

2025
INTEGRATED
REPORT



**ACCELERATING
IMPACT**

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FOREWORD

THEME TO OUR REPORT

The theme for our 2025 integrated report is “Accelerating Impact”. This theme underscores our focus and commitment to our stakeholders that “Through every life changing moment we are better together”. The Group continues to innovate and build capacity to meet and predict our customers and stakeholders’ needs with an aim of not only meeting them but surpassing their expectations.

WALK OF LIFE

On 29 November 2025, ICEA LION Group hosted the very first Walk of Life at Karura Forest. The Walk of Life was not just a walk but a chance to come together and walk as a community. This was an opportunity to connect, celebrate our shared futures and take a step towards fulfillment together. The Walk of Life further reaffirmed to our customers that not only do we plan for life, but we also walk through life together.



OUR PERFORMANCE

On Gross Written Premium, the Kenya business recorded a 1% decline whereas the Uganda and Tanzania businesses recorded 27% and 8% growth respectively as compared to 2024.

On Profit Before Tax line in comparison to 2024, the Kenya business recorded a decline of 21% while the Group recorded a decline of 14% largely driven by the drop witnessed in the Kenya business. The Tanzania and Uganda businesses recorded an increase in Profit Before Tax of 27% and 12% respectively. The general business has laid out strategies to improve on the business performance in 2026.

OUR GLOBAL CREDIT RATING

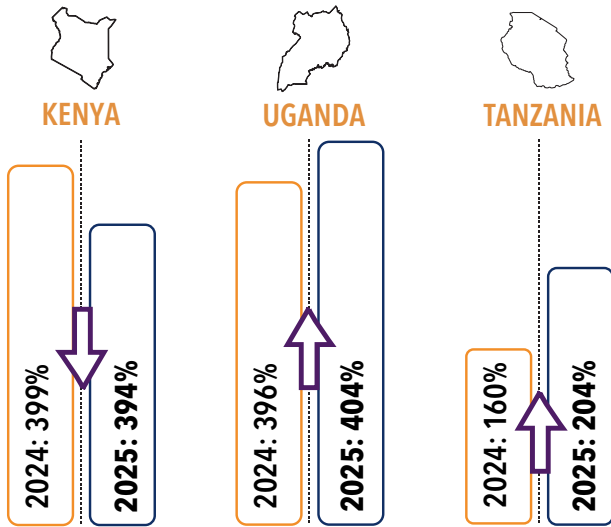
In June 2025, GCR Ratings affirmed ICEA LION General Insurance Company's national scale financial strength rating of AAA (KE) with a Stable Outlook for the fourth consecutive year—the highest rating on the national scale. The affirmation reflects the Company's robust capital adequacy, consistently maintained above regulatory requirements, resilient earnings performance, low exposure to market and credit risks, and a moderately strong business profile.



OUR SOLVENCY

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

Below is a summary of the solvency ratios for our three businesses.



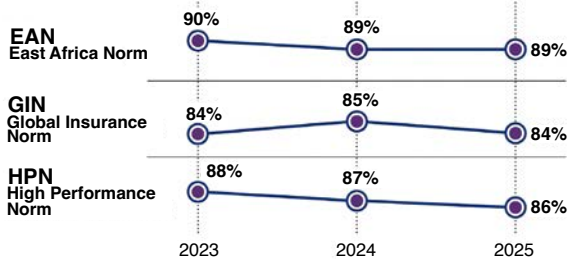
EMPLOYEE ENGAGEMENT SURVEY

The business has continued with the annual employee engagement surveys dubbed "Your Voice Matters, Tell it like it is". The average response rate across the general businesses in Kenya, Uganda and Tanzania was 97%. The annual employee's engagement survey is not just an annual activity but a key strategic goal to guide and give feedback on areas of improvement.

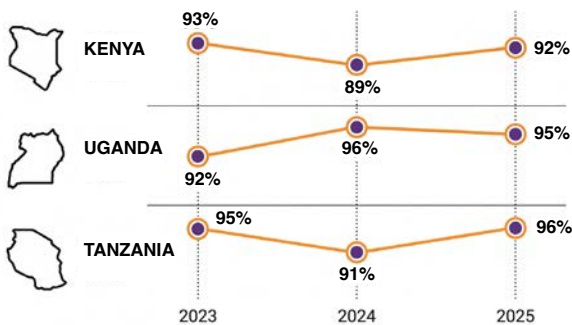
Below is a summary of the results across the three general business companies.

Employee engagement index

Industry Norms



General Businesses Performance



On average, 94% of our employees feel connected and are committed to ICEA LION General Insurance Company.

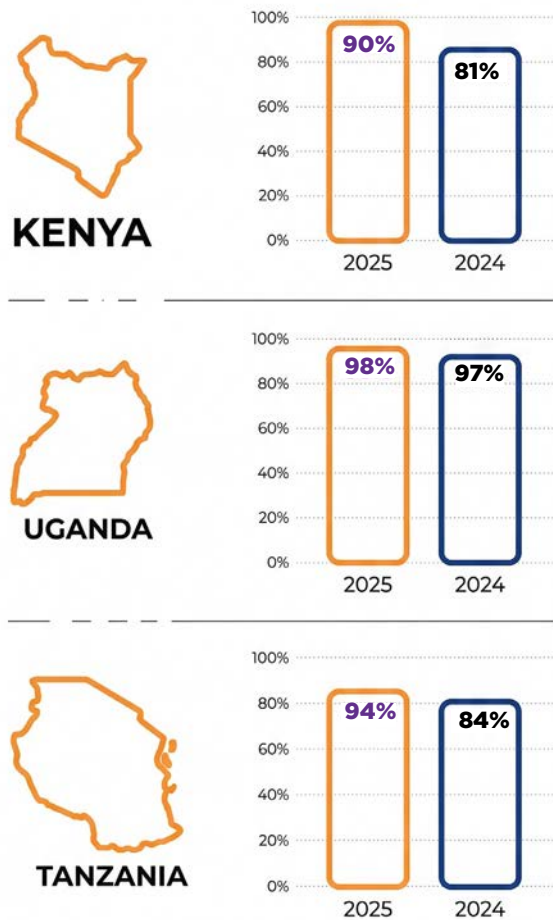
SUSTAINABILITY AS A BUSINESS IMPERATIVE

Sustainability continues to be a key area of focus for ICEA LION Group over the years.

ESG index

During the year the average ESG index across the three countries has improved from 87% to 94%. The ESG index measures the extent to which employees have a good appreciation on how we can be socially and environmentally responsible. Below is a summary of the ESG index across the three countries:-

REGIONAL PERFORMANCE COMPARISON



Mangrove Tree Planting

During the year, the Group committed to planting 20,000 mangrove trees in 2026 in the coastal region. Mangrove trees are key for sustainability as they act as powerful "blue carbon" sinks that store up to 10 times more carbon per hectare than terrestrial forests. Mangrove trees store vast amounts of carbon in their biomass and underlying soil. In addition, they protect the coastal region by anchoring coastal systems, reducing the impact of waves and soil erosion. The mangrove trees protect biodiversity by providing habitat for fish and birds and finally, they support local communities as a source of livelihood.



Mangrove tree planting, Shanzu Mombasa October 2025

Alignment To IFRS S1, IFRS S2 Standards

The Group has made significant progress toward the full implementation of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), ahead of their respective effective dates of 1 January 2027 for Kenyan entities and 1 January 2026 for Ugandan entities. The Tanzania General Insurance subsidiary already adopted the standards and prepared the 2025 financial statements in full compliance with the new disclosure requirements.

During the year, the Group completed comprehensive risk and opportunity assessments across all operating entities, identified and prioritized material sustainability-related topics, and established key performance indicators to support effective monitoring and reporting under the new framework.

Material Matters

The Group has gone through a process of determining material topics from a double materiality lens. Below is a summary of these topics and their ranking.



Customers, People, Governance and Digital transformation ranked as the top four most material topics followed by Socio-economic, Climate and Bio Diversity in that order.

IN CONCLUSION

It is our hope that the readers of this report including all our stakeholders will find the report useful in helping them understand the business, its strategy, purpose for existence as well as the business aspirations. We are confident that the Group will continue accelerating an impactful Walk of Life for all our stakeholders.

ABOUT OUR REPORT

MATERIALITY

The Group has applied the double materiality approach in its scoping of material topics. The double materiality approach considers both impact and financial materiality. Impact materiality is the impact our Group would have on the environment and people as a result of our Groups activities, operations and relationships. Financial materiality considers the financial effect that sustainability matters have on the Group including the Group's ability to generate cash flows and create value in the short, medium and long-term.

OUR REPORTING SCOPE AND BOUNDARY

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

The integrated report includes the Company, ICEA LION General Insurance Company Limited and the Subsidiaries, ICEA LION General Insurance Company Tanzania Limited and ICEA LION General Insurance Company Uganda Limited. This report covers the financial period, 1 January 2025 to 31 December 2025.

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

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

OUR REPORTING FRAMEWORKS

This report has been prepared in compliance with the International Integrated Reporting Framework. The ICEA LION Integrated Report Lab and Leadership Team have considered the IIRF guiding principles, key elements and concepts; and with the guidance of the Board of Directors applied these to the preparation of this report.

This report is also aligned with the parameters of the Global Reporting Initiative (GRI), Kenya Companies Act, 2015, the Corporate Governance Code for the Private Sector, as well as guidance issued by the Insurance Regulatory Authority (IRA) on Corporate Governance. The Group has commenced its journey towards compliance with International Sustainability Standards (IFRS S1, IFRS S2 standards) and aims to comply with the Taskforce on Nature Related Disclosures (TNFD) in the coming years. The financial statements have also been prepared in accordance with the International Financial Reporting Standards (IFRS).

FORWARD-LOOKING STATEMENTS

Included in this report are various forward-looking statements describing how we see the future and the impact that will have on our strategy. These forward-looking statements involve risk and uncertainty as they relate to future events which are difficult to predict. Given this context, the outcomes of the forward-looking statements may turn out to be different from what is currently described. No assurance has been provided on forward-looking statements.

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. The sustainability part of our report is not externally assured but plans are underway to have them assured in the coming years. Our annual financial statements are assured by our external auditors, KPMG Kenya.

DIRECTORS' STATEMENT OF RESPONSIBILITY

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

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

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

On the recommendation of the Board Audit and Risk management committee, the Board approved the integrated report on 13 March 2026.



J Wangai

Chairman



K Thuo

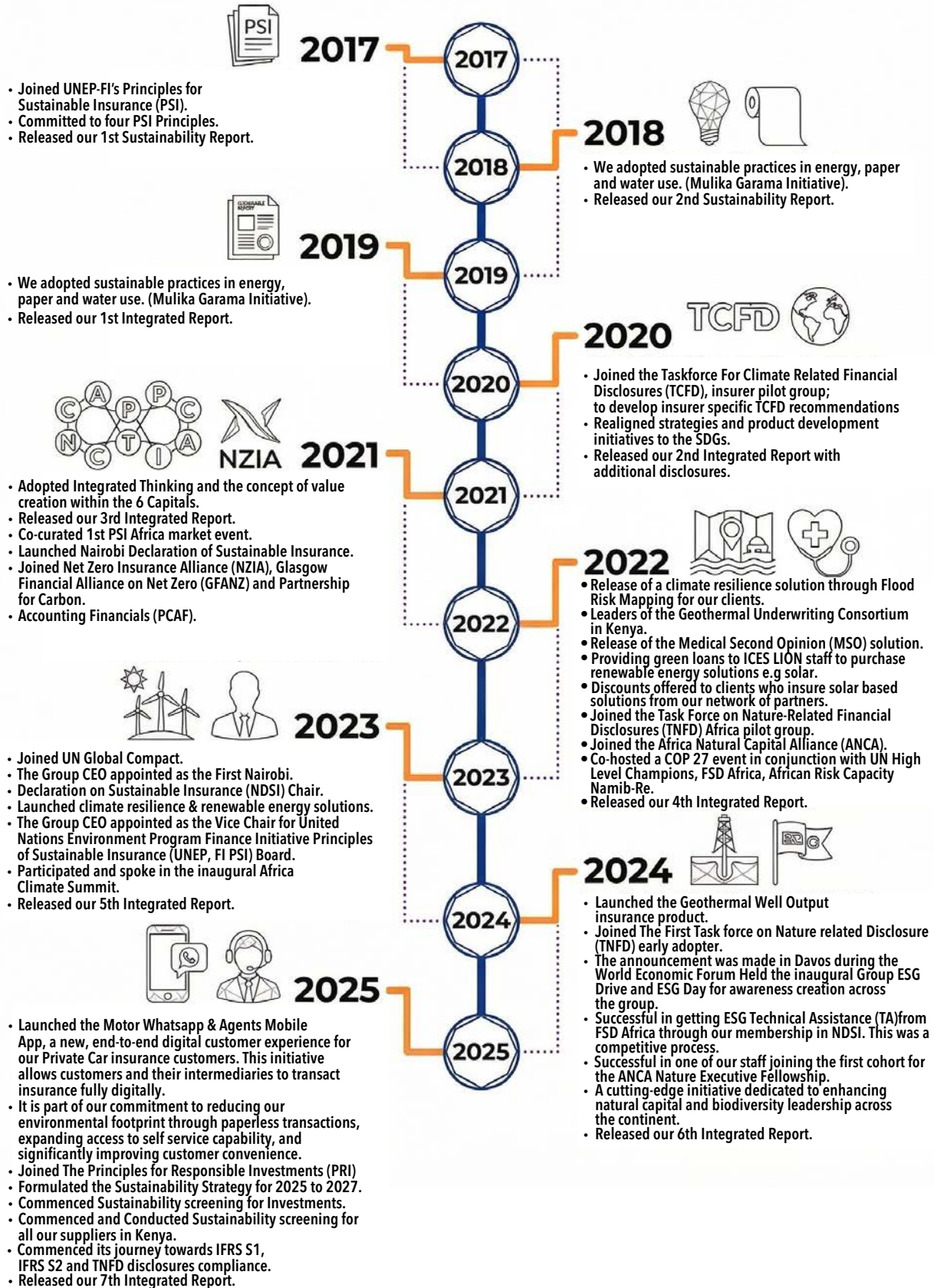
Director



G Kioi

Chief Executive Officer and
Principal Officer

OUR SUSTAINABILITY, INTEGRATED THINKING & REPORTING JOURNEY



HOW TO READ OUR REPORT

	SECTION	COMMENTARY	KEY CONCEPTS	FRAMEWORKS APPLIED
1.	Overview	Describes our history, staff complement, our Mission, Vision and Values and our cultural behaviours.	Sustainability and Financial Highlights Who we are	
2.	Overview	Our Board Chairman, CEO's statements and CFO statements. Describes key highlights during the year	Board Chairman Statement Group CEO Statement CEO Statement CFO Statement	-The Corporate Governance Code (CGC) -King IV Code -IIRF
3	How we create value	The leadership team describes the operating context and the business model, the business growth strategy, value chain and partnerships and how our value creation links with SDGs.	Operating context Business strategy Value creation	
4	How we create value	Customer experience and customer centric solutions Fair and transparent advice Building trust and data privacy	Our customers	-King IV Code -GRI -IIRF
5	How we create value	Describes our material matters and process followed in identifying them, our strategy on managing IROs and business resilience on sustainability IROs.	Our social economic impact	-IFRS S1 -IFRS S2
6.	Our Governance	This section presents a detailed view of the Group's corporate governance practices	-Corporate Governance Statement -Statements from the chairmen of the board committees -Board attendance schedule -Governance on sustainability	-CGC -King IV -GRI -IIRF -IFRS S1, IFRS S2
7	Risk landscape	Describes the risk and compliance framework as well as the process followed in managing IROs	-Governance risk and compliance -Managing sustainability related IROs	

	SECTION	COMMENTARY	KEY CONCEPTS	FRAMEWORKS APPLIED
8	Natural Capital	The section describes how we create Natural Capital together with details of key activities and outcomes		-King IV -GRI -IIRF -IFRS S1, IFRS S2 -GRI
9	Human Capital	This section describes our corporate culture, employee engagement together with how we create a healthy and safe workplace. The section also describes our policies in safeguarding human rights, diversity, equity and inclusion. In addition, the section describes how the Group attracts and develops talent and maintains high staff retention ratios.	-Culture -Diversity, Equity and Inclusion -Talent -Human Rights	
10	Annual Financial Statements	This section sets out the Group's fully audited financial statements.	-Financial Statements	-IFRS -Companies Act -Income Tax Act -IRA guidelines

Judgements, Uncertainties and Errors

Significant Judgements

In preparing these disclosures, management must make judgements that affect the reported information. Actual outcomes may differ from outcomes disclosed. Revisions to estimates are recognized prospectively.

Materiality assessment

Management applied significant judgements in the determination of sustainability-related risks and opportunities that could reasonably be expected to affect the prospects of the Group. This assessment will involve evaluating sustainability-related matters for their potential to affect the entity's enterprise value, cash flows, or cost of capital. The process was informed by stakeholder feedback, sector-specific risks for insurance institutions, regulatory expectations and guidance from the IFRS Sustainability Disclosure Standards.

Measurements Uncertainties

Certain amounts disclosed in this sustainability report are subject to a high degree of measurement uncertainty. This arises from the necessary use of estimates, assumptions, and forecasting techniques, as some sustainability-related impacts cannot be measured directly and must be estimated based on available data, industry benchmarks, and professional judgement. Despite these challenges, the use of reasonable estimates is an essential part of preparing sustainability-related financial disclosures. The Group is committed to ensuring transparency by clearly explaining the methods, assumptions, and limitations underlying each estimate. As data availability improves and systems mature, the level of uncertainty is expected to decrease over time.



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ABOUT US

OUR GROUP STRUCTURE AND HISTORY

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

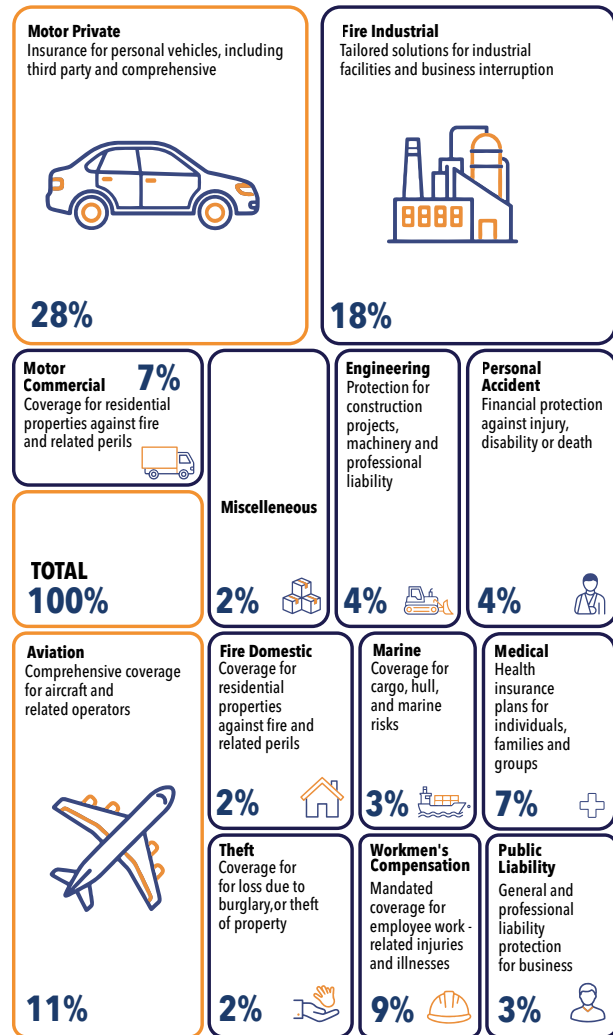
On January 2012, ICEA LION General Insurance Company Limited and ICEA LION Life Assurance Company Limited were formed as a result of a business reorganization involving the Insurance Company of East Africa Limited (ICEA) and Lion of Kenya Insurance Company Limited (LOK).

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

We have done so by firmly keeping an eye on the future and embracing innovation to craft financial products and services that we know meet our clients' diverse and dynamic needs in today's constantly changing world. ICEA LION Group is a member of First Chartered Securities (FCS), a private investment holding company with interests in financial services, logistics, real estate, manufacturing, and agriculture. Over the years, the Group has built impressive investment portfolios in these spheres. ICEA LION Group companies are owned by ICEA LION Insurance Holdings Limited. Our non-life and life companies are ICEA LION General Insurance Company Limited and ICEA LION Life Assurance Company Limited respectively. ICEA LION Asset Management Limited, ICEA LION Trust Company Limited and ICEA LION Benefits Services Limited are our investment, individual and corporate trusteeship and benefits management companies. The insurance and investment subsidiaries in Tanzania and Uganda, previously controlled separately by Lion of Kenya (LOK) and Insurance Company of East Africa (ICEA) respectively, also form part of ICEA LION Group.

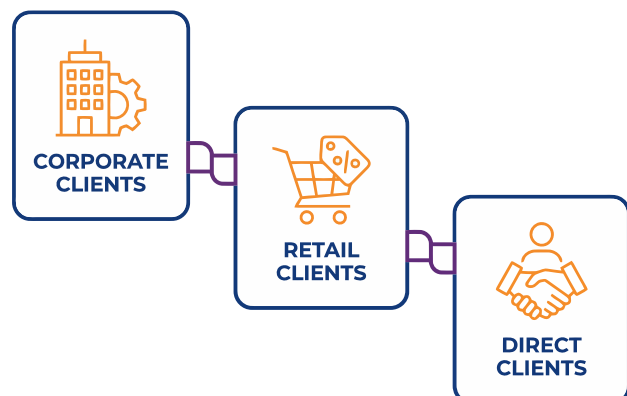
OUR PRODUCTS AND SERVICES OFFERINGS

The Kenya General business as summarized in the next column provide short-term insurance solutions across the 13 classes as summarised on the next column.



The medical class of business in Kenya is offered on accommodation basis. The Uganda business offers the above classes of business with the exception of aviation business. The Tanzania business offers the above classes of business with the exception of medical class of business.

Our solutions offering across the three countries ranges from corporate clients, retail clients and direct clients.



