retirement Scheme (PRS)	PAA
Income Drawdown Fund	PAA
Annuities	General Measurement Model (GMM)
ULIP	Variable Fee Approach (VFA)
Ordinary Life	GMM
Group Risk Reassurance	PAA
Ordinary Life Reassurance	PAA

When measuring liabilities for incurred claims, the Company discounts the future cash flows unless they are expected to occur in one year or less from the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

ii. Level of Aggregation

An investment contract with DPF entitles the policyholder to receive benefits or bonuses in addition to guaranteed benefits that are expected to be a significant proportion of the total contractual benefits, the timing or amount of which are contractually at the discretion of the Company, but which has to be exercised in a reasonable way. The benefits are based on the investment performance of a specified pool of underlying assets.

Contracts invested in DPF funds at the recognition date create a significant probability of discretionary returns and are therefore classified as investment contracts with DPF. Contracts not invested in DPF funds at the recognition date will also be classified as investment contracts with DPF if there is documented evidence that a significant proportion of contracts switch their initial funds into DPF funds or choose to invest subsequent payments into DPF funds.

Other investment contracts with or without investment management services fall within the scope of IFRS 9 - Financial Instruments and are designated as at fair value through profit or loss.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

ii. Level of Aggregation (continued)

The Group manages insurance contracts issued within product lines. Insurance contracts within each product line are allocated to portfolios of insurance contracts that are managed together and subject to similar risks.

Portfolios are divided into groups of insurance contracts, based on whether:

- contracts are onerous at initial recognition;
- contracts at initial recognition have no significant possibility of becoming onerous subsequently; and
- groups of remaining contracts.

An insurance contract is expected to be onerous if the fulfilment cash flows allocated to the contract at initial recognition in total are a net outflow. For insurance contracts measured under the PAA, the Company has assumed that these contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. For reinsurance contracts the references to onerous contracts are replaced with references to contracts on which there is a net gain at initial recognition. Each group of contracts does not include contracts issued more than one year apart in the same group.

These groups represent the level of aggregation at which insurance revenue is measured. The group in which a policy belongs is not subsequently reconsidered. For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available to determine these groups of contracts.

IFRS 17 also requires a portfolio of contracts to be divided into annual cohorts. As a result, a group may not include contracts issued more than one year apart. A cohort can however be based on an issuing period that is less than one year. Separating contracts issued more than one year apart is a new concept compared to current practices. In addition to operational challenges, maintaining separate cohorts limits an entity's ability to offset profits and losses (or spread different levels of profitability) arising from different generations of contracts in a portfolio.

iii. Contracts Boundaries

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which:

- The Company can compel the policyholder to pay premiums; or
- The Company has a substantive obligation to provide the policyholder with insurance contract services.

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

The Company considers the legal rights and the commercial substance of the contracts in this assessment. Cash flows outside of the boundary of the insurance contract relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

iv. Fulfilment cash flows

The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows within the contract boundary. The fulfilment cash flows consider all reasonable and supportable information available at the reporting date without undue cost or effort.

Fulfilment cash flows are determined separately for insurance contracts issued and reinsurance contracts issued or held. Fulfilment cash flows are allocated to groups of insurance contracts for measurement purposes.

An explicit risk adjustment (RA) for non-financial risk is estimated separately from the other estimates. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

For the Variable Fee Approach, the fulfilment cash flows for insurance contracts with direct participation features can also be determined as the obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for future services. The variable fee comprises the Company's share of the fair value of the underlying items less the fulfilment cash flows that do not vary based on the returns on underlying items. The variable fee is akin to the expected shareholder entitlements based on the present value of expected fees charged less expected claims and expenses incurred, less the risk adjustment for non-financial risk and the effect of financial guarantees.

For reinsurance contracts, fulfilment cash flows also include the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes. The fulfilment cash flows are calculated using all cash flows within the reinsurance contract boundary, including future new business contracts where relevant. The Company applies judgement in determining the value of future new business.

Fulfilment cashflows are made up of 3 components i.e. the probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with those future cash flows; and a risk adjustment for non-financial risk

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

v. Best estimate of future experience

The best estimate of future experience is determined as follows:

- Future investment return assumptions for cash flows which vary with the underlying items are consistent with the expected long-term investment returns on the assets backing the insurance contracts, derived from market yields of fixed interest securities on the valuation date, with adjustments for the other asset classes.
- The appropriate asset composition of the various asset portfolios is considered. The allowance for investment management expenses, taxation at current tax rates and charges for investment guarantees is determined separately from the future investment returns and discount rates for measurement purposes.
- Future expense assumptions are based on the 2023 actual expenses and escalated at estimated expense inflation rates per annum, with a higher rate assumed for legacy business. The allocation of initial and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred during 2023. The future expense assumptions do not include any costs that are not directly attributable to the fulfilment of the insurance contracts.
- Assumptions regarding future mortality, disability and disability payment termination rates are consistent with the company's recent experience or expected future experience if this would result in a more accurate liability
- Persistency assumptions regarding lapse, surrender and paid-up rates are consistent with the Company's recent experience or expected future experience if this would result in a more accurate liability.

vi. Risk adjustment (RA)

The risk adjustment for non-financial risk reflects the compensation the entity would require for bearing the non-financial risk arising from the uncertain amount and timing of the cash flows.

The measurement of insurance contract liabilities in accordance with IFRS 17, requires an explicit risk adjustment ("RA") for non-financial risk.

The RA is principle-based and exhibits the following main properties:

- Reflects risks and uncertainty as viewed by the entity;
- Considers all aspects of non-financial risk and uncertainty; and
- Excludes financial risks, such as investment returns (cash flows not directly tied to contract cash flows).

IFRS 17 does not specify a technique to determine the RA. However, it requires that an entity discloses confidence intervals, regardless of the method chose to determine the RA.

ICEA LION Life Assurance has determined the most appropriate approach to use in calculating the RA for its portfolio, is the Provision for Adverse Deviations (PAD) approach for both the liability for incurred claims (LIC) and for the liability for remaining coverage (LRC).

The margins applied to the Best Estimate Liability are calibrated at a confidence interval of 99.5%.

vii. Contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued which represents the unearned profit that the Company expects to recognize as it provides insurance contract services.

If a group of insurance contracts is not loss making at initial recognition, the CSM is measured as the equal and opposite amount of the net inflow resulting from the total of the fulfilment cash flows, any derecognized assets or liabilities for insurance acquisition or other cash flows paid before the recognition date. This results in no income or expenses arising on initial recognition.

For groups of contracts acquired, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

If a group of insurance contracts is onerous (loss making) at initial recognition, the Company immediately recognizes this net outflow in profit or loss. Following this, a loss component is created to represent these losses recognized in profit or loss, which determines the amounts that are subsequently presented in profit or loss as an increase or reversal of losses on onerous groups of insurance contracts.

For reinsurance arrangements a loss recovery component is established when underlying onerous insurance contracts are recognized, which will offset the insurance losses for the portion of the contracts being reinsured. The loss recovery component is not established before the underlying onerous contracts are recognized.

viii. Coverage units

Coverage units establish the amount of the CSM to be recognised in profit or loss for services provided in the period. Coverage units reflect "the quantity of the benefits provided under a contract and its expected coverage duration".

The coverage units of the group of insurance contracts are identified by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

viii. Coverage units (continued)

Coverage units for contracts measured under the GMM consider the quantity of benefits and expected coverage period of investment-return services (where relevant), in addition to the insurance coverage provided. Coverage units for contracts measured under the VFA consider the quantity of benefits and expected coverage period of investment-related services as well as any insurance coverage provided (where relevant). Coverage units are not applicable to contracts measured under the PAA.

ix. Loss component

The loss component represents the expected losses to be incurred on a group of insurance contracts, i.e. groups of insurance contracts where the cash outflows are expected to exceed the cash inflows included in the fulfilment cash flows at initial recognition. Unlike profits, losses are recognized immediately.

x. Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of future cash flows.

The tables below set out the yield curve used to discount the cash flows of insurance contracts.

Year	1 Year	5 Years	10 Years	15 Years	20 Years
2024	11.41	14.14	13.60	13.72	14.78
2023	16.1	17.45	15.7	15.73	15.9

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.
- are consistent with observable current market prices (if any); and
- exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts.

Cash flows are divided between cash flows that vary based on the returns on underlying items and cash flows that do not vary based on the returns on underlying items. Cash flows that vary based on the returns on underlying items will be discounted using rates that reflect that variability.

The discount rates applied to cash flows that vary based on the returns on underlying items are consistent with the future investment return assumptions.

A zero-coupon yield curve, with an allowance for the illiquidity of the group of insurance contracts where applicable, will be applied to cash flows that do not vary based on the returns on underlying items. Insurance contracts such as non-participating life annuities that cannot be surrendered or lapsed are illiquid.

The standard sets out two approaches which can be used to determine the discount rate to be used in discounting the FCFs, the Top-Down and the Bottom-Up approach. The bottom-up approach was used by ICEA LION Life Assurance 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. The risk free used is the NSE yield curve as at valuation date converted to forward rates.

xi. Asset portfolios

Separate asset portfolios are maintained in support of policy liabilities for each of the major lines of business; each portfolio having an asset mix appropriate for the specific product. Bonus rates are declared for each class of participating business in relation to the funding level of each portfolio and the expected future net investment return on the assets of the particular investment portfolio.

xii. Subsequent measurement (excluding PAA)

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

- the liability for remaining coverage (LRC), comprising:
 - a) the fulfilment cash flows related to service to be provided under the contract in future periods; and
 - b) the remaining CSM of the group at that date.
- the liability for incurred claims (LIC), comprising the fulfilment cash flows for past incurred claims and expenses not paid, including claims that have been incurred but not reported. The liability for incurred claims also includes the payment of any investment components or other amounts that are not related to the provision of insurance contract services and that are not included in the liability for remaining coverage.

xiii. Presentation and disclosure

a) Insurance revenue

Insurance revenue represents the changes in the liability for remaining coverage over the period by the Company, excluding changes in the liability that do not relate to services expected to be covered by the consideration received. The consideration received refers to the amount of premiums paid to the Company, adjusted for the discounting effect and excluding any investment components. The amount of insurance revenue recognized in the reporting period depicts the delivery of promised services at an amount that reflects the portion of premiums the Company expects to be entitled to in exchange for those services.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

xiii. Presentation and disclosure (continued)

a) Insurance revenue (continued)

For contracts not measured under the PAA, the total consideration for a group of contracts includes the following amounts:

- the expected claims and administration expenses incurred in the period (excluding amounts allocated to the loss component and excluding investment components payable in the period);
- the amount of the CSM recognized in profit or loss;
- the release of the risk adjustment for risk expired (excluding amounts allocated to the loss component);
- amounts related to income tax that are specifically chargeable to policyholders;
- premium experience adjustments relating to current service (including experience adjustments arising from related cash flows such as insurance acquisition cash flows)
- the amortization of insurance acquisition cash flows.

For contracts measured under the PAA, insurance revenue for the period is the amount of expected premium receipts allocated to the period based on the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then insurance revenue for the period is allocated on the basis of the expected timing of incurred insurance service expenses.

b) Insurance service expenses

The following amounts are recognized in insurance service expenses:

- the expected claims and administration expenses incurred (excluding amounts allocated to the loss component and excluding investment components payable in the period);
- experience adjustments relating to claims and administration expenses incurred;
- the initial loss on onerous groups of contracts recognized during the period;
- the increases and reversals of losses on onerous contracts;
- the changes in liability for incurred claims relating to past service; and
- the amortization of insurance acquisition cash flows.

These amounts refer only to expenses which are directly attributable to fulfilling the insurance contracts. Non-attributable expenses are recognized separately in profit or loss.

c) Income or expenses from reinsurance contracts

The Company presents income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses, as a single amount.

Income or expense from reinsurance contracts comprise reinsurance service expenses less amounts recovered from reinsurers.

The amounts recognized as income or expenses reflect the features of reinsurance contracts held that differ from insurance contracts issued, for e.g. the loss recovery component recognized during the reporting period rather than an initial loss recognized.

d) Insurance finance income and expense

The Company recognizes all insurance finance income or expenses for the reporting period in profit or loss.

Under the GMM and PAA, the effect of and changes in financial risk form part of the insurance finance income and expenses. For groups of insurance contracts measured under the VFA, the fair value returns on the underlying items are recognized in insurance finance income and expenses. The amounts recognized in insurance finance income or expenses are before any allowance for investment management expenses, taxation at current tax rates and charges for investment guarantees.

xv. Amortization of insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting, and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The Company expenses acquisition cash flows in the year they are incurred. No Deferred Acquisition Expense Asset is therefore created in the accounts.

In addition to IFRS 17, the Company adopted the following standards and interpretations applicable for the first time to their annual reporting commencing 1 January 2023.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

The Directors do not plan to apply the above standards, until they become effective. Based on their assessment of the potential impact of application the above are expected to have a significant impact on the Company's financial statements.

There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on near future transactions.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS (CONTINUED)

IFRS 17 Insurance Contracts (continued)

xvi. Separating Investment components

The Company issues certain life insurance policies. These include an investment component applicable for maturity, death and surrender claims for Individual Life policy and annuity under which the company is required to repay to a policyholder in all circumstances, regardless of an insured event occurring.

In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, the company considers if the investment and insurance components are highly interrelated or not. In determining whether investment and insurance components are highly interrelated, the company assesses whether it unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other.

The company applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

(C) KENYA MOTOR 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.

(D) INVESTMENT INCOME RENTAL INCOME

Rental income is recognised as income in the period in which it is earned.

(E) DIVIDEND INCOME

Dividend income from equity securities is recognised when the Group's right to receive payment has been established provided that it is probable that the economic benefits will flow to the fund and the amount of income can be measured reliably.

(F) INTEREST INCOME

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(G) ACCRUED LEAVE BENEFITS

Entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability in respect of annual leave accrued on the reporting period end.

(H) MOTOR VEHICLE AND EQUIPMENT

Motor vehicle and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation is calculated on motor vehicle and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life, on the following bases:

Motor vehicles	25%
Furniture fittings & equipment	12.5%
Computer equipment	33.3%

The residual values of items of motor vehicle and equipment and their estimated useful lives are reviewed at each reporting period end and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of motor vehicles and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

(I) 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.

(J) INVESTMENT PROPERTIES

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. They are carried at fair value, determined annually by external independent valuers. Fair value is based on open market basis determined using the highest and best use valuation model.

Investment properties are not subject to depreciation. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss for the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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.

b) 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

c) 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.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

There are three 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 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.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

Equity instruments

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.

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 (NSE, USE). The quoted market price used for financial assets held by the Group is the current bid price.

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:

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

c) Measurement (continued)

Equity instruments (continued)

- 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.

d) Impairment of financial instruments

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. 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;
- Cash and bank balances;
- Mortgage loans
- Policy loans

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 receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for premium 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.

e) 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.

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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

e) Measurement of expected credit losses (continued)

- 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 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

In assessing whether the counterparty or borrower is in default, the Group considers indicators that are:

- 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.

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.

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL.

It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Group risk committee and economic experts and consideration of a variety of external actual and forecast information. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the Organisation for Economic Co-operation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Group also periodically carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and ECL for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

e) Measurement of expected credit losses (continued)

The predicted relationships between the key indicators and the default and loss rates on various portfolios of financial assets have been developed by analyzing historical data over the past 3 to 5 years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of Default (PD);
- 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. For loans secured by retail property, loan-to-value ratios are a key parameter in determining LGD. 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. This includes the PDs provided in the S&P default study and the LGDs provided in the Rating recovery studies.

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.

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:-

- 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
- 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.

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 has 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(L) CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(M) TRANSLATION OF FOREIGN CURRENCIES AND OPERATIONS

(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 Currency"). The consolidated financial statements are presented in Kenya Shillings rounded to the nearest thousand ("Kshs"), 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 the statement of comprehensive income come in the year in which they arise. 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.

(N) LEASES

a) The Group as a 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 incentive 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.

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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(N) LEASES (CONTINUED)

a) The Group as a lessee (continued)

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 'Motor vehicle 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 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.

(O) 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.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(O) Income Tax Expense (continued)

Deferred income tax (continued)

Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same entity.

(P) RETIREMENT CONTRIBUTION OBLIGATIONS

The Group operates a defined contribution scheme for its employees. The assets of the scheme are held in separate trustee administered funds, which are funded from contributions from both the Group and employees. The employees of the Group are also members of the statutory National Social Security Fund ("NSSF"). The Group's contributions to the defined contribution scheme and NSSF are charged to the profit or loss in the year to which they relate.

Dividends on ordinary shares are charged to retained earnings in the year in which they are paid. Dividend distributions to the Group's shareholders are recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the shareholders

(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.

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In preparation of the annual financial statements, the Group makes use of estimates and assumptions that affect the reported amounts of its assets and liabilities.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

Judgements made by management that could have a significant effect on the amounts recognized in the financial statements include:

a) Short-term insurance contract liabilities

For group life, group mortgage and group credit business the liabilities have been determined using the Premium Allocation Approach whereby the Liability for Remaining Coverage is the unearned gross premium (UPR). The UPR has been calculated using the 365th method. The Liability for Incurred Claims is made up of the Outstanding Claim Reserve (OCR) and Incurred But Not Reported (IBNR) reserve plus a risk adjustment.

The IBNR is estimated as three months of gross premiums. The sufficiency of the IBNR was checked by the use of the chain ladder (and loss ratio methods where the data provided was sufficient to allow for a triangulation approach). A Risk Adjustment margin has been applied and is calibrated at the portfolio's overall confidence Interval level using bootstrapping methodology. The RA margin derived was approximately 4.7% of the IBNR.

b) Long term insurance contract liabilities

The long-term insurance contract liabilities have been calculated in accordance with the actuarial method and basis set out in the insurance valuation of technical provisions for life insurance business guidelines, 2017. The liabilities have been determined using the Gross Premium Valuation (GPV) method and Insurance Regulatory Authority (IRA) guidelines on a policy by policy basis. The best estimate liability has been increased in accordance with the prescribed loadings risk margins. The assumptions underlying the compulsory risk margins have purely been based on the regulatory guidelines. The key assumptions that have been used in determining the actuarial liabilities at year end include; mortality, longevity, expense inflation, investment return and withdrawals.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

b) Long term insurance contract liabilities (continued)

The most significant valuation assumptions are as summarized below;

- Annuities Mortality Assumption - The group used KE 2007-2010 as base table of standard mortality 60% KE-2007-2010 plus 40% a(55) for annuitant life.
- Ordinary Life Mortality Assumption - The group used KE 2007-2010 as base table of standard mortality for ordinary life.
- Withdrawals - The withdrawal rates used in the valuation were set as per the experience observed in the Company's data.
- The discount rate assumptions used are based on unadjusted term dependent treasury bond gross redemption yields as at 31st December 2024 published in the Nairobi Securities Exchange (NSE).
- Expense and inflation - The level of renewal expenses were taken based on the current expense experience of the Company. The expense inflation has been assumed to be 5% for the year ended 31st December 2023.

SENSITIVITY ANALYSIS

The effect of changes in mortality, longevity, expenses and withdrawals will have the following effect on the value of actuarial liabilities;

	% change	2024	2023
		Kshs'000	Kshs'000
Mortality	+10	32,933	57,555
Longevity	+10	221,399	(152,123)
Expense inflation	+10	32,677	257,423
Withdrawals	+10	(132,744)	75,247
Mortality	-10	(32,975)	(57,719)
Longevity	-10	(208,204)	161,415
Expense inflation	-10	(31,908)	(657,549)
Withdrawals	-10	175,110	(46,961)

The above sensitivity analysis is on the Company actuarial liabilities. Since the Company actuarial liabilities account for over 90% of the group actuarial liabilities the subsidiaries liabilities will not materially change this sensitivity position.

The table below summarizes details of the risk margins applied in the actuarial valuation of long term insurance contract liabilities:

	Risk Margins Applied	
	31st December 2024	31st December 2023
Mortality	10% increase in mortality for death assurances	10% increase in mortality for death assurances
Longevity	10% decrease in mortality for annuities	10% decrease in mortality for annuities
Morbidity/ Disability	10% increase in inception rates 5% decrease in recovery rates	10% increase in inception rates 5% decrease in recovery rates
Lapses	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)
Expenses	10% Increase	10% Increase
Surrender	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

SENSITIVITY ANALYSIS

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Morbidity/ Disability	10% increase in inception rates 5% decrease in recovery rates	10% increase in inception rates 5% decrease in recovery rates
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Expenses	10% Increase	10% Increase
Surrender	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)

Interest rate margins Sensitivity

Lapses	increase or decrease in lapse 25% rates depending on which options gives rise to increase in liabilities	increase or decrease in 25% lapse rates depending on which options gives rise to increase in liabilities
Interest	decrease 10%	decrease 10%
Expenses	decrease 10%	decrease 10%
Expense inflation	increase of estimated 10% escalation rate	increase of estimated 10% escalation rate
Surrenders	increase or decrease in 10% surrender rates depending on which option gives rise to increase in liabilities	increase or decrease in 10% surrender rates depending on which option gives rise to increase in liabilities

The actual interest rate used is arrived at by multiplying the risk free term structure of the interest rates of government bonds by a risk margin factor (1-risk margin) which further reduces the valuation interest rate thus increasing the liabilities. The liabilities for 2024 have been valued using 10% (2023: 10%) risk margins on interest rates as stipulated in the IRA regulations. The table below summarises the impact on the earnings of the group had the rate increased or decreased by 10%.

Interest rate risk margin	Multiplication factor	(Decrease)/increase in earnings
+10%	(1-10%)	million(1,943)
-10%	(1-10%)	million 2,259

c) Income Tax

The Group is subject to income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

d) Valuation of Investment property

Estimates are made in determining valuations of investment properties. Fair value is based on valuation performed by an independent valuation expert. In performing the valuation the valuer uses discounted cash flow projections which incorporate assumptions around the continued demand for rental space, sustainability of growth in rent rates as well as makes reference to recent sales. The independent valuers also use the highest and best use principle in determining the value of Investment property. The change in these assumptions could result in a significant change in the carrying value of investment property. Management monitors the investment property market and economic conditions that may lead to significant change in fair value, and conducts a formal and independent property valuation at least once every three years and adjusts the recorded fair values accordingly for any significant change.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

SENSITIVITY ANALYSIS

The effect of changes in gross annual rental and yield will have the following effect on the fair value of investment property;

	% change	2024	2023
		Kshs'000	Kshs'000
Gross annual rental income	+10	859,157	844,016
Gross annual rental income	-10	703,947	690,558
Yield	+0.5	7.2%	7.9%
Yield	-0.5	6.4%	6.9%

e) Calculation of loss allowance

When measuring expected credit losses (ECL), the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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 Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default (PD) 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.

f) 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.

g) 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK

The Group's activities expose it to a variety of financial and insurance risks. The Group's overall risk management programme focuses on the identification and management of risks and 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. Investment policies are in place, which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

The disclosures below summarises the way the Group manages key risks:

4.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Long-term business

Long term insurance products expose required capital to risk if actual experience differs from that which is assumed. The Group is also exposed to persistency risk in respect of other policyholder solutions and insurance risk in respect to long term business.

The Group manages underwriting risk through its product development process and underwriting policy to prevent anti-selection and ensure appropriate premium rates (loadings) for substandard risks.

The Group also ensures there is adequate reinsurance arrangements to limit exposure per individual and manage concentration of risks. Other measured the Group uses to manage its Insurance risk includes ensuring that there is in place a sound claims handling policy and adequate pricing and reserving philosophy. Quarterly full actuarial valuations and the Group's regular performance reporting process assist in the timely identification of experience variances.

The following policies and practices are used by the Group as part of its underwriting strategy to mitigate underwriting risk;

- i) All long-term insurance product additions and alterations are required to pass through the approval framework that forms part of the life insurance business' governance process.
- ii) The statutory actuaries approve the policy conditions and premium rates of new and revised products;
- iii) Applications for risk cover are reviewed by experienced underwriters and evaluated against established standards. Retention limits are applied to limit the exposure per individual life;
- iv) The experience of reinsurers is used where necessary for the rating of substandard risks
- v) The risk premiums for Group risk business and some of the in-force individual risk business can be adjusted within 12 months should claims experience deteriorate to the extent that such an adjustment is considered necessary.
- vi) Regular investigations into mortality and morbidity experience are conducted to ensure that corrective action is taken where necessary.

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of road accidents and injuries to agricultural employees. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The reinsurance arrangements include excess, surplus and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than set limits per class of business in any one year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

The Group has specialised claims units dealing with the mitigation of risks surrounding known claims. This unit investigates all claims and adjusts them where necessary. The claims records are reviewed individually at least semi-annually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on all insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, claims are settled over a long period of time and a large element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they have adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered and damage or loss to property.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period.

At present, these risks are monitored very closely and reinsurance arrangements are in place to protect the impact of severity of claims and frequency from one event. There is also an underwriting policy in place which is strictly followed.

The underwriting strategy adopted is intended to ensure that the risks underwritten are well diversified in terms of type of risk and level of insured benefits. Medical selection is also included in underwriting procedures with premiums varied to reflect the health condition and family medical history of the insured. The Group has retention limit for standard risks (from a medical point of view). The Group does not have in place any reinsurance for contracts that insure survival risk but every year reserves are set aside to support the liabilities arising from such contracts. Insurance risk for contracts disclosed in this note is also affected by policyholder's right to pay reduced premiums or no future premiums or terminate the contract completely.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

Concentration of insurance risks

The table below discloses the maximum insured risk (sum assured) by the class of business in which the contract holder operates and included in the terms of the policy. The amounts are the carrying amounts of the insurance liabilities (gross and net of reinsurance) arising from insurance. At year-end, none of these insurance contracts had triggered a recovery under the reinsurance held by the Company.

GROUP					
Year ended 31 December 2024					
Long term Business		Maximum Insured loss			
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	Total
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	Gross	94,813,178	3,721,376	-	98,534,554
	Sum Reassured	23,045,200	3,202,306	-	26,247,506
	Office Premium	6,706,628	199,876	-	6,906,504
	Net	65,061,350	319,194	-	65,380,544
Group life	Gross	640,097	12,558,831	176,300,246	189,499,174
	Sum Reassured	107,998	4,505,230	92,276,001	96,889,229
	Office Premium	4,548	61,154	753,765	819,467
	Net	527,551	7,992,447	83,270,480	91,790,478
Total	Gross	95,453,275	16,280,207	176,300,246	288,033,728
Total	Net	65,588,901	8,311,641	83,270,480	157,171,022

GROUP					
Year ended 31 December 2023					
Long term Business		Maximum Insured loss			
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	Total
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	Gross	121,861,363	354,706,940	-	476,568,303
	Sum Reassured	12,022,624	4,440,622	-	16,463,246
	Office Premium	7,985,829	5,502,425	-	13,488,254
	Net	101,852,910	344,763,893	-	446,616,803
Group life	Gross	107,505,530	2,078,695,994	9,407,350,065	11,593,551,589
	Sum Reassured	671,970	1,839,152,524	9,085,167,823	10,924,992,317
	Office Premium	1,205,602	15,977,519	37,609,922	54,793,043
	Net	105,627,958	223,565,951	284,572,320	613,766,229
Total	Gross	229,366,893	2,433,402,934	9,407,350,065	12,070,119,892
Total	Net	207,480,868	568,329,844	284,572,320	1,060,383,032

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

Concentration of insurance risks (Continued)

COMPANY					
Year ended 31 December 2024					
Long term Business		Maximum Insured loss			
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	Total
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	Gross	94,813,178	3,721,376	-	98,534,554
	Net	65,061,350	319,194	-	65,380,544
Group life	Gross	640,097	12,558,831	176,300,246	189,499,174
	Net	527,551	7,992,447	83,270,480	91,790,478
Total	Gross	95,453,275	16,280,207	176,300,246	288,033,728
Total	Net	65,588,901	8,311,641	83,270,480	157,171,022

COMPANY					
Year ended 31 December 2023					
Long term Business		Maximum Insured loss			
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	Total
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Annuity	Net	100,700,093	4,641,673	-	105,341,766
Ordinary life	Gross	84,240,209	230,236	-	84,470,445
	Net	673,803	12,637,606	145,068,425	158,379,834
Group life	Gross	445,667	5,883,742	74,668,512	80,997,921
	Net	101,373,896	17,279,279	145,068,425	263,721,600
Total	Gross	84,685,876	6,113,978	74,668,512	165,468,366
Total	Net	202,747,792	34,558,558	290,136,850	527,443,200

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. It manages these positions with an Asset Liability Management (ALM) framework that has been developed to achieve investment returns in excess of obligations under insurance contracts. The Group produces regular reports at portfolio and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Group's asset liability management (ALM) is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders.

The Group's ALM is also integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The Group does not use hedge accounting.

The Group has not changed the processes used to manage its risks from previous periods. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework.

The Group has exposure to the following risks arising from financial instruments;

a) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The primary liquidity risk of the Group is the obligation to pay claims to policyholders as they fall due. The projected settlement of these liabilities is modelled, on a regular basis, using actuarial techniques. The board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of short-term insurance contracts as of 31 December 2024.

GROUP	Contractual cash flows (undiscounted)						
	Total amount 31.12.2024	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets							
- Government securities held at FVTP	74,063	-	6,875	6,875	6,875	53,438	-
- Fixed deposits	1,550,369	-	1,473,599	-	-	-	76,770
Subordinated loan	129,033	129,033	-	-	-	-	-
Kenya motor pool balances	27,024	27,024	-	-	-	-	-
REIT	1,508,072	1,508,072	-	-	-	-	-
Other receivables	118,301	-	118,301	-	-	-	-
Cash and cash equivalents	957	-	957	-	-	-	-
Total	3,407,819	1,664,129	1,599,732	6,875	6,875	53,438	76,770
Financial liabilities							
Other payables	371,295	-	371,295	-	-	-	-
Total	371,295	-	371,295	-	-	-	-
Difference in contractual cash flows	3,036,524	1,664,129	1,228,437	6,875	6,875	53,438	76,770

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of short-term insurance contracts as of 31 December 2023

GROUP	Contractual cash flows (undiscounted)						
	Total amount 31.12.2023	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets							
- Government securities held at amortised cost	900,411	-	240,718	119,894	68,511	154,149	317,139
- Fixed deposits	1,139,827	-	1,139,827	-	-	-	-
- Government securities held at FVTPL	80,938	-	6,875	6,875	6,875	6,875	53,438
Subordinated loan	129,033	129,033	-	-	-	-	-
Other receivables	47,546	-	47,546	-	-	-	-
Cash and cash equivalents	3,814	-	3,814	-	-	-	-
Total	2,301,569	129,033	1,438,780	126,769	75,386	161,024	370,577
Financial liabilities							
Other payables	366,477	-	366,477	-	-	-	-
Total	366,477	-	366,477	-	-	-	-
Difference in contractual cash flows	1,935,092	129,033	1,072,303	126,769	75,386	161,024	370,577

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of short-term insurance contracts as of 31 December 2024.

COMPANY							
Financial assets	Total amount 31.12.2024	No stated Maturity	0-1 yr	1-2 yrs	2-3yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Debt Securities held at FVTPL							
-Government securities	74,063	-	6,875	6,875	6,875	53,438	-
- Fixed deposits	1,550,369	-	1,473,599	-	-	-	76,770
- REIT	1,478,410	1,478,410	-	-	-	-	-
Subordinated loan	129,033	129,033	-	-	-	-	-
Kenya motor pool balances	27,024	27,024	-	-	-	-	-
Cash and cash equivalents	957	-	957	-	-	-	-
Other receivable	43,181	-	43,181	-	-	-	-
Total	3,303,037	1,634,467	1,524,612	6,875	6,875	53,438	76,770
Financial liabilities							
Other payables	2,830	-	2,830	-	-	-	-
Total	2,830	-	2,830	-	-	-	-
Difference in contractual cash flows	3,300,207	1,634,467	1,521,782	6,875	6,875	53,438	76,770

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of short-term insurance contracts as of 31 December 2023.

COMPANY							
Financial assets	Total amount 31.12.2023	No stated Maturity	0-1 yr	1-2 yrs	2-3yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
- Fixed deposits	1,139,827	-	1,139,827	-	-	-	-
Debt securities held at FVTPL	80,938	-	6,875	6,875	6,875	6,875	53,438
Cash and cash equivalents	3,814	-	3,814	-	-	-	-
Subordinated loan	129,033	129,033	-	-	-	-	-
Other receivables	47,546	-	47,546	-	-	-	-
Total	1,401,158	129,033	1,198,062	6,875	6,875	6,875	53,438
Financial liabilities							
Other payables	288,644	-	288,644	-	-	-	-
Total	288,644	-	288,644	-	-	-	-
Difference in contractual cash flows	1,112,514	129,033	909,418	6,875	6,875	6,875	53,438

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of long term insurance contracts as of 31 December 2024.

GROUP							
Contractual cash flows (undiscounted)							
Financial assets	Total amount 31.12.2024	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Debt securities held at amortised cost							
- Government securities	198,819,491	-	13,118,315	12,368,174	13,028,792	17,884,307	142,419,903
- Corporate bonds	282,507	-	27,798	254,709	-	-	-
- Fixed deposits	56,563,862	-	53,180,405	3,251,097	132,360	-	-
Held at FVTPL							
- Equity securities	8,195,965	8,195,965	-	-	-	-	-
- Government securities	101,357,358	-	5,164,727	5,702,500	7,318,465	7,228,561	75,943,105
Mortgage loans	833,752	-	188,765	188,765	188,765	188,765	78,692
Other Receivable	1,080,916	-	1,080,916	-	-	-	-
Cash and cash equivalents	187,606	-	142,420	1,558	1,558	1,558	40,512
Total	367,321,457	8,195,965	72,903,346	21,766,803	20,669,940	25,303,191	218,482,212
Financial liabilities							
Insurance contracts-long term	109,991,005	-	3,928,621	3,707,572	5,676,618	6,014,352	90,663,842
Payables under unit linked policies	132,545	-	132,545	-	-	-	-
Payables under deposit administration contracts	208,204,718	-	16,098,999	15,044,639	14,340,050	13,668,459	149,052,571
Other Payables	1,597,229	-	1,597,229	-	-	-	-
Lease liabilities	441,821	-	119,256	123,867	56,508	53,002	89,188
Total	320,367,318	-	21,876,650	18,876,078	20,073,176	19,735,813	239,805,601
Difference in contractual cash flows	46,954,139	8,195,965	51,026,696	2,890,725	596,764	5,567,378	(21,323,389)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of long term insurance contracts as of 31 December 2023.

GROUP							
Contractual cash flows (undiscounted)							
Financial assets	Total amount 31.12.2023	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Debt securities held at amortised cost							
- Government securities	185,397,494	-	13,469,137	11,186,994	10,491,253	12,348,047	137,902,063
- Corporate bonds	311,057	-	28,550	27,798	254,709	-	-
- Fixed deposits	29,482,954	-	29,482,954	-	-	-	-
Held at FVTPL							
- Equity securities	6,287,932	6,287,932	-	-	-	-	-
- Government securities	94,582,443	-	4,621,035	4,506,398	5,045,186	6,663,912	73,745,912
Mortgage loans	911,881	-	186,001	186,001	178,824	175,552	185,503
Other Receivable	992,759	-	992,759	-	-	-	-
Cash and cash equivalents	721,642	-	721,642	-	-	-	-
Total	318,688,162	6,287,932	49,502,078	15,907,191	15,969,972	19,187,511	211,833,478
Financial liabilities							
Insurance contracts-long term	131,429,120	-	8,479,130	8,172,534	8,232,296	8,424,643	98,120,517
Payables under unit linked policies	121,641	-	121,641	-	-	-	-
Payables under deposit administration contracts	98,392,776	-	6,340,853	6,016,368	6,061,651	6,207,397	73,766,507
Other Payables	892,135	-	892,135	-	-	-	-
Total	230,835,672	-	15,833,759	14,188,902	14,293,947	14,632,040	171,887,024
Difference in contractual cash flows	87,852,490	6,287,932	33,668,319	1,718,289	1,676,025	4,555,471	39,946,454

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of long-term insurance contracts as of 31 December 2024.