OUR HISTORY

1895:

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

1950s:

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

1998:

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



1978:

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



2012:

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

2023:

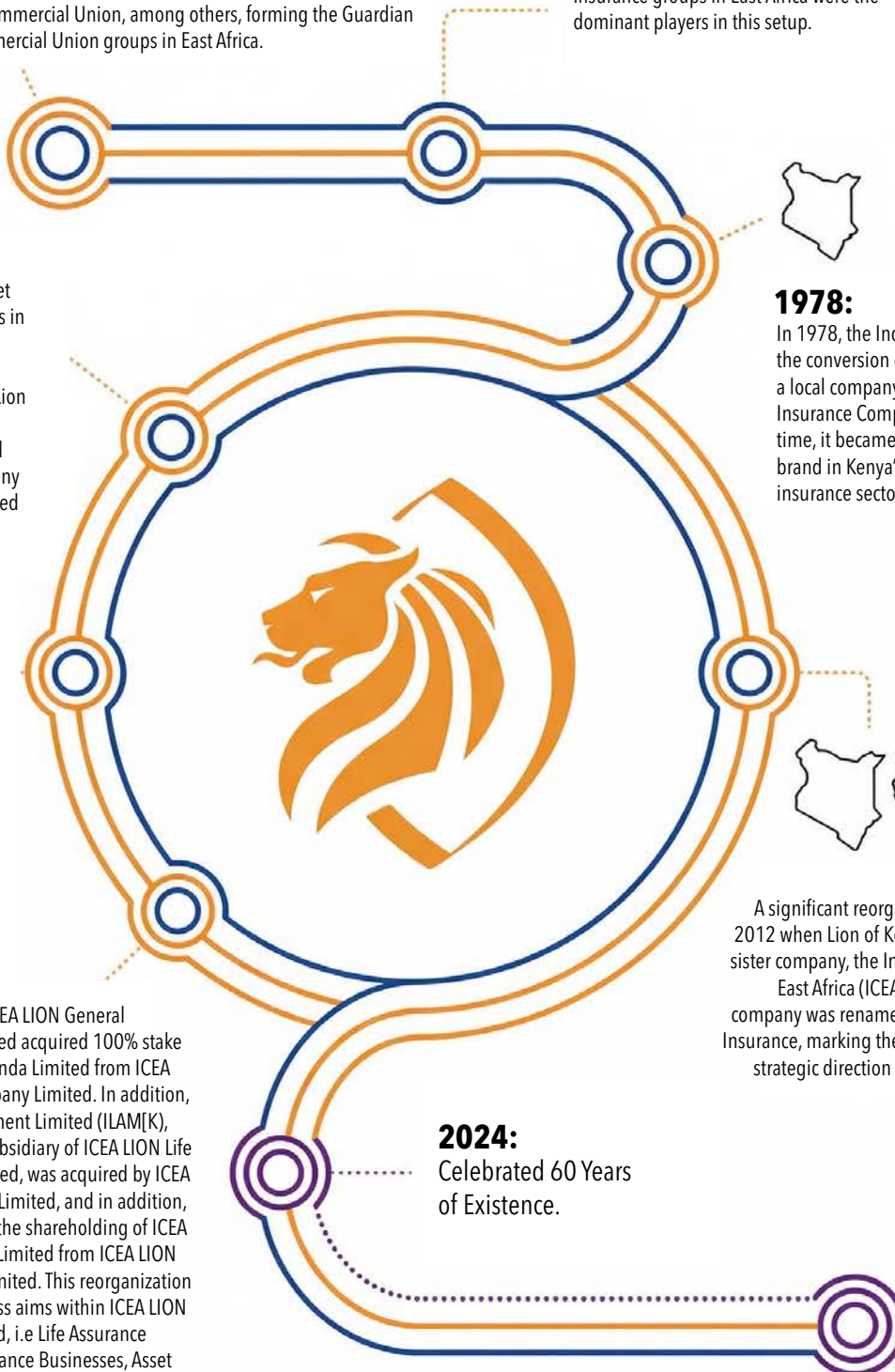
Group Reorganization - ICEA LION General Insurance Company Limited acquired 100% stake of ICEA LION General Uganda Limited from ICEA LION Life Assurance Company Limited. In addition, ICEA LION Asset Management Limited (ILAM(K), which was previously a subsidiary of ICEA LION Life Assurance Company Limited, was acquired by ICEA LION Insurance Holdings Limited, and in addition, ILAM (K) acquired part of the shareholding of ICEA LION Asset Management Limited from ICEA LION Life Assurance Uganda Limited. This reorganization resulted into clear business aims within ICEA LION Insurance Holding Limited, i.e Life Assurance Businesses, General Insurance Businesses, Asset Management Businesses, Trust and Benefits Services Businesses. ILAM Fahari Real Estate Investment Trust received regulatory approval from the Capital Markets Authority to convert its unrestricted ILAM Fahari Income Real Estate Investment Trust (IFIR) into a restricted I-REIT.

2024:

Celebrated 60 Years of Existence.

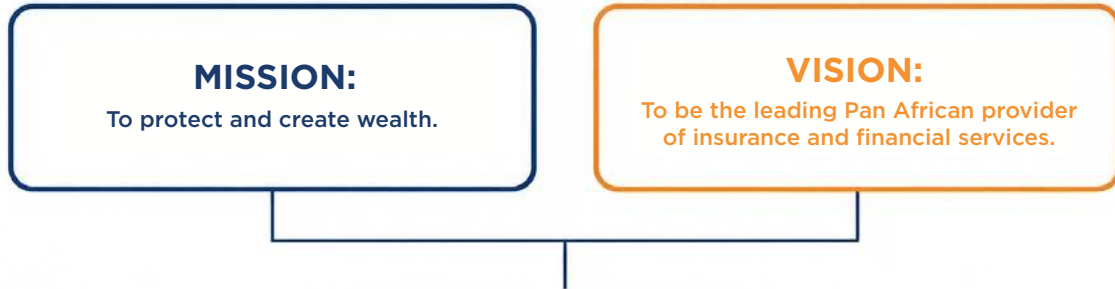
2025:

ICEA LION Asset Management (ILAM) celebrated 40 Years of Existence.

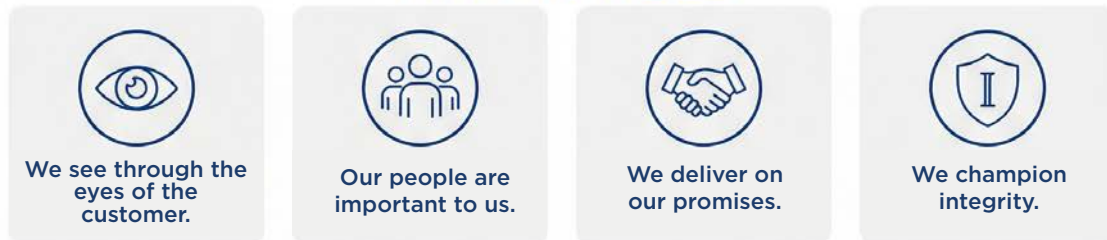


WHAT DRIVES US


WHAT DRIVES US



OUR CORE VALUES



OUR BRAND PROMISE

Through every life-changing moment, we're better together. 



CHAIRMAN'S STATEMENT



JOSEPH WANGAI

CHAIRMAN

“I take this opportunity to thank all our customers for trusting us with their insurance solutions and all our stakeholders for the immense support during the year.”

It is a great honour to issue my statement on the integrated report of ICEA LION General Insurance Company Limited and its subsidiaries for the year ended 31 December 2025.

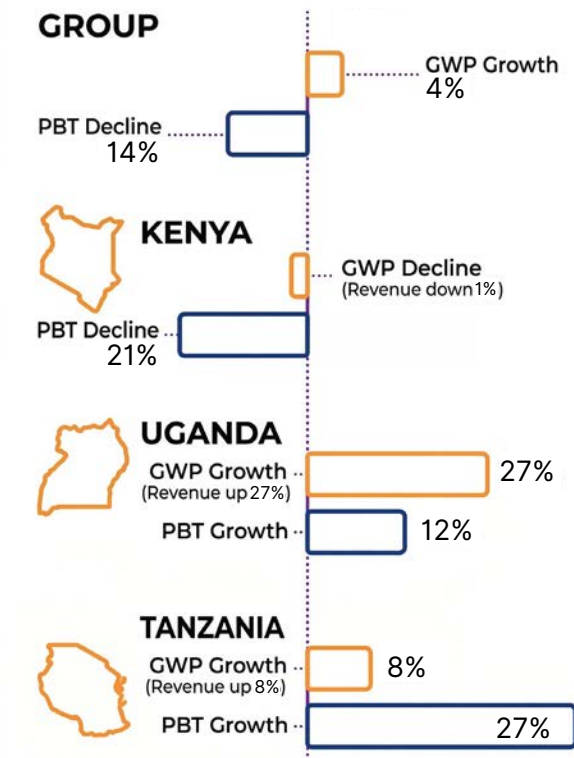
PERFORMANCE AND GROUP STRATEGY

The year 2025 was the first year of implementation of our 3-year rolling strategic cycle 2025-2027. The year had mixed fortunes for our business in Kenya, while better fortunes were experienced in Uganda and Tanzania.

The Kenyan business recorded a 1% decline in Gross Written Premium (GWP) whereas Uganda and Tanzania recorded 27% and 8% growth respectively compared to 2024.

In total the GWP for all the general businesses grew by 4% largely driven by subsidiaries businesses growth. On the Profit Before Tax, the Kenyan business recorded a decline of 21% while the Group recorded a decline of 14% largely driven by the drop witnessed in the Kenyan business. The Tanzanian and Ugandan businesses recorded an increase in Profit Before Tax of 27% and 12% respectively. The Group has laid out strategies to improve on top line growth as well as profitability in 2026.

At the ICEA LION Group level, we are defining a 10-year ambition to clearly articulate the strategic priorities that will drive sustainable growth.



SUSTAINABILITY AS A BUSINESS IMPERATIVE

ICEA LION Group has championed sustainability not only at the Group level but also at the national and international level. Mr. Philip Lopokoiyit, the Group CEO, continues to be the current chair of Nairobi Declaration on Sustainable Insurance. At the Group level, various strategic aspects on sustainability have been pursued including products development. The general business in collaboration with various partners and insurance players developed the Geothermal Recourse Risk Facility. In addition, the business has developed screening tools to support the Group in responsible underwriting and responsible investment. Further the Group has committed to planting 20,000 mangrove trees in the coastal region. Mangrove trees are key for sustainability as they act as powerful “blue carbon” sinks that store up to 10 times more carbon per hectare than terrestrial forests.

Why Mangrove trees

Mangrove trees store vast amounts of carbon in their biomass and underlying soil. In addition, they protect the coastal region by anchoring coastal systems, reducing the impact of waves and soil erosion. The mangrove trees protect biodiversity by providing habitat for fish and birds and finally, they support local communities as a source of livelihood.



Mangrove tree planting, Shanzu Mombasa October 2025

OUR CUSTOMERS

In line with our integrated report theme “Accelerating Impact”, the Group aims to build long lasting relationships with our customers throughout their walk of life. In line with our brand promise, “Through every life-changing moment we are better together”, the Group continues to innovate by holding various engagements that further strengthen our relationships with our customers.

King of the Course Series

During the year the Group continued with the 9th leg King of the course series across the country starting with Machakos corporate golf day at the beginning of the year and ending with Nyali corporate golf day at the tail end of 2025.



Grand Finale of the King of the Course Series, Nyali Golf and Country Club

Walk of Life

The ICEA LION Group launched the Walk of Life at the Karura Forest in November which allowed our customers and their families to participate, network as well as get to know more about the ICEA LION products and services offerings. This walk demonstrated our commitment to cementing relationships with our customers that goes beyond our products and services offerings to meeting them where they are at, in their Walk of Life.



Walk of Life, Karura Forest, 29 November 2025

GOVERNANCE

At the core of our success is embedment of best practice in corporate governance in the running of all the businesses within the Group. We are dedicated to attaining utmost levels of accountability, integrity, fairness, responsibility and transparency. Various formal frameworks have been established to uphold corporate governance and are reviewed for effectiveness on a regular basis. My statement on pages 65 will further detail our governance processes and practices within the Group and particularly within the general business.

OUR GLOBAL CREDIT RATING

In June 2025, GCR Ratings affirmed ICEA LION General Insurance Company's national scale financial strength rating of AAA (KE) with a Stable Outlook for the fourth consecutive year—the highest rating on the national scale. The affirmation reflects the Company's robust capital adequacy, consistently maintained above regulatory requirements, resilient earnings performance, low exposure to market and credit risks, and a moderately strong business profile.



The Company contributed 57% to the ICEA LION Insurance Holdings insurance revenue and 16.8% of the total Group assets and maintained a strong statutory Capital Adequacy Ratio (CAR) of 399% as of December 31, 2024, well above the prescribed 200% regulatory requirement.

LOOKING AHEAD

In line with the theme to this integrated report "Accelerating Impact" the Group will continue refining our customer products and service offerings. The focus will be optimizing our route to market and improving efficiencies in our operations to fortify customer experience as well as stakeholder experience as we seek to be of impact to all our stakeholders. Digital transformation will form a key part of our evolution to ensure our businesses are future ready and competitive.

IN CONCLUSION

Our achievements in 2025, would not have been possible without the immense contribution and support of the Board of Directors, the shareholders, the leadership team and the entire staff fraternity, the customers and all our stakeholders. I take this opportunity to thank all our customers for trusting us with their insurance solutions and all our stakeholders for the immense support during the year.

BOARD OF DIRECTORS



JOSEPH WANGAI

CHAIRMAN



JAMES NDEGWA

DIRECTOR



ANDREW NDEGWA

DIRECTOR



DAVID HUTCHISON

DIRECTOR



ERNEST NDEGWA

DIRECTOR



DOUG LACEY

DIRECTOR



KAIRO THUO

DIRECTOR



MARIAM ABDULLAHI

DIRECTOR



MUGWE MANGA

DIRECTOR



NORMAN KELLY

DIRECTOR



PATRICK MUGAMBI

DIRECTOR



PHILIP LOPOKOIYIT

DIRECTOR



GODFREY KIOI

CHIEF EXECUTIVE OFFICER



SALLY GITAU

COMPANY SECRETARY

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



PHILIP LOPOKOIYIT

GROUP CHIEF EXECUTIVE OFFICER

“As we reflect on the year 2025, the ICEA LION Group reached remarkable milestones in our unwavering commitment to Accelerating Impact for all our stakeholders.”

It is with great pleasure that I present my statement regarding the achievements of ICEA LION Group in 2025, as well as the key developments we anticipate for 2026 and beyond.

STRATEGY

Our business is one year into its 3-year 2025 to 2027 strategic cycle. At the end of 2025, our business refreshed its strategy with the aim of reflecting on upcoming opportunities and changes in its operating environment. Strategically, ICEA LION Group's role remains to “drive a high-performance culture whilst leveraging on group capabilities to deliver step change outcomes”.

Our strategy is delivered through three key pillars anchored by three key enablers. The three strategic pillars are Customer Experience and Brand, Digital and Analytics, and Optimizing Distribution.

Our strategy also emphasizes sustainable growth as well as a continued focus on Environmental Social Governance (“ESG”) priorities.

Our 3-year strategy purpose is aimed at building execution and momentum while identifying must win opportunities to fund the future.

BRAND

In 2025, we evolved our Thematic Brand Campaign, ‘What's your Plan’ that was launched in Kenya in February 2024. This positioning sought to depart from the usual communication style in the industry and embed insurance and investments as part of everyday lifestyles and considerations. It also aimed to reach out to a younger demographic who did not view ICEA LION within their consideration set. The campaign adopted vibrant colours which reflects the lifestyles and choices of this younger demographic and breaks through the clutter in the advertising landscape.



Our Brand Index grew 28% in the first year of this campaign. We have continued our investment in the Brand through 2025 focusing on out of home, TV and radio advertising, and maintaining always on presence on social and digital channels.

Our Refreshed Website

In 2025, we also undertook a major project to upgrade our website to an e-commerce enabled platform. Customers can now access buy, renew and claim journeys directly from the website, as well as having a simplified, easy to navigate site for discovery of our solutions and services.



Walk of Life

On 29th November 2025, ICEA LION Group hosted the very first “Walk of Life” event in Karura Forest in line with our brand promise, “Through every life changing moment we are better together”. The Walk of Life was not just a walk but a chance to come together as a community. It created an opportunity for direct engagement with customers and stakeholders in a relaxed, experiential setting, reinforcing our brand positioning around long-term partnership and life-stage planning.

Our Customers

The group has consistently refined our strategy under the initiative titled “One Customer, One Group” (OCOG). This strategic goal is designed to strengthen our relationships with customers while establishing a comprehensive solution for their needs. The strategy emphasizes a more structured and coordinated approach to customer engagement, aimed at enhancing efficiency and reducing distribution costs, and optimising our distribution channels for improved returns.

Our relationship with customers is brought to life in the joyful moments when we interact with them away from meetings and Boardrooms. We continue to celebrate the annual Customer Service Week and also seek out other opportunities for engagement.



Customer Service Week Dress up

The total number of General Businesses customers in the group has grown by 25% from 46,141 in 2024 to 57,732 in 2025.

Technology & Transformation

Technology and transformation remain pivotal to the Group, enabling seamless operations while future-proofing the business. The group has set out a future state enterprise architecture which will form a blueprint for existing and new digitization initiatives for the Group.

The modernization and convergence of business applications represent the next phase following the establishment of the architecture. This initiative is a crucial step in positioning our businesses for future readiness and ensuring alignment of the Group’s software applications with the established architectural plan.

The Group is in the process of implementing a new financial reporting software with an expected Go-live date in Q2 2026.

General Insurance businesses are currently engaged in the process of selecting a core system to replace the existing Footprint software. Earlier in 2025, the company initiated the rollout of SAP Success Factors for our operations in Kenya. We will continue enhancing this critical initiative to enhance recruiting, onboarding, succession, and people development. The Group also commenced the implementation of this solution in our Uganda and Tanzania businesses.

Our People

Our people are truly our greatest asset. Throughout the year, we’ve been busy with various strategic initiatives centered around our team. In 2025, one of our main priorities was succession planning, where we carefully reviewed our leadership teams and their immediate reportees. We’ve launched several initiatives in 2025 that will continue into 2026, including a leadership program aimed at fostering a high-performance culture, developing competencies frameworks, and conducting competency assessments and job evaluations.



Staff Team Building

Employee Engagement

The business has continued with the annual employee engagement surveys dubbed "Your Voice Matters, Tell it like it is". This is an important health-check in understanding the pulse of our organisation through our employees and fostering sustainable engagement. The average response rate across the general businesses in Kenya, Uganda and Tanzania was 97% in 2025. The Group index improved from 92% to 94%. The improvement reflects the successful execution of actions identified in previous surveys.

Sustainability

ICEA LION Group has placed sustainability at the heart of our operations and we have taken bold steps to integrate sustainability at every level. We have opted to lead from the front in this area, leading the Nairobi Declaration on Sustainable Insurance ("NDSI"), where I am the current and founding Chair. ESG oversight is taken into boardroom decisions, while company-wide training fosters awareness among our workforce and partners. Our tree nursery initiative at the Nairobi head office ensures a steady supply of indigenous trees for reforestation efforts, symbolising our commitment to environmental stewardship. We are also developing robust data collection systems to track ESG performance and align with global standards. By setting measurable targets and communicating our progress, we lead the way in building a sustainable insurance future for Africa.

One of the key initiatives we have undertaken is the reforestation of mangroves along the Kenyan Coast. Mangroves act as powerful 'blue carbon' sinks that store up to 10 times more carbon per hectare than terrestrial forests. To this end, we have committed to plant and maintain 20,000 mangroves.



Mangrove tree planting, Shanzu Mombasa October 2025



Philip Lopokoiyit, NDSI Chairman speaking at NDSI conference in Cape Town



UNEP F1 Regional Roundtable on Sustainable Finance held in Suzhou, China



Geoff Gakundi, Group Head Of Strategy And Business Delivery

Business Delivery

In 2025, the business made significant strides in strengthening its delivery capability and operational discipline. A pivotal milestone was the appointment of Mr. Geoff Gakundi as the dedicated Head of Strategy and Business Delivery, bringing focused leadership and accountability to this critical function. Under this new leadership, the business is introducing more rigorous project scoping practices and enhanced monitoring frameworks to track progress against key milestones. This will ensure Group-wide projects are delivered on time and in full. These foundational steps have instilled greater discipline across the organization and position the business well to meet its delivery commitments with consistency and confidence going forward.

IN CONCLUSION

As we reflect on the year 2025, the ICEA LION Group reached remarkable milestones in our unwavering commitment to Accelerating Impact for all our stakeholders. This immense progress was fueled by the steadfast support of our customers, dedicated employees including our exceptional leadership teams—and our broader stakeholder community. I extend my deepest gratitude to the Board and shareholders for their trust and invaluable guidance throughout 2025. Together, we shall forge a path to an even more triumphant 2026! Asanteni Sana!

PHILIP LOPOKOIYIT
GROUP CHIEF EXECUTIVE OFFICER, ICEA LION GROUP & CHAIRMAN NAIROBI DECLARATION ON SUSTAINABLE INSURANCE (NDSI)

CHIEF EXECUTIVE OFFICER'S STATEMENT



GODFREY KIOI

CHIEF EXECUTIVE OFFICER

"I am deeply thankful to all our stakeholders and wish each of you continued success and prosperity in 2026."

It is my pleasure to present the 2025 Integrated Report, which outlines the General businesses Group's business performance and strategic progress during the fiscal year.

OPERATING ENVIRONMENT

In 2025, the insurance industry benefited from a generally supportive macroeconomic environment, with stable inflation, improved stock market performance, and a steady exchange rate of the Kenyan shilling against major currencies. However, insurance penetration remained low held back by limited public awareness and pressure on consumers' disposable incomes. Competition remained intense, with over 50 licensed insurers in the market, putting pressure on premiums and underwriting margins.

GENERAL INSURANCE QUARTER 3 2025 INDUSTRY PERFORMANCE

The industry recorded resilient growth in Q3 2025. Gross Written premium increased by 11% from KShs. 317 billion in 2024 to KShs. 352 billion in 2025.

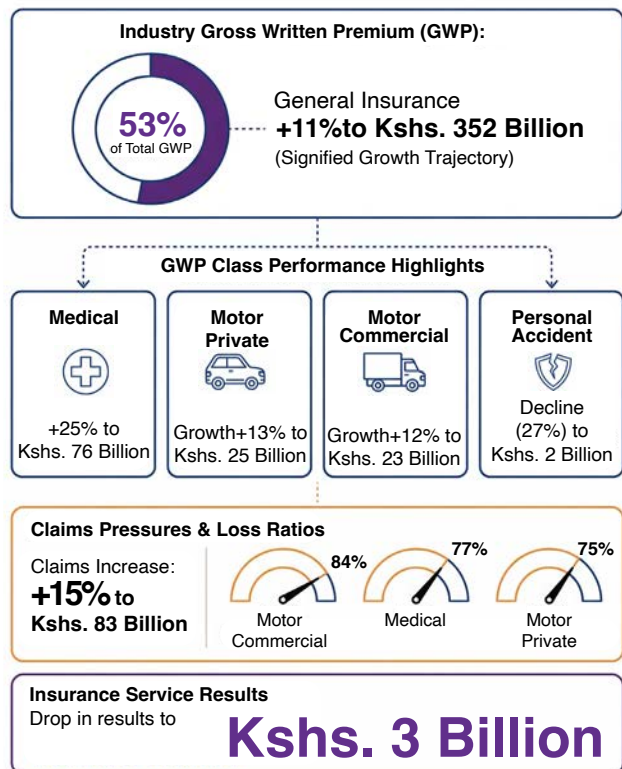
Compared to Life Insurance premium, General Insurance Premium constitutes 53% of total premiums, growing 9.2% from KShs.170 billion to KShs.185 billion.