COMPANY							
Contractual cash flows (undiscounted)							
Financial assets	Total amount 31.12.2024	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Debt securities held at amortised cost							
- Government securities	171,134,246	-	10,721,872	10,368,000	11,540,778	16,307,564	122,196,032
- Corporate bonds	282,507	-	27,798	254,709	-	-	-
- Fixed deposits	54,617,091	-	51,368,531	3,219,897	28,663	-	-
Held at FVTPL							
- Equity securities	7,656,223	7,656,223	-	-	-	-	-
- Government securities	101,357,358	-	5,164,727	5,702,500	7,318,465	7,228,561	75,943,105
Mortgage Loans	833,752	-	188,765	188,765	188,765	188,765	78,692
Cash and cash equivalents	95,139	-	49,953	1,558	1,558	1,558	40,512
Other Receivables	1,103,975	-	1,103,975	-	-	-	-
Total	337,080,291	7,656,223	68,625,621	19,735,429	19,078,229	23,726,448	198,258,341
Long term insurance liabilities							
Insurance contracts- long term	91,049,965	-	2,196,290	1,921,042	3,761,759	4,110,802	79,060,072
Payables under Unit Linked Policies	132,545	-	132,545	-	-	-	-
Lease Liabilities	433,755	-	116,483	121,710	53,425	52,985	89,152
Payables under deposit administration contracts	208,204,718	-	16,098,999	15,044,639	14,340,050	13,668,459	149,052,571
Other Payables	1,416,776	-	1,416,776	-	-	-	-
Total	301,237,759	-	19,961,093	17,087,391	18,155,234	17,832,246	228,201,795
Difference in contractual cash flows	35,842,532	7,656,223	48,664,528	2,648,038	922,995	5,894,202	(29,943,454)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of long-term insurance contracts as of 31 December 2023.

COMPANY							
Contractual cash flows (undiscounted)							
Financial assets	Total amount 31.12.2023	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Debt securities held at amortised cost							
- Government securities	179,497,000	-	13,082,292	10,424,977	10,055,815	11,368,311	134,565,605
- Corporate bonds	311,057	-	28,550	27,798	254,709	-	-
- Deposit with financial institutions	27,686,970	-	27,686,970	-	-	-	-
Fair value through profit or loss:							
- Equity securities	6,065,649	6,065,649	-	-	-	-	-
- Government securities	94,582,443	-	4,621,035	4,506,398	5,045,186	6,663,912	73,745,912
Mortgage loans	911,881	-	186,001	186,001	178,824	175,552	185,503
Other receivables	920,862	-	920,862	-	-	-	-
Cash and bank balances	540,187	-	540,187	-	-	-	-
Total	310,516,049	6,065,649	47,065,897	15,145,174	15,534,534	18,207,775	208,497,020
Long term insurance liabilities							
Insurance contracts - long term	131,429,120	-	8,479,130	8,172,534	8,232,296	8,424,643	98,120,517
Payables under unit linked policies	121,641	-	121,641	-	-	-	-
Payables under deposit administration contracts	98,392,777	-	6,340,854	6,016,368	6,061,651	6,207,397	73,766,507
Other payables	804,266	-	804,266	-	-	-	-
Total	230,747,804	-	15,745,891	14,188,902	14,293,947	14,632,040	171,887,024
Difference in contractual cash flows	79,768,245	6,065,649	31,320,006	956,272	1,240,587	3,575,735	36,609,996

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

b) Market risk

(i) Interest rate risk

Interest rate risk arises primarily from investments in fixed interest securities. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. For financial instruments and insurance contracts described in this note, the sensitivity is solely associated with the financial instruments as the carrying amounts of the latter are not directly affected by changes in market risks.

The Group's management monitors the sensitivity of reported interest rate movements on a monthly basis by assessing the expected changes in the different portfolios due to a parallel movement of plus 1 percentage points in all yield curves of financial assets and financial liabilities. These particular exposures illustrate the Group's overall exposure to interest rate sensitivities included in the Group's ALM framework and its impact in the Group's profit or loss by business.

An increase/decrease of one percentage point in interest yields would result in additional profit/loss for the year of Kshs 1,224 million (2023:Kshs 1,059 million) investment income in long- term business and Kshs 9.1 million (2023:Kshs 6.6 million) in short-term business.

As at 31 December, the Group had the following interest bearing financial assets.

GROUP							
Effective Interest Rate	Long term business 2024	Short term business and Investment Activities 2024	Total 2024	Long term business 2023	Short term business and Investment Activities 2023	Total 2023	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
Assets							
Mortgage loans	15%	581,173	-	581,173	636,818	-	636,818
Corporate bonds held at amortised cost	12.5%	224,793	-	224,793	232,259	-	232,259
Government securities held at amortised cost	13.13%	81,592,707	-	81,592,707	82,586,213	-	82,586,213
Government securities held at FVTPL	13.13%	36,993,010	50,098	37,043,108	30,254,938	44,204	30,299,142
Deposits with financial institutions	14.5%	52,448,041	1,452,859	53,900,900	28,352,447	1,139,827	29,492,274
Total interest bearing assets		171,839,724	1,502,957	173,342,681	142,062,675	1,184,031	143,246,706
COMPANY							
Assets							
Mortgage loans	15%	581,173	-	581,173	636,818	-	636,818
Corporate bonds held at amortised cost	12.5%	224,793	-	224,793	232,259	-	232,259
Government securities held at amortised cost	13.13%	71,167,368	-	71,167,368	73,400,663	-	73,400,663
Government securities held at FVTPL	13.13%	36,942,912	50,098	36,993,010	30,254,938	44,204	30,299,142
Deposits with financial institutions	14.5%	50,699,466	1,452,959	52,152,425	26,633,444	1,139,827	27,773,271
Total interest bearing assets		159,615,712	1,503,057	161,118,769	131,158,122	1,184,031	132,342,153

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

b) Market risk (Continued)

(ii) 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.

(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 Uganda Security 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.

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 increase/ decrease by Kshs 314,396,000 (2023: increase/decrease by Kshs 401,471,500).

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 increase/decrease by Kshs 303,282,450 (2023: increase/decrease by Kshs 392,212,200).

c) Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- Liabilities for incurred claims;
- Government Securities;
- Corporate bonds;
- Policy Loan;
- Mortgage Loan;
- Deposits with financial institutions;
- Cash and Bank balances;

The Group manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Groups of counterparty and to geographical and industry segments. Such risks are subject to regular review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on annual basis by reviewing their financial strength prior to finalization of any contract. In addition, management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

The Group has in place a well - developed counterparty model that is used to evaluate banks where the Group can place bank deposits. The model has incorporated Bank performance, governance structures and asset quality in arriving at counter party scores. The counter party model is reviewed bi-annually and banks that do not meet the deposit placement criteria and dropped from the approved bank deposit placement institutions.

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.

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

The tables below represent the maximum credit risk exposure to the Group attributable to receivables arising out of direct insurance and reinsurance contracts as at 31 December 2024.

GROUP			
	Gross amounts	Impairment allowances	Carrying amounts
31 December 2024	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	81,731,072	(148,355)	81,582,717
Mortgage loans	583,067	(1,894)	581,173
Corporate bonds held at amortised cost	232,065	(7,272)	224,793
Deposits with financial institutions	53,938,512	(469,212)	53,469,300
Cash and bank balances	210,709	(3,171)	207,538
	136,695,425	(629,904)	136,065,521

The tables below represent the maximum credit risk exposure to the Group attributable to receivables arising out of direct insurance and reinsurance contracts as at 31 December 2023.

GROUP			
	Gross amounts	Impairment allowances	Carrying amounts
31 December 2023	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	82,668,828	(82,615)	82,586,213
Mortgage loans	638,712	(1,894)	636,818
Corporate bonds held at amortised cost	232,585	(326)	232,259
Deposits with financial institutions	29,674,791	(182,517)	29,492,274
Cash and bank balances	732,795	(7,339)	725,456
	113,947,711	(274,691)	113,673,020

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

The group does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivables.

Management makes regular reviews to assess the degree of compliance with the Group's procedures on credit. Exposures to individual policyholders and Groups of policyholders are tracked within the on-going monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous Groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the management.

COMPANY			
	Gross amounts	Impairment allowances	Carrying amounts
31 December 2024	Kshs'000	Kshs'000	Kshs'000
Mortgage loans	583,067	(1,894)	581,173
Corporate bonds held at amortised cost	232,065	(7,272)	224,793
Deposits with financial institutions	52,256,402	(437,823)	51,818,579
Cash and bank balances	50,968	(89)	50,879
	53,122,502	(447,078)	52,675,424

COMPANY			
	Gross amounts	Impairment allowances	Carrying amounts
31 December 2023	Kshs'000	Kshs'000	Kshs'000
Mortgage loans	638,712	(1,894)	636,818
Corporate bonds held at amortised cost	232,585	(326)	232,259
Deposits with financial institutions	27,921,983	(148,712)	27,773,271
Cash and bank balances	548,115	(4,114)	544,001
	29,341,395	(155,046)	29,186,349

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

GROUP				
31 December 2024	Opening ECL	Additional	Reversal	Closing ECL
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	82,615	148,355	-	230,970
Deposits with financial institutions	182,517	469,212	-	651,729
Corporate bonds held at amortised cost	326	7,272	-	7,598
Cash and bank balances	7,339	3,171	(4,026)	6,484
Mortgage loans	1,895	-	-	1,895
Total	274,692	628,010	(4,026)	898,676

COMPANY				
31 December 2024	Opening ECL	Additional	Reversal	Closing ECL
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	74,309	63,463	-	137,772
Deposits with financial institutions	148,712	292,853	(3,742)	437,823
Corporate bonds held at amortised cost	326	6,947	-	7,273
Cash and bank balances	4,115	-	(4,026)	89
Mortgage loans	1,894	-	-	1,894
Total	229,356	363,263	(7,768)	584,851

(d) Fair value estimation

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 DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

d) Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities measured at fair value at 31 December 2024 and 31 December 2023

GROUP				
31 December 2024	Level 1	Level 2	Level 3	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Financial assets held at fair value through profit or loss				
- Equity securities	6,287,932	-	-	6,287,932
- REIT investment	415,241	-	-	415,241
- Government securities	30,299,142	-	-	30,299,142
Total financial assets	37,002,315			37,002,315
31 December 2023				
Financial assets held at fair value through profit or loss				
- Equity securities	6,287,932	-	-	6,287,932
- REIT investment	415,241	-	-	415,241
- Government securities	30,299,142	-	-	30,299,142
Total financial assets	37,002,315			37,002,315

There were no transfers between levels 1, 2 and 3 in the period (2023: None).

The directors consider the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

The following table presents the Company's financial assets and liabilities measured at fair value at 31 December 2024 and 31 December 2023.

COMPANY				
31 December 2024	Level 1	Level 2	Level 3	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Financial assets held at fair value through profit or loss				
- Equity securities	7,656,223	-	-	7,656,223
- REIT investment	533,015	-	-	533,015
- Government securities	36,993,010	-	-	36,993,010
Total financial assets	45,182,248			45,182,248
31 December 2023				
Financial assets held at fair value through profit or loss				
- Equity securities	6,065,649	-	-	6,065,649
- REIT investment	415,241	-	-	415,241
- Government securities	30,299,142	-	-	30,299,142
Total financial assets	36,780,032			36,780,032

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

(f) Capital management

The Group maintains an efficient capital structure from a combination of equity shareholders' funds and borrowings, consistent with the Group's risk profile and the regulatory and market requirements of its business.

The Group's objectives in managing its capital are:

- to match the profile of its assets and liabilities, taking account of the risks inherent in the business
- to maintain financial strength to support new business growth
- to satisfy the requirements of its policyholders, regulators and rating agencies
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- to allocate capital efficiently to support growth
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

An important aspect of the Group's overall capital management process is the setting of target risk-adjusted rate of return which is aligned to performance objectives and ensures that the Group is focused on the creation of value for shareholders.

The Group has a number of sources of capital available to it and seeks to optimise its debt to equity structure in order to ensure that it can consistently maximise returns to shareholders. The Group considers not only the traditional sources of capital funding but also the alternative sources of capital including reinsurance, as appropriate, when assessing its deployment and usage of capital. The Group manages as capital all items that are eligible to be treated as capital for regulatory purposes.

The Group manages capital in accordance with these rules and has embedded in its ALM framework the necessary tests to ensure continuous and full compliance with such regulations. The Group has complied with all externally imposed capital requirements throughout the year.

Insurance entities in Kenya are governed by the Insurance Act and as such are subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities.

The new capital requirements (Risk Based Capital) were introduced in the Finance Act, 2015. Insurance companies are required to hold paid up capital by 31st December 2020; the higher of:-

- Kshs 400 million; or
- risk based capital determined by the Insurance Regulatory Authority (IRA) from time to time; or
- 5% of the liabilities of the life business for the financial year.

In line with risk-based methodology, IRA has developed a Risk Based Capital (RBC) model, which is aimed at introducing capital requirements that are commensurate to the levels of risk being undertaken, and provide appropriate incentives for good risk management. The RBC model is a factor-based model that computes the capital requirement based on four risk segments: insurance, market, credit and operational risk.

The Company's Capital adequacy ratio position as at 31 December 2024 is as shown below;

	2024	2023
	Kshs'000	Kshs'000
Available Capital	21,795,446	19,829,752
Required Capital	7,695,874	6,130,946
Capital Adequacy ratio	283%	323%
Required Capital Adequacy ratio	200%	200%

In Uganda, statutory capital is based on Section 6 of the Insurance Act, 2011.

The Uganda Insurance Act require long term insurance business companies to hold the minimum level of paid up capital of US\$ 3 billion

The Insurance Act, 2011 further requires that 2% of the gross written premium or 15% of the net profit, whichever is greater, be transferred to the contingency reserve until it equals the minimum paid up capital or 50% of the current year's net written premium, whichever is higher.

ICEA LION Life Assurance (Uganda) Company Limited has complied with this requirement.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

5(a). INSURANCE REVENUE

The insurance revenue of the Group is analysed between the main classes of business as shown below:

2024	GROUP			COMPANY		
	2024 Long Term	2024 Short Term	2024 Total	2024 Long Term	2024 Short Term	2024 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Contracts not measured under the PAA						
Amounts relating to changes in liabilities for remaining coverage						
CSM recognised for services provided	1,422,376	-	1,422,376	1,004,468	-	1,004,468
Changes in risk adjustment for non-financial risk for risk expired	153,277	-	153,277	96,436	-	96,436
Expected incurred claims and other insurance service expenses	2,434,362	-	2,434,362	1,944,528	-	1,944,528
Recovery of insurance acquisition cashflows	1,437,661	-	1,437,661	1,119,369	-	1,119,369
Loss adjustment at maturity to loss component	(44)	-	(44)	(44)	-	(44)
Total Contracts not measured under the PAA	5,447,632	-	5,447,632	4,164,757	-	4,164,757
Contracts measured under the PAA	3,273,833	-	3,273,833	2,815,565	-	2,815,565
Total insurance revenue	8,721,465	-	8,721,465	6,980,322	-	6,980,322

2023	GROUP			COMPANY		
	2023 Long Term	2023 Short Term	2023 Total	2023 Long Term	2023 Short Term	2023 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Amounts relating to changes in liabilities for remaining coverage						
CSM recognised for services provided	560,714	-	560,714	311,221	-	311,221
Changes in risk adjustment for non-financial risk for risk expired	162,373	-	162,373	115,620	-	115,620
Expected incurred claims and other insurance service expenses	7,370,115	-	7,370,115	6,140,317	-	6,140,317
Recovery of insurance acquisition cashflows	701,959	-	701,959	495,710	-	495,710
Actual vs Exp premium income received for the past service provided	(728,058)	-	(728,058)	(557,104)	-	(557,104)
Total Contracts not measured under the PAA	8,067,103	-	8,067,103	6,505,764	-	6,505,764
Contracts measured under the PAA	1,256,888	-	1,256,888	865,607	-	865,607
Total reinsurance revenue	9,323,991	-	9,323,991	7,371,371	-	7,371,371

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

5(b). INSURANCE SERVICE EXPENSES

2024	GROUP			COMPANY		
	2024 Long Term	2024 Short Term	2024 Total	2024 Long Term	2024 Short Term	2024 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Actual claims and expenses excl inv comp over the period	3,698,570	-	3,698,570	2,970,575	-	2,970,575
Actual acquisition expenses recognised as expenses for PAA	160,725	-	160,725	76,766	-	76,766
Expected release of incurred claims over the period	(7,696,639)	-	(7,696,639)	(6,701,049)	-	(6,701,049)
Expected release of risk adjustments for incurred claims	(4,734)	-	(4,734)	(503)	-	(503)
Increase in present value and risk adjustment of incurred claims liability	-	-	-	-	-	-
New Incurred Claims over the period	7,949,782	-	7,949,782	6,848,581	-	6,848,581
Release of deferred acquisition cost	1,437,661	-	1,437,661	1,119,369	-	1,119,369
Increase in losses on onerous contracts	(30,728)	-	(30,728)	(118,820)	-	(118,820)
Expected claims and expenses excl inv comp over the period for loss component	(283,591)	-	(283,591)	(152,794)	-	(152,794)
Expected release of risk adjustment over the period to loss component	(16,356)	-	(16,356)	(5,560)	-	(5,560)
Loss adjustment at maturity to loss component	(44)	-	(44)	(44)	-	(44)
Total Insurance service expense	5,214,646	-	5,214,646	4,036,521	-	4,036,521

2023	GROUP			COMPANY		
	2023 Long Term	2023 Short Term	2023 Total	2023 Long Term	2023 Short Term	2023 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Actual claims and expenses excl inv comp over the period	6,962,493	-	6,962,493	5,789,290	-	5,789,290
Actual acquisition expenses recognised as expenses for PAA	146,778	-	146,778	70,738	-	70,738
Expected release of incurred claims over the period	(5,981,072)	-	(5,981,072)	(5,048,210)	-	(5,048,210)
Expected release of risk adjustments for incurred claims	(2,191)	-	(2,191)	1,673	-	1,673
Increase in present value and risk adjustment of incurred claims liability	(17,324)	-	(17,324)	(17,324)	-	(17,324)
New Incurred Claims over the period	6,267,004	-	6,267,004	5,347,708	-	5,347,708
Release of deferred acquisition cost	701,958	-	701,958	495,710	-	495,710
Increase in losses on onerous contracts	1,309,691	-	1,309,691	696,137	-	696,137
Expected claims and expenses excl inv comp over the period for loss component	(544,103)	-	(544,103)	(339,551)	-	(339,551)
Expected release of risk adjustment over the period to loss component	(35,902)	-	(35,902)	(10,529)	-	(10,529)
Total Insurance service expense	8,807,332	-	8,807,332	6,985,642	-	6,985,642