Growth was driven by the Medical class, which rose by 25% to KShs. 76 billion (41% of general business). Motor Private contributed KShs. 25 billion (13%), Motor Commercial delivered KShs. 23 billion (13%), Fire Industrial contributed KShs.20 billion (11%), and Engineering grew by 20% to KShs. 5 billion. In contrast, Personal Accident declined to KShs. 2 billion (27%), while Workmen's Compensation fell by 25%.

Claims pressures remained high. General business incurred claims rose 15% to KShs. 83 billion, with the Medical class accounting for 48%, Motor Commercial 21%, and Motor Private 21%. Personal Accident had the highest growth in claims at 199%. The industry loss ratio increased to 72% (from 69%), with Motor Commercial loss ratio closing at 84%, Medical 77%, and Motor Private 75%.

As a result, insurance service results dropped from KShs. 25 billion in Q3 2024 to KShs. 3 billion in Q3 2025, reflecting the impact of rising claims and continued underwriting pressures.

INSURANCE INDUSTRY PERFORMANCE Q3 2025

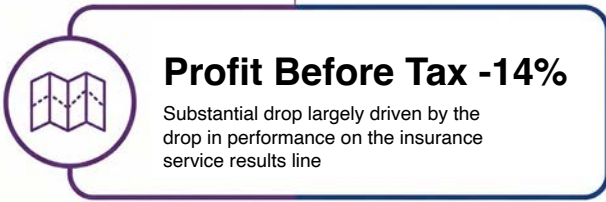


Overall, while the industry achieved strong premium growth, profitability was constrained, highlighting the importance of disciplined underwriting, effective pricing, and robust claims management to secure sustainable long-term performance.

GROUP PERFORMANCE

The General insurance businesses in Kenya, Uganda and Tanzania reported an increase in insurance revenue of 7%. The businesses however reported an insurance service loss of KShs.179 million compared to an insurance service profit of KShs. 380 million.

The net financial result grew by 21% to close at KShs.1.7 billion up from KShs.1.45 billion reported in 2024. Profit Before Tax dropped by 14% to close at KShs 1.5 billion down from 1.7 billion reported in 2024 largely driven by the drop in performance on the insurance service results line.



The drop in insurance service result was on the Kenya and Uganda businesses while the Tanzania business reported an improvement of 29% compared to 2024.

STRATEGY

2025 marked the first year of execution of our 2025-2027 strategic plan. The strategy remains relevant as we navigate an evolving risk landscape and capitalize on emerging opportunities. During the year, we made significant progress in implementing our strategic priorities and enabling initiatives, establishing a strong foundation to drive Gross Written Premium market share and profitability growth through enhanced operational efficiency and improved customer experience.

All the goals from 2025 were achieved and only the below were deferred to 2026:

- Replacement of finance reporting system
- Development of a new website to support e-commerce.

2025 GOAL ACHIEVEMENT

1 TECHNOLOGY, DIGITAL AND DATA

- Commenced replacement of Finance reporting system
- Core system replacement vendor proof of concept
- Implemented Human Resources Management Information System
- Developed a new website to support E-Commerce
- Reviewed customer journeys on Whatsapp motor journey

2 ROUTE TO MARKET

- Partnered with 4 digital aggregators
- Built capacity on our bancassurance team
- Increased number of Life Business Financial Advisors supporting the businesses

3 PRODUCTS

- Appointed an additional Third party medical administrator
- Repackaged our General Cartage and Bizbora products
- Carried out a market segmentation survey

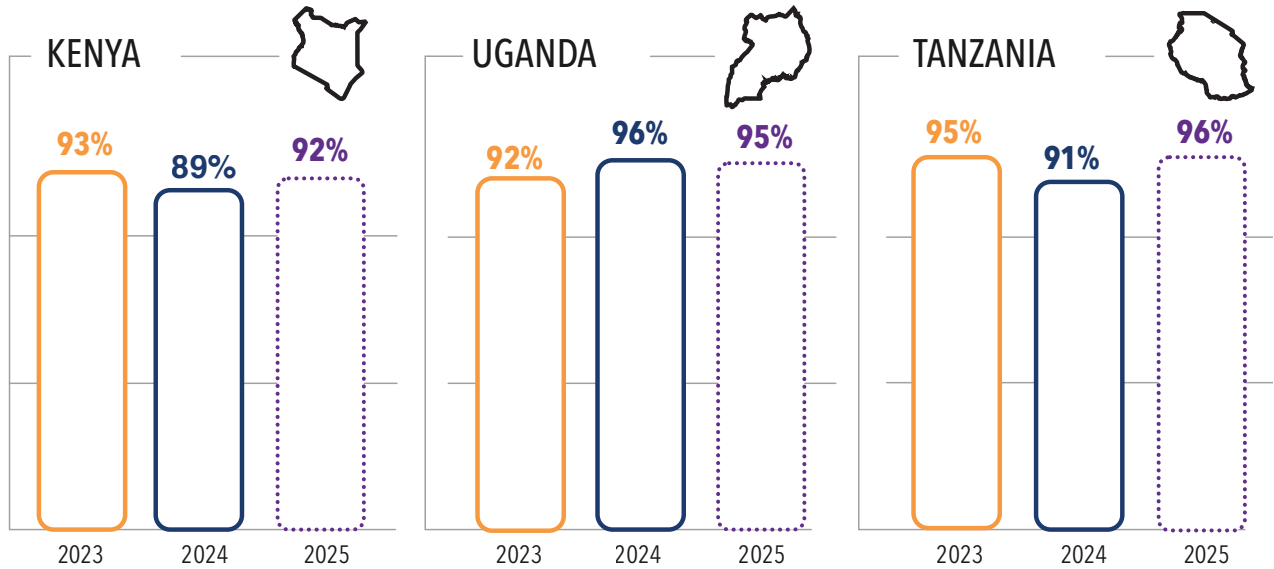
4 PEOPLE AND CULTURE

- Improved employee sustainability score from **89%** in 2024 to **92%** in 2025
- Developed a road map for a high performance culture leadership development program
- Reviewed a high potential talent pool across various roles
- Enhanced a strong talent bench across the organization

EMPLOYEE ENGAGEMENT

To assess and monitor employee engagement, management conducted an employee engagement survey. Below is a summary of the results across the three general business companies.

Employee Engagement Index



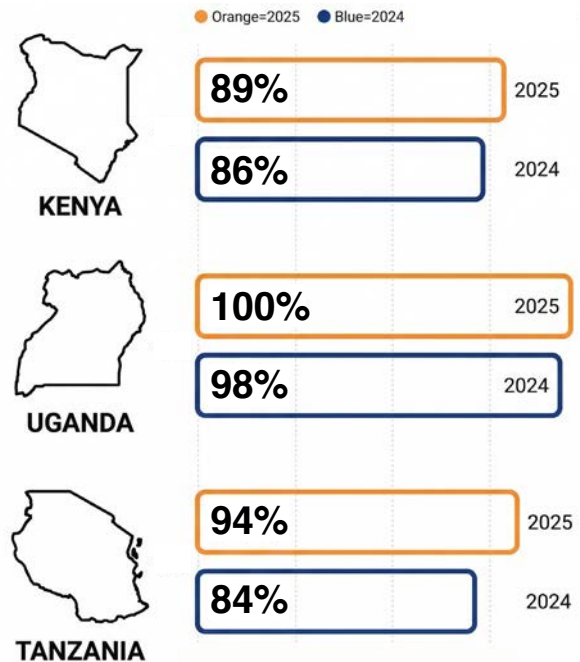
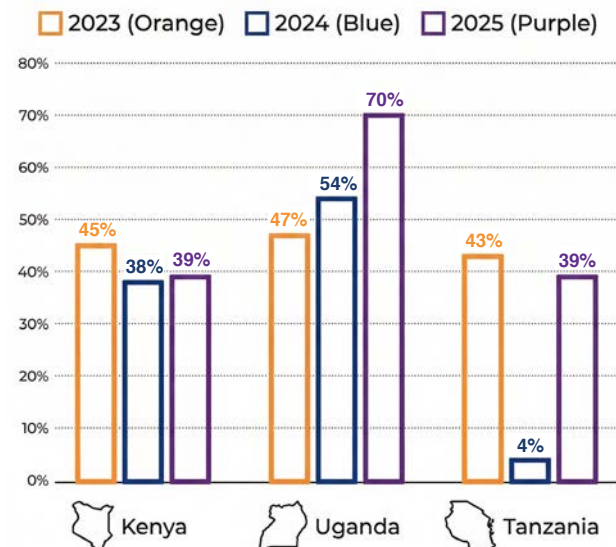
On average, 94% of our employees feel connected and are committed to ICEA LION General Insurance Company. This is against a target employee engagement score of 89%.

Net Promoter Score

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

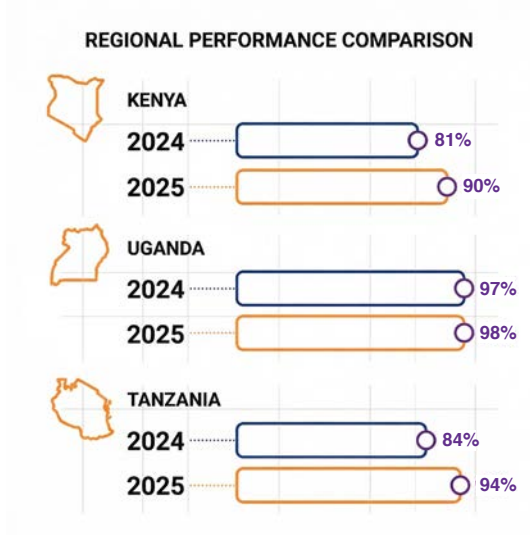
Diversity and Inclusion Index

We assessed the extent to which employees feel they are treated with dignity and respect across our operations, with results reviewed by country. Overall, the findings were positive, with an average of 94% of employees indicating that they felt treated with dignity and respect.



ESG Index

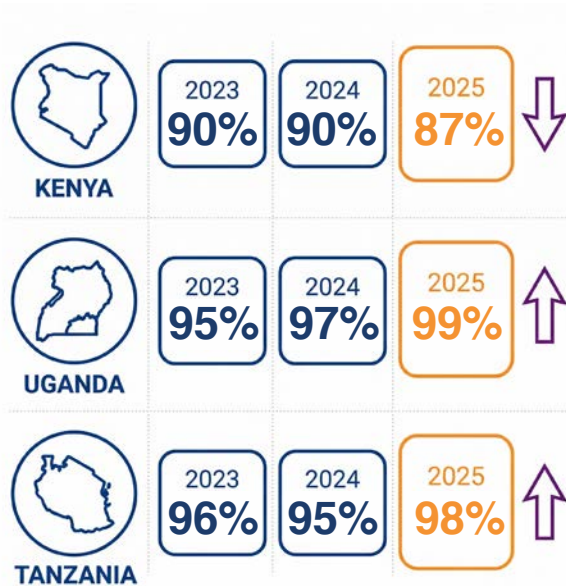
We assessed employees’ understanding of social and environmental responsibility across the organization. The results indicate a strong level of awareness, with an average of 94% of employees demonstrating a clear understanding of how to act in a socially and environmentally responsible manner.



CULTURE & BEHAVIOURS

The Group continues to implement its culture campaign, “It Starts with Us,” which is anchored on green and red behaviours, with green representing the behaviours the Group actively promotes and red highlighting those that are discouraged. These behaviours have been progressively embedded into the Group’s day-to-day operations. During the year, a team-building activity was conducted with a focus on reinforcing the green and red behaviours.

Culture And Behaviours Index



LEADERSHIP CHANGES

In 2025, we strengthened our leadership team with two key appointments: Mr. Austin Githinji as Head of Claims, bringing expertise to improve operational efficiency and customer satisfaction, and Ms. Adora Sisulu, who will lead our new Bancassurance Unit as we expand this important growth area.



Mr. Austin Githinji, Head of Claims



Ms. Adora Sisulu, Manager Bancassurance

Congratulations to Austin and Adora! I am confident that their leadership, together with our talented teams, will drive continued operational excellence, innovation, and long-term value for our stakeholders.

CLOSING

I am grateful for what we achieved together in 2025 and look ahead to 2026 with great optimism. None of these achievements would have been possible without the unwavering support of our shareholders, the guidance of our Board of Directors, the trust of our customers and partners, and the dedication and commitment of our leadership team and staff. I am deeply thankful to all our stakeholders and wish each of you continued success and prosperity in 2026.

LEADERSHIP TEAM



GODFREY KIOI

CHIEF EXECUTIVE OFFICER



ZIPPORAH CHEGE

CHIEF FINANCE OFFICER



PETER MUKURIA

GM, BUSINESS DEVELOPMENT & DISTRIBUTION



JENNIFER KAMOTHO

MANAGER, BUSINESS DEVELOPMENT COMMERCIAL



RADCLIFFE NYAMAI

MANAGER, BUSINESS DEVELOPMENT COMMERCIAL



ANDREW MUTURI

MANAGER, BUSINESS DEVELOPMENT-DIRECT



EVELYN MUSUNZAR

MANAGER, BUSINESS DEVELOPMENT-RETAIL & BRANCHES



CHARLES KAGIMA

HEAD OF UNDERWRITING & REINSURANCE



ANTHONY MURAGE

MANAGER-PRODUCT DEVELOPMENT



JOSEPH WANGANYA

MANAGER-COAST REGION



AUSTIN GITHINJI

MANAGER-CLAIMS



LUCY KARANJA

MANAGER-UNDERWRITING



JOHN NJENGA

MANAGER-REINSURANCE



JOY OMONDI

HEAD ACTUARIAL



PAUL MUTUA

FINANCE MANAGER



SARAH KINYANJUI

HUMAN RESOURCES BUSINESS PARTNER



ADORA SISULU

MANAGER BANCASSURANCE

SUBSIDIARIES TEAM



JARED AWANDO

CEO ICEA LION GENERAL TANZANIA



ALFRED MTAKI

CFO ICEA LION GENERAL TANZANIA



AMBROSE KIBUUKA

CEO ICEA LION GENERAL UGANDA



IBRAHIM BISASO

AG. CFO ICEA LION GENERAL UGANDA

GROUP SHARED SERVICES TEAM



PHILIP LOPOKOIYIT

GROUP CEO



GEOFF GAKUNDI

GROUP HEAD OF STRATEGY AND BUSINESS DELIVERY



NAOMI MUNYI

HEAD OF FINANCE ICEA LION INSURANCE HOLDINGS



MOKAYA MOKAYA

GROUP CHIEF HUMAN RESOURCES OFFICER



ANTHONY MUTURI

GROUP ACTUARY



CYNTHIA KANTAI

GROUP HEAD, MARKETING & COMMUNICATION



BENSON WAKABA

GROUP HEAD OF RISK AND COMPLIANCE



KEVIN KOMBO

GROUP INTERNAL AUDITOR



ENOCH KEYA

HEAD - DATA & ANALYTICS



PAUL KIOI

GM TECHNOLOGY & TRANSFORMATION



CAROLINE MAINA

HEAD-ICT BUSINESS APPLICATIONS



DAVID TOO

HEAD ICT INFRASTRUCTURE



JACQUELINE OCHIENG

HEAD OF RESEARCH AND PARTNERSHIPS



JOHN WANJOGU

HEAD - DIGITAL CUSTOMER EXPERIENCE



ABIUD MULONGO

HEAD DIGITAL



LEONARD SHALAKHA

GROUP TAX COMPLIANCE MANAGER



MERCY MBUGUA

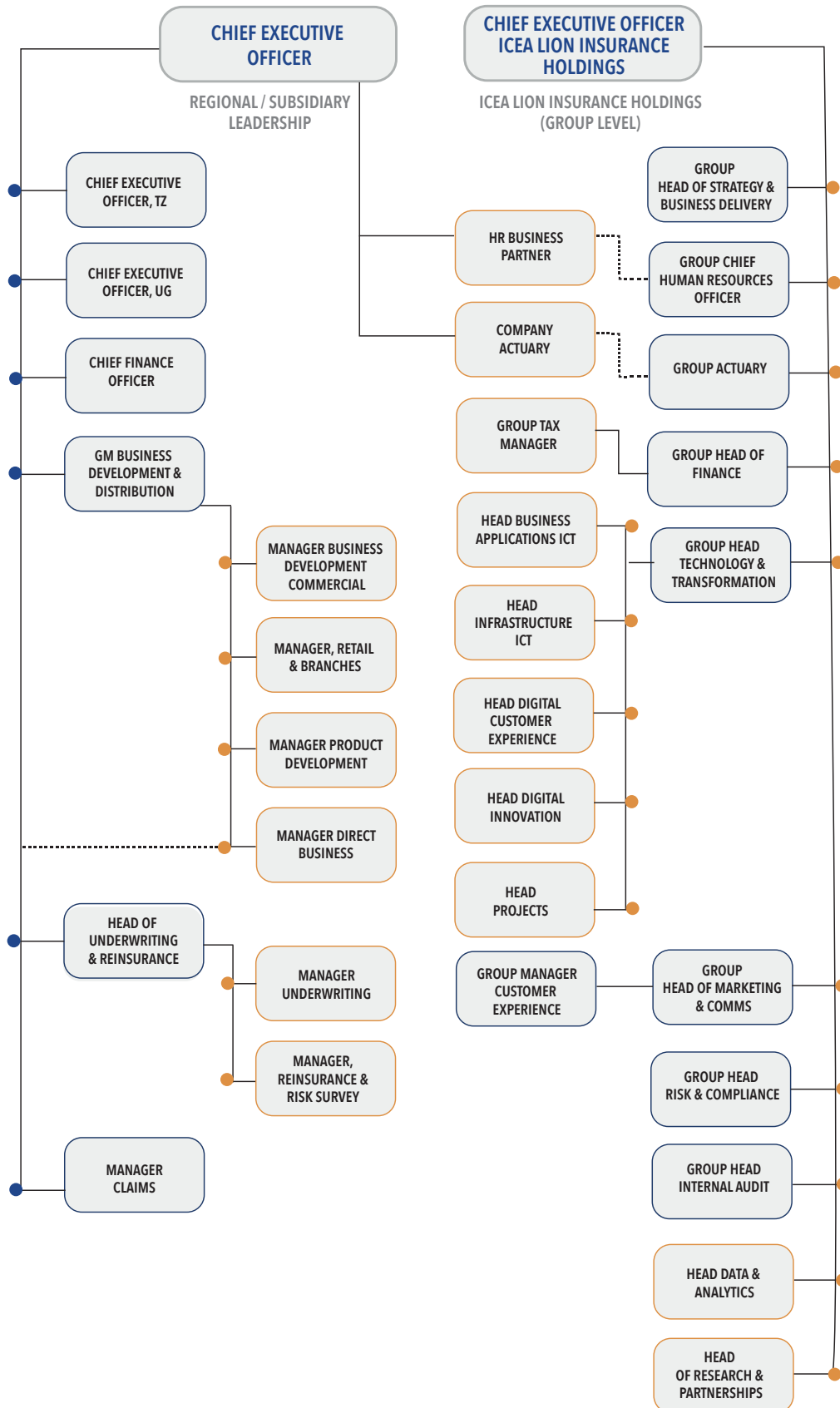
PROJECTS OFFICER



ERIC MUTHENGI

AG. GROUP HEAD OF CUSTOMER EXPERIENCE

OUR LEADERSHIP STRUCTURE



CHIEF FINANCE OFFICER'S STATEMENT



ZIPPORAH CHEGE

CHIEF FINANCE OFFICER

“Central to our strategy execution is the implementation of a new finance management system which will enhance operational efficiency.”

I am pleased to present an overview of our financial performance for the year ended 31 December 2025.

OPERATING CONTEXT

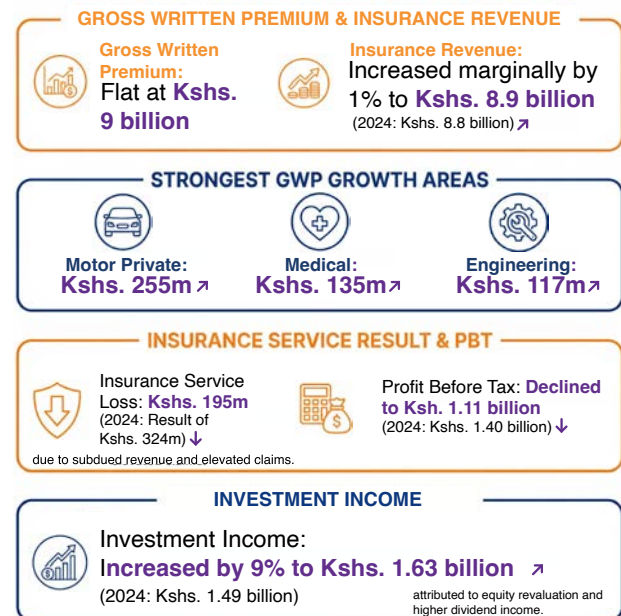
In 2025, ICEA LION General navigated a combination of favourable macroeconomic conditions and industry headwinds. Headline inflation averaged 4.1%, down from 4.5% in 2024, largely driven by lower utilities inflation, and remained within the Central Bank of Kenya’s target range of 2.5%–7.5%. Interest rates continued on a downward trajectory following accommodative monetary policy interventions, with the Central Bank Rate closing the year at 9.00%, down from 11.25% in December 2024.

Equity markets recorded exceptional performance, with the NASI and NSE 25 indices gaining 51% and 50% year-on-year, respectively. The Kenya shilling remained relatively stable against the US dollar, supported by subdued import demand, strong remittance inflows, and adequate foreign exchange reserve levels.

Notwithstanding these favourable macroeconomic conditions, consumer disposable income remained constrained, limiting growth in insurance demand. Industry dynamics also remained challenging, characterized by intense competition and persistent premium undercutting, which continued to exert pressure on underwriting margins. Additionally, rising motor vehicle spare parts costs contributed to elevated claims costs within the motor lines of business.