5(c). NET EXPENSES FROM REINSURANCE CONTRACTS HELD

2024	GROUP			COMPANY		
	2024 Long Term	2024 Short Term	2024 Total	2024 Long Term	2024 Short Term	2024 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reinsurance recoveries	425,257	-	425,257	269,908	-	269,908
Reinsurance premiums allocation	(665,340)	-	(665,340)	(436,592)	-	(436,592)
	(240,083)	-	(240,083)	(166,684)	-	(166,684)

2023	GROUP			COMPANY		
	2023 Long Term	2023 Short Term	2023 Total	2023 Long Term	2023 Short Term	2023 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reinsurance recoveries	337,531	-	337,531	209,902	-	209,902
Reinsurance premiums allocation	(563,600)	-	(563,600)	(382,466)	-	(382,466)
	(226,069)	-	(226,069)	(172,564)	-	(172,564)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

6. INVESTMENT INCOME

GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Investments held to maturity						
Investments held to maturity	15,510,419	6,875	15,517,294	13,658,751	7,081	13,665,832
Interest from government securities	88,398	-	88,398	28,002	-	28,002
Bank deposit interest	5,620,770	214,007	5,834,777	2,229,244	110,319	2,339,563
	21,219,587	220,882	21,440,469	15,915,997	117,400	16,033,397
Investments at fair value through profit or loss						
Fair value gains/(loss) on equity investments (Note 18(a))	1,891,372	-	1,891,372	(2,148,491)	-	(2,148,491)
Dividends receivable from equity investments	641,524	61,817	703,341	623,044	61,817	684,861
Gain on disposal of equity investments	80,451	-	80,451	84,223	-	84,223
Gain on disposal of bonds	-	-	-	8,088	401	8,489
Fair value gain on treasury bonds	3,624,795	5,894	3,630,689	(2,076,212)	(6,446)	(2,082,658)
Fair value gain/(loss) on unit trust investments	281,265	6,355	287,620	(60,191)	(1,485)	(61,676)
Fair value gain/(loss) on REIT investment (Note 18(b))	5,410	110,813	116,223	10,794	(114,392)	(103,598)
Fair value loss on dollar deposits	(718,629)	-	(718,629)	-	-	-
REIT income	9,921	16,603	26,524	9,794	-	9,794
Interest income on unit trusts	12,834	-	12,834	-	-	-
	5,828,943	201,482	6,030,425	(3,548,951)	(60,105)	(3,609,056)
Loans and receivables						
Loan interest-mortgages	92,339	-	92,339	93,655	-	93,655
Loan interest-policy loans	339,866	-	339,866	151,229	-	151,229
	432,205	-	432,205	244,884	-	244,884
Investment properties						
Fair value gains / (loss) on investment properties (Note 17)	185,465	87,483	272,948	297,857	(7,157)	290,700
Rental income from investment properties	529,086	66,149	595,235	439,133	45,468	484,601
	714,551	153,632	868,183	736,990	38,311	775,301
Miscellaneous Income	40	-	40	-	-	-
Total investment income	28,195,326	575,996	28,771,322	13,348,920	95,606	13,444,526
Investment expenses	(171,899)	(2,524)	(174,423)	(175,196)	(1,997)	(177,193)
Net impairment losses on other financial assets	-	167	167	-	-	-
Net investment income	28,023,427	573,639	28,597,066	13,173,724	93,609	13,267,333

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6. INVESTMENT INCOME (CONTINUED)

COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Interest from government securities	14,194,631	6,875	14,201,506	13,398,427	7,081	13,405,508
Interest from corporate bonds	28,020	-	28,020	28,002	-	28,002
Interest from bank deposits	5,489,669	214,007	5,703,676	2,074,403	110,319	2,184,722
	19,712,320	220,882	19,933,202	15,500,832	117,400	15,618,232
Investments at fair value through profit or loss						
Fair value gain / (loss) on equity investments (Note 18(a))	1,761,664	-	1,761,664	(2,165,456)	-	(2,165,456)
Dividends receivable from equity investments	609,029	61,817	670,846	596,176	61,817	657,993
Gain on disposal of equity investments	80,451	-	80,451	77,766	-	77,766
Gain on disposal of treasury bonds	-	-	-	8,088	401	8,489
Fair value gain / (loss) on treasury bonds	3,624,795	5,894	3,630,689	(2,925,716)	(6,446)	(2,932,162)
Fair value gain / (loss) on unit trust investments	281,265	6,355	287,620	(67,427)	(1,485)	(68,912)
Fair value gain / (loss) on REIT investment (Note 18(b))	5,410	110,813	116,223	10,793	(114,393)	(103,600)
Fair value (loss) / gains on dollar deposits	(718,629)	-	(718,629)	-	-	-
REIT income	9,921	16,603	26,524	9,794	-	9,794
	5,653,906	201,482	5,855,388	(4,455,982)	(60,106)	(4,516,088)
Loans and receivables						
Loan interest-mortgages	92,339	-	92,339	93,655	-	93,655
Loan interest-policy loans	339,866	-	339,866	140,889	-	140,889
	432,205	-	432,205	234,544	-	234,544
Investment properties						
Fair value loss on investment properties (Note 17)	185,465	87,483	272,948	297,857	(7,157)	290,700
Rental income from investment properties (Note 17)	529,086	66,149	595,235	439,133	45,468	484,601
	714,551	153,632	868,183	736,990	38,311	775,301
Total investment income	26,512,982	575,996	27,088,978	12,016,384	95,605	12,111,989
Investment expenses	(171,899)	(2,524)	(174,423)	(175,195)	(1,996)	(177,191)
Net impairment losses on other financial assets	-	167	167	-	-	-
Net investment income	26,341,083	573,639	26,914,722	11,841,189	93,609	11,934,798

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7. INSURANCE FINANCE EXPENSE

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Finance effect for remaining coverage to Profit or Loss excluding loss component	(10,149,338)	1,754,785	(9,757,769)	1,754,785
Interest accreted to CSM	(369,081)	(505,963)	(442,156)	(397,506)
Finance effect for remaining coverage to Profit or Loss loss component	(584,510)	(185,524)	(244,062)	(185,523)
Finance effect for remaining coverage to Profit or Loss excluding loss component	-	-	-	-
Finance effect for incurred claims in Profit or Loss	-	(889)	-	(889)
Interest accreted to insurance contracts	-	(218,495)	-	-
Effect of differences between current rates and locked-in rates when measuring changes in liabilities	-	(97,685)	-	-
	(11,102,929)	746,229	(10,443,987)	1,170,867

8. MOVEMENT IN INVESTMENT CONTRACT LIABILITIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Interest accretion on PAA liability for remaining coverage	(12,902,440)	(9,112,738)	(12,177,132)	(8,650,310)
Deposit administration PAA Income	(2,029,522)	-	(2,029,522)	-
	(14,931,962)	(9,112,738)	(14,206,654)	(8,650,310)

9 (a). OTHER FINANCE INCOME / (EXPENSES)

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Gain on disposal of property and equipment	3,535	190	3,271	191
Gain on disposal of subsidiaries	-	44,415	-	44,415
Distribution on winding-up of subsidiary	-	20,997	-	20,997
Others*	(5,873)	351,176	9,871	412,608
Bad debts	-	(13,125)	-	-
Income residue excluded from IFRS 17	151,507	-	72,136	-
Total	149,169	403,653	85,278	478,211

*Includes income received not allocated to policies

9(b). OTHER OPERATING EXPENSES

GROUP	Long term business 2024	Short term business 2024	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Other Expenses	-	(30)	(30)	(1,048,233)
Claims residue and commission-excluded from IFRS 17	(537,501)	-	(537,501)	-
Non-attributable expenses	(572,304)	-	(572,304)	(460,376)
	(1,109,805)	(30)	(1,109,835)	(1,508,609)

COMPANY	Long term business 2024	Short term business 2024	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Other Expenses	-	(30)	(30)	(1,048,232)
Claims residue and commission-excluded from IFRS 17	(537,501)	-	(537,501)	-
Non-attributable expenses	(416,426)	-	(416,426)	(376,490)
	(953,927)	(30)	(953,957)	(1,424,722)

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10(a). INCOME TAX EXPENSE

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current income tax	711,377	552,700	536,571	408,460
Deferred income tax (credit) / charge (Note 31)	453,302	477,864	453,302	477,863
Under provision of current tax in prior years	13,973	-	13,973	-
Under provision of deferred tax in prior years	(1,989)	-	(1,989)	-
Income tax expense	1,176,663	1,030,564	1,001,857	886,323

During the year the group and company's tax rate was 30%. The income tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

The income tax expense on the Group and Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit before income tax	4,770,383	4,234,104	3,827,459	3,598,769
Tax calculated at 30%	1,431,115	1,270,231	1,148,238	1,079,631
Tax effects of:				
- Income not subject to tax*	(541,692)	(669,443)	(408,013)	(490,402)
- Expenses not deductible for tax purposes**	289,229	429,776	261,632	297,094
Under / (over) provision of deferred tax in prior years	(1,989)	-	-	-
Income tax expense/(credit)	1,176,663	1,030,564	1,001,857	886,323

* For long-term business, only the amount transferred to shareholders is subject to tax on condition that the company's expenditure is within the permitted levels as per the Insurance Act.

** For Long-term businesses in Kenya and Uganda, all expenses are allowable for tax purposes as long they are within the permitted expenditure as per the Insurance Act.

10. (b) INCOME TAX MOVEMENT

	GROUP			COMPANY		
	2024 Long Term	2024 Short Term	2024 Total	2024 Long Term	2024 Short Term	2024 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January 2024	(62,603)	(39,961)	(102,564)	14,332	(39,961)	(25,629)
Current year taxation charge	624,806	86,571	711,377	450,000	86,571	536,571
Withholding tax recovered	(8,316)	-	(8,316)	(8,316)	-	(8,316)
Tax paid	(585,123)	(39,350)	(624,473)	(390,000)	(39,350)	(429,350)
Overprovision	-	13,973	13,973	-	13,973	13,973
Exchange difference	11,703	-	11,703	-	-	-
At 31 December 2024	(19,533)	21,233	1,700	66,016	21,233	87,249

	GROUP			COMPANY		
	2023 Long Term	2023 Short Term	2023 Total	2023 Long Term	2023 Short Term	2023 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January 2023	6,918	(51,255)	(44,337)	50,511	(38,974)	11,537
Current year taxation charge	504,240	48,460	552,700	360,000	48,460	408,460
Deconsolidated Uganda General Insurance Amount	-	12,281	12,281	-	-	-
Withholding tax recovered	(10,624)	-	(10,624)	(10,624)	-	(10,624)
Tax paid	(550,279)	(49,447)	(599,726)	(385,555)	(49,447)	(435,002)
Exchange difference	(12,858)	-	(12,858)	-	-	-
At 31 December 2023	(62,603)	(39,961)	(102,564)	14,332	(39,961)	(25,629)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

10. (b) INCOME TAX MOVEMENT (CONTINUED)

	GROUP			COMPANY		
	2024 Long Term	2024 Short Term	2024 Total	2023 Long Term	2023 Short Term	2023 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current Tax recoverable (Asset)	85,549	-	85,549	-	-	-
Current tax payable (Liability)	(66,016)	(21,233)	(87,249)	(66,016)	(21,233)	(87,249)
Net Tax Asset / (Liability)	19,533	(21,233)	(1,700)	(66,016)	(21,233)	(87,249)

11(a) EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit for the year (Kshs' 000)	3,593,720	3,203,540	2,825,620	2,712,447
Number of ordinary shares	56,250	56,250	56,250	56,250
Basic earnings per share (Kshs)	63.89	56.95	50.23	48.22

The basic earnings per share is the same as the diluted earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

11. (b) SHARE PREMIUM

The Group has a share premium of Kshs 1,125,000,000.00, representing the excess amount received from the issuance of shares above their nominal value.

12. RESERVES

Statutory reserves

The statutory reserve relates to;

- The surplus on the long-term business which is not distributable as dividends as per the requirements of the Insurance Act.
- The contingency reserve under the Uganda subsidiary which is set up under Section 47(2) (c) of the Uganda Insurance Statute 1996. The reserve is provided for at the greater of 2% of the gross premium income, and 15% of net profit each year effective from 1996 and is required to accumulate until it reaches the greater of either minimum paid up capital or 50% of the net premiums written.

Transfer from statutory reserve relates to the proportion of the life assurance business surplus which is distributable as dividends and therefore transferred to retained earnings.

In the year 2024 Kshs 1,050,000,000 has been transferred from statutory reserve to retained earnings (2023 : Kshs 840,000,000)

Currency translation reserve

Currency translation reserve relates to translation gains and losses arising as a result of translating opening balances using exchange rates at the close of the period rather than exchange rates at the beginning of the period on consolidation of the subsidiaries.

Revaluation reserve

Revaluation reserve relates to gains and losses arising as a result of revaluation of equity investments held at fair value through other comprehensive income.

13. DIVIDENDS

The directors recommend a final dividend of Kshs 18.67 per share amounting to Kshs 1,050,000,000 (2023: Kshs 14.93 per share amounting to Kshs 840,000,000).

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14. MOTOR VEHICLE & EQUIPMENT

GROUP	Motor vehicles	Computers	Fittings and equipment	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
COST				
Balance as at 1 January 2023	67,713	288,414	440,402	796,529
Additions	38,535	136,707	65,882	241,124
Disposals	(6,760)	(26,871)	(56,029)	(89,660)
Exchange difference	730	(89)	807	1,448
At 31 December 2023	100,218	398,161	451,062	949,441
Balance as at 1 January 2024	100,218	398,161	451,062	949,441
Additions	17,420	56,245	136,893	210,558
Disposals	(9,003)	(1,384)	(2,700)	(13,087)
Exchange difference	(21,443)	(7,396)	(14,442)	(43,281)
At 31 December 2024	87,192	445,626	570,813	1,103,631
DEPRECIATION				
Balance as at 1 January 2023	44,172	218,988	261,732	524,892
Depreciation for the year	14,118	83,765	61,207	159,090
Eliminated on disposals	-	-	-	-
Exchange differences	-	(4)	5	1
At 31 December 2023	58,290	302,749	322,944	683,983
CARRYING AMOUNT				
Balance as at 1 January 2024	58,290	302,749	322,944	683,983
Depreciation for the year	14,568	84,221	32,757	131,546
Eliminated on disposals	(9,003)	(1,636)	(2,669)	(13,308)
Exchange differences	(7,867)	(11,037)	(9,415)	(28,319)
At 31 December 2024	55,988	374,297	343,617	773,902
CARRYING AMOUNT				
At 31 December 2024	31,204	71,330	227,196	329,730
At 31 December 2023	41,928	95,412	128,118	265,458

Fully depreciated assets at 31 December 2024 amounted to Kshs 523,905,389 (2023 - Kshs 413,913,321). The notional annual depreciation on these assets would have been Kshs 118,856,450 (2023 - Kshs 97,593,818). None of the Group's property and equipment has been pledged as security for borrowings.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

14. MOTOR VEHICLE AND EQUIPMENT (CONTINUED)

COMPANY	Motor vehicles	Computers	Fittings and equipment	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
COST				
Balance as at 1 January 2023	49,838	231,469	311,379	592,686
Additions	17,135	119,219	46,254	182,608
Disposals	-	-	-	-
Exchange difference	-	-	-	-
At 31 December 2023	66,973	350,688	357,633	775,294
Balance as at 1 January 2024	66,973	350,688	357,633	775,294
Additions	17,420	49,847	93,036	160,303
Disposals	(9,003)	(1,384)	-	(10,387)
Exchange difference	-	-	-	-
At 31 December 2024	75,390	399,151	450,669	925,210
DEPRECIATION				
Balance as at 1 January 2023	36,682	198,696	218,183	453,561
Depreciation for the year	10,988	60,051	20,261	91,300
Eliminated on disposals	-	-	-	-
Exchange differences	-	-	-	-
At 31 December 2023	47,670	258,747	238,444	544,861
CARRYING AMOUNT				
As at 1 January 2024	47,670	258,747	238,444	544,861
Depreciation for the year	11,576	79,011	35,135	125,722
Eliminated on disposals	(9,003)	(1,384)	-	(10,387)
Exchange differences	-	-	-	-
At 31 December 2024	50,243	336,374	273,579	660,196
CARRYING AMOUNT				
At 31 December 2024	25,147	62,777	177,090	265,014
At 31 December 2023	19,303	91,941	119,189	230,433

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15. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost				
Balance as at 1 January 2023	158,767	167,840	149,786	146,264
Disposal of Subsidiary Assets	-	(14,954)	-	-
Additions during the year	83,001	3,522	58,196	3,522
Exchange difference	-	2,359	-	-
At 31 December 2023	241,768	158,767	207,982	149,786
Depreciation				
Balance as at 1 January 2024	153,286	153,413	146,775	143,270
Disposal of Subsidiary Assets	-	(7,563)	-	-
Charge for the year	16,464	7,436	6,444	3,506
Exchange difference	1,213	-	-	-
At 31 December 2024	170,963	153,286	153,219	146,776
Carrying amount	70,805	5,481	54,763	3,010

Fully depreciated assets at 31 December 2024 amounted to Kshs 100,127,119 (2023: Kshs 145,712,739). The notional annual depreciation on these assets would have been Kshs 12,515,890 (2023: Kshs 48,522,342). None of the Company's assets has been pledged as security for borrowings.

16. RIGHT-OF-USE ASSETS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost				
At 1 January	789,470	850,490	465,634	539,093
Disposal of Subsidiary Assets	-	(93,946)	-	-
Additions during the year	3,833	121,400	-	-
* De-recognition	(19,159)	(88,474)	-	(73,460)
Exchange difference	-	-	-	-
At 31 December	774,144	789,470	465,634	465,633
Depreciation				
At 1 January	378,458	395,735	279,825	219,433
Disposal of Subsidiary Assets	-	(102,568)	-	-
Charge for the year	77,802	95,220	36,617	60,392
Exchange difference	8,089	(9,929)	-	-
At 31 December 2024	464,349	378,458	316,442	279,825
Carrying amount	309,795	411,012	149,192	185,808

The Group and Company leases various office premises with an average lease term of five years. The maturity analysis of the lease liabilities is presented in note 34.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Depreciation expense on right-of-use assets	101,578	60,392	60,392	60,392
Interest expense on lease liabilities	68,623	81,718	46,401	57,125

The Group and Company has no restrictions or covenants imposed by its leases, neither are there arranged sale and leaseback transactions.

The Group and Company has considered the options available to extend or terminate a lease and has considered that for all its leases it expects to extend the lease term by one additional term.

The Company has determined the threshold for low values leases as Kshs 500,000.

* De-recognition during the year represent surrendered leases and de-recognition of the Value Added Tax (VAT) that has been excluded from cash flows as it is not a lease payment. VAT for the lease payment has been included under variable lease payments in profit or loss.

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17. INVESTMENT PROPERTIES - GROUP AND COMPANY

	Long term business	Short term business	Total 2024	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At start of year	8,525,000	1,361,000	9,886,000	9,425,000
Additions	88,535	40,517	129,052	170,300
Fair value gains/(loss) (Note 6)	185,465	87,483	272,948	290,700
At year end	8,799,000	1,489,000	10,288,000	9,886,000

The investment properties were last revalued on 31st December 2024 by Kiragu & Mwangi Limited, independent valuers, on an open market basis using the highest and best use principle. The properties are managed by Knight Frank Kenya Limited. The rental income received from the investment properties for the Group and Company was Kshs 595,235,000 (2023: Kshs 484,600,627) (Note 6). The total property management expenses wa 2024: Kshs 308,288,513 (2023: Kshs 282,686,468).

The table below analyses the non-financial assets 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).

	Level 1	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 31 December 2024				
Investment property	-	-	10,288,000	10,288,000
At 31 December 2023				
Investment property	-	-	9,886,000	9,886,000
At 31 December 2022				
Investment property	-	-	9,425,000	9,425,000

Valuation technique used to derive level 3 fair values (refer to Note 3(d))

Level 3 fair value of investment properties has been derived using discounted cash flow projections which incorporate assumptions around the continued demand for rental space, sustainability of growth in rent rates as well as makes reference to recent sales.

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18(a). EQUITY INVESTMENTS

GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Quoted investments - at fair value through profit or loss						
At 1 January	6,287,932	-	6,287,932	8,017,497	11,933	8,029,430
Disposal of Subsidiary Assets	-	-	-	-	(11,933)	(11,933)
Additions	308,039	-	308,039	900,245	-	900,245
Disposals	(417,489)	-	(417,489)	(608,582)	-	(608,582)
Fair value gains/(losses) (Note 6)	1,891,372	-	1,891,372	(2,146,677)	-	(2,146,677)
Exchange differences	(35,659)	-	(35,659)	125,449	-	125,449
At 31 December	8,034,195	-	8,034,195	6,287,932	-	6,287,932

COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	6,065,649	-	6,065,649	7,922,010	-	7,922,010
Additions	246,399	-	246,399	897,374	-	897,374
Disposals	(417,489)	-	(417,489)	(588,279)	-	(588,279)
Fair value losses (Note 6)	1,761,664	-	1,761,664	(2,165,456)	-	(2,165,456)
At 31 December	7,656,223	-	7,656,223	6,065,649	-	6,065,649

18(b). REIT INVESTMENTS

GROUP & COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	266,704	148,537	415,241	255,910	-	255,910
Additions	-	1,551	1,551	-	262,929	262,929
Fair value gain / (losses) (Note 6)	5,410	110,813	116,223	10,794	(114,392)	(103,598)
At 31 December	272,114	260,901	533,015	266,704	148,537	415,241

19(a) INVESTMENT IN SUBSIDIARY - AT COST

COMPANY	2024	2023
	Kshs'000	Kshs'000
ICEA LION Life Assurance Company (Uganda) Limited	193,192	193,172
	193,192	193,172

19 (b) MOVEMENT IN INVESTMENT IN SUBSIDIARY

	Total 2024	Total 2023
	Kshs'000	Kshs'000
Movement in subsidiaries		
Opening balances	193,172	690,266
Disposal at cost	-	(497,094)
Movement	20	-
	193,192	193,172

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19 (b) Movement in investment in subsidiary (Continued)

ICEA LION Asset Management (Uganda) Limited & ICEA LION General Insurance Company (Uganda) Limited were disposed as at 01.1.2023 to ICEA LION Asset Management Limited & ICEA LION General Insurance Company Limited at net book value.

As at 31 December 2024, ICEA LION Life Assurance Company Limited was wholly owned ICEA LION Life Assurance Company (Uganda) Limited as set out below.

Subsidiary	% Owned	Principal business activity
ICEA LION Life Assurance Company (Uganda) Limited	100%	Transacts life insurance business and pension scheme administration.

(c) Summary of Subsidiary Performance

A summary of financial information for the subsidiary as of 31 December 2024 and 31 December 2023 is set out below:

	ICEA LION Life Assurance Company (Uganda) Limited	
	2024	2023
	Kshs'000	Kshs'000
Total assets	13,469,396	12,385,559
Total liabilities	12,226,555	11,290,747
Net assets	1,242,841	1,094,812
Net earned premiums and other incomes	1,552,595	498,762
Profit before income tax	477,987	348,124
Income tax expense	(174,806)	(144,241)
Profit for the year	303,181	203,883
Total comprehensive income for the year	477,987	238,745

(d) Subordinated Loan

This loan was granted to ICEA LION General Uganda Limited then a subsidiary of the Company. The funds were to be applied as Company capital as a subordinated loan to fund working capital requirements.

	2024	2023
	Kshs'000	Kshs'000
At 1 January	129,033	129,033
	129,033	129,033

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20. INVESTMENT IN ASSOCIATE ILAM UGANDA

GROUP – LONG TERM BUSINESS	2024	2023
	Kshs'000	Kshs'000
Company's share of net assets;		
At 1 January	24,379	16,573
Share of profit	11,231	7,806
Exchange loss on translation	(3,775)	-
At 31 December	31,835	24,379

Further information on the associate company is shown below:

Company	Share capital Kshs	% owned	Country of Incorporation	Principal activity
ICEA LION Asset Management (U) Limited	200,000	25%	Uganda	Asset management business

A summary of financial information as of 31 December 2024 and for the year then ended in respect of the associate company is set out below:

	2024	2023
	Kshs'000	Kshs'000
Total assets	155,525	141,346
Total liabilities	(27,971)	(43,255)
Net assets	127,554	98,091
Group's share of the net assets	31,889	24,379
Income	197,834	145,851
Profit before income tax	62,977	43,206
Income tax expense	(18,347)	(11,981)
Profit for the year	44,630	31,225
Total comprehensive income for the year	44,630	31,225

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20. INVESTMENT IN ASSOCIATES (CONTINUED) EARE

GROUP – SHORT TERM BUSINESS	2024	2023
	Kshs'000	Kshs'000
Company's share of net assets;		
At 1 January	2,149,666	1,882,856
Share of profit	248,536	287,210
Prior year adjustment and dividends received	(81,333)	(20,400)
Share of OCI	(30,941)	-
Understatement of associate profit	69	-
Net movement	136,331	266,810
At 31 December	2,285,997	2,149,666

Further information on the associate company is shown below:

Company	Share capital Kshs	% owned	Country of Incorporation	Principal activity
East Africa Reinsurance Company Limited	1,000,000	30.91%	Kenya	Underwriting all classes of reinsurance and reinsurance businesses

A summary of financial information as of 31 December 2024 and for the year then ended in respect of the associate company is set out below:

	2024	2023
	Kshs'000	Kshs'000
Total assets	13,752,002	11,704,235
Total liabilities	(6,355,980)	(4,749,293)
Net assets	7,396,022	6,954,942
Group's share of the net assets	2,285,997	2,149,666
Net earned premiums	378,793	311,657
Profit before income tax	957,209	1,267,186
Income tax expense	(152,884)	(337,960)
Profit for the year	804,325	929,226
Total comprehensive income for the year	704,219	929,226

COMPANY	2024	2023
At cost	Kshs'000	Kshs'000
At 1st January	553,922	553,922
Additions	-	-
At 31 December	553,922	553,922

21. KENYA MOTOR INSURANCE POOL- GROUP AND COMPANY

The Kenya Motor Insurance Pool (KMIP) was a mandatory pool set up to provide motor cover under a pooled arrangement. KMIP has since ceased underwriting and is now dormant though its investments continue to earn income. This balance is recoverable from the pool through a refund amount due upon distribution of the pool assets.

(a) Details of the Group's share in the pool as at the end of the reporting period are as follows;

Name	Country of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held by the company	
			2024	2023
Kenya Motor Insurance Pool	Kenya	Sharing of pool business and risks by underwriting and investments.	5.34%	5.34%

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21. KENYA MOTOR INSURANCE POOL- GROUP AND COMPANY (CONTINUED)

(b) The movement in the amount due is shown below;

	2024	2023
	Kshs'000	Kshs'000
At 1 January	23,593	24,158
Partial distribution	-	-
Net (decrease)/increase in Group share of net assets of the pool	3,431	(565)
	27,024	23,593

22. LOANS RECEIVABLE

Mortgage loans - GROUP AND COMPANY

	2024	2023
	Kshs'000	Kshs'000
At 1 January	638,712	661,349
Loans advanced	43,481	120,796
Interest charged	36,525	42,568
Loan repayments	(135,651)	(186,001)
Gross	583,067	638,712
Allowance for expected credit losses	(1,894)	(1,894)
At 31 December	581,173	636,818

Maturity profile of mortgage loans:

Loans maturing:		
Within 1 year	20,481	92,034
1 to 5 years	160,883	68,850
Over 5 years	399,809	475,934
	581,173	636,818

23. REINSURANCE CONTRACT - ASSETS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reinsurance contract assets	486,321	407,425	155,120	125,492

24. OTHER RECEIVABLES

GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Due from related companies (Note 35)	312,617	40,841	353,458	253,322	40,841	294,163
Staff advances	35,791	381	36,172	41,272	302	41,574
Others	732,508	77,079	809,587	746,491	6,403	752,894
	1,080,916	118,301	1,199,217	1,041,085	47,546	1,088,631
COMPANY						
Due from related companies (Note 35)	312,620	40,838	353,458	253,322	40,841	294,163
Staff advances	29,622	381	30,003	30,001	302	30,303
Others	761,733	1,962	763,695	685,866	6,402	692,268
	1,103,975	43,181	1,147,156	969,189	47,545	1,016,734

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25. CORPORATE BONDS

GROUP & COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Corporate bonds maturing:						
- within one year	-	-	-	683	-	683
- 1 to 5 years	231,740	-	231,740	231,902	-	231,902
- After 5 years	-	-	-	-	-	-
- Allowance for expected credit losses	(6,947)	-	(6,947)	(326)	-	(326)
	224,793	-	224,793	232,259	-	232,259

The movement in corporate bonds during the year is as follows:

GROUP & COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	232,259	-	232,259	229,983	-	229,983
Additions	329	-	329	2,140	-	2,140
Disposals	(989)	-	(989)	-	-	-
Amortization	141	-	141	139	-	139
Impairment	(6,947)	-	(6,947)	(3)	-	(3)
At 31 December	224,793	-	224,793	232,259	-	232,259

26. GOVERNMENT SECURITIES

GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Treasury bills and bonds maturing:						
- within one year	2,457,389	-	2,457,389	6,313,216	-	6,313,216
- 1 to 5 years	18,897,352	-	18,897,352	20,052,634	-	20,052,634
- After 5 years	60,301,429	-	60,301,429	56,294,672	-	56,294,672
Gross	81,656,170	-	81,656,170	82,660,522	-	82,660,522
- Allowance for expected credit losses	(73,453)	-	(73,453)	(74,309)	-	(74,309)
At 31 December	81,582,717	-	81,582,717	82,586,213	-	82,586,213

COMPANY	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Treasury bills and bonds maturing:						
- within one year	1,601,069	-	1,601,069	4,775,230	-	4,775,230
- 1 to 5 years	17,901,436	-	17,901,436	18,556,171	-	18,556,171
- After 5 years	51,728,326	-	51,728,326	50,143,571	-	50,143,571
Gross	71,230,831	-	71,230,831	73,474,972	-	73,474,972
- Allowance for expected credit losses	(63,463)	-	(63,463)	(74,309)	-	(74,309)
	71,167,368	-	71,167,368	73,400,663	-	73,400,663

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26. GOVERNMENT SECURITIES (CONTINUED)

COMPANY AND GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at FVTPL						
Treasury bills and bonds maturing:						
- within one year	150,088	-	150,088	207,071	-	207,071
- 1 to 5 years	6,822,845	-	6,822,845	6,104,316	-	6,104,316
- After 5 years	29,969,979	50,098	30,020,077	23,943,551	44,204	23,987,755
	36,942,912	50,098	36,993,010	30,254,938	44,204	30,299,142

Treasury bonds amounting to Kshs 9 Billion (2023: Kshs 8,061,450,000) are held under lien with the Central Bank of Kenya.

The movement in government securities during the year is as follows:

	GROUP			COMPANY		
	Long term business 2024	Short term business 2024	Total 2024	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Movement						
At 1 January	82,586,213	-	82,586,213	73,400,663	-	73,400,663
Acquisition	6,077,069	-	6,077,069	2,181,288	-	2,181,288
Amortization	1,170,451	-	1,170,451	(64,150)	-	(64,150)
Deferred Income	(170,820)	-	(170,820)	(170,820)	-	(170,820)
Disposal	(6,595,921)	-	(6,595,921)	(4,116,150)	-	(4,116,150)
Impairment	(74,046)	-	(74,046)	(63,463)	-	(63,463)
Exchange difference	(1,400,239)	-	(1,400,239)	-	-	-
At 31 December	81,592,707	-	81,592,707	71,167,368	-	71,167,368
Held at FVTPL						
Movement						
At 1 January	30,254,938	44,204	30,299,142	30,254,938	44,204	30,299,142
Acquisition	3,269,129	-	3,269,129	3,269,129	-	3,269,129
Disposal	(205,950)	-	(205,950)	(205,950)	-	(205,950)
Revaluation	3,624,795	5,894	3,630,689	3,624,795	5,894	3,630,689
At 31 December	36,942,912.00	50,098.00	36,993,010.00	36,942,912	50,098	36,993,010

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26. GOVERNMENT SECURITIES (CONTINUED)

	GROUP			COMPANY		
	Long term business 2023	Short term business 2023	Total 2023	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Movement						
At 1 January	81,019,232	-	81,019,232	75,131,842	-	75,131,842
Acquisition	7,202,884	-	7,202,884	3,983,050	-	3,983,050
Amortization	185,125	-	185,125	(149,833)	-	(149,833)
Deferred Income	(24,030)	-	(24,030)	(24,030)	-	(24,030)
Disposal	(7,112,610)	-	(7,112,610)	(5,540,366)	-	(5,540,366)
Exchange difference	1,315,612	-	1,315,612	-	-	-
At 31 December	82,586,213	-	82,586,213	73,400,663	-	73,400,663
Held at FVTPL						
Movement						
At 1 January	30,769,781	71,142	30,840,923	30,769,781	71,142	30,840,923
Acquisition	3,742,852	1,000	3,743,852	3,742,852	1,000	3,743,852
Disposal	(1,213,815)	(20,964)	(1,234,779)	(1,213,815)	(20,964)	(1,234,779)
Revaluation	(3,043,880)	(6,974)	(3,050,854)	(3,043,880)	(6,974)	(3,050,854)
At 31 December	30,254,938	44,204	30,299,142	30,254,938	44,204	30,299,142

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

GROUP	Long term business 2024	Short term business 2024	Total 2024	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Maturing within 90 days	18,768,321	1,005,367	19,773,688	26,731,186	1,126,775	27,857,961
Maturing after 90 days	33,811,830	450,412	34,262,242	1,763,353	19,672	1,783,025
Allowance for expected credit losses	(463,215)	(6,462)	(469,677)	(142,092)	(6,620)	(148,712)
	52,116,936	1,449,317	53,566,253	28,352,447	1,139,827	29,492,274
COMPANY						
Maturing within 90 days	17,282,280	1,005,367	18,287,647	25,186,374	1,126,775	26,313,149
Maturing after 90 days	33,518,344	450,412	33,968,756	1,589,162	19,672	1,608,834
Allowance for expected credit losses	(431,362)	(6,462)	(437,824)	(142,092)	(6,620)	(148,712)
	50,369,262	1,449,317	51,818,579	26,633,444	1,139,827	27,773,271

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27. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

Weighted average effective rates – GROUP AND COMPANY

The following table summarises the weighted average effective interest rates at the year end on the principle interest bearing investments.