OUR PERFORMANCE

Kenyan Business

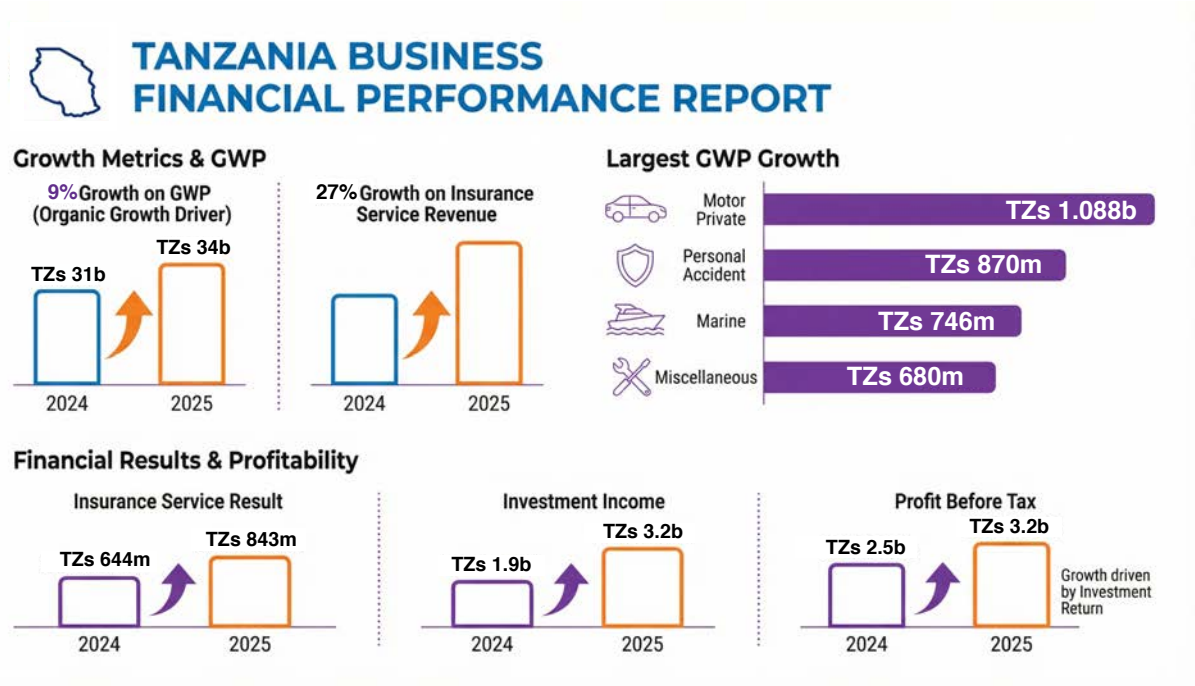


The business was not immune to the prevailing industry challenges, and as a result Gross Written Premium remained flat at KShs. 9 billion year-on-year. Insurance revenue increased marginally by 1%, from KShs. 8.8 billion in 2024 to KShs. 8.9 billion in 2025, with the strongest GWP growth recorded in Engineering (KShs. 117 million), Motor Private (KShs.255 million), and Medical (KShs.135 million).

The business reported an Insurance Service Loss of KShs. 195million (2024: Insurance Service Result of KShs. 324 million), driven by subdued insurance revenue and elevated claims experience during the year. Investment income increased by 9% to KShs.1.63 billion (2024: KShs.1.49 billion), largely attributable to equity portfolio revaluation gains and higher dividend income.

Profit Before Tax declined to KShs. 1.11 billion (2024: KShs. 1.40 billion).

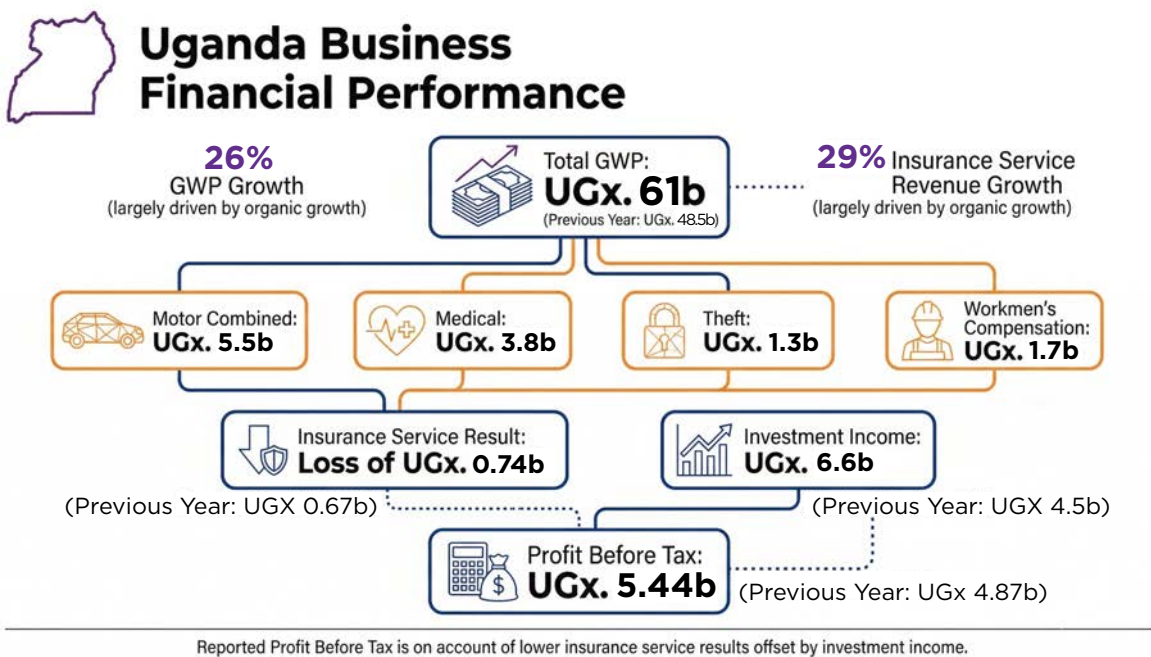
Tanzania Business



The Tanzania business recorded a 9% and 27% growth on GWP and insurance service revenue respectively largely driven by organic growth. The business closed the year with a GWP of TZs. 34 billion (2024 - TZs. 31 billion). The classes with largest GWP growth were Motor Private (TZs.1.088 billion), Personal Accident (TZs.870 million), Marine (TZs.746 million) and Miscellaneous (TZs.680 million).

The business reported an Insurance Service Result of TZs.843 million (2024-Insurance Service Result of TZs. 644 million) and an investment income of TZs.3.2 billion (2024 - TZs.1.9 billion). The business reported a Profit Before Tax of TZs. 3.2 billion (2024 - TZs. 2.5 billion). The growth in the reported Profit Before Tax was driven by growth in the Investment Return.

Uganda Business

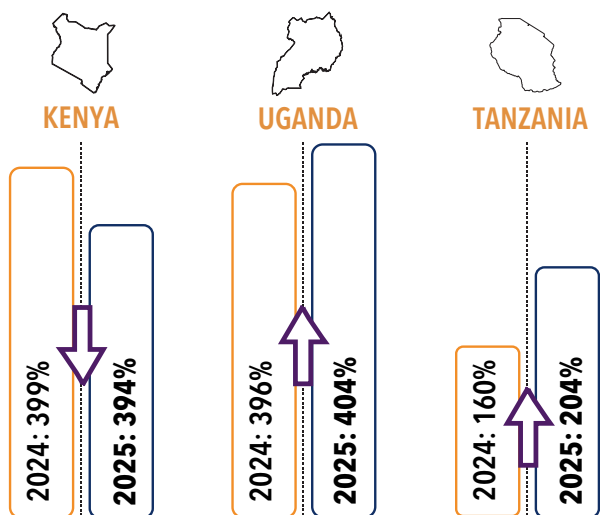


The Uganda business recorded a 26% and 29% growth on GWP and insurance service revenue respectively largely driven by organic growth. The business closed the year with a GWP of UGx. 61 billion (2024 - UGx. 48.5 billion). The classes with largest GWP growth were Motor combined (UGx. 5.5 billion), Medical (UGx. 3.8 billion), Theft (UGx.1.3 billion) and Workmen's compensation (UGx.1.7 billion).

The business reported an Insurance Service Loss of UGx. 0.74 billion (2024 - Insurance Service Result of UGx. 0.67 billion) and an investment return of UGx. 6.6 billion (2024 - UGx.4.5 billion). The business reported a Profit Before Tax of UGx.5.4 billion (2024- UGx.4.9 billion). The reported Profit Before Tax is on account of lower insurance service results offset by growth in investment income.

OUR SOLVENCY

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



DIVIDENDS AND SHAREHOLDER'S RETURN

The Company has a consistent track record of dividend payments to shareholders and has proposed a dividend payout of KShs. 600 million for the year ended 31 December 2025. The Board remains committed to delivering sustainable returns to shareholders while preserving a strong capital position, supported by continued focus on disciplined execution and initiatives aimed at improving business performance.

Implementation of IFRS S1 and IFRS S2 Standards

The Group has made significant progress toward the full implementation of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, ahead of their respective effective dates of 1 January 2027 for Kenyan entities and 1 January 2026 for Ugandan entities.

The Tanzania subsidiary has already adopted IFRS S1 and IFRS S2 and prepared financial statements in full compliance with the new disclosure requirements.

During the year, the Group completed comprehensive risk and opportunity assessments across all operating entities, identified and prioritized material sustainability-related topics, and established key performance indicators to support effective monitoring and reporting under the new framework.

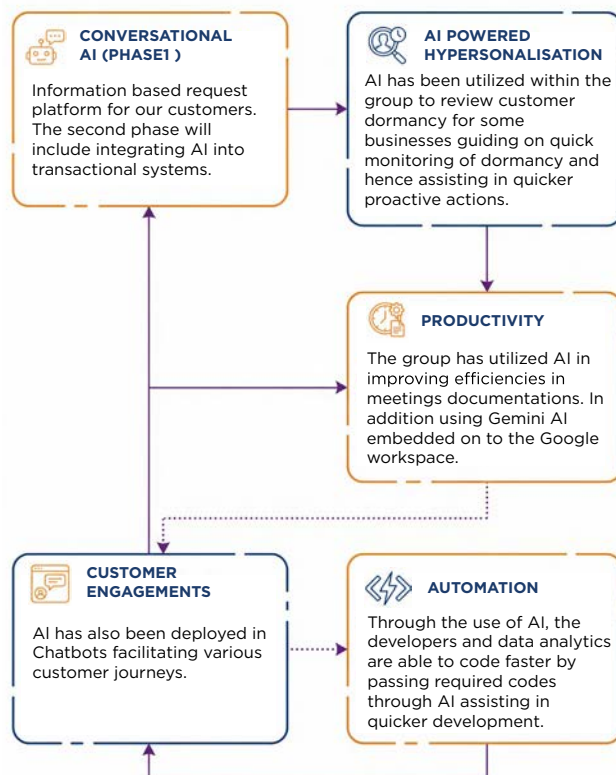
In addition, the Group's strategy has been refreshed to align with its sustainability agenda, ensuring that sustainability considerations are embedded within governance structures, risk management processes, and capital allocation decisions.

INSURANCE EMERGING TRENDS

The Group is continuously evolving and leading conversations in various emerging trends in the financial services industry. Some of the emerging trends includes artificial intelligence, Data optimisation, transition to cloud and cyber risk.

Artificial intelligence (AI) - The Group has embedded artificial intelligence in its operations through various applications most of which are aimed at increasing productivity and as part of the digital transformation.

AI INITIATIVES & IMPACT



Looking forward the Group will embark in further expanding the use of AI into various aspects including fraud detection among others.

Cloud transition - The Group has been on a cloud transition journey over the last few years that has been guided by an already developed cloud transition strategy. The Group has transitioned close to 90% of the applications that were eligible for transition to cloud. This transition has been beneficial to the Group by assisting in management of security and upgrades of various applications. In addition, the Group runs a number of applications on cloud As A Service that has enabled it to only incur costs when the service is required and not as outright purchases.

Cyber risk and Cyber security - This has also been a topical area within the Group. A cyber risk strategy has been developed and the Group continues to enhance its cyber security and benchmarking against industry practice.

Transforming data into a strategic asset - The Group has successfully moved beyond basic reporting. We are now at data analytics maturity level 2, where data is reliable, governed, and actively used to drive management discussions. We have shifted the needle from "looking at the rearview mirror" to understanding our current position with clarity. Our data analytics strategy is built on four core pillars: developing scalable data products that embed insights into everyday decision-making; strengthening data quality and governance to ensure accuracy, compliance, and trust; promoting data democracy by enabling secure, self-service access to trusted information across the organisation; and advancing data literacy to build a future-ready workforce capable of using data and AI responsibly to drive innovation, customer value, and sustainable growth.

The ROI: Value delivered to date



Moving to data maturity level 3 (Foresight)

Our next frontier is commercially leveraging AI. We are moving from explaining what happened to anticipating what is coming and thereafter automating decision making. This is about being proactive rather than reactive.

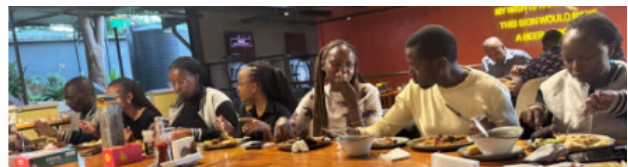
Key strategic focus areas:



FINANCE TEAM BUILDING ENGAGEMENT

At ICEA LION Group, our people remain central to our success. In 2025, the ICEA LION General finance team participated in several staff engagement initiatives, including a dinner and games evening at Bao Box, Westlands, and a memorable movie night featuring the movie "Coach Carter", which offered valuable lessons in leadership, teamwork, and resilience. These events reflect the Company's and Group's ongoing commitment to fostering a culture of collaboration and engagement, reinforcing that our people are at the heart of who we are.

Dinner and Fun Night at Bao Box



Movie night



LOOKING AHEAD

2025 marked the first year of implementing our 2025-2027 business strategy, during which we delivered key foundational strategic initiatives. Central to our 2025 - 2026 strategy is the ongoing rollout of a new finance management system, which will enhance operational efficiency, strengthen financial reporting, and provide data-driven insights to support decision-making. These strategic goals position the business for sustainable growth, improved profitability, and continued value creation for shareholders.

FiRe Award.

SPONSORED CONTENT

Beyond compliance: Building trust through transparent financial reporting



ICEA LION General Insurance Finance team, receiving their FiRe awards: Winner-IFRS Compliance and Winner-Insurance Category.



Zipporah Chege

In today's complex and highly scrutinized financial environment, transparent and accountable reporting has never been more important. The recent recognition of ICEA LION General Insurance Company Limited at the 2025 Financial Reporting (FiRe) Awards is more than an accolade. It is a reaffirmation of a heritage built

on good corporate governance. We stood out in two categories, emerging as Winner-IFRS Compliance, and Winner-Insurance Category. Over the years, ICEA LION General Insurance has navigated the East African economic landscape with a singular mission: To protect and create wealth. Winning these awards validates a core belief that compliance with the International Financial Reporting Standards (IFRS) is not merely a regulatory requirement, but a leadership commitment. It signals to our customers and partners that the trust they place in us is backed by a rigorous adherence to global best practices.

This year's theme, "Fostering Compliance to Enhance Transparency, Comparability, and Accountability", speaks directly to the role financial reporting plays in sustaining trust. Our stakeholders increasingly rely on clear, consistent information to make informed decisions. In an era where we are championing Sustainability and Environmental, Social, and Governance (ESG) principles, transparency is no longer optional. It is the foundation of confidence.

IFRS provide the common language that enables performance comparability across markets. These standards strengthen governance, improve risk management, and support better long-term decision-making. In the insurance sector, where long-term obligations and risk structures are complex, disciplined reporting is essential to sustaining credibility.



Winner-Insurance Category
Winner-IFRS Compliance.

Ultimately, strong financial reporting is about stewardship and embracing these global standards affirms this position to our stakeholders. Our financial reporting excellence is a testament to our Legacy of Trust."

GROUP & COMPANY FIVE YEAR FINANCIAL HIGHLIGHTS

GROUP

Summary Statement of Profit or Loss and Other Comprehensive Income

Aspect	2025	2024	2023	2022	2021
Insurance revenue KShs billions	12.6	11.7	10.8	7.9	7.2
Insurance service expenses KShs Billions	(9.0)	(7.8)	(7.8)	(7.2)	(4.1)
Insurance service results KShs Millions	(179)	(381)	426	(135)	329
Profit Before Tax KShs Billions	1.46	1.70	1.65	0.95	1.78

Summary Statement of Financial Position

Aspect	2025	2024	2023	2022	2021
Shareholder's funds KShs billions	9.9	9.1	8.1	7.1	6.7
Total Assets KShs billions	22.5	20.8	19.9	16.4	14.6
Total Liabilities KShs billions	12.5	11.7	11.8	9.3	7.9
Investment assets KShs billions	15.7	13.8	13.3	11.4	11.1

Key Ratios (%)

Aspect	2025	2024	2023	2022	2021
Loss Ratio	51%	43%	46%	60%	26%
Expense Ratio	22%	21%	21%	21%	20%
Return on investment	14%	10%	9%	9%	10%
Return on Equity	12%	15%	15%	9%	19%

COMPANY

Summary Statement of Profit or Loss and Other Comprehensive Income

Aspect	2025	2024	2023	2022	2021
Insurance revenue KShs billions	8.9	8.8	8.3	7.0	6.4
Insurance service expenses KShs Billions	(6.2)	(5.6)	(5.7)	(6.6)	(3.6)
Insurance service results KShs Millions	(195)	324	456	(121)	358
Profit Before Tax KShs Billions	1.11	1.404	1.409	0.880	1.763

Summary Statement of Financial Position

Aspect	2025	2024	2023	2022	2021
Shareholder's funds KShs billions	8.9	8.3	7.4	6.8	6.5
Total Assets KShs billions	17.9	16.9	15.9	15.1	13.5
Total Liabilities KShs billions	8.9	8.5	8.5	8.3	7.0
Investment assets KShs billions	12.9	11.41	10.73	10.67	10.48

Key Ratios (%)

Aspect	2025	2024	2023	2022	2021
Loss Ratio	55%	45%	45%	63%	26%
Expense Ratio	22%	21%	20%	20%	20%
Return on investment	13%	10%	9%	9%	10%
Return on Equity	10%	13%	13%	9%	20%



HOW WE CREATE VALUE

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OPERATING CONTEXT

SUB SAHARAN AFRICA

Sub-Saharan Africa demonstrated notable economic resilience in 2025, recording estimated GDP growth of 4.0% according to the World Bank's Global Economic Prospects (GEP) 2026 report, up from 3.7% in 2024. The IMF's January 2026 World Economic Outlook update places growth slightly higher at 4.4%.

This outcome represents an improvement on earlier 2025 projections, which had estimated growth at 3.8% (World Bank, October 2025) and 4.1% (IMF). The stronger-than-expected performance was achieved against the backdrop of continued global macroeconomic uncertainty.

Growth was underpinned by moderating inflation, improved financial conditions, and stronger commodity prices, particularly gold and coffee, which supported fiscal revenues and exports. Sectoral gains in services, agriculture, and energy across key economies, alongside structural reforms, resilient consumption, solid domestic investment, and export diversification further supported the growth.

KENYA

Kenya's economy remained resilient in 2025, with real GDP growth averaging 5.2%, up from 4.6% in 2024, supported by a rebound in key sectors despite ongoing fiscal pressures. Inflation moderated to an average of 4.08%, reflecting lower food and commodity prices, stable energy costs, and effective monetary policy. In response the CBK eased policy rates, improving credit conditions while keeping inflation within target.

Fiscal pressures persisted with the deficit widening to 5.9% of GDP in FY2024/25, above the 4.3% target, driven by revenue underperformance and rigid expenditures. Meanwhile T-bill yields declined sharply amid monetary easing, shilling stability, and improved liquidity, averaging 7.73% (91-day), 7.8% (182-day), and 9.21% (364-day), lowering government borrowing costs despite continued oversubscription.

Financial markets performed strongly, with the NSE 25 Index gaining 50%, one of its strongest rallies in over a decade, supported by easing interest rates, currency stability, and improved investor sentiment. The shilling remained stable, averaging KShs. 129 per USD underpinned by strong reserves, remittances, tourism inflows, and CBK interventions.

TANZANIA

Tanzania recorded strong economic performance in 2025, with real GDP growth estimated at 5.9% up from 5.5% in 2024 placing it among East Africa's top performers. Growth was driven by an agricultural rebound, manufacturing expansion, tourism recovery, infrastructure investment, and strong exports, particularly gold and agricultural products.

Inflation remained low and stable averaging 3.3%, within the Bank of Tanzania's 3% - 5% target supported by prudent monetary policy, stable food and energy prices and exchange rate strength.

Fiscal indicators remained contained with the deficit at 3% of GDP and public debt stabilizing at 47% - 49% of GDP, reflecting improved revenue mobilization and expenditure discipline.

UGANDA

According to IMF, Uganda recorded strong economic performance in 2025 with the Real GDP growth at 6.3 % in FY2024/25 and the current account deficit narrowed to an estimated 6.1 % of GDP largely supported by robust coffee export earnings.

Inflation remained contained at 3.10% below the Bank of Uganda's 5% target allowing the BoU to maintain the CBR at 9.75%. Fiscal pressures increased with the deficit widening to 6% of GDP and public debt rising to 52.4% of GDP remaining sustainable but with elevated debt-servicing costs.

The Ugandan shilling strengthened against the US dollar supported by export earnings, remittances, capital inflows, and prudent monetary policy. Financial markets performed strongly with the Uganda Securities Exchange posting solid gains, underpinned by currency stability, low inflation, and improved investor confidence in key banking and telecom counters.

Structural challenges persist including a low tax-to-GDP ratio and the need for deeper reforms to support job creation and resilience.

FORECAST

Global growth in 2026 is projected to remain steady but moderate, supported by easing inflation, technology investment (notably AI), and ongoing policy support, despite headwinds from trade tensions, geopolitical risks, and policy uncertainty. The IMF forecasts global GDP growth of 3.3% unchanged from 2025 with advanced economies at 1.8% and emerging and developing economies at 4.2% alongside a decline in headline inflation to 3.8%. In contrast, the World Bank projects slower global growth of 2.6% in 2026 rising to 2.7% in 2027 with developing economies moderating to 4.0% and low-income countries growing by 5.7%. Consensus forecasts cluster around 2.7-3.3% reflecting resilience but growth below pre-pandemic averages, with downside risks from potential trade escalation, financial volatility, and fiscal pressures, partially offset by private-sector adaptability and technology-driven investment.

Kenya's economy is projected to sustain steady growth, supported by ongoing reforms, with real GDP expanding 4.9% - 5.5%, broadly in line with 2025's 4.9% - 5.0%, though remaining below potential due to fiscal constraints and external risks. Growth is driven by agriculture, services, and private-sector activity, positioning Kenya as a relatively resilient performer in East Africa; per capita income gains are expected to remain modest at 2% due to population growth.

Uganda's medium-term outlook remains positive, with growth projected at 6.4% - 7.5% in 2026, accelerating further with the expected start of oil production in 2026/2027 assuming continued reforms and macroeconomic stability. Policy priorities include fiscal consolidation, domestic revenue mobilisation, and resilience to external shocks to support inclusive and sustainable growth.

Tanzania's growth outlook for 2026 remains strong, with GDP projected at 6.3% – 6.5% underpinned by ongoing reforms, investment and macroeconomic stability. Policy focus remains on fiscal consolidation, export diversification, and resilience-building to sustain inclusive growth.