	2024	2023
Mortgage loans	15%	15%
Policy loans	16%	16%
Government securities	13%	12.82%
Corporate bonds	12.25%	12.25%
Deposits with financial institution	14.5%	13.35%

The tables below summarize the movements in deposits with financial institutions

	GROUP			COMPANY		
	Long term business 2024	Short term business 2024	Total 2024	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Movement						
At 1 January	28,352,447	1,139,827	29,492,274	26,633,444	1,139,827	27,773,271
Acquisition	180,712,539	5,804,013	186,516,552	177,361,199	5,804,013	183,165,212
Disposal	(157,301,183)	(5,531,897)	(162,833,080)	(154,197,001)	(5,531,897)	(159,728,898)
Revaluation	(718,629)	-	(718,629)	(718,629)	-	(718,629)
Impairment	(320,982)	163	(320,819)	(288,680)	163	(288,517)
Amortization	1,364,297	37,211	1,401,508	1,291,309	37,211	1,328,520
Revaluation - Unit Trusts	287,620	-	287,620	287,620	-	287,620
Loss on translation	(259,173)	-	(259,173)	-	-	-
At 31 December	52,116,936	1,449,317	53,566,253	50,369,262	1,449,317	51,818,579

	GROUP			COMPANY		
	Long term business 2023	Short term business 2023	Total 2023	Long term business 2023	Short term business 2023	Total 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Movement						
At 1 January	6,066,645	756,068	6,822,713	5,111,609	756,068	5,867,677
Acquisition	130,702,118	6,228,152	136,930,270	126,711,481	6,228,152	132,939,633
Disposal	(108,766,340)	(5,841,896)	(114,608,236)	(105,194,826)	(5,841,896)	(111,036,722)
Revaluation	13,546	-	13,546	13,546	-	13,546
Impairment	(28,332)	-	(28,332)	-	-	-
Amortization	77,401	(2,497)	74,904	(8,366)	(2,497)	(10,863)
Revaluation - Unit Trusts	-	-	-	-	-	-
Loss on translation	287,409	-	287,409	-	-	-
At 31 December	28,352,447	1,139,827	29,492,274	26,633,444	1,139,827	27,773,271

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28. SHARE CAPITAL

GROUP AND COMPANY	Ordinary shares			Total Kshs'000
	Number of shares	Long term Kshs'000	Short term Kshs'000	
Balance at 31 December 2023 and 31 December 2024	56,250,000	150,000	975,000	1,125,000

The total authorised number of ordinary shares is 56,250,000 with a par value of Kshs 20 per share. All issued shares are fully paid with equal rights.

(a) Ordinary Shares

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..

(b) Dividends

The following dividends were declared and paid by the Company for the year.

	2024	2023
Kshs 18.67 per qualified ordinary share (2023: Kshs 14.93)	1,050,000	840,000

(c) Dividends

After the reporting date the following dividends were proposed by the Board of Directors. The dividends have not been recognized as liabilities and there are no tax consequences

	2024	2023
Kshs 18.67 per qualified ordinary share (2023: Kshs 14.93)	1,050,000	840,000

29. INSURANCE AND REINSURANCE CONTRACTS

31st December 2024	GROUP				COMPANY			
	GMM	PAA	VFA	Total	GMM	PAA	VFA	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Insurance Contracts								
Insurance Contracts Liabilities	41,873,398	123,527,374	(14,327)	165,386,445	37,197,244	116,578,956	(14,327)	153,761,873
Reinsurance Contracts								
Reinsurance Contracts Assets	-	(486,321)	-	(486,321)	-	(155,120)	-	(155,120)
31st December 2023								
Insurance Contracts								
Insurance Contracts Liabilities	31,579,894	105,300,362	(1,289)	136,878,967	27,240,603	99,036,767	(1,289)	126,276,081
Reinsurance Contracts								
Reinsurance Contracts Assets	-	407,425	-	407,425	-	125,492	-	125,492

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a). Movements in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI. For each segment, the Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI. A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

GROUP 2024	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	27,870,710	3,582,966	126,218	31,579,894
Insurance Revenue				
Insurance Revenue	(5,416,150)	-	-	(5,416,150)
TOTAL	(5,416,150)	-	-	(5,416,150)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(297,975)	7,926,615	7,628,640
Acquisition Expenses	1,433,231	-	-	1,433,231
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(5,292,863)	(5,292,863)
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	(31,999)	-	(31,999)
TOTAL	1,433,231	(329,974)	2,633,752	3,737,009
Investment Components				
Investment Components	(5,659,322)	-	5,659,322	-
TOTAL	(5,659,322)	-	5,659,322	-
Insurance Finance Expenses				
Insurance Finance Expenses	10,720,617	367,340	-	11,087,957
TOTAL	10,720,617	367,340	-	11,087,957
Cash flows				
Premiums Received	11,334,726	-	-	11,334,726
Claims and Other Expenses Paid	-	-	(7,926,615)	(7,926,615)
Acquisition Cash Flows Paid	(1,730,877)	-	-	(1,730,877)
Policy loan adjustment	(106,502)	-	-	(106,502)
TOTAL	9,497,347	-	(7,926,615)	1,570,732
Closing Insurance Contract Liabilities	38,446,433	3,620,332	492,677	42,559,442
Translation gain/loss	(482,520)	(193,060)	(10,464)	(686,044)
Closing Balance	37,963,913	3,427,272	482,213	41,873,398

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29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

COMPANY 2024	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	24,902,515	2,282,362	55,726	27,240,603
Insurance Revenue				
Insurance Revenue	(4,151,133)	-	-	(4,151,133)
TOTAL	(4,151,133)	-	-	(4,151,133)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(158,354)	6,840,743	6,682,389
Acquisition Expenses	1,119,369	-	-	1,119,369
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(4,688,687)	(4,688,687)
Changes that relate to future services: losses on onerous contracts and reversals (including reinsurer's non-performance risk)	-	(118,864)	-	(118,864)
TOTAL	1,119,369	(277,218)	2,152,056	2,994,207
Investment Components				
Investment Components	(5,006,037)	-	5,006,037	-
TOTAL	(5,006,037)	-	5,006,037	-
Insurance Finance Expenses				
Insurance Finance Expenses	10,194,126	244,062	-	10,438,188
TOTAL	10,194,126	244,062	-	10,438,188
Cash flows				
Premiums Received	9,026,114	-	-	9,026,114
Claims and Other Expenses Paid	-	-	(6,840,743)	(6,840,743)
Acquisition Cash Flows Paid	(1,333,820)	-	-	(1,333,820)
Policy loan adjustment	(176,172)	-	-	(176,172)
TOTAL	7,516,122	-	(6,840,743)	675,379
Closing Balance	34,574,962	2,249,206	373,076	37,197,244

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

GROUP	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
2023	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	27,332,763	2,366,732	94,806	29,794,301
Insurance Revenue				
Insurance Revenue	(8,230,896)	-	-	(8,230,896)
TOTAL	(8,230,896)	-	-	(8,230,896)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(604,515)	6,360,529	5,756,014
Acquisition Expenses	724,017	-	-	724,017
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	17,870	17,870
Changes that relate to future services: losses on onerous contracts and reversals (including reinsurer's non-performance risk)	-	1,376,202	-	1,376,202
TOTAL	724,017	771,687	6,378,399	7,874,103
Insurance Finance Expenses				
Insurance Finance Expenses	(1,003,052)	293,584	-	(709,468)
TOTAL	(1,003,052)	293,584	-	(709,468)
Cash flows				
Premiums Received	11,495,588	-	-	11,495,588
Claims and Other Expenses Paid	-	-	(6,360,529)	(6,360,529)
Acquisition Cash Flows Paid	(1,681,622)	-	-	(1,681,622)
Policy loan adjustment	(1,277,552)	-	-	(1,277,552)
TOTAL	8,536,414	-	(6,360,529)	2,175,885
Closing Insurance Contract Liabilities	27,359,246	3,432,003	112,676	30,903,925
Translation Gain/(Loss)	511,464	150,963	13,542	675,969
Closing Balance	27,870,710	3,582,966	126,218	31,579,894

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

COMPANY 2023	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	25,242,858	1,749,880	39,468	27,032,206
Insurance Revenue				
Insurance Revenue	(6,502,570)	-	-	(6,502,570)
TOTAL	(6,502,570)	-	-	(6,502,570)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(349,998)	5,342,914	4,992,916
Acquisition Expenses	495,710	-	-	495,710
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	16,258	16,258
Changes that relate to future services: losses on onerous contracts and reversals (including reinsurer's non-performance risk)	-	697,028	-	697,028
TOTAL	495,710	347,030	5,359,172	6,201,912
Insurance Finance Expenses				
Insurance Finance Expenses	(1,363,799)	185,452	-	(1,178,347)
TOTAL	(1,363,799)	185,452	-	(1,178,347)
Cash flows				
Premiums Received	9,286,816	-	-	9,286,816
Claims and Other Expenses Paid	-	-	(5,342,914)	(5,342,914)
Acquisition Cash Flows Paid	(1,261,391)	-	-	(1,261,391)
Policy loan adjustment	(995,109)	-	-	(995,109)
TOTAL	7,030,316	-	(5,342,914)	1,687,402
Closing Balance	24,902,515	2,282,362	55,726	27,240,603

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Movements in insurance and reinsurance contract balances (Continued)

(i) Insurance Contracts (Continued)

Insurance contracts not measured under PAA - VFA

Analysis by remaining coverage and incurred claims

GROUP	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
2024	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(1,118)	(171)	-	(1,289)
Insurance Revenue				
Insurance Revenue	(13,623)	-	-	(13,623)
TOTAL	(13,623)	-	-	(13,623)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	7,837	7,837
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(7,253)	(7,253)
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	-	-	-
TOTAL	-	-	584	584
Investment Components				
Investment Components	(6,040)	-	6,040	-
TOTAL	(6,040)	-	6,040	-
Insurance Finance Expenses				
Insurance Finance Expenses	5,799	-	-	5,799
TOTAL	5,799	-	-	5,799
Cash flows				
Premiums Received	2,039	-	(7,837)	(5,798)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	2,039	-	(7,837)	(5,798)
Closing Balance	(12,943)	(171)	(1,213)	(14,327)

COMPANY				
2024	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(1,118)	(171)	-	(1,289)
Insurance Revenue				
Insurance Revenue	(13,623)	-	-	(13,623)
TOTAL	(13,623)	-	-	(13,623)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	7,837	7,837
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(7,253)	(7,253)
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	-	-	-
TOTAL	-	-	584	584
Investment Components				
Investment Components	(6,040)	-	6,040	-
TOTAL	(6,040)	-	6,040	-
Insurance Finance Expenses				
Insurance Finance Expenses	5,799	-	-	5,799
TOTAL	5,799	-	-	5,799
Cash flows				
Premiums Received	2,039	-	(7,837)	(5,798)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	2,039	-	(7,837)	(5,798)
Closing Balance	(12,943)	(171)	(1,213)	(14,327)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) *Insurance Contracts (Continued)*

Insurance contracts not measured under PAA - VFA

Analysis by remaining coverage and incurred claims

GROUP	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
2023	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(5,941)	728	-	(5,213)
Insurance Revenue				
Insurance Revenue	(3,194)	-	-	(3,194)
TOTAL	(3,194)	-	-	(3,194)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(81)	4,794	4,713
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	-	-
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	(890)	-	(890)
TOTAL	-	(971)	4,794	3,823
Insurance Finance Expenses				
Insurance Finance Expenses	6,519	72	-	6,591
TOTAL	6,519	72	-	6,591
Cash flows				
Premiums Received	1,498	-	(4,794)	(3,296)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	1,498	-	(4,794)	(3,296)
Closing Balance	(1,118)	(171)	-	(1,289)

COMPANY				
2023	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(5,941)	728	-	(5,213)
Insurance Revenue				
Insurance Revenue	(3,194)	-	-	(3,194)
TOTAL	(3,194)	-	-	(3,194)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(81)	4,794	4,713
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	-	-
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	(890)	-	(890)
TOTAL	-	(971)	4,794	3,823
Insurance Finance Expenses				
Insurance Finance Expenses	6,519	72	-	6,591
TOTAL	6,519	72	-	6,591
Cash flows				
Premiums Received	1,498	-	(4,794)	(3,296)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	1,498	-	(4,794)	(3,296)
Closing Balance	(1,118)	(171)	-	(1,289)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - GMM

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2024	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	27,656,218	728,469	3,195,207	31,579,894
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(1,404,460)	(1,404,460)
Risk Adjustments	-	(168,622)	-	(168,622)
Experience Adjustments	(440,565)	-	-	(440,565)
TOTAL	(440,565)	(168,622)	(1,404,460)	(2,013,647)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(1,956,500)	329,683	2,136,831	510,014
Experience Adjustments	(196,916)	(195,329)	223,301	(168,944)
Changes in Estimates Reflected in the CSM	(488,927)	(20,849)	509,776	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performance risk)	(359,456)	(13,568)	-	(373,024)
TOTAL	(3,001,799)	99,937	2,869,908	(31,954)
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	366,459	-	-	366,459
TOTAL	366,459	-	-	366,459
Insurance Finance Expenses				
Net Finance Expenses	10,368,338	137,090	582,529	11,087,957
TOTAL	10,368,338	137,090	582,529	11,087,957
Cash Flows				
Cash Flows	1,677,234	-	-	1,677,234
Policy loan adjustment	(106,502)	-	-	(106,502)
TOTAL	1,570,732	-	-	1,570,732
Closing Insurance Contracts Liabilities	36,519,383	796,874	5,243,184	42,559,441
Translation gain / (Loss)	(521,062)	(41,240)	(123,741)	(686,043)
Closing Balance	35,998,321	755,634	5,119,443	41,873,398

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - GMM

Analysis by measurement component

COMPANY	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2024	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	24,428,375	450,639	2,361,589	27,240,603
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(992,370)	(992,370)
Risk Adjustments	-	(101,926)	-	(101,926)
Experience Adjustments	(261,160)	-	-	(261,160)
TOTAL	(261,160)	(101,926)	(992,370)	(1,355,456)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(1,529,292)	201,830	1,611,142	283,680
Experience Adjustments	(259,513)	(159,931)	350,133	(69,311)
Changes in Estimates Reflected in the CSM	(257,941)	(4,022)	261,963	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(324,886)	(8,303)	-	(333,189)
TOTAL	(2,371,632)	29,574	2,223,238	(118,820)
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	317,350	-	-	317,350
TOTAL	317,350	-	-	317,350
Insurance Finance Expenses				
Net Finance Expenses	9,911,340	84,692	442,156	10,438,188
TOTAL	9,911,340	84,692	442,156	10,438,188
Cash Flows				
Cash Flows	851,551	-	-	851,551
Policy loan adjustment	(176,172)	-	-	(176,172)
TOTAL	675,379	-	-	675,379
Closing Balance	32,699,652	462,979	4,034,613	37,197,244

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - GMM

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2023	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	26,038,650	577,494	3,178,157	29,794,301
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(586,849)	(586,849)
Risk Adjustments	-	(205,806)	-	(205,806)
Experience Adjustments	(958,210)	-	-	(958,210)
TOTAL	(958,210)	(205,806)	(586,849)	(1,750,865)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(1,776,268)	347,633	1,817,111	388,476
Experience Adjustments	2,811,547	(141,226)	(1,591,389)	1,078,932
Changes in Estimates Reflected in the CSM	265,978	1,607	(267,585)	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performance risk)	(92,834)	1,628	-	(91,206)
TOTAL	1,208,423	209,642	(41,863)	1,376,202
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	17,870	-	-	17,870
TOTAL	17,870	-	-	17,870
Insurance Finance Expenses				
Net Finance Expenses	(1,335,183)	108,152	517,563	(709,468)
TOTAL	(1,335,183)	108,152	517,563	(709,468)
Cash Flows				
Cash Flows	3,453,436	-	-	3,453,436
Policy Loan adjustment	(1,277,552)	-	-	(1,277,552)
TOTAL	2,175,884	-	-	2,175,884
Closing Insurance Contracts Liabilities	27,147,434	689,482	3,067,008	30,903,924
Translation gain / (Loss)	508,784	38,987	128,199	675,970
Closing Balance	27,656,218	728,469	3,195,207	31,579,894

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - GMM

Analysis by measurement component

COMPANY	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2023	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	23,959,696	418,188	2,654,322	27,032,206
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(310,673)	(310,673)
Risk Adjustments	-	(125,965)	-	(125,965)
Experience Adjustments	(577,307)	-	-	(577,307)
TOTAL	(577,307)	(125,965)	(310,673)	(1,013,945)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(1,214,969)	208,384	1,202,690	196,105
Experience Adjustments	2,243,549	(104,276)	(1,415,841)	723,432
Changes in Estimates Reflected in the CSM	169,143	(2,728)	(166,415)	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(214,959)	(7,551)	-	(222,510)
TOTAL	982,764	93,829	(379,566)	697,027
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	16,258	-	-	16,258
TOTAL	16,258	-	-	16,258
Insurance Finance Expenses				
Net Finance Expenses	(1,640,440)	64,587	397,506	(1,178,347)
TOTAL	(1,640,440)	64,587	397,506	(1,178,347)
Cash Flows				
Cash Flows	2,682,513	-	-	2,682,513
Policy loan adjustment	(995,109)	-	-	(995,109)
TOTAL	1,687,404	-	-	1,687,404
Closing Balance	24,428,375	450,639	2,361,589	27,240,603

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - VFA

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2024	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(2,429)	102	1,038	(1,289)
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(12,097)	(12,097)
Risk Adjustments	-	(70)	-	(70)
Experience Adjustments	342	-	-	342
TOTAL	342	(70)	(12,097)	(11,825)
Changes that Relate to Future Service				
Experience Adjustments	(41,608)	1,486	40,122	-
Changes in Estimates Reflected in the CSM	(1,107)	(125)	1,232	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	-	-	-	-
TOTAL	(42,715)	1,361	41,354	-
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	(1,213)	-	-	(1,213)
TOTAL	(1,213)	-	-	(1,213)
Insurance Finance Expenses				
Net Finance Expenses	5,799	-	-	5,799
TOTAL	5,799	-	-	5,799
Cash Flows				
Cash Flows	(5,799)	-	-	(5,799)
TOTAL	(5,799)	-	-	(5,799)
Closing Balance	(46,015)	1,393	30,295	(14,327)
COMPANY	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(2,429)	102	1,038	(1,289)
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(12,097)	(12,097)
Risk Adjustments	-	(70)	-	(70)
Experience Adjustments	342	-	-	342
TOTAL	342	(70)	(12,097)	(11,825)
Changes that Relate to Future Service				
Experience Adjustments	(41,608)	1,486	40,122	-
Changes in Estimates Reflected in the CSM	(1,107)	(125)	1,232	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	-	-	-	-
TOTAL	(42,715)	1,361	41,354	-
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	(1,213)	-	-	(1,213)
TOTAL	(1,213)	-	-	(1,213)
Insurance Finance Expenses				
Net Finance Expenses	5,799	-	-	5,799
TOTAL	5,799	-	-	5,799
Cash Flows				
Cash Flows	(5,799)	-	-	(5,799)
TOTAL	(5,799)	-	-	(5,799)
Closing Balance	(46,015)	1,393	30,295	(14,327)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(i) Insurance Contracts (Continued) - Contracts not measured under PAA - VFA

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
2023				
Opening Balance	(5,621)	407	-	(5,214)
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(548)	(548)
Risk Adjustments	-	(184)	-	(184)
Experience Adjustments	2,250	-	-	2,250
TOTAL	2,250	(184)	(548)	1,518
Changes that Relate to Future Service				
Experience Adjustments	(2,235)	35	1,409	(791)
Changes in Estimates Reflected in the CSM	(77)	(100)	177	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(44)	(56)	-	(100)
TOTAL	(2,356)	(121)	1,586	(891)
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	-	-	-	-
TOTAL	-	-	-	-
Insurance Finance Expenses				
Net Finance Expenses	6,592	-	-	6,592
TOTAL	6,592	-	-	6,592
Cash Flows				
Cash Flows	(3,294)	-	-	(3,294)
TOTAL	(3,294)	-	-	(3,294)
Closing Balance	(2,429)	102	1,038	(1,289)

COMPANY	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(5,621)	407	-	(5,214)
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(548)	(548)
Risk Adjustments	-	(184)	-	(184)
Experience Adjustments	2,250	-	-	2,250
TOTAL	2,250	(184)	(548)	1,518
Changes that Relate to Future Service				
Experience Adjustments	(2,235)	35	1,409	(791)
Changes in Estimates Reflected in the CSM	(77)	(100)	177	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(44)	(56)	-	(100)
TOTAL	(2,356)	(121)	1,586	(891)
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	-	-	-	-
TOTAL	-	-	-	-
Insurance Finance Expenses				
Net Finance Expenses	6,592	-	-	6,592
TOTAL	6,592	-	-	6,592
Cash Flows				
Cash Flows	(3,294)	-	-	(3,294)
TOTAL	(3,294)	-	-	(3,294)
Closing Balance	(2,429)	102	1,038	(1,289)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(ii) Insurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

GROUP 2024	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	104,574,543	-	725,819	105,300,362
Insurance Revenue				
Insurance Revenue	(3,267,454)	-	-	(3,267,454)
TOTAL	(3,267,454)	-	-	(3,267,454)
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	(4,675)	(4,675)
Changes that relate to past services: changes to liabilities for incurred claims	-	-	1,465,329	1,465,329
TOTAL	-	-	1,460,654	1,460,654
Insurance Finance Expenses				
Insurance Finance Expenses	14,921,862	-	-	14,921,862
TOTAL	14,921,862	-	-	14,921,862
Cash flows				
Premiums Received	7,620,609	-	-	7,620,609
Claims and Other Expenses Paid	-	-	(1,419,346)	(1,419,346)
Acquisition Cash Flows Paid	-	-	(159,556)	(159,556)
TOTAL	7,620,609	-	(1,578,902)	6,041,707
Closing Insurance Contract Liabilities	123,849,560	-	607,571	124,457,131
Translation Gain/(loss)	(903,174)	-	(26,583)	(929,757)
Closing Balance	122,946,386	-	580,988	123,527,374

COMPANY 2024	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	98,490,031	-	546,736	99,036,767
Insurance Revenue				
Insurance Revenue	(2,815,565)	-	-	(2,815,565)
TOTAL	(2,815,565)	-	-	(2,815,565)
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	(503)	(503)
Changes that relate to past services: changes to liabilities for incurred claims	-	-	1,042,233	1,042,233
TOTAL	-	-	1,041,730	1,041,730
Insurance Finance Expenses				
Insurance Finance Expenses	14,206,654	-	-	14,206,654
TOTAL	14,206,654	-	-	14,206,654
Cash flows				
Premiums Received	6,320,207	-	-	6,320,207
Claims and Other Expenses Paid	-	-	(1,134,071)	(1,134,071)
Acquisition Cash Flows Paid	-	-	(76,766)	(76,766)
TOTAL	6,320,207	-	(1,210,837)	5,109,370
Closing Balance	116,201,327	-	377,629	116,578,956

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(ii) Insurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

GROUP 2023	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	88,209,516	-	429,017	88,638,533
Insurance Revenue				
Insurance Revenue	(1,298,736)	-	-	(1,298,736)
TOTAL	(1,298,736)	-	-	(1,298,736)
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	(2,604)	(2,604)
Changes that relate to past services: changes to liabilities for incurred claims	-	-	1,138,004	1,138,004
TOTAL	-	-	1,135,400	1,135,400
Insurance Finance Expenses				
Insurance Finance Expenses	8,912,578	-	2,064	8,914,642
TOTAL	8,912,578	-	2,064	8,914,642
Cash flows				
Premiums Received	8,770,651	-	-	8,770,651
Claims and Other Expenses Paid	-	-	(722,646)	(722,646)
Acquisition Cash Flows Paid	-	-	(154,910)	(154,910)
TOTAL	8,770,651	-	(877,556)	7,893,095
Closing Insurance Contract Liabilities	104,594,009	-	688,925	105,282,934
Translation Gain/(loss)	(19,466)	-	36,894	17,428
Closing Balance	104,574,543	-	725,819	105,300,362

COMPANY 2023	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	83,249,478	-	278,259	83,527,737
Insurance Revenue				
Insurance Revenue	(865,607)	-	-	(865,607)
TOTAL	(865,607)	-	-	(865,607)
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	1,673	1,673
Changes that relate to past services: changes to liabilities for incurred claims	-	-	778,235	778,235
TOTAL	-	-	779,908	779,908
Insurance Finance Expenses				
Insurance Finance Expenses	8,400,692	-	889	8,401,581
TOTAL	8,400,692	-	889	8,401,581
Cash flows				
Premiums Received	7,705,468	-	-	7,705,468
Claims and Other Expenses Paid	-	-	(441,582)	(441,582)
Acquisition Cash Flows Paid	-	-	(70,738)	(70,738)
TOTAL	7,705,468	-	(512,320)	7,193,148
Closing Balance	98,490,031	-	546,736	99,036,767

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(iii) Reinsurance Contracts

Analysis by remaining coverage and incurred claims

GROUP 2024	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(202,850)	-	(204,575)	(407,425)
Insurance Revenue				
Insurance Revenue	703,065	-	-	703,065
TOTAL	703,065	-	-	703,065
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	2,978	2,978
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(509,022)	(509,022)
TOTAL	-	-	(506,044)	(506,044)
Insurance Finance Expenses				
Insurance Finance Expenses	-	-	-	-
TOTAL	-	-	-	-
Cash flows				
Premiums Received	(770,287)	-	-	(770,287)
Claims and Other Expenses Paid	-	-	264,113	264,113
Acquisition cash flows paid	-	-	188,408	188,408
TOTAL	(770,287)	-	452,521	(317,766)
Closing Insurance Contract Assets	(270,072)	-	(258,098)	(528,170)
Translation Gain/(Loss)	25,686	-	16,163	41,849
Closing Balance	(244,386)	-	(241,935)	(486,321)

COMPANY 2024	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(29,807)	-	(95,685)	(125,492)
Insurance Revenue				
Insurance Revenue	436,592	-	-	436,592
TOTAL	436,592	-	-	436,592
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	808	808
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(270,716)	(270,716)
TOTAL	-	-	(269,908)	(269,908)
Insurance Finance Expenses				
Insurance Finance Expenses	-	-	-	-
TOTAL	-	-	-	-
Cash flows				
Premiums Received	(468,359)	-	-	(468,359)
Claims and Other Expenses Paid	-	-	83,639	83,639
Acquisition Cash Flows Paid	-	-	188,408	188,408
TOTAL	(468,359)	-	272,047	(196,312)
Closing Balance	(61,574)	-	(93,546)	(155,120)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) *Movements in insurance and reinsurance contract balances (Continued)*

(iii) Reinsurance Contracts

Analysis by remaining coverage and incurred claims

GROUP 2023	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(322,664)	-	(565,574)	(888,238)
Insurance Revenue				
Insurance Revenue	582,974	-	-	582,974
TOTAL	582,974	-	-	582,974
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	4,626	4,626
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(339,744)	(339,744)
TOTAL	-	-	(335,118)	(335,118)
Insurance Finance Expenses				
Insurance Finance Expenses	-	-	(1,192)	(1,192)
TOTAL	-	-	(1,192)	(1,192)
Cash flows				
Premiums Received	(652,324)	-	-	(652,324)
Claims and Other Expenses Paid	-	-	382,263	382,263
TOTAL	(652,324)	-	382,263	(270,061)
Closing Insurance Contract Liabilities	(392,014)	-	(519,621)	(911,635)
Translation Gain/(Loss)	189,164	-	315,046	504,210
Closing Balance	(202,850)	-	(204,575)	(407,425)

COMPANY 2023	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(29,809)	-	(95,547)	(125,356)
Insurance Revenue				
Insurance Revenue	382,467	-	-	382,467
TOTAL	382,467	-	-	382,467
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	478	478
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(210,380)	(210,380)
TOTAL	-	-	(209,902)	(209,902)
Insurance Finance Expenses				
Insurance Finance Expenses	-	-	(355)	(355)
TOTAL	-	-	(355)	(355)
Cash flows				
Premiums Received	(382,465)	-	-	(382,465)
Claims and Other Expenses Paid	-	-	210,119	210,119
TOTAL	(382,465)	-	210,119	(172,346)
Closing Balance	(29,807)	-	(95,685)	(125,492)

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b). Contractual Service Margin

Accretion is based on the interest rates as per the yield curve and recognition is based on the projected runoff of the the coverage units till maturity of the contracts.

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA

GROUP - 2024											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CSM Remaining	4,064,907	3,283,503	2,688,192	2,211,986	1,817,150	1,482,561	1,196,042	956,989	759,325	611,459	507,008
CSM Recognised	-	781,404	595,311	476,207	394,836	334,589	286,519	239,053	197,664	147,866	104,451
CSM IN FORCE	4,064,907	-	-	-	-	-	-	-	-	-	-

COMPANY - 2024											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CSM Remaining	5,149,735	4,010,745	3,165,493	2,512,332	2,001,840	1,600,904	1,269,936	1,003,688	787,988	628,896	519,384
CSM Recognised	-	1,138,990	845,252	653,161	510,492	400,936	330,968	266,248	215,700	159,092	109,512
CSM IN FORCE	5,149,735	-	-	-	-	-	-	-	-	-	-

GROUP - 2023											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CSM Remaining	3,196,246	2,601,533	2,120,453	1,722,476	1,397,150	1,141,764	927,603	748,083	598,669	479,534	411,105
CSM Recognised	-	594,713	481,080	397,977	325,326	255,386	214,162	179,519	149,414	119,135	68,429
CSM IN FORCE	3,196,246	-	-	-	-	-	-	-	-	-	-

COMPANY - 2023											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CSM Remaining	2,362,628	2,010,487	1,711,351	1,454,211	1,229,103	1,030,549	855,739	700,880	569,279	461,118	396,977
CSM Recognised	-	352,141	299,135	257,140	225,108	198,554	174,811	154,859	131,601	108,161	64,140
CSM IN FORCE	2,362,628	-	-	-	-	-	-	-	-	-	-

Because IFRS 17 does not mandate the time bands to be used in the analysis, the Group has applied judgement to determine the appropriate time bands.

29(c). (i) CONTRACTUAL SERVICE MARGIN MOVEMENT

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balances	3,196,246	3,306,357	2,362,628	2,654,322
Adjustments in the period	3,412,318	477,286	2,706,747	19,527
Recognised in the period(PL) (Note 5(a))	(1,422,376)	(587,397)	(1,004,468)	(311,221)
Closing balance	5,186,188	3,196,246	4,064,907	2,362,628

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance contracts not measured under the PAA in the year.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profitable Contracts Issued				
Estimate of Present Value of Future Income	7,497,071	10,671,123	5,563,996	8,361,080
Claims and Other Insurance Service Expenses	(3,832,672)	(8,078,842)	(2,776,699)	(6,611,803)
Insurance Acquisition Cash Flows	(1,303,294)	(565,246)	(1,016,418)	(405,204)
Risk Adjustment for Non-financial Risk	(224,274)	(209,924)	(159,736)	(141,383)
Contractual Service Margin	(2,136,831)	(1,817,111)	(1,611,143)	(1,202,690)
Total Losses on Profitable Contracts	-	-	-	-
Onerous Contracts Issued				
Estimate of Present Value of Future Income	1,827,030	3,213,106	1,252,354	2,568,904
Claims and Other Insurance Service Expenses	(1,613,471)	(2,993,631)	(1,023,694)	(2,335,036)
Insurance Acquisition Cash Flows	(618,163)	(470,243)	(470,247)	(362,972)
Risk Adjustment for Non-financial Risk	(105,409)	(137,709)	(42,093)	(67,001)
Total Losses on Onerous Contracts	(510,013)	(388,477)	(283,680)	(196,105)
Total Contracts Issued				
Estimate of Present Value of Future Income	9,324,101	13,884,231	6,816,350	10,929,984
Claims and Other Insurance Service Expenses	(5,446,144)	(11,072,473)	(3,800,393)	(8,946,839)
Insurance Acquisition Cash Flows	(1,921,458)	(1,035,489)	(1,486,665)	(768,176)
TVOM Diff on Current and Locked in Rates	-	-	-	-
Risk Adjustment for Non-financial Risk	(329,683)	(347,633)	(201,830)	(208,384)
Diff Risk Adj on Current and Locked in Rates	-	-	-	-
Contractual Service Margin	(2,136,831)	(1,817,111)	(1,611,142)	(1,202,690)
Total Losses on Contracts Issued	(510,015)	(388,475)	(283,680)	(196,105)

(d) Claims Development Disclosure

The Group has not disclosed claims development information because uncertainty about the amount and timing of the claims payments is typically resolved within one year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

30. OTHER PAYABLES

GROUP	Long term business	Short term business	Total	Long term business	Short term business	Total
	2024	2024		2023	2023	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Amounts due to related companies (Note 35)	1,132	258,018	259,150	10,925	237,981	248,906
Withholding tax payable	18,344	-	18,344	22,496	-	22,496
Accrued expenses	638,713	-	638,713	621,223	-	621,223
Statutory deductions payable	1,443	-	1,443	31,563	-	31,563
Rent deposits	45,827	3,696	49,523	40,827	6,803	47,630
Amounts payable to reinsurance companies	72,075	3,981	76,056	101,053	3,981	105,034
Amounts payable to insurance brokers	-	-	-	-	51,187	51,187
Unit linked investment fund	-	-	-	121,641	-	121,641
Annuity certain policy holders fund	372,140	-	372,140	203,693	-	203,693
Residual premium non-IFRS 17	67,204	-	67,204	-	-	-
Other liabilities*	395,503	105,597	501,100	165,103	43,858	208,961
	1,612,381	371,292	1,983,673	1,318,524	343,810	1,662,334

*Other liabilities consist of rental creditors, sundry creditors, PAYE payable, outstanding staff leave liability, KPRL AGM expenses among others

The carrying value of other payables above approximates their fair value.

COMPANY	Long term business	Short term business	Total	Long term business	Short term business	Total
	2024	2024		2023	2023	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Amounts due to related companies (Note 35)	1,132	258,018	259,150	10,925	237,981	248,906
Withholding tax payable	18,344	-	18,344	18,344	-	18,344
Accrued expenses	638,713	-	638,713	568,489	-	568,489
Statutory deductions payable	1,443	-	1,443	18,085	-	18,085
Rent deposits	45,827	3,696	49,523	40,827	6,803	47,630
Amounts payable to reinsurance companies	72,075	3,981	76,056	52,538	3,981	56,519
Amounts payable to insurance brokers	-	-	-	-	51,187	51,187
Unit linked investment fund	-	-	-	121,641	-	121,641
Annuity certain policy holders fund	372,140	-	372,140	203,693	-	203,693
Residual premium non-IFRS 17	67,204	-	67,204	-	-	-
Other liabilities*	215,050	102,767	317,817	147,616	43,860	191,476
	1,431,928	368,462	1,800,390	1,182,158	343,812	1,525,970

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

31. DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2023:30%). Deferred tax assets and liabilities are attributable to the following items:

GROUP AND COMPANY				
Year ended 31 December 2024	At 1 Jan 2024	Prior year Adjustment	(Credited/ charged to Profit and Loss	At 31 Dec 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax asset				
Provision for liabilities and charges	(97,291)	3	-	(97,288)
	(97,291)	3	-	(97,288)
Deferred income tax liability				
Prior year adjustment	-	(1,989)	-	(1,989)
Fair value gains on investment property	234,518	(2)	26,295	260,811
Actuarial reserve	2,765,060	-	427,007	3,192,067
Effect of IFRS 17 Adoption	538,653	-	-	538,653
	3,538,231	(1,991)	453,302	3,989,542
Net deferred tax liability	3,440,940	(1,988)	453,302	3,892,254

GROUP AND COMPANY

Year ended 31st December 2023	At 1 Jan 2023	Prior year Adjustment	(Credited/ charged to Profit and Loss	At 31 Dec 2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred income tax asset				
Provision for liabilities and charges	(97,291)	-	-	(97,291)
	(97,291)	-	-	(97,291)
Deferred income tax liability				
Fair value gains on investment property	234,518	-	-	234,518
Actuarial surplus	2,825,849	-	477,863	3,303,712
	3,060,367	-	477,863	3,538,230
Net deferred tax liability	2,963,076	-	477,863	3,440,939

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

32. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before taxation to cash generated from operations