KENYA KEY ECONOMIC STATISTICS

Description	2026 (Outlook)	2025	2024	2023
Gross Domestic Product (GDP) USD Billions	140.87	136.1	116.32	119.66
91 Day Treasury Bill Rate	** 6.50% - 7.50%	7.73%	9.89%	15.98%
182 Day Treasury Bill Rate	7.80% - 8.25%	7.80%	10.02%	15.97%
364 Day Treasury Bill Rate	8.50% - 9.00%	9.21%	11.41%	16.10%
10 Year Treasury Bond Rate	12.00% - 12.50%	12.60%	13.60%	15.70%
15 Year Treasury Bond Rate	13.20% - 13.50%	12.87%	13.72%	15.73%
20 Year Treasury Bond Rate	13.50% - 14.50%	13.48%	14.78%	15.90%
GDP Growth Rate	5.5%	5.2%	4.6%	5.5%
GDP per Capita (US\$)	2,600.00	2,550.00	2,218.03	2,187.65
Average Headline Inflation	4.6% - 6.0%	4.08%	4.53%	7.69%
USD/KES Exchange Rate	129.75 - 132.00	129.01	129.29	156.46

TANZANIA KEY ECONOMIC STATISTICS

Description	2026 (Outlook)	2025	2024	2023
Gross Domestic Product (GDP) USD Billions	93.3	86.3	79.5	76.8
91 Day Treasury Bill Rate	5.00%*	6.08%	5.94%	9.10%
182 Day Treasury Bill Rate	5.50%	5.92%	8.30%	9.40%
364 Day Treasury Bill Rate	6.0%	6.45%	12.95%	11.03%
10 Year Treasury Bond Rate	10.70%	12.45%	13.26%	11.85%
15 Year Treasury Bond Rate	10.33%	12.08%	15.76%	12.75%
20 Year Treasury Bond Rate	11.80%	13.55%	15.71%	13.51%
GDP Growth Rate	6.4%	5.9%	5.5%	4.8%
GDP per Capita (US\$)	1,369	1,266	1,211	1,177
Average Headline Inflation	4.0%	3.30%	4.00%	3.80%
USD/TZS Exchange Rate	2,500	2,447.46	2,535	2,506.03

UGANDA KEY ECONOMIC STATISTICS

Description	2026 (Outlook)	2025	2024	2023
Gross Domestic Product (GDP) USD Billions	73.14*	54.28*	53.9	46.8*
91 Day Treasury Bill Rate	8.00%	11.498%	10.00%	10.384%
182 Day Treasury Bill Rate	10.00%	13.500%	12.50%	12.362%
364 Day Treasury Bill Rate	12.00%	14.903%	13.50	12.802%
10 Year Treasury Bond Rate	14.00%	17.15%	16.00%	15.00%
15 Year Treasury Bond Rate	14.50%	17.75%	17.50%	16.00%
20 Year Treasury Bond Rate	15.50%	17.95%	18.00%	15.99%
GDP Growth Rate	7.5%	6.2%*	6.3%	5.3%
GDP per Capita (US\$)	1,423	1,250	1,077	1,056
Average Headline Inflation	4.5%*	3.10%	3.30%	2.60%
USD/UGX Exchange Rate	3,300*	3,619	3,670	3,695.00

* denotes outlook or estimate.

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

BUSINESS MODEL

Digitally Led | Customer-Centric | Sustainability-Driven

We enable retail, corporate and individual customers to manage risk confidently while creating shared value for People, Planet and Profit.

Our Execution Engines

Diversified Distribution

- Agency network 2025: 488 FA's 1,383 IA's
- Brokers (SME & Corporate) network 2025: 238 Brokers
- Bancassurance 2025: 34 Bancassurance partners across the general businesses
- Digital direct 2025: 3 Digital channels Strategic and embedded partnerships 2025: 5 Partnerships

This model expands reach, optimizes portfolio mix and enhances customer lifetime value.

Please refer to section 3 on customer experience and customer centric solutions.

At the Core: Customer experience & Sustainability

Customer experience and sustainability anchor every decision - from product design and underwriting to claims and investments.

- Design simple, relevant and inclusive insurance solutions.
- Embed ESG considerations into risk selection and capital allocation.
- Deliver transparent pricing and fair claims outcomes.
- Design simple, relevant and inclusive insurance solutions.

- Data-driven underwriting and pricing
- Automated policy administration
- Digital claims processing and tracking
- Fraud analytics and portfolio monitoring
- Real-time performance dashboards

Digitally Led Platform

Disciplined Risk & Capital Management

Strong reinsurance partnerships
 Diversified portfolio strategy
 Clear risk appetite framework
 Prudent investment management

Network Partnerships

Service providers (claims ecosystem) - These include the garages, loss adjustors, investigators and salvages storage yards. Garages enable us carry out vehicle repairs for our customers while loss adjustors and investigators adjust and investigate reported claims to establish the facts relating to the claim as well as establish the amounts that should be paid to the insured. Salvages storage yards enable the business to store vehicles involved in accidents that the customers did not wish to keep before the same are disposed of.

Reinsurers - Our reinsurers provide further security for the risks we onboard by protecting our balance sheet in relation to risks that are beyond our capacity.

Technology partners - The provision of services to our customers and stakeholders would not be possible without the help of appropriate technology. The service providers of our core and financial operating systems are the backbone of our success. In addition, our service excellence is supported by a diverse technology system that includes mobile App's, the website, API's (Application Programming Interface), portals among others. This also includes the provision of payment platforms by our bank partners on services like Host to Host as well as M-Pesa and Pesa Pal.

Financial institutions - These are the backbone of our balance sheet as they provide the vehicles for our investment assets which form over 70% of our balance sheet. These include banks including the Central Bank of Kenya, the Nairobi Securities Exchange (NSE), the Central Depository and Settlement Corporation (CDSC), our custodian and our fund manager.

Outcomes

Profitable and resilient growth

Capital Adequacy (%)

COUNTRY	2025	2024	2023	2022	2021
Kenya	394%	399%	353%	413%	316%
Uganda	404%	396%	334%	228%	259%
Tanzania	204%	160%			

Profit Before Tax (KShs Billions)

Entity	2025	2024	2023	2022	2021
Group	1.46	1.70	1.65	0.95	1.78
Company	1.11	1.40	1.40	0.88	1.76

Improved loss ratio and capital efficiency

Group Key Ratios (%)

Aspect	2025	2024	2023	2022	2021
Loss Ratio	51%	43%	46%	60%	26%
Return on investment	14%	10%	9%	9%	10%
Return on Equity	12%	15%	15%	9%	19%

Reduced climate and concentration risk

Enhanced customer retention and trust

Growth in No. of Customers

Aspect	2025	2024
Kenya	30,216	21,920
Uganda	7,404	6,302
Tanzania	20,112	17,919

Long-term sustainable shareholder value

Shareholder's funds (KShs billions)

Entity	2025	2024	2023	2022	2021
Group	9.9	9.1	8.1	7.1	6.7
Company	8.9	8.3	7.4	6.8	6.5

* Sustainability and customer experience are not support functions- they are embedded within how we distribute, underwrite, serve and invest (Please refer to page 53 on How we Create Value and linkages to SDGs and ESG principles).

SUSTAINABILITY AND FINANCIAL HIGHLIGHTS

HUMAN CAPITAL

METRIC	2025	2024	2023
ICEA LION General Group Employees ↗	339	325	312
Women in our workforce ↗	53%	51%	52%
Women in Senior Management ↘	37%	38%	42%
Employee engagement index ↗	94%	92%	93%
Employee engagement survey response rate ↗	97%	84%	93%
Staff Fatalities	1	NIL	NIL
Employees with disabilities	NIL	NIL	NIL
Diversity and Inclusion Index ↗	94%	89%	92%
Employees Net promoter score ↗	49	32	45
Culture and behaviors index ↗	95%	94%	94%

INTELLECTUAL CAPITAL

METRIC	2025	2024	2023
No of Customer Portals ↗	17	16	12
No of products distributed digitally	7	7	4
GROUP SOCIAL MEDIA INTERACTIONS			
Facebook ↗	85,946	71,600	69,745
Twitter ↗	13,710	13,200	12,225
LinkedIn ↗	49,686	39,286	30,836
Instagram ↗	15,137	11,100	8,447
YouTube ↗	2,660	2,230	1,840

SOCIAL & RELATIONSHIP CAPITAL

METRIC	2025	2024	2023	
No. of Customers	Kenya ↗	30,216	21,920	31,859
	Uganda ↗	7,404	6,302	6,044
	Tanzania ↗	20,112	17,919	19,001
No. of Agents	Kenya ↗	1,620	1,612	1,418
	Uganda ↗	104	95	88
	Tanzania ↗	166	151	136
No. of Brokers	Kenya ↘	123	188	164
	Uganda ↘	39	42	45
	Tanzania ↗	82	71	71

NATURAL CAPITAL

METRIC	2025	2024	2023
ESG index ↗	94%	87%	N/A
Water Consumption (KShs. millions) Group ↗	1,833	1,630	1,030
Waste Recycled (Kg) ↗	27,075	11,112	5,972

MANUFACTURED CAPITAL

METRIC	2025	2024	2023
No. of Investment Properties - Commercial - Kenya	2	2	2
No. of Investment Properties - Residential - Kenya ↗	2	1	1
No. of Branches - Kenya ↗	19	18	18
No. of Branches - Uganda ↘	8	9	9
No. of Branches - Tanzania	7	7	7

FINANCIAL CAPITAL

KShs Billions

METRIC	2025	2024	2023
Insurance Revenue (Group) ↗	12.6	11.7	10.8
Sum Insured (Group) ↗	3,994	3,770	3,441
Taxes Paid (Group)	1.3	1.3	1.1
Levies Paid (Company) ↗	0.09	0.08	0.06
Profit Before Tax ↘	1.46	1.7	1.65
Group Increase in cash and cash equivalents ↘	0.40	0.84	0.9

OUR BUSINESS GROWTH STRATEGY

The business is in a 3 year rolling strategic cycle 2025-2027. The guiding strategic theme for this period is Business Unusual Step Change Delivery.

- **Business Unusual** - in addition to building on the solid foundation that the Group has built over time, business environments will not be business as usual.
- **Step Change Delivery** - reflects the strong intentions to execute faster with a bigger impact OTIF (On time in full).

The General business Kenya strategy is well anchored within the ICEA LION Group strategy.

Specifically the General business strategic pillars are



Pillar 1 - Technology, digital & data

The key focus areas under this pillar are replacing core systems both the operations and financial software's and optimizing the usage of our Customer Relationship Management Platform. With respect to data, the business will focus on data utilization while continuously improving data completeness and accuracy. The business will prioritize the practical use of data in decision-making, while steadily enhancing data completeness and accuracy. This will enable a comprehensive, 360-degree understanding of our customers and strengthen our ability to generate actionable customer insights and risk intelligence. During the year 2025, the business rolled out motor customer journeys on both WhatsApp and the Agency App. In addition the Group launched the ICEA LION Self Service Mobile App which is a one stop shop where a customer is able to purchase various ICEA LION products and service offerings. The business will continue to grow the digital footprint and increase automation.

Please refer to the section on our customers on pages 57 with respect to our Customer Centric Solutions.

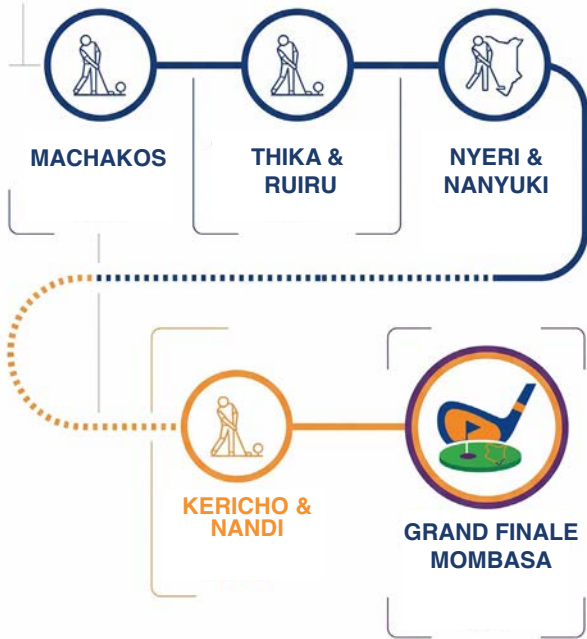
Pillar 2 - Route to Market

The business has continued to focus its strategy on route to market aimed at deepening market penetration on its selected customer segments. During the year 2025, the business carried out a study on market segments to further deepen our understanding of the market which would further guide our efforts on route to market. The business Gross Written Premium (GWP) dropped by 1% in comparison to 2024 production on account of loss of key accounts largely in one specialty class. The business will focus on further growth premised on higher retention ratios and focus on niche classes.

Pillar 3 - Customers and Intermediaries

This pillar focusses on customers solutions, intermediaries service and improved after sales and claims engagements. This pillar is premised on continuous improvement of customer experience through differentiated products and solutions. During the year the business rolled out a medical platform in partnership with M-Tiba still premised on underwriting medical on accommodation basis but offering a differentiated service. This platform was rolled out and business worth Kshs.138m in Gross Written Premium was underwritten during the year. The business continues to enhance our partnership building with our intermediaries underpinned by great experience from servicing our mutual customers. Key to this strategy is the ICEA LION King of the Course Series that culminated with the Final Leg at Nyalı Golf Course in Mombasa.

King of the Course Series



The King of the Course Series is a 9 leg series that runs between January and October and is aimed at building and cementing bonds with our customers. The Grand winner gets awarded the King of the Course Trophy and receives a fully sponsored trip to South Africa to compete in the Lekoa Classic Golf Tournament.

To further enhance our customers and intermediaries experience, the business continues implementing various facets of the digital transformation journey supported by Pillar One.

Walk of Life

During the year, the ICEA LION Group organized a signature event dubbed the Walk of Life at Karura forest. This event was aimed at further strengthening relationships with our customers and their family members of all ages; a true testament that indeed ICEA LION walks with our customers at every stage of their life.



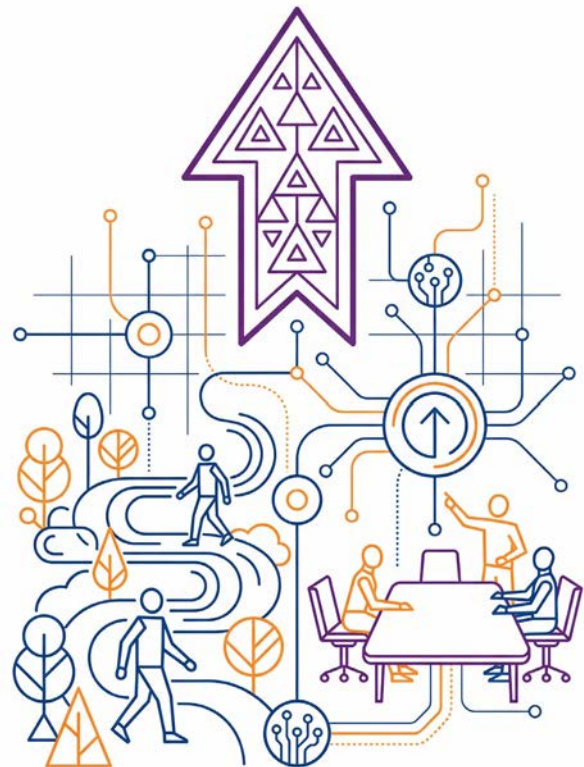
Pillar 4 - People & Culture

The business has continued to focus on attracting and retaining the right talent. At the center of this pillar is ensuring that the staff are engaged and that the right culture permeates throughout the organization. In the 2025 employee engagement survey, the Kenya general business scored a sustainable engagement score of 92% up from 89% reported in 2024. 98% of the general business staff participated in the survey further underscoring the high engagement levels that the business continues to sustain. To further sustain staff engagement various events are organized including team building events and celebration events throughout the year culminating in the staff Christmas Party. This years Christmas Party was themed "wild west".



Looking Ahead

The business is in the process of setting out its ambition over the next 10 years with a view to identifying the key building blocks for the next 10 years.



OUR STAKEHOLDERS

At ICEA LION, we highly value the meaningful and transparent relationships we cultivate with our diverse stakeholders. Our Stakeholder Mapping and Engagement strategy is central to aligning their expectations with the Group's objectives. This approach, guided by our Group Strategic Plan (2025-2027), allows us to be adaptive and responsive to the evolving industry landscape, reinforcing our relevance and connection to broader goals.

Recognizing the dynamic nature of stakeholder relationships, we are dedicated to developing tailored engagement strategies that address the unique needs of each Group. This proactive approach strengthens connections, builds trust, and contributes directly to the Group's sustainable growth. To maintain this commitment, we conduct annual reviews of our engagement strategies, ensuring they remain aligned with emerging priorities and our strategic planning framework.

Our stakeholders are considered invaluable collaborators essential to our success. Effective communication and engagement are the cornerstones of our shared journey, fostering trust, collaboration, and enduring partnerships. By continuously refining these strategies, our goal is to create long-term value, ensuring our actions positively impact all we serve while championing sustainability and innovation.

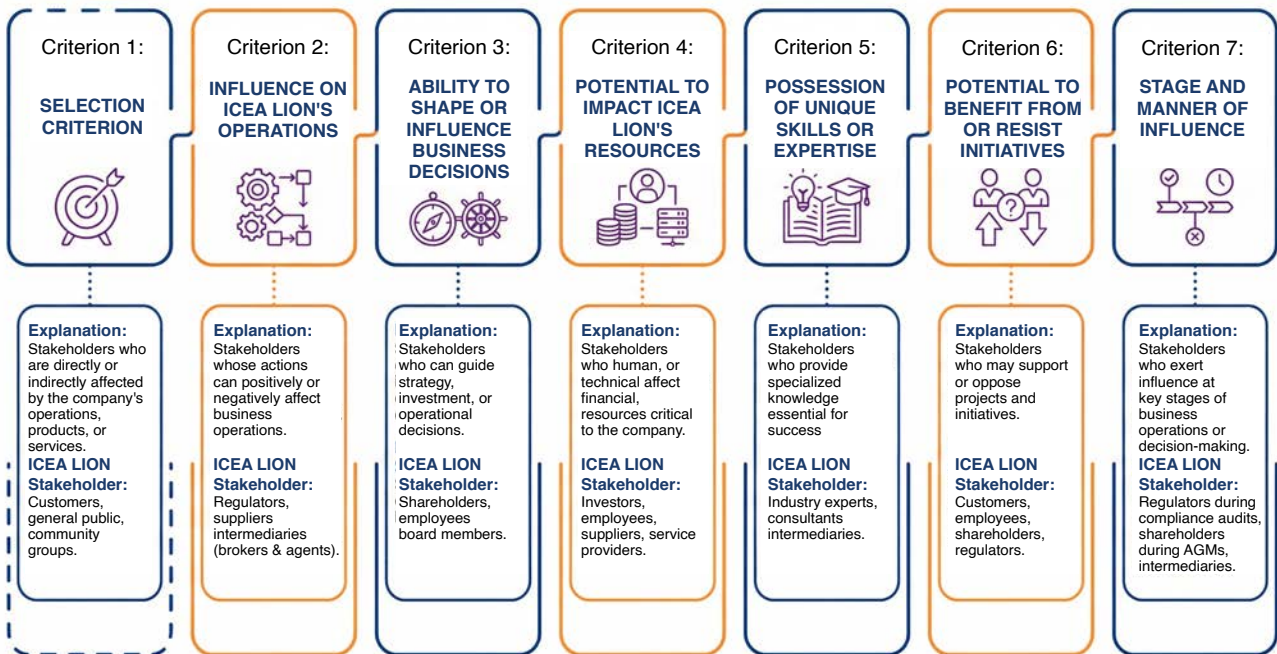
A Strategic Approach to Stakeholder Engagement

ICEA LION is committed to developing a robust stakeholder engagement framework, starting with an assessment of each Group's unique needs and expectations. Our detailed plans define each significant stakeholder's roles, interests, influence, interdependencies, and potential impact on strategic objectives. We remain agile in addressing emerging opportunities and challenges, continuously identifying new stakeholders and shifts in influence, and crafting strategies that reflect each Group's level of impact. Ultimately, our focus is on actionable strategies: managing interdependencies, aligning actions with expectations, fostering collaboration, and creating shared value for sustainable success.

Who Qualifies as an ICEA LION Stakeholder?

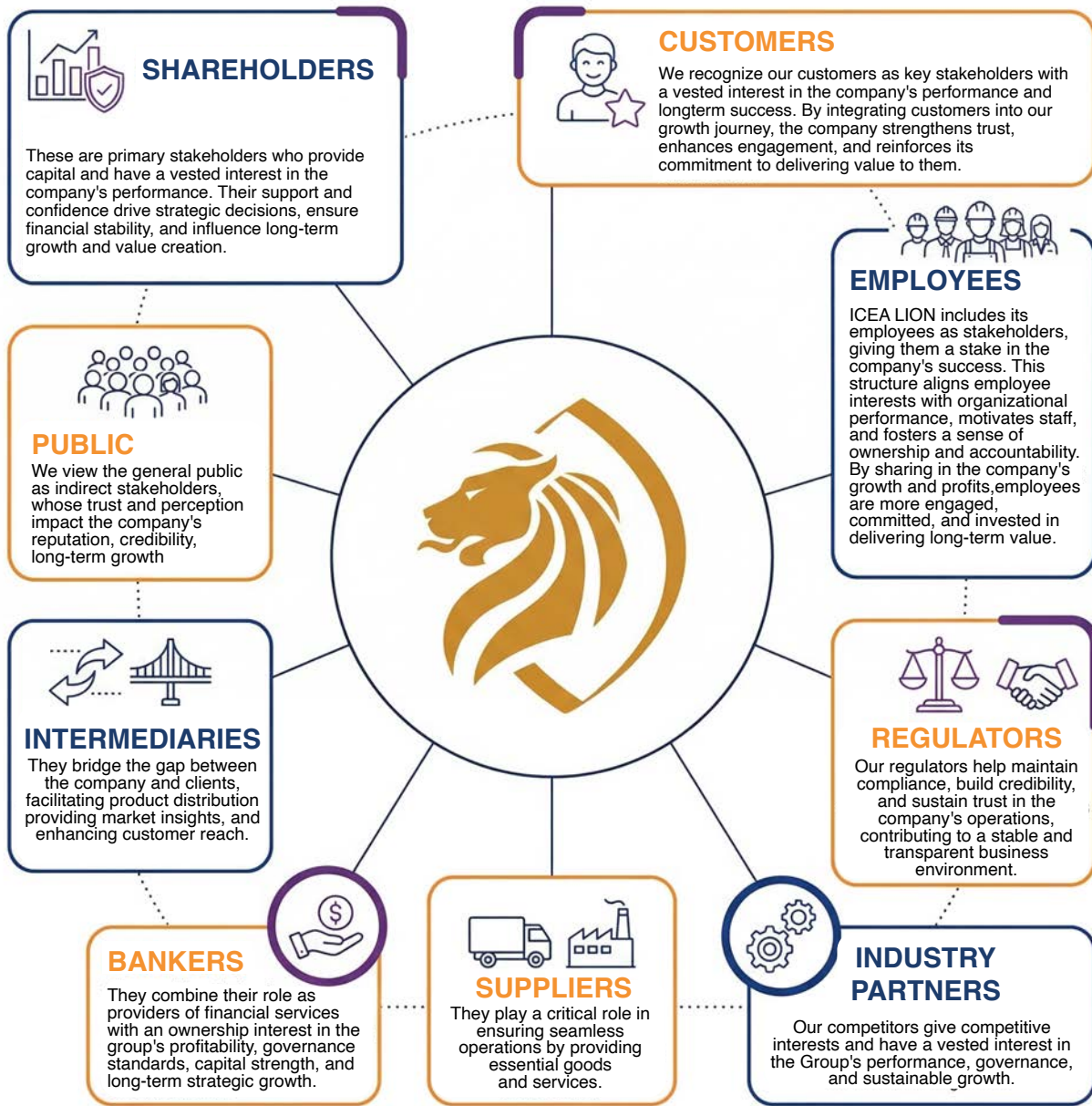
Below is the ICEA LION stakeholder selection criteria:

ICEA LION Stakeholder Selection Criteria



By applying these criteria, ICEA LION ensures that it engages with stakeholders who are most relevant to its business, fostering meaningful relationships, informed decision-making, and sustainable value creation.

Our Stakeholders



A Commitment to Stakeholder Collaboration

Driven by our mission, "To Protect and Create Wealth," ICEA LION is committed to meaningful stakeholder engagement across Kenya, Uganda, and Tanzania. We utilize a structured Stakeholder Management Plan to guide our communication, ensuring it is clear, inclusive, and effective. This systematic approach guarantees that every individual, Group, or organization that either influences or is influenced by our business activities is engaged appropriately.

Our core strategy focuses on proactive collaboration, transparency, and alignment. By consistently informing and empowering our stakeholders, we cultivate strong, innovative partnerships that create lasting value for all, thereby driving long-term success and sustainability for ICEA LION.

HOW WE ENGAGED DURING THE YEAR

SHAREHOLDERS

- ◉ We engage shareholders through transparent communication, regular updates on financial performance and strategic initiatives. The company provides annual reports and general meetings to share business results, growth plans and market insights.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Compliance with laws and regulations.
- Promotion of sustainable growth in shareholder value through effective strategies.
- Practice of responsible corporate governance.

OUR RESPONSE

- Comply with laws and regulations.
- Disclose all information at all engagements including internal and external audits.
- Provide effective and executive leadership.
- Practise sound corporate governance.
- Develop and deliver effective strategies that sustainably provide strong returns.
- Deliver on our promises and champion integrity.
- Embrace data protection best practice.

HOW WE ENGAGED DURING THE YEAR

CUSTOMERS

- ◉ ICEA LION actively engages clients during the onboarding process to ensure a smooth and personalized experience. This includes guiding customers through product features, policy terms, and service procedures, while addressing any questions or concerns.
- ◉ ICEA LION has expanded its branch network across the country to enhance accessibility, bringing its products and services closer to clients and improving overall customer convenience.
- ◉ The company conducts regular webinars to engage customers, gather feedback, and provide market updates. These sessions promote transparency, enhance communication, and keep clients informed on industry trends and product developments.
- ◉ We have integrated a live chat feature on our website to enhance customer engagement and service efficiency. The platform provides real-time responses to customer inquiries, enabling quick resolution of issues.
- ◉ ICEA LION hosts customer engagement events such as golf tournaments and dinners to foster networking, gather feedback, and appreciate clients for their loyalty.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Personalisation of services and products.
- Experience and satisfaction with products and services.
- Innovation of digital platforms and products.
- Accessibility of products and services.
- Provision of insurance solutions that provide capacity and protection to enable them manage their risks, realize their objectives and potential as well as safeguard their wealth.
- Access to key decision makers of the organisation.
- Transparency in our mutual interactions.
- Simple and understandable communication from the technical elements of our organisation.
- Good corporate citizenship.
- Data protection.
- Consumer education.
- Compliance with laws and regulations.

OUR RESPONSE

- Live up to our core values and see through the eyes of the Customer in all our interactions with them.
- Pursue a responsive, reliable and empathetic approach to interactions.
- Utilise feedback mechanisms such as surveys.
- Get intimate with our Customers by embracing relevant and impactful engagements, ranging from one-on-one interactions to technological platforms, so that they may understand their journey.
- Become insight-driven to ensure we deliver solutions that meet our client's diverse and dynamic needs. Issue real-time responses by embracing relevant technological platforms.
- Share up-to-date and real-time information on our policies.
- Disclose financial performance and other indicators on public platforms
- Deliver on our promises and champion integrity.
- Be transparent in all our interactions.
- Share simple and understandable communication from the technical elements of our organisation.
- Engage in order to enlighten our Customers on products and services.
- Embrace data protection best practice.

HOW WE ENGAGED DURING THE YEAR

EMPLOYEES

- ⦿ ICEA LION conducts regular staff surveys to gather feedback on work processes, management practices, and overall employee experience. These surveys provide a structured platform for employees to share their views on operational efficiency, leadership effectiveness, and workplace satisfaction. The insights collected help identify areas for improvement, inform strategic decisions, and foster a culture of transparency, inclusivity, and continuous improvement within the organization.
- ⦿ We conduct webinars for staff focused on mental health awareness and well-being. These sessions provide guidance on stress management, emotional resilience, and work-life balance, supporting a healthy and productive workforce.
- ⦿ The company organizes a Wellness Week for staff. The initiative features a range of activities focused on promoting physical health and mental well-being, including comprehensive health screenings. By addressing both physical and psychological wellness, the program supports early detection of health concerns, raises awareness on self-care practices, and fosters a healthier, more productive workforce.
- ⦿ We engage staff by celebrating occasions such as International Women’s Day and International Men’s Day, promoting inclusivity, appreciation, and a supportive workplace culture.
- ⦿ ICEA LION also conducts team-building sessions to strengthen collaboration, enhance communication, and foster teamwork among staff. These activities promote a positive work environment and improve overall organizational performance.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Timely remittance of salaries and obligatory commitments.
- Fair and transparent rewards.
- Safe and engaging environment in which to work.
- Personal and professional development.
- Job satisfaction and recognition.
- Compliance with laws and regulations.

OUR RESPONSE

- Live up to our core values and ensure that our people remain important to us.
- Inculcate the culture that delivers the right brand ambassadors who deliver on strategy.
- Provide career development through learning and development initiatives including e-learning platforms and support and reward of professional development initiatives.
- Assign coaches and mentors.
- Disseminate staff engagement surveys.
- Carry out regular job evaluation and salary benchmarking.
- Create wealth through competitive remuneration and recognition initiatives.
- Provide a robust organisational health and safety strategy.
- Disclose financial performance and other indicators on public platforms.

HOW WE ENGAGED DURING THE YEAR

INTERMEDIARIES

- ⦿ The company provides training workshops, market updates and performance reviews to ensure intermediaries are well equipped to serve clients better.
- ⦿ We offer incentive programs and recognition initiatives that motivate intermediaries to drive growth.
- ⦿ Innovation of digital support platforms to strengthen collaboration, address challenges and enhance service delivery.

CONCERNS AND LINKS TO MATERIAL MATTERS

- The company provides training workshops, market provision of Insurance solutions that increase capacity and protection to enable intermediaries to deliver solutions for their Clients to manage their risks, realise their objectives and potential as well as safeguard their wealth.
- Access to key decision makers of the organisation.
- Transparency in our mutual interactions.
- Simple and understandable communication from the technical elements of our organisation.
- Good corporate citizenship.
- Data protection.
- Consumer education.
- Compliance with laws and regulations.

OUR RESPONSE

- Pursue a responsive, reliable and empathetic approach to interactions.
- Utilise feedback mechanisms such as surveys. Get intimate with our Customers by embracing relevant and impactful engagements, ranging from one-on-one interactions to technological platforms, so that they may understand their journey.
- Become insight-driven to ensure we deliver solutions that meet our client’s diverse and dynamic needs.
- Issue real-time responses by embracing relevant technological platforms.
- Share up-to-date and real-time information on our policies.
- Disclose financial performance and other indicators on public platforms.
- Deliver on our promises and champion integrity.
- Be transparent in all our interactions.
- Share simple and understandable communication from the technical elements of our organisation.
- Engage in order to enlighten our Intermediaries on products and services.
- Embrace data protection best practice.

HOW WE ENGAGED DURING THE YEAR

REGULATORS

- ◉ We conducted workshop seminars with industry experts to stay updated on market trends and emerging economic risks.
- ◉ Regulator circulars.
- ◉ Meetings organized by regulators.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Compliance with laws and regulations.
- Contribution to economic wealth via tax, job creation and skills development.
- Contribution to development of the industry.

OUR RESPONSE

- Exposure to internal and external audits.
- Compliance with laws and regulations.
- Disclosure of financial performance and other indicators on public platforms.
- Participation in development of the industry.
- Meeting our obligations in a timely manner.
- Championing integrity.
- Embracing data protection best practice.

HOW WE ENGAGED DURING THE YEAR

SUPPLIERS

- ◉ By fostering strong, collaborative relationships with suppliers, the company ensures high-quality inputs, timely delivery, and operational efficiency. These partnerships not only support consistent service delivery but also contribute to innovation, cost-effectiveness, and the overall sustainability of ICEA LION's business operations.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Compliance with laws and regulations.
- Contribution to economic wealth via tax, job creation and skills development.
- Contribution to development of the industry.

OUR RESPONSE

- Exposure to internal and external audits.
- Compliance with laws and regulations.
- Disclosure of financial performance and other indicators on public platforms.
- Participation in development of the industry to improve.
- Meeting our obligations in a timely manner.
- Championing integrity.
- Embracing data protection best practice.

HOW WE ENGAGED DURING THE YEAR

PUBLIC

- ◉ Every quarter we publish our ILAM Consumer Spending Index, a research based report that provides insights into spending patterns, economic trends and market shifts. The index analyzes across key sectors, offering valuable data on purchasing power, inflationary pressures and changes in household expenditure. By making this information publicly available, the company promotes transparency, supports informed decision making among investors and businesses and contributes to broader economic discourse.
- ◉ We published the Retirement Preparedness Index, a tool that measures how prepared individuals are for retirement. By publishing this index, the company provides the public with actionable insights into savings, investment planning and long term financial security. The initiative encourages informed decision making, raises awareness about retirement readiness and empowers individuals to take proactive steps towards financial stability.
- ◉ We engage the public through our CSR initiatives that focus on addressing community needs and promoting social developments. These programs include support for education, environmental sustainability and economic empowered projects. Please refer to section on Corporate Social Responsibility.

CONCERNS AND LINKS TO MATERIAL MATTERS

- Solutions that meet their needs.
- Good corporate citizenship.
- Practice of sustainable business.
- Transparency in our mutual interactions.
- Simple and understandable communication from the technical elements of our organisation.
- Data protection.
- Consumer education.
- Compliance with laws and regulations.

OUR RESPONSE

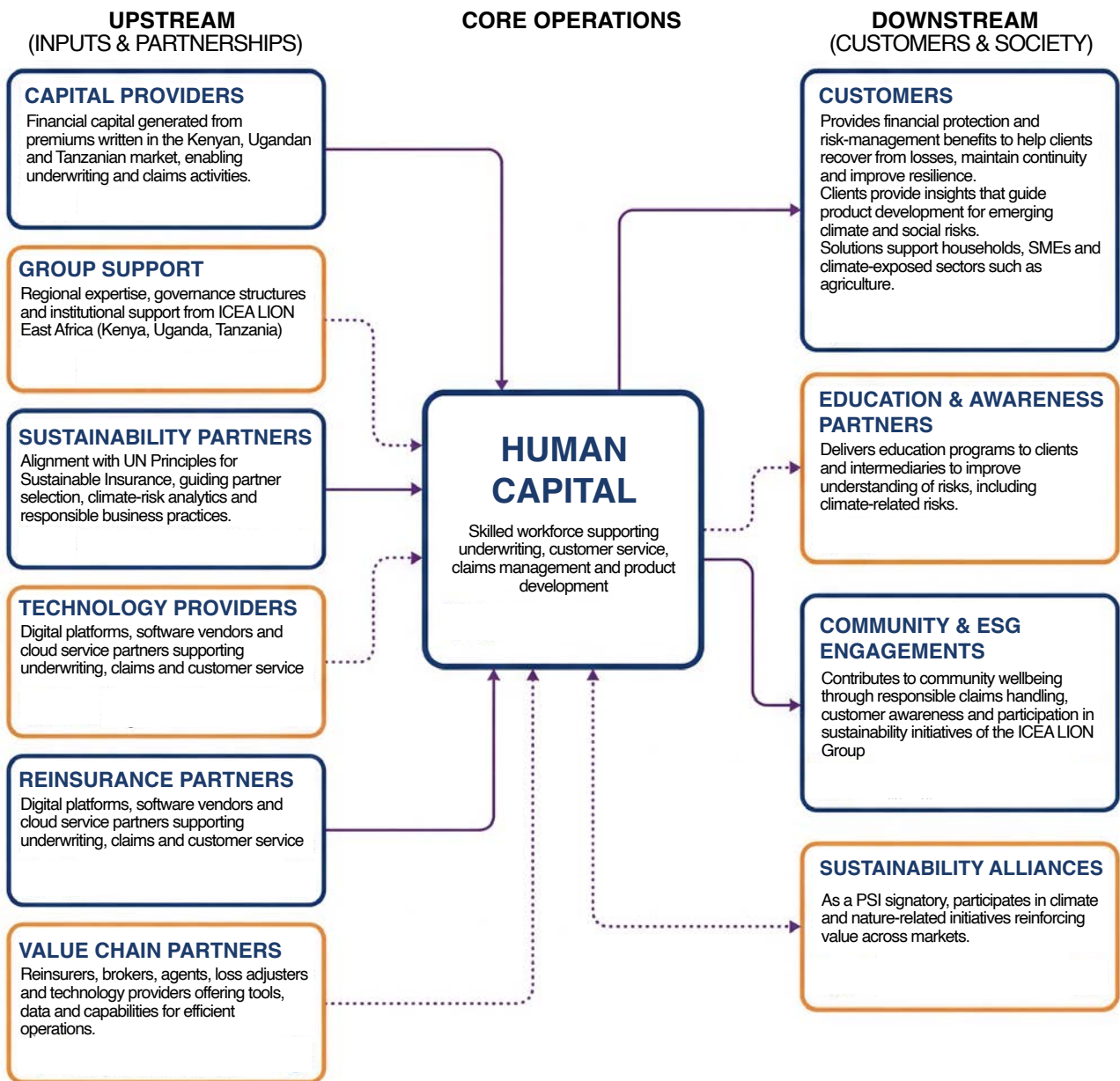
- Disclose financial performance and other indicators on public platforms.
- Be transparent in all our interactions.
- Share simple and understandable communication from the technical elements of our organisation.
- Engage regularly to enlighten the public on technical and industry related matters.
- Deliver on our promises and champion integrity.
- Engage in order to enlighten our Customers on products and services.
- Embrace data protection best practice.

OUR VALUE CHAIN AND PARTNERSHIPS

The value chain of ICEA LION General Insurance is anchored on strong, strategic partnerships supported by robust digital platforms that enhance collaboration and efficiency. By leveraging technology across brokers, bancassurance partners and agents, the company streamlines processes, improves service delivery, and drives sustainable growth across its portfolio.

The Group's value chain reflects how the company delivers insurance solutions that protect individuals, businesses and communities while managing the risks and opportunities present in the operating environment. It spans upstream input that enables the core activities that form our insurance operations, and the downstream impacts.

ICEA LION Group's Integrated Reporting: Value Creation Model



Partnerships

ICEA LION General's partnerships are a cornerstone of its business model, enabling the company to extend its reach, enhance service delivery, and create shared value. Some of our partnerships grouped into pillars are:

Pillar 2 - Route to Market

(i) MSI (Japanese) Partnership

In July 2018, Mitsui Sumitomo Insurance Co., Limited. (MSI), a subsidiary of MS&AD Insurance Group Holdings, Inc., entered into a strategic alliance with ICEA LION General Insurance Company Limited in Kenya.

This partnership was designed to strengthen MSI's network in East and South East Africa to serve Japanese businesses operating in the region. The business reported across the general businesses from MSI (Japanese) Partnership during the year was KShs. 390 million (2024-KShs. 273 million).

(ii) DRIVE (De-Risking Inclusion and Value Enhancement) - Index Based Livestock Insurance

This is a partnership under ICEA LION General Insurance that brings together a consortium of partners, including public organizations, banking institutions, insurers, a regional aggregator (Zep-Re) and Reinsurance companies.

ICEA LION joined the consortium as an insurance partner among other co-insurers. The initiative is to protect pastoralists against drought with a package of financial services including insurance that provides rapid payouts in severe droughts; savings to address moderate droughts; digital payment & savings accounts, and financial literacy.

The DRIVE initiative was activated in 2023 and has had tremendous socio-economic benefits to the pastoralist communities who would ordinarily not access financial and support services. From ICEA LION General, there is a total of approximately KShs.308million in premium received from the project.

(iii) Geothermal Well Output Insurance in Collaboration with FSD Africa | NDSI Partnership

ICEA LION Group in its capacity as the first member of the UNEP PSI (Principles for sustainable Insurance) in East and Central Africa co-developed and launched the Nairobi Declaration on Sustainable Insurance (NDSI). One of the key strategies in the sustainability journey was to increase the exploration of geothermal energy to mitigate the adverse effects of climate change through the burning of fossil fuels over the years. Among the insurance solutions identified was the geothermal well output insurance product developed through FSD Africa.

This product will allow investors, especially in the private sector, to mitigate the risks of the high cost of drilling unviable wells and low production, making geothermal exploration more attractive and easier to access investment.



CEO Roundtable on the Geothermal Underwriting Facility

This collaboration was a first of its kind in the region with various socioeconomic impacts. Including enhancing exploration of geothermal energy in the country. The positive social impact anticipated is the extension of power supply as the demand increases and job creation from the increased level of investment and projects.

Pillar 3 - Customers and Intermediaries

King of the Course

ICEA LION Group has been running an initiative dubbed "King of the Course" for the last ten years. The initiative is conducted in collaboration with Golf Sports Clubs countrywide to carry out golf tournaments with clients and other stakeholder Groups in the business. The initiative acts as a premier, year-long professional and amateur golfing circuit in Kenya that fosters community engagement, enhances competitiveness, and promotes the sport across various clubs. The events also provide opportunities for business networking and cultivating valuable relationships with stakeholders across various sector spheres. Each year, a calendar of the golf events is released covering 12 Golf clubs countrywide.



King of the Course Grand Finale at Nyali Golf and Country Club

FSD Africa (Partnership on ESG Initiatives)

ICEA LION Group is in partnership with FSD Africa on ESG focused initiatives under the umbrella of Nairobi Declaration on Sustainable Insurance (NDSI). ICEA LION Group are proud founding members of NDSI. Our Group CEO, Mr. Philip Lopokoiyit is the NDSI chairman. Through collaborative efforts, NDSI has run several summits aimed at stakeholder engagements in all sectors to drive sustainable goals. Some of the summits include Africa Sustainable Insurance Summit, UNEP FI Regional Roundtable and Africa Climate Summit.



Our Group CEO attending the Africa Climate Summit in Addis Ababa Hosted by FSD and AFDB

KASNEB Foundation Partnership for Financial Literacy Programs

ICEA LION Group and KASNEB Foundation are in partnership to drive a corporate social responsibility agenda dubbed "FutureSecure" with a vision of "Empowering Every Generation to Build, Plan, Protect, and Prosper." The intervention is to alleviate against Kenya's biggest social risk which is

financial fragility. Most Kenyans operate in a hand-to-mouth economy, where income is consumed as fast as it's earned. ICEA LION Group formulates financial literacy programs targeting KASNEB Foundation stakeholders in the education sector including Universities, tertiary institutions and schools. The Financial Literacy programs are co-created with KASNEB Foundation to empower the audiences with information that creates demand for products and services offered in ICEA LION Group.



ICEA LION and KASNEB Partnership breakfast

Lewa Conservancy Safari Marathon

ICEA LION sponsors the Lewa Safari Marathon whose purpose is to raise funds to protect wildlife, by funding conservation programs and paying rangers who safeguard animals from threats like poachers. Please refer to Section on Corporate Social Responsibility on pages 216.



We have been privileged to Sponsor the Lewa Marathon for over 10 years and were honoured to do so in the recent 25th Marathon Anniversary. As a Sustainability Partner our sponsorship has contributed to nurturing over Six tree nurseries that grow close to 6000 tree seedlings per year. It is always our joy to support the women led initiatives of the Cape-Kona women's group.

MATERIAL SUSTAINABILITY MATTERS

Process of identifying Sustainability, Impact, Risks and Opportunities

The identification of material topics was subjected to a double materiality lens and was ultimately mapped to four sustainability reporting standards namely:-



Overview

The Group has established a formal process to identify the sustainability-related risks and opportunities that could reasonably be expected to influence its short-, medium- and long-term outlook. This process is grounded in the Group’s operating context as a general insurer and reflects existing internal practices that already incorporate environmental and societal considerations into underwriting, claims management and strategic decision-making. The assessment is being carried out within a clear governance structure, guided by cross-functional input from management and subject to oversight from the Board Audit and Risk committee.

The methodology follows the two-step approach recommended by the International Sustainability Standards Board.

- a). The first step involves identifying sustainability-related risks and opportunities relevant to the business, drawing from existing risk management practices, strategic priorities and applicable regulatory expectations for the insurance sector.
- b). The second step focuses on determining which of these items require disclosure based on their potential to influence the decisions of users of the Group’s general-purpose financial reports.

Given the Group’s high exposure to climate-related hazards and the strong influence of climate risks on claims patterns, underwriting decisions and long-term business sustainability, climate emerged as one of the most material topic for this reporting period. Other identified material topics included people, customers, digital transformation, governance, socio-economic and Biodiversity.

Step 1: Identification of sustainability-related risks and opportunities

The Group’s primary approach to identifying risks and opportunities was through a detailed understanding of its operations and value chain (outlined in the section above). In this assessment, the Group evaluated whether its essential resource inputs, relationships, and interdependencies within the value chain were exposed to sustainability-related risks or could generate opportunities that might influence its capacity to produce cash flows.

In addition, the Group drew on a range of internal and external information sources to capture any further risks and opportunities. These included:

- Established risk management and due diligence processes within the Company.
- Educational materials published by the IFRS Foundation on IFRS S1 and IFRS S2.
- Disclosure topics from SASB standards relevant to the insurance sector.
- Sustainability-related risks and opportunities identified by peer organizations.
- Engagement with employees and governance personnel.

Only those sustainability-related risks and opportunities that could reasonably be expected to affect the Company’s cash flows, access to finance or cost of capital are disclosed in the Group’s integrated report. In making this assessment, the Company considered a combination of:

- The likelihood of the event occurring, and
- The magnitude of the impact on the Company’s financial prospects if the event did occur.

The disclosure of each sustainability-related risk reflects the situation before any prevention or mitigation actions are taken. This ensures that the reported risks represent the underlying exposures that could affect the Group’s prospects if left unmanaged.

The identification of sustainability-related risks and opportunities at the Group requires significant judgment (refer to how to read our report on page 9 for details on judgement) and is subject to oversight at the highest levels of governance.

Step 2: Identification of Material Information

After identifying sustainability-related risks and opportunities, the Group determined which information should be disclosed by assessing its materiality within the Group’s overall sustainability reporting.

The objective was to provide decision-useful disclosures to investors, lenders, regulators, and other primary users of financial reports, applying judgment in line with IFRS S1 and considering both qualitative and quantitative factors.