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit before tax		4,770,383	4,234,104	3,827,459	3,598,770
Adjustments for:					
Depreciation on PPE	14	131,546	159,090	125,722	91,300
Amortization on intangible assets		16,464	7,436	6,444	3,506
Depreciation on ROUA		77,802	95,220	36,617	60,392
Disposal of subsidiary lease liabilities		-	17,806	-	-
Interest paid on lease liability		55,890	81,718	33,668	57,125
Accrued interest - statutory deposit		(1,171)	-	-	-
Impairment allowances for loans		-	-	-	4,401
Disposal of intangible assets		-	-	-	3,522
Net movement in share of associate profits		-	(328,627)	-	-
Gain/(loss) on sale of shares		(80,451)	(84,223)	(80,451)	(77,766)
Fair value (loss) /gains on investment properties		(272,948)	(290,700)	(272,948)	(290,700)
Fair value gains on treasury bonds		(3,630,689)	2,875,989	(3,630,689)	2,875,990
Fair value loss/(gains) of quoted shares		(1,891,372)	2,148,491	(1,761,663)	2,165,456
Gain on disposal of treasury bonds		(259,767)	(8,489)	-	(8,489)
Fair value loss/(gains) on unit trusts		(287,620)	61,676	(287,620)	68,912
Fair value gains/(loss) on REIT		(116,223)	103,600	(116,223)	103,600
Rental income		(595,235)	(484,601)	(595,235)	(484,601)
Gain on disposal of equipment		(3,535)	-	(3,271)	190
Accorn REIT income		(26,524)	(9,794)	(26,524)	(9,794)
Dividend income		(703,341)	(684,861)	(670,846)	(657,993)
Interest income on policy		(339,866)	(151,229)	(339,866)	(140,889)
Interest income mortgage loans		(92,339)	(93,655)	(92,339)	(93,655)
Interest income		(21,440,469)	(16,826,728)	(19,933,202)	(15,562,060)
Movement in value of corporate bond		-	(2,276)	-	(2,276)
Changes in working capital:		-	-	-	-
Receivables arising out of reinsurance arrangements		(78,897)	76,558	(29,628)	(182,591)
Receivables arising out of direct insurance arrangements		28,507,479	20,203	27,485,790	-
Reinsurance contract assets		-	480,813	-	(136)
Life Insurance contract liabilities		-	19,728,897	-	16,716,460
Other receivables		(119,697)	(110,152)	(129,928)	(241,661)
Trade and other payables		330,464	(445,519)	274,421	34,580
Impairment on treasury bonds beyond 3 months		244,866	-	234,283	-
Impairment on corporate bond		6,947	-	6,947	-
Impairment on deposits		319,906	-	291,322	-
Revaluation loss - FDs		718,629	-	718,629	-
Lease Movement		(25,589)	-	-	-
Bond amortisation		(1,170,451)	-	64,150	-
Amortisation of Fixed deposits		(1,401,508)	-	(1,356,831)	-
Amortisation of Corporate bonds		141	-	(141)	-
Disposal of Statutory deposits		10,568	-	-	-
Cash generated from operations		2,653,393	10,570,747	3,778,047	8,031,593

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

32. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) Cash and cash equivalents

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cash and bank balances	138,810	725,456	50,972	544,001
Deposits with financial institutions (Note 27)	19,773,688	27,857,961	18,287,647	26,313,149
	19,912,498	28,583,417	18,338,619	26,857,150

(c) Proceeds from disposal of Subsidiary

	2024	2023
	Kshs'000	Kshs'000
Consideration received, satisfied in cash	-	558,040
Disposal of subsidiary	-	(487,271)
Capital gains tax paid	-	(7,928)
Loss on disposal	-	62,841

(d) Effect of translation

	2024	2023
	Kshs'000	Kshs'000
Exchange differences in translating foreign operations	197,837	159,329
Exchange differences in translating Property Plant and Equipment	(13,512)	8,032
Exchange differences in translating Right of use asset	8,089	(133,065)
Exchange differences in translating Equity investments	(32,995)	41,226
Exchange differences in translating intangible assets	1,213	2,360
	160,632	77,882

33. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period date was as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Property and equipment	31,985	33,082	31,985	33,082

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

34. LEASE LIABILITIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	511,239	685,289	282,139	513,461
Derecognition of lease liabilities	(25,589)	(234,325)	-	(209,732)
Disposal of Subsidiary Assets	-	(20,686)	-	-
Additions during the year	24,553	-	-	-
Adjustments	3,780	128,556	-	(5,828)
Interest charge for the year	55,890	81,718	33,668	57,125
Repayment during the year	(128,438)	(132,123)	(70,445)	(72,887)
Exchange difference	710	42,745	-	-
At 31 December	442,145	551,174	245,362	282,139

Maturity analysis of operating lease payments:

	2024	2023	2024	2023
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current	106,887	128,649	48,384	57,437
Non-current	371,566	389,204	230,509	217,375
	478,453	517,853	278,893	274,812

The Group and Company recognizes leases of various office premises only. The average lease term is five years. No other leases are recognized.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

35. RELATED PARTY BALANCES AND TRANSACTIONS

The Company is incorporated in Kenya under the Companies Act and is domiciled in Kenya. The ultimate holding company is Asset Managers Limited, which is incorporated in Kenya. In the normal course of business, the Group transacts with the following related entities.

- ICEA LION Asset Management Limited – common ownership
- ICEA LION Trust Company Limited – common ownership
- ICEA LION General Insurance Company (Uganda) Limited – common ownership
- ICEA LION General Insurance Company Limited - common ownership
- Knight Frank Kenya Limited - common ownership
- First Chartered Securities Limited - common ownership
- ICEA LION Life Assurance Company (Uganda) Limited – 100% subsidiary
- ICEA LION Asset Management (Uganda) Limited – associate
- East Africa Reinsurance Company Limited - associate

	2024	2023
	Kshs'000	Kshs'000
i) Transactions with related parties		
Management fees - ICEA LION Asset Management Limited	174,423	177,192
Trustee fees - ICEA LION Trust Company Limited	65,750	55,581
Deposits held with other related institutions	14,793	344,358
Reinsurance Premiums - East Africa Re	-	-
ii) Outstanding balances with related parties		
Due to related parties		
GROUP		
First Chartered Securities Limited	13,933	15,467
ICEA LION General Insurance Company Limited	-	80,665
ICEA LION Trust Company Limited	8	8
ICEA LION Asset Management Limited	100,540	80,504
	114,481	176,644
COMPANY		
Riverside Park Limited	-	-
ICEA LION General Insurance Company (Uganda) Limited	101,808	111,137
ICEA LION General Insurance Company Limited	-	-
ICEA LION Asset Management Limited	100,540	80,504
First Chartered Securities Limited	13,933	15,467
ICEA LION LIFE Assurance Company (Uganda) Limited	41,729	41,790
ICEA LION Asset Management (Uganda) Limited	1,132	-
ICEA LION Trust Company Limited	8	8
	259,150	248,906

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

35. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

	2024	2023
	Kshs'000	Kshs'000
Due from related parties		
GROUP		
ICEA LION General Insurance Company Limited	46,344	39,088
First Chartered Securities Limited	14,549	16,220
Knight Frank Kenya Limited	107	105
ICEA LION Insurance Holdings Limited	-	177
ICEA LION Trust Company Limited	-	1,702
ICEA LION Asset Management Limited	-	74,901
	61,000	132,193
COMPANY		
ICEA LION General Insurance Company Limited	46,344	39,088
ICEA LION General Insurance Company (Uganda) Limited	101,552	84,636
ICEA LION Life Assurance Company (Uganda) Limited	47,058	55,499
ICEA LION Asset Management Limited	127,392	93,949
First Chartered Securities Limited	14,549	16,220
ICEA LION Trust Company Limited	14,365	2,896
Riverside Park Limited	-	20
ICEA LION Insurance Holdings Limited	-	-
Knight Frank Kenya Limited	107	105
ICEA LION General Insurance Company (Tanzania) Limited	341	-
ICEA LION Asset Management (Uganda) Limited	1,750	1,750
	353,458	294,163

iii) Key management and directors' remuneration

GROUP		
Directors' emoluments - fees	11,994	10,654
Key management remuneration	470,381	406,422
	482,375	417,076
COMPANY		
Directors' emoluments - fees	7,210	9,360
Key management remuneration	378,048	345,341
	385,258	354,701

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2024

36. CORRECTION OF PRIOR PERIOD ERRORS

The comparative figures in the Consolidated and Company statements of financial position have been corrected to appropriately reclassify policy loans to insurance contract liabilities.

This correction did not have an impact on the Consolidated and Company Statements of Profit or Loss and Other Comprehensive Income and Consolidated and Company Statements of Cash Flows.

The effect of the correction on the financial statements is detailed below:

(a) Consolidated statement of financial position as at 31 December 2023

	2023		2023
	As previously reported	Effect of correction	Restated
	Kshs'000	Kshs'000	Kshs'000
Policy loans	1,277,552	(1,277,552)	-
Other assets	165,357,181	-	165,357,181
Total assets	166,634,733	(1,277,552)	165,357,181
Life insurance contract liabilities	(138,156,519)	1,277,552	(136,878,967)
Other liabilities	(5,766,070)	-	(5,766,070)
Total liabilities	(143,922,589)	1,277,552	(142,645,037)

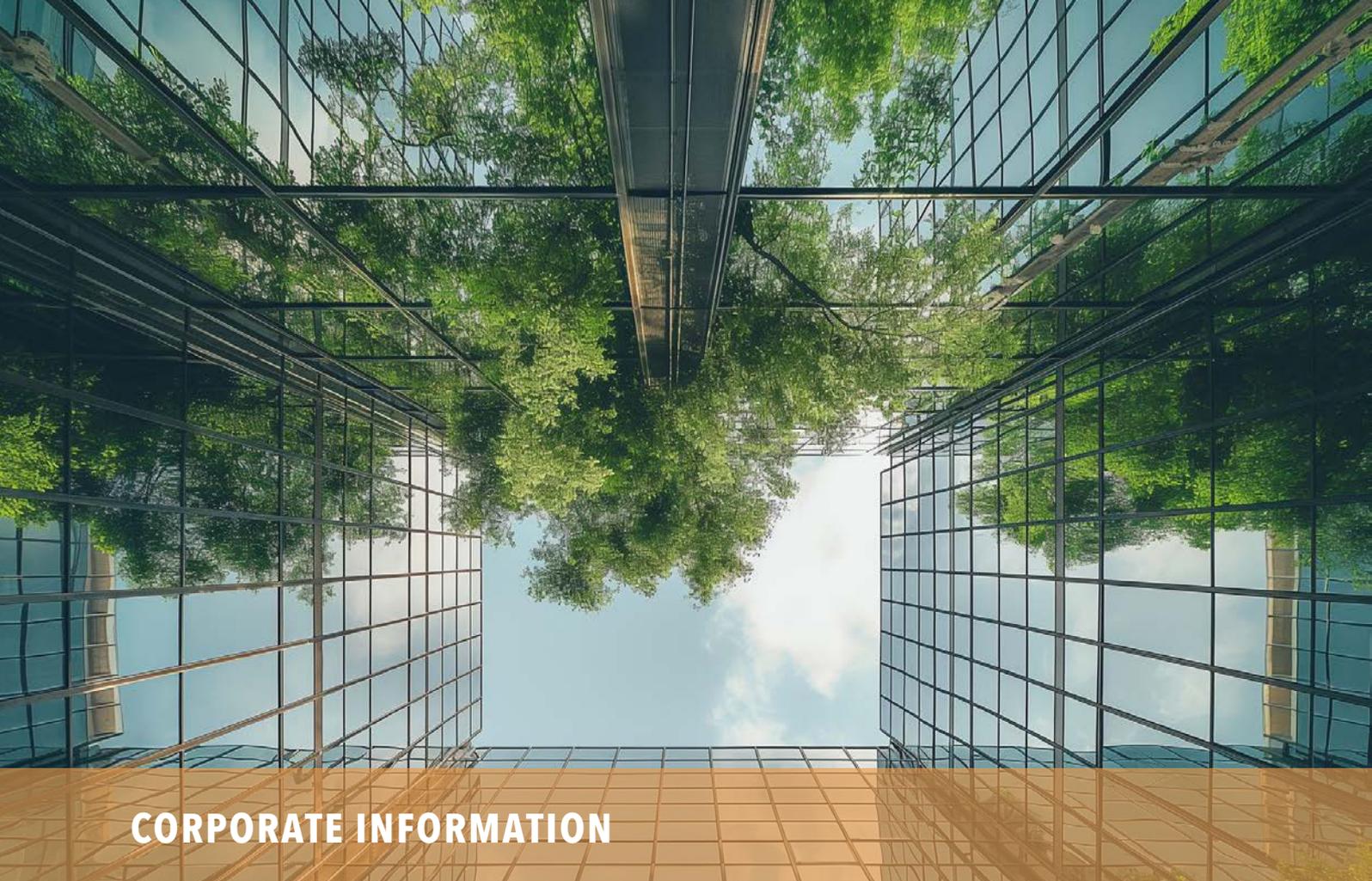
(b) Company Statement of financial position as at 31 December 2023

	2023		2023
	As previously reported	Effect of correction	Restated
	Kshs'000	Kshs'000	Kshs'000
Policy loans	995,109	(995,109)	-
Other assets	151,851,493	-	151,851,493
Total assets	152,846,602	(995,109)	151,851,493
Life insurance contract liabilities	(127,271,190)	995,109	(126,276,081)
Other liabilities	(5,360,671)	-	(5,360,671)
Total liabilities	(132,631,861)	995,109	(131,636,752)

APPENDICES

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CORPORATE INFORMATION

REGISTERED OFFICE

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RIVERSIDE PARK, CHIROMO ROAD, WESTLANDS
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BANKERS

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P.O. BOX 44599 - 00100 NAIROBI
STANDARD CHARTERED BANK KENYA LIMITED
KENYATTA AVENUE BRANCH
P.O. BOX 30003 - 00100
NAIROBI, KENYA

CSR ACTIVITIES 2024



Alive and Kicking:

We were honoured to be part of Alive and Kicking 20th-anniversary celebration, a tournament dedicated to making a difference. The funds raised through the tournament will help change the lives of visually impaired children, empowering them with opportunities to thrive.



ESG Day:

We celebrated ESG and Sustainability Day, marking the culmination of a month dedicated to impactful initiatives that drive positive change. Together, we continue to lead the way in environmental stewardship, social responsibility, and good governance.



Rhino Charge 2024:

ICEA LION sponsored Car No. 23 led by Peter Kinyua, in this year's Rhino Charge. The renowned off-road 4x4 competition raises vital funds for the Rhino Ark Kenya Charitable Trust, supporting the conservation of Kenya's critical mountain ecosystems.



Karen Charity Golf:

We took part in the Karen Charity Golf Day, in 2024. The annual charity golf day raises funds to assist dedicated charitable organizations that support the less fortunate in our society and protect animals and the environment.



Kahawa Garrison Tree Planting Initiative:

In partnership with Kahawa Garrison, we took part in a tree planting exercise supporting the National Tree Planting initiative to plant 15 billion trees by 2032. Together we planted a total of 21,100 tree seedlings, emphasizing our dedication to environmental stewardship.



Tree Seedling Nursery:

We launched our Tree Seedling nursery at our Riverside Park headquarters to mark the National Tree Growing Day. With the potential to produce 10,000 seedlings per season, the nursery will be used to restore green cover.

AWARDS & ACCOLADES 2012-2024



WINNER

No.1 Company in innovation
2024, 2025

WINNER

Top General Insurance Agent in Kenya
Peter Kungu
2024

1ST RUNNERS UP

Highest number of Life Policies sold in Kenya.
James Mosigisi
2024

2ND RUNNERS UP

Company of the Year.
2024, 2025



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

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

International Workplace Safety Award
2019



WINNER

Fraud Detection & Prevention
2017, 2014

Claims Settlement

2016



WINNER

Insurance Sector
2014, 2015

1ST RUNNERS UP

Overall: Mid-size Companies (under 500 Employees)
2016



WINNER

2017

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

Indoor Games
2019, 2018

Swimming
2019

1ST RUNNERS UP

Overall Champions
2019, 2018, 2016

Track & Field Games Champions
2019, 2018

Auxiliary Games, Indoor Games, Volleyball and Athletics Games Champions



WINNER

Life Assurer of the Year
2013 -2017

Best Insurer in Product Distribution & Marketing
2017

Corporate Risk Manager of the Year
Dorothy Maseke
2018, 2017

Customer Satisfaction
2016

Customer Service
2018, 2017

Claims Settlement
2018, 2015

Risk Management
2015

Best Insurer in Sustainable CSR
2018

Major Loss Award
2012

Best Company in Technology & Digital Applications
2018



1ST RUNNERS UP

Best Insurer in Sustainable CSR
2017

Customer Service
2016, 2014

Risk Management Award
2017, 2014

Marketing Initiative of the Year
2012

Most Innovative Insurance Company
2018

Best Insurance Company in Product Distribution & Marketing
2018

Fraud Detection & Prevention
2018, 2016, 2015

2ND RUNNERS UP

Training
2018, 2014



2ND RUNNERS UP

Digital Insurance Category
2019, 2023



2ND RUNNERS UP

2023



WINNER

Insurance Sector
2014

ICEA LION INTEGRATED LAB

Meet our Integrated Thinking team that delivered the 2024 Integrated Report, developed in collaboration with The Digital Monkeys.



Back Row: 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 |
Front Row: Benson Wakaba: Group Head Risk & Compliance | Zipporah Chege: Chief Financial Officer, General Insurance | Kevin Nyakeri, CFA: Chief Financial Officer, Life Assurance | Sarah Kinyanjui: HR Business Partner, General Insurance.

ICEA LION LIFE ASSURANCE FINANCE & ACTUARIAL TEAM



Back Row: Victor Ndegwa | Stella Nzioka | Cyrus Wakonyo | Milka Njonjo | Anthony Muturi | Margaret Wangari | Brian Ndivo | Charles Odhiambo | Johnstone Gachuhi | Brida Muisyo | Lillian Njuguna | Sinto Mukui, |Jedidah Kithia | Alvin Lumumba | Pauline Kanyi |
Front Row: Joseph Kimani | Kelvin Kibet |Margaret Ndungu | Kevin Nyakeri | Robert Kanyi | Sheila Muriira | Gabriel Kilonzo.

ICEA LION LIFE ASSURANCE LEADERSHIP TEAM



Back Row: Jacqueline Ochieng | Eric Muthengi | Rodney Nyandika | Felix Chomba | Beth Mwikali | Jessica Muriithi | Mokaya Mokaya | Deborah Ndung'u | Anthony Murathi | Gladys Musembi | Enock Keya | Enid Otieno | Cynthia Kantai | Kevin Kombo |
Front Row: Christine Mutahi | Kevin Nyakeri | Catherine Karimi | David Muchiri | Naomi Munyi | Kennedy Odenyo.

ICEA LION GROUP SHARED SERVICES TEAM



Back Row: Benson Wakaba | Mokaya Mokaya | Leonard Shalakha | Joseph Kimani | Cynthia Kantai | Enock Keya | Kevin Kombo | Paul Kioi |
Front Row: Naomi Munyi | Philip Lopokoiyit | Wakesho Sonje | Eric Muthengi | Jacqueline Ochieng.



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