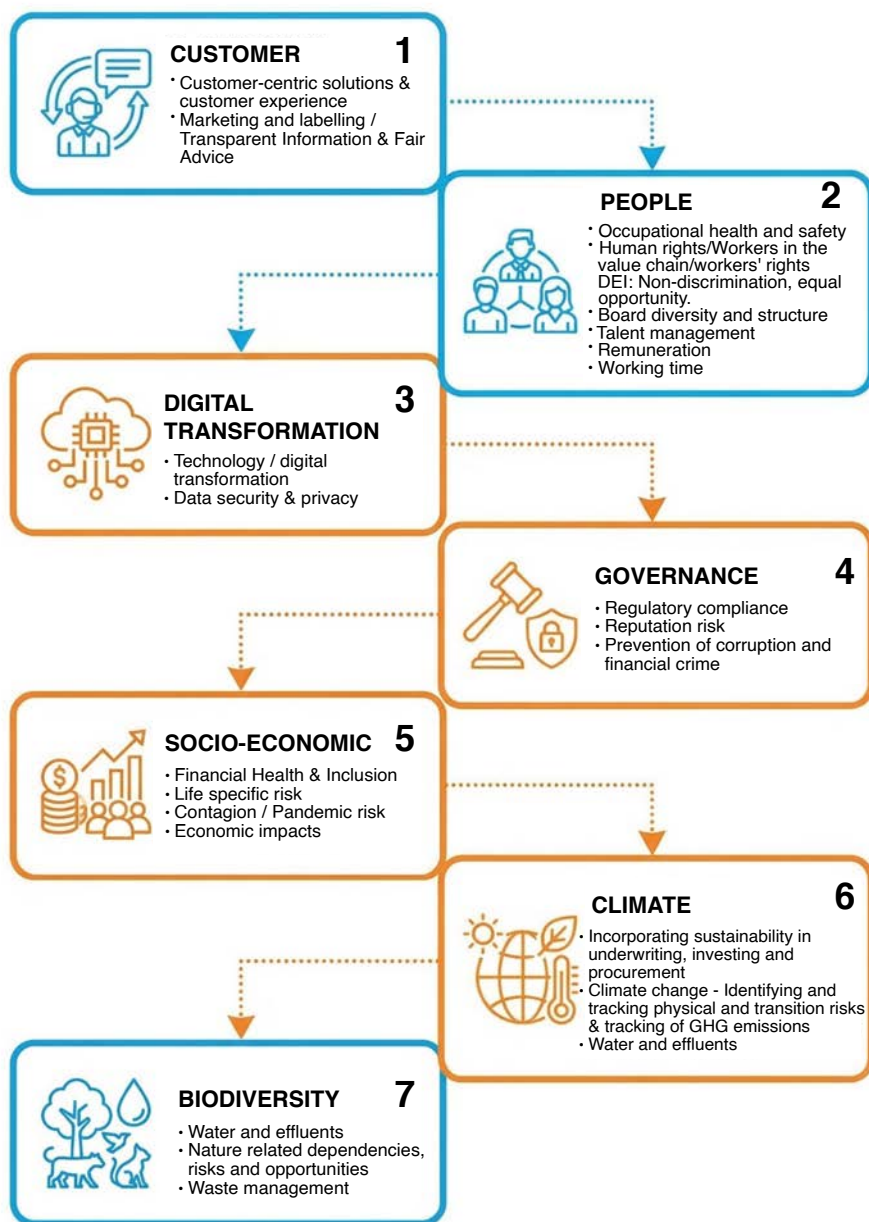
Information was considered material if its omission or misstatement could reasonably influence stakeholder decisions.

Judgments on materiality will be revisited at each reporting cycle to reflect evolving risks, stakeholder expectations, and improvements in data quality and measurement practices.

Outcome of the Process:

The table below outlines the sustainability-related matters identified through the materiality assessment.

MATERIAL TOPICS



The above material topics ranking against impact to stakeholders and Financial Impact to the Group was as shown in the diagram below.



Customers, People, Governance and Digital transformation ranked as the top four most material topics followed by Socioeconomic, Climate and Biodiversity in that order.

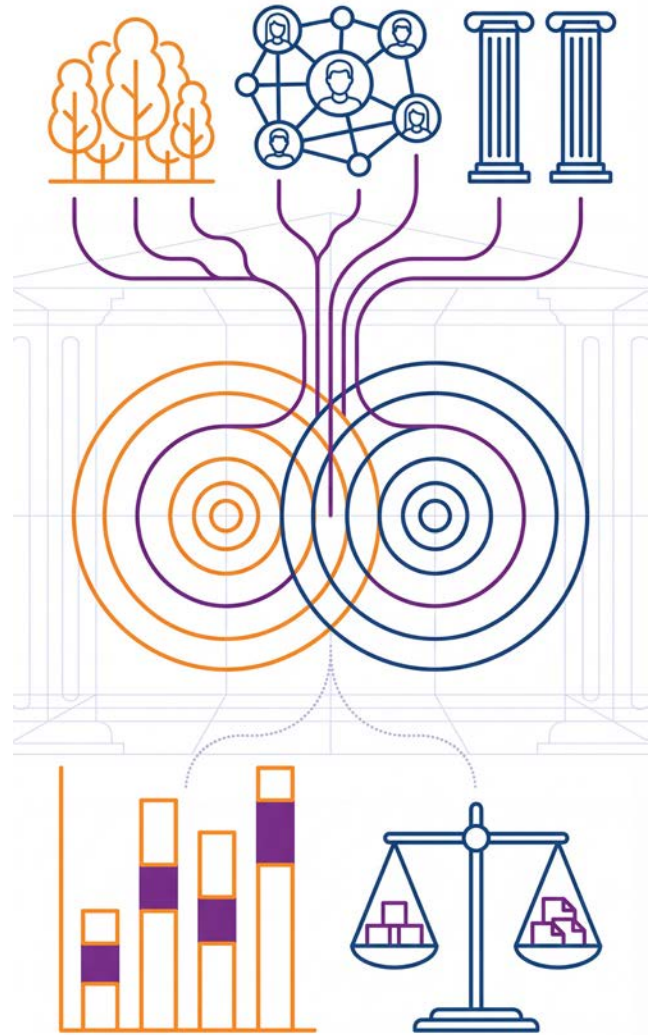
Interaction with Material Information in Financial Statements

For ICEA LION, sustainability reporting captures risks and opportunities that may not yet be reflected in the financial statements. Information may therefore be material for sustainability purposes even if not material for financial reporting. This is particularly relevant for forward-looking risks such as climate change impacts on investment and credit portfolios, evolving regulatory requirements, and environmental or social issues across the value chain.

These disclosures provide investors, regulators, and other stakeholders with both historical and prospective insights to support assessment of long-term resilience and strategic direction.

Board Audit and Risk Committee (BARC) review and Board Approval

Sustainability has been added as an agenda item for the Board Audit and Risk Committee (BARC). The identified material topics were presented to the BARC for their review and were approved by the Board.

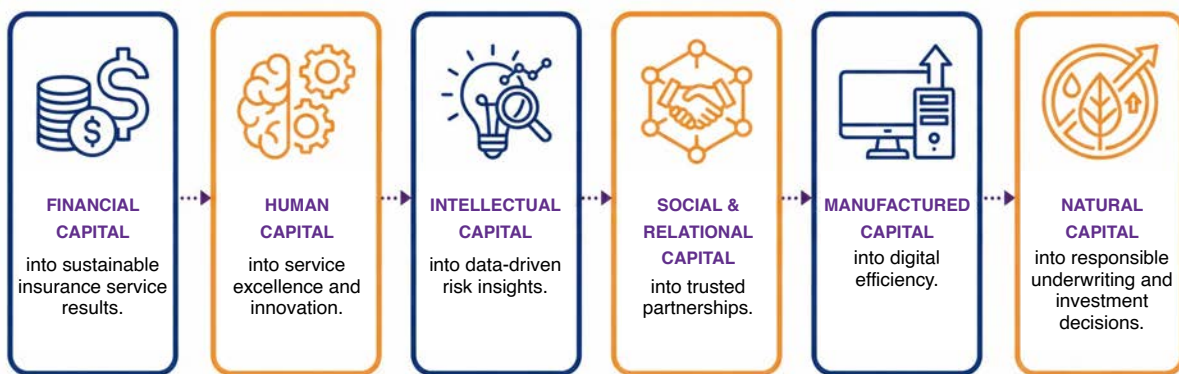


HOW WE CREATE VALUE AND LINKAGE TO SDGs AND OTHER ESG PRINCIPLES

Our Value Creation Model

ICEA LION Group applies the International Integrated Reporting Framework(IIRF) and its six-capitals approach to demonstrate how the Group creates, preserves and transforms value over time. This model links our business strategy, ESG priorities and risk management approach to tangible outcomes for policyholders, investors, communities and the environment. The Group is also in the process of implementing IFRS S1 and IFRS S2 standards together with GRI towards a double materiality approach.

The 2025 reporting year reflects a transition from the baseline established in 2024 to execution and scaling, supported by the Group Sustainability Strategy (2025-2027). The following sections outline how value was created across the six capitals in each of our identified material topics.










MATERIAL TOPIC NO.1	Customers		
MATERIAL MATTERS		<ul style="list-style-type: none"> • Customer-Centric Solutions & Customer Experience. • Marketing and labelling / Transparent Information & Fair Advice 	
ASSOCIATED RISKS AND OPPORTUNITIES	<p>⚠ RISKS</p> <ul style="list-style-type: none"> • Inconsistent customer experiences across different channels impacting trust, persistency and retention. • Increased customer churn due to unmet expectations or service inefficiencies. • Reputational or Regulatory risk from mis-selling or relationship management failures. 	<p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> • Improved customer loyalty and customer lifetime value through consistent and enhanced experiences. • Business growth triggered by inclusive product offerings that address diverse customer needs. • Cost efficiency and scalability through self-service, digital and automated customer journeys. 	
CAPITALS IMPACTED	NATURAL	SOCIAL & RELATIONSHIP	FINANCIAL
ASSOCIATED STRATEGIC GOALS	<ul style="list-style-type: none"> • Technology, digital and analytics 	<ul style="list-style-type: none"> • People and culture 	<ul style="list-style-type: none"> • Business delivery model - On Time, In full
GOVERNANCE LINE OF SIGHT	<ul style="list-style-type: none"> • Board Innovation and ICT Committee 		
SDGs	 		






MATERIAL TOPIC NO. 2	People
MATERIAL MATTERS	<ul style="list-style-type: none"> Occupational health and safety. Human rights/workers in the value chain/workers' rights. DEI: Non-discrimination, equal opportunity. Board diversity and structure. Talent management. Remuneration and working time.
ASSOCIATED RISKS AND OPPORTUNITIES	<p>⚠️ RISKS</p> <ul style="list-style-type: none"> Talent capability that is relevant future proof and market driven. Build a diverse talent at all job levels. <p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> Build various facets of an integrated talent management framework. Build a resilient leadership pipeline and safeguard institutional knowledge.
CAPITALS IMPACTED	<p>👤 HUMAN 👥 SOCIAL & RELATIONSHIP 💰 FINANCIAL</p>
ASSOCIATED STRATEGIC GOALS	<p>• Talented and engaged workforce • HR digital transformation platform • Board Diversity</p>
GOVERNANCE LINE OF SIGHT	<p>👥 • Board Nominations and Remuneration Committee.</p>
SDGs	<p>4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 10 REDUCED INEQUALITIES</p>

MATERIAL TOPIC NO.3	Digital Transformation
MATERIAL MATTERS	<ul style="list-style-type: none"> Technology / digital transformation. Data security & privacy.
ASSOCIATED RISKS AND OPPORTUNITIES	<p>⚠️ RISKS</p> <ul style="list-style-type: none"> Legacy core systems constraint. Talent gaps. Slow modernization pace. Integration complexity. Data breaches. Regulatory penalties. Customer distrust. Third-party risk. AI bias. Cyber threats. <p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> Embedded ESG products (EV motorbikes, EV cars) Hyper-personalized insurance. Digital self-service model. Micro digital insurance. Digital Ecosystem distribution. Telematics enabled insurance. Enhanced customer trust. Privacy as differentiator. Regulatory compliance advantage. Enables personalization. Foundation for Customer 360.
CAPITALS IMPACTED	<p>🧠 INTELLECTUAL 🏭 MANUFACTURED 💰 FINANCIAL 👤 HUMAN</p>
ASSOCIATED STRATEGIC GOALS	<p>• Digital partnerships - FinTechs, vehicle parts suppliers, Saccos, technology and device manufacturers.</p> <p>• Modern integration infrastructure.</p> <p>• Modern core platforms.</p> <p>• Scalable and secure data infrastructure.</p> <p>• Digital, AI and analytics talent.</p> <p>• AI Governance and policy framework.</p> <p>• Data governance and policy framework.</p>
GOVERNANCE LINE OF SIGHT	<p>👥 • Board Innovation, Growth and ICT • Board Audit and Risk Committee • Board Nomination and Remuneration Committee</p>
SDGs	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES</p>

MATERIAL TOPIC NO.4	Governance	
MATERIAL MATTERS	<ul style="list-style-type: none"> We have a robust governance framework. Board provides oversight of all management activities and ensures accountability. 	<ul style="list-style-type: none"> Control functions are in place to provide oversight. Regulatory oversight is also in place to ensure compliance.
ASSOCIATED RISKS AND OPPORTUNITIES	<ul style="list-style-type: none"> Strategic risks Operational risks 	
CAPITALS IMPACTED	MANUFACTURED FINANCIAL HUMAN INTELLECTUAL	
ASSOCIATED STRATEGIC GOALS	<ul style="list-style-type: none"> Effective performance management. 	<ul style="list-style-type: none"> Technology transformation.
GOVERNANCE LINE OF SIGHT	<ul style="list-style-type: none"> Board of Directors Board Audit and Risk Committee 	
SDGs		

MATERIAL TOPIC NO.5	Socioeconomic	
MATERIAL MATTERS	<ul style="list-style-type: none"> Financial Health & Inclusion. Life specific risk. 	<ul style="list-style-type: none"> Contagion / Pandemic risk. Economic impacts
ASSOCIATED RISKS AND OPPORTUNITIES	<p>⚠️ RISKS</p> <ul style="list-style-type: none"> Social inequality limiting insurance penetration and financial resilience. Pandemic and systemic health risks affecting mortality, morbidity and claims ratios. Economic volatility impacting investment performance and customer affordability. 	<p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> Expansion of inclusive insurance solutions (e.g. Index-Based Livestock Insurance - DRIVE) Medical Second Opinion services enhancing healthcare access. Scaling geothermal and renewable energy insurance facilities. Risk protection supporting financial stability Leadership in NDSI and PSI strengthening sustainable insurance market positioning. ESG linked pricing. Issuance of WIBA policies across the Group clients and sector.
CAPITALS IMPACTED	MANUFACTURED SOCIAL & RELATIONSHIP FINANCIAL	
ASSOCIATED STRATEGIC GOALS	<ul style="list-style-type: none"> Group ESG Strategy (2025-2027) UNEP FI Principles for Sustainable Insurance (PSI) alignment. Nairobi Declaration on Sustainable Insurance (NDSI) leadership. 	<ul style="list-style-type: none"> Partnerships through ANCA and PSI Nature Positive Working Group. Digital transformation (WhatsApp motor insurance & Agent App)
GOVERNANCE LINE OF SIGHT	<ul style="list-style-type: none"> Board of Directors 	
SDGs		

MATERIAL TOPIC NO.6	Climate		
MATERIAL MATTERS	<ul style="list-style-type: none"> Incorporating sustainability in underwriting, investing and procurement. 	<ul style="list-style-type: none"> Climate change - Identifying and tracking physical and transition risks & tracking of GHG emissions. 	<ul style="list-style-type: none"> Water and effluents.
ASSOCIATED RISKS AND OPPORTUNITIES	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>⚠️ RISKS</p> <ul style="list-style-type: none"> Carbon-intensive ("brown") investment exposure. Climate-induced livelihood shocks (e.g. drought affecting pastoralist communities). Physical climate risks (drought affecting livestock insurance portfolios). Transition risks from regulatory, market and disclosure shifts. Operational energy and fuel costs </div> <div style="width: 48%;"> <p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> Scaling ESG & climate investments (KES 705M Safaricom Green Bond vs KES 84M in 2024) Geothermal Well Output Insurance Digital motor insurance reducing paper use. ESG integration into underwriting (from 2026 priority sectors) ESG screening to investments. Procurement led tracking of resource consumption costs across water, electricity, fuel and paper. Enhanced climate risk disclosure readiness. </div> </div>		
CAPITALS IMPACTED	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>MANUFACTURED</p> </div> <div style="text-align: center;">  <p>SOCIAL & RELATIONSHIP</p> </div> <div style="text-align: center;">  <p>FINANCIAL</p> </div> </div>		
ASSOCIATED STRATEGIC GOALS	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%; background-color: #f4a460; padding: 5px;"> <ul style="list-style-type: none"> ESG & Climate Risk training (IFRS S1 & S2, TNFD, GRI) ESG screening of investments </div> <div style="width: 48%; background-color: #f4a460; padding: 5px;"> <ul style="list-style-type: none"> Climate & Nature Risk Integration Roadmap (2026 implementation) Procurement-led resource tracking (water, electricity, fuel, paper) </div> </div>		
GOVERNANCE LINE OF SIGHT	<ul style="list-style-type: none"> Board Audit & Risk Committee 		
SDGs	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>7 AFFORDABLE AND CLEAN ENERGY</p>  </div> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  </div> <div style="text-align: center;"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div style="text-align: center;"> <p>13 CLIMATE ACTION</p>  </div> </div>		

MATERIAL TOPIC NO.7	Biodiversity		
MATERIAL MATTERS	<ul style="list-style-type: none"> Water and effluents. 	<ul style="list-style-type: none"> Nature related dependencies, risks and opportunities. 	<ul style="list-style-type: none"> Waste management.
ASSOCIATED RISKS AND OPPORTUNITIES	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>⚠️ RISKS</p> <ul style="list-style-type: none"> Water consumption and operational environmental footprint. Nature-related risks in agriculture, tourism, health and telecommunications sectors. Supply chain ESG and biodiversity exposure risks. </div> <div style="width: 48%;"> <p>💡 OPPORTUNITIES</p> <ul style="list-style-type: none"> Investment in ESG-aligned investments such as the Safaricom Green Bond (KES 705 million) Mangrove restoration: 1,000 trees planted (commitment of 20,000 seedlings by 2026) 100% supplier ESG screening and baseline assessment. </div> </div>		
CAPITALS IMPACTED	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>MANUFACTURED</p> </div> <div style="text-align: center;">  <p>SOCIAL & RELATIONSHIP</p> </div> <div style="text-align: center;">  <p>FINANCIAL</p> </div> </div>		
ASSOCIATED STRATEGIC GOALS	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%; background-color: #f4a460; padding: 5px;"> <ul style="list-style-type: none"> TNFD readiness and Nature Positive Finance training. Nature & Climate Risk Integration Roadmap (2026 sectors identified) </div> <div style="width: 48%; background-color: #f4a460; padding: 5px;"> <ul style="list-style-type: none"> ESG investment screening. Procurement-led ESG supplier screening (100% prequalified suppliers) </div> </div>		
GOVERNANCE LINE OF SIGHT	<ul style="list-style-type: none"> Board Audit & Risk Committee. 		
SDGs	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>  </div> <div style="text-align: center;"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> </div>		

OUR CUSTOMERS

Customer Experience & Customer-Centric Solutions Report

Customer experience remains a critical pillar when it comes to ICEA LION Group's long-term value creation strategy. As customer expectations evolve, we continue to embed customer centricity as a core operating philosophy across all our subsidiaries. Our objective is to deliver consistent, seamless and high-quality customer experiences by designing solutions that are responsive to customer needs, reduce friction and strengthen long-term relationships. Our "One Customer, One Group" strategy ensures that customers experience ICEA LION as an integrated organization regardless of product line or service channel.

ICEA LION adopts a customer-led approach that places the customer at the center of decision-making, service design and operational execution. This approach is guided by one of our core values that, "We see through the eyes of the customer."

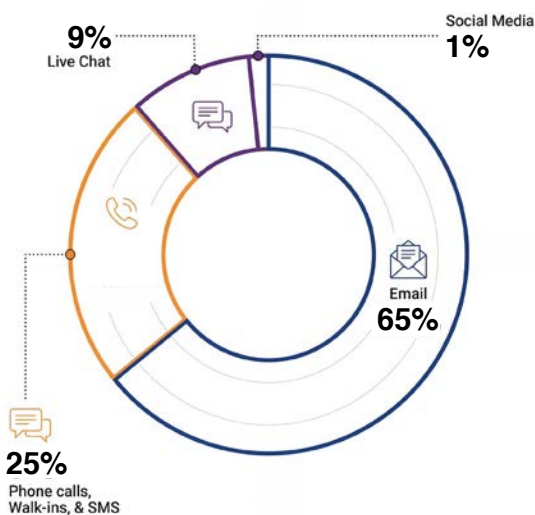
Customer Centric Solutions

In 2025, the Group continued to enhance customer-centric solutions through expansion of digital and assisted self-service platforms, the harmonisation of customer journeys across business units, and the streamlining of onboarding, servicing, and claims processes. We avail our services across multiple channels, all designed to provide seamless experience and accessibility regardless of the customer's choice.

Omnichannel Contact Centre

Our Contact Centre serves as our primary customer engagement channel for enquiries and client servicing, complementing our branch network. We focus on ensuring that all customer requests through calls, emails, SMS, Webchats and through our social media channels are managed on time.

In 2025 the spread of our customer engagements across different channels was as below.



Our service standards remained competitive and consistent as below:-

First time response for emails

7.96 Hours

Phone calls

83% picked within 20 Seconds

Chats

Responded within

12 Seconds

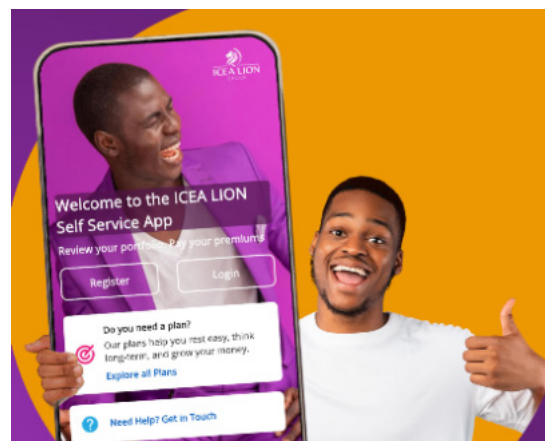
Social Media

First response within

11 minutes

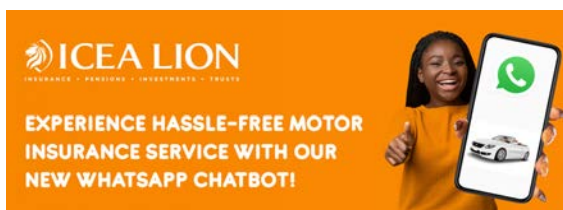
We continue to monitor our call handling efficiency and service quality in order to remain competitive and in line with customer expectations.

Client Mobile App and Agents App



In 2025, we introduced a client mobile app enabling customers to access policy information and make service requests on a mobile platform. We have progressively improved its usability, platform stability and access to key customer services. We have also enabled sales through an agent-assisted mobile app, making product purchases more convenient.

WhatsApp and webchat with AI features



Our WhatsApp platform is primarily utilized as a transactional digital channel enabling customers to access products and services. Our webchat allows customers to chat with us directly as they browse our website. Conversational AI intelligence was introduced in 2025 to enhance assistance, improve intent recognition, and enable seamless escalation to human agents where required. Adding AI features has made our service to our customers more seamless and improved the speed for accessing services. We also introduced an end-to-end purchase journey for motor on WhatsApp enabling rapid purchases as per the market demand.

Our enabling digital portals include:

i. Motor Insurance Portal (Motor Insurance)

This portal is dedicated to enable efficient policy issuance, renewals and real-time document access for motor insurance. It simplifies underwriting and policy management for partners and internal teams, ensuring faster turnaround times and improved customer experience. <https://icealion.co.ke/motor-insurance/buy>

ii. Travel Insurance Portal (Travel Insurance)

Our travel insurance portal simplifies travel insurance. Users and agents with urgent needs can quickly get a quote, purchase a policy, and instantly receive their travel certificate. <https://travel.icealion.com/>

iii. Domestic Package Portal (Domestic Package Insurance)

This platform facilitates the protection of residential properties and personal belongings by streamlining the management, processing, and renewal of home and household insurance policies. <https://domestic-package.icealion.com/>

iv. Marine Portal for Corporates (Marine Insurance)

The marine portal is tailored for corporate clients, catering to marine cargo insurance. It enables efficient processing of declarations, policy documentation, and cargo coverage management. This ensures smooth facilitation of trade and logistics operations for our clients. <https://corporatemarine.icealion.com>

v. Garages Portal (Motor Repair Claims)

Specifically developed for motor repair claims, this portal connects authorized garages to the claims process. It enhances transparency and speeds up claims assessment, repair approvals, and tracking—resulting in quicker vehicle turnaround times for customers. <https://mre.icealion.com/>

vi. Self-Service Portal for Individuals

This is a customer-centric platform that empowers individual policyholders to access policy details, request services and download documents conveniently and independently. <https://selfservice.icealion.com/>

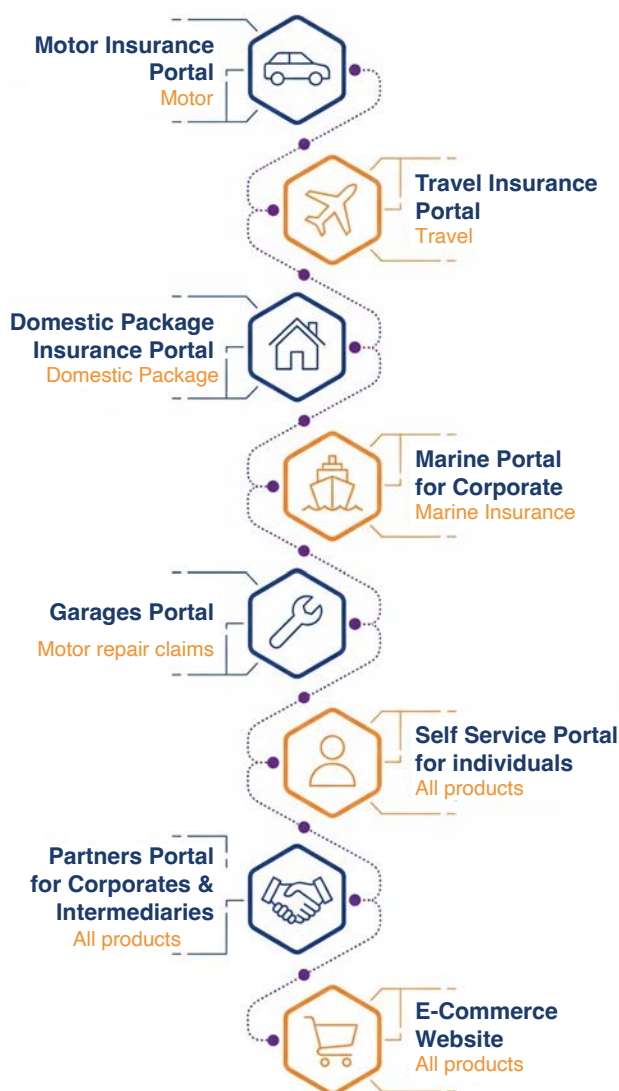
vii. E-commerce Website Portal

Our E-commerce Website is an integrated online platform that provides access to our full range of products. Customers can purchase policies, and make payments digitally, offering convenience and accessibility anytime, anywhere. <https://www.icealion.co.ke/>

viii. Partners Portal for Corporates & Intermediaries

This portal supports corporate clients and intermediaries by facilitating efficient management of motor insurance portfolios. It enhances reporting, policy administration, and collaboration between ICEA LION and its business partners. <https://partner.icealion.com/>

Through these product-specific portals, ICEA LION General Insurance continues to strengthen operational efficiency, improve service delivery, and provide innovative, technology-driven insurance solutions.



Customer Feedback

Over the reporting period, we also enhanced our feedback collection capabilities to ensure we gather and analyze the customer's input from different interaction points in order to identify any service gaps and inform continuous improvement. Customer experience performance is monitored using metrics such as Net Promoter Score, Customer Satisfaction Index among others. Our performance in both aspects compared to 2024 and budget is indicated below

	ACTUAL 2025	BUDGET 2025	ACTUAL 2024
NPS	51	45	35
CSI	85%	83%	79%

The feedback shows strong customer confidence in our service standards, with the trend pointing at an improving satisfaction level, in line with our continuous service improvements.

The Group remains committed to continuously evolving its customer experience capabilities to support long-term stakeholder value.

Fair and transparent advice

At ICEA LION, we provide advice and product guidance to customers through clearly defined advisory processes, supported by appropriate oversight and customer protection measures. The effectiveness of fair and transparent advice during 2025 was monitored through:



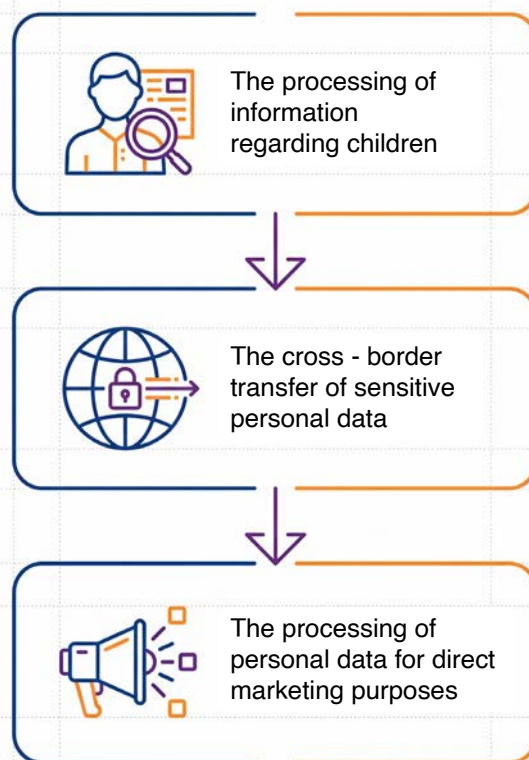
These mechanisms support the identification of potential risks to consumers and inform corrective actions where necessary. We have also provided the contacts of our regulators as an escalation option for clients in case they feel that their concerns are not addressed in a fair and transparent manner.

Building trust and data privacy

Trust is fundamental to ICEA LION Group's relationship with its customers and stakeholders. The Group recognises its responsibility to safeguard customer information and to use data ethically, transparently and in a manner that supports positive customer outcomes.

ICEA LION maintains controls and governance frameworks designed to protect personal and confidential data, ensure compliance with applicable data protection laws and manage cyber and information security risks. Ongoing investments in system controls, access management, monitoring, and staff awareness support the integrity, confidentiality, and availability of customer information, reinforcing stakeholder confidence in the Group's digital channels.

In 2025, we also laid the foundation for management of client consent for various data processing activities:



We will build on this foundation to manage consent on an ongoing basis going forward. After collection of personal data, a customer should have the ability to withdraw the consent where this has been given. This is to ensure that a customer has control over the processing of their personal and sensitive personal data.

SAFEGUARDING THE PROMISE: OUR COMMITMENT TO DATA PRIVACY

At ICEA LION, our mission to protect and create wealth is inextricably linked to our role as a trusted custodian of our customers’ information. In an era of rapid digital transformation, we recognize that data is the fuel for innovation, but privacy is the foundation of the relationship we share with our stakeholders. At the heart of our digital transformation lies a simple truth: trust is our most valuable currency.

As we continue to integrate advanced analytics and explore personalized experiences into our service model, we recognize that our right to innovate is contingent upon our commitment to protecting the privacy of those we serve.

Our Privacy Philosophy

Guided by our core value of Championing Integrity, our data privacy strategy goes beyond mere compliance. It is a proactive commitment to compliance with the requirements of the Kenya Data Protection Act (2019) and the Insurance Regulatory Authority (IRA) guidelines. We ensure that our digital evolution—from mobile apps to automated underwriting—remains human-centric and ethically sound.

We therefore view data privacy not as a regulatory hurdle, but as a foundational pillar of our corporate responsibility. Our approach is governed by three core principles:

TRANSPARENCY BY DESIGN



At ICEA LION, we ensure that data subjects are never surprised by how their information is managed. We have implemented a 'Transparency by Design' framework, providing clear, plain-language disclosures that empower individuals to make informed choices. To ensure every stakeholder is fully aware of their rights and in processing activities, we maintain tailored transparency touchpoints.



General Public

Our comprehensive Group Privacy Policy outlines our overall data practices.



Candidates

Prospective employees are provided with specific notices within our job postings.



Employees

A dedicated Employee Privacy Notice informs staff on personal data collected, why it is collected, data retention periods, processing purposes, and the exercise of their data protection rights.

PROACTIVE PROTECTION



We utilize industry-leading security protocols to safeguard information. Our 'defense-in-depth' strategy ensures that privacy is taken into account every product from the initial concept phase.

USER EMPOWERMENT



We are committed to giving our customers full visibility and control over their digital footprint, ensuring they remain the ultimate owners of their personal information.

Looking to 2026: The Digital Future

As we continue to embrace Endless Possibilities in the digital space, ICEA LION remains committed to leading the Kenyan insurance industry in ethical data usage. Our focus for the coming year is to deepen our investment in Zero-Trust architecture, continued user empowerment and continue training our workforce and business partners as the first line of defense in data protection.

“For ICEA LION, data privacy is not a checkbox; it is the modern expression of over -100years heritage of integrity.”

OUR SOCIAL AND ECONOMIC IMPACT

Customers

Our customers strengthen our financial resilience, enabling business continuity, promoting savings and investment culture and supporting broader economic development through the pooling and productive investment of premiums.

Impact to our customers - During the year the Group extended capacity to support our customers in conducting their businesses with confidence, safeguarding them against potential losses amounting to KSh.3.9 trillion (2024 - KSh. 3.8 trillion).In addition the Group continues to innovate products that contribute to positive social impact an example being Medical Second Opinion (MSO) and Medical Insurance. During the year,22 policies (2024 - 19 policies) were sold on MSO while 17,279 lives (2024 - 15,269) lives were insured for Medical.

Employees

ICEA LION provides employment opportunities across the East African region, supporting household incomes and contributing to local economic growth. The Group invests in skills development and career progression, strengthening professional capacity within the financial services sector. Through its commitment to diversity and inclusion, ICEA LION fosters innovation, workplace equity, and community empowerment.

Impact to employees - During the year,the Group supported 339 employees across the General businesses in Kenya, Uganda and Tanzania (2024 - 325 employees) The total staff costs and other benefits paid to employees amounted to KSh 1.49 billion (2024 - KSh 1.35 billion)

Shareholders

ICEA LION generates sustainable returns to shareholders while maintaining strong governance and prudent risk management.

Consistent financial performance strengthens investor confidence, supports capital market stability, and enables continued investment in communities, innovation and job creation. By balancing profitability with responsible business practices, ICEA LION creates long-term value for investors while contributing to broader economic resilience and growth.

Impact to shareholders - During the year, the Company declared a final dividend of KSh 600million (2024 - KSh 400million) In addition the Group return on equity was 12% (2024 - 15%).

Economy

The performance of the economy influences our customers ability to purchase insurance, the cost of claims, investment returns, regulatory conditions, and overall risk exposure, with economic growth driving premium expansion and stability while downturns increase financial pressure and operational risk.

Impact to the economy - During the year, the Group contributed in reduction of unemployment by hiring 22 (2024 - 23) new employees. In addition the Group paid KSh.1.3 billion (2024 - 1.3 Billion) taxes to the government across Kenya, Uganda and Tanzania.

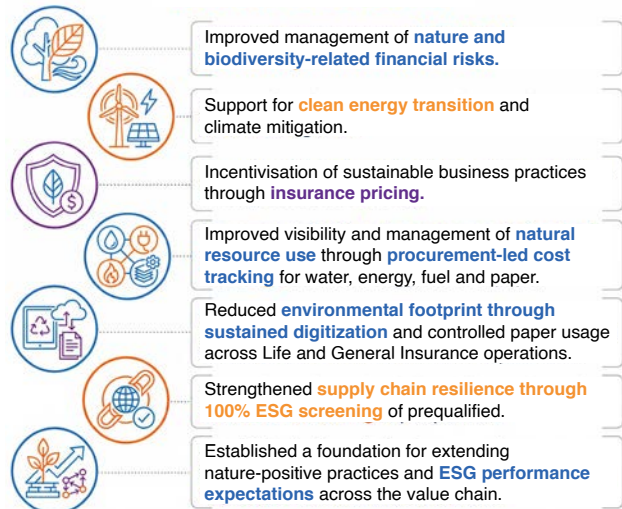
Corporate Social Responsibility Initiatives

In alignment with its ESG commitments, ICEA LION in partnership with Daystar University donated Kshs. 110,000 to Pillars Of Hope Children's Home to support the home's operations and the wellbeing of the children.

The visit reflects our dedication and support to social responsibility, community development and responsible corporate practices.

Please refer to page 216 for more information on our Corporate Social Responsibility initiatives.

Value Created:



OUR STRATEGY ON MANAGING SUSTAINABILITY IMPACTS, RISKS AND OPPORTUNITIES

ICEALION Group's strategy for managing sustainability-related Impacts, Risks and Opportunities (IROs) is anchored in our role as a regional insurance and investment Group with a long-term obligation to policyholders, investors, regulators, employees and communities. In line with IFRS S1, sustainability considerations are integrated into our overall business strategy, risk management, and investment decision-making, recognizing that sustainability-related risks and opportunities can reasonably be expected to affect our financial performance, position and future prospects. From 2026 we shall commence the integration of ESG in underwriting in the following sectors: Agriculture, Tourism & Hospitality, Health, Telecommunication and Technology. As we grow our internal capacity we shall include other sectors.

Identification and Assessment of IROs

The Group undertook identification and assessment of sustainability IROs through an internal materiality assessment where we engaged internal stakeholders. Priority IROs span governance, social and environmental dimensions, with particular focus on climate change, nature-related risks, customer inclusivity and digital transformation.

Governance and Oversight

Oversight of sustainability IROs is embedded at Board and Senior Management. The Board Audit and Risk Committee shall double up as the ESG committee to provide oversight, strategic direction and accountability, while management and ESG Champions across the businesses shall support implementation. Going forward we shall have the various business boards adopt the same model to ensure sustainability is embedded in all the businesses of the Group. This governance framework will ensure that sustainability-related risks are considered alongside financial and operational risks, with no tolerance for regulatory breaches and a clearly articulated risk appetite.

Integration into Core Business Activities

Commencing in 2026, Sustainability IROs will be progressively integrated into underwriting and investment processes through the development of ESG risk assessment tools, sector screening, exclusions and risk pricing considerations.

The Group has prioritised high-exposure sectors such as agriculture, tourism and hospitality, health, technology and telecommunications for climate- and nature-risk screening, supported by reinsurance, portfolio diversification and client engagement. On the investment side, ESG factors inform asset selection, portfolio construction and divestment decisions, alongside a growing allocation to green and impact investments. This process was supported by the Investment Technical Assistance we received in 2025 through The Nairobi Declaration on Sustainable Insurance (NDSI). In addition, the Group shall commence ESG screening for suppliers, an exercise not intended to exclude service providers, but to create awareness and a shared responsibility for a shared ESG value. This is in line with Principle two of the United Nations Environment Program Principles on Sustainable Insurance (UNEP, FI PSI) which calls for organisations to work with their stakeholders/ value chain for sustainability.

Managing Climate and Nature-Related Risks and Opportunities

In alignment with IFRS S2 and TNFD, ICEA LION is strengthening its approach to identifying, assessing and managing climate-related physical and transition risks, as well as emerging nature-related risks. These risks will be addressed through portfolio analysis, gradual reduction of exposure to high-risk sectors, increased allocation to green assets, operational efficiency measures, and development of climate-responsive insurance products. At the same time, the Group will leverage opportunities arising from climate adaptation, green investments, sustainable transport, resilient infrastructure and nature-positive solutions.

Stakeholder Engagement and Social Considerations

Social IROs will be addressed through inclusive product design, financial literacy initiatives, improved digital access, fair and transparent claims management, and targeted engagement with underserved communities. The Group actively engages customers, agents, suppliers, regulators and communities to understand expectations, manage reputational and conduct risks, and strengthen long-term trust. The scheduled supplier ESG screening and capacity-building initiatives will further extend responsible practices across the value chain .

Monitoring, Metrics and Continuous Improvement

Progress in managing sustainability IROs is tracked through defined KPIs, targets and timelines, covering governance effectiveness, training, portfolio exposure, green investments, operational efficiency, customer satisfaction and disclosure quality. ICEA LION is committed to continuous improvement and transparent reporting, with phased adoption of IFRS S1 and IFRS S2, alongside GRI, SASB and TNFD, to enhance the quality, consistency and decision-usefulness of sustainability-related financial disclosures.

BUSINESS RESILIENCE ON SUSTAINABILITY IMPACTS RISKS AND OPPORTUNITIES

ICEA LION Group's approach to business resilience is underpinned by its ability to anticipate, withstand, adapt to and recover from sustainability-related Impacts, Risks and Opportunities (IROs) that may affect its long-term financial performance, operational continuity and stakeholder value. In line with IFRS S1, the Group recognizes that sustainability-related risks and opportunities, particularly climate-, nature, social and governance-related can reasonably be expected to influence enterprise value, and therefore will strengthen the integration of resilience considerations into strategy, risk management and capital allocation.

Strengthening Resilience through Governance and Risk Management

Business resilience is supported by strong governance structures, with Board and Senior Management oversight of sustainability-related risks. As we strengthen our Governance and Risk management by embedding ESG within the Group's overall risk management framework. The Risk/ESG oversight committees which shall be implemented in all the businesses within the Group shall define risk appetites and management accountability will ensure early identification, escalation and response to emerging and sustainability risks. This governance structure shall enhance decision-making under uncertainty and support resilience against regulatory, reputational, operational and market shocks.

Climate and Nature-Related Resilience (IFRS S2 and TNFD)

In alignment with IFRS S2, ICEA LION shall strength resilience to physical and transition climate risks by assessing exposure across underwriting and investment portfolios, prioritising high-risk sectors such as agriculture, tourism and hospitality, health, and technology. The Group shall seek to use reinsurance, portfolio diversification, exposure reduction and client engagement to manage downside risks, while investing in systems and data to improve forward-looking risk assessment.

Nature-related risks, including biodiversity loss and ecosystem degradation, are increasingly recognised as drivers of insurance losses and investment risk. In line with the TNFD framework, from 2025 ICEA LION is embedding nature-related considerations into portfolio screening, sector prioritisation and investment decision-making, supporting resilience to systemic environmental risks that may disrupt economic activity and insurance demand.

Operational and Financial Resilience

Our operational resilience is enhanced through initiatives aimed at reducing resource dependency and improving efficiency, including energy and water management, transition to greener transport solutions, digitalisation of claims and customer engagement, and inclusive infrastructure upgrades. These measures reduce exposure to cost volatility, physical disruptions and operational inefficiencies, while supporting continuity of service to customers and intermediaries.

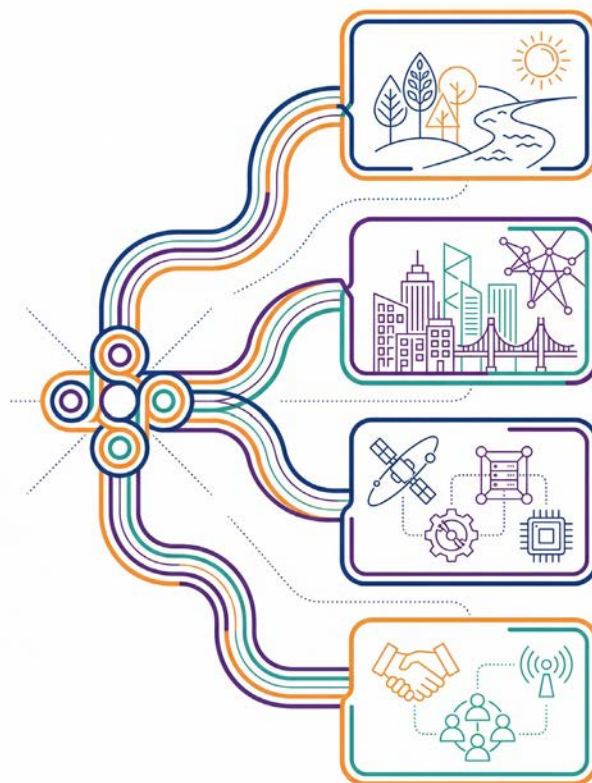
Financial resilience will be further supported through prudent capital allocation, gradual rebalancing away from high-risk climate and nature-exposed assets, and increased allocation to green and impact investments. This approach will strength the Group's ability to absorb shocks, manage long-term liabilities and capture opportunities arising from the transition to a more sustainable economy.

Social Resilience and Market Adaptability

ICEA LION recognizes that social factors such as customer trust, claims fairness, financial inclusion and stakeholder relationships are critical to long-term resilience. The Group enhances social resilience through transparent product disclosures and fair and efficient claims handling. In addition, the Group shall be conducting financial literacy initiatives, digital access and targeted products for underserved markets. These actions support customer retention, reduce conduct and reputational risks, and enhance adaptability to changing market and societal expectations, consistent with GRI's impact-based approach.

Continuous Monitoring, Learning and Adaptation

Resilience is reinforced through continuous monitoring of sustainability-related risks, opportunities and performance against defined KPIs and targets. The Group's phased adoption of IFRS S1, IFRS S2, GRI and TNFD will strength the quality of data, scenario awareness and decision-useful disclosures, enabling proactive adaptation as risk profiles evolve. This adaptive capacity will ensure ICEA LION remains resilient in the face of increasing climate, nature, regulatory and socio-economic uncertainty.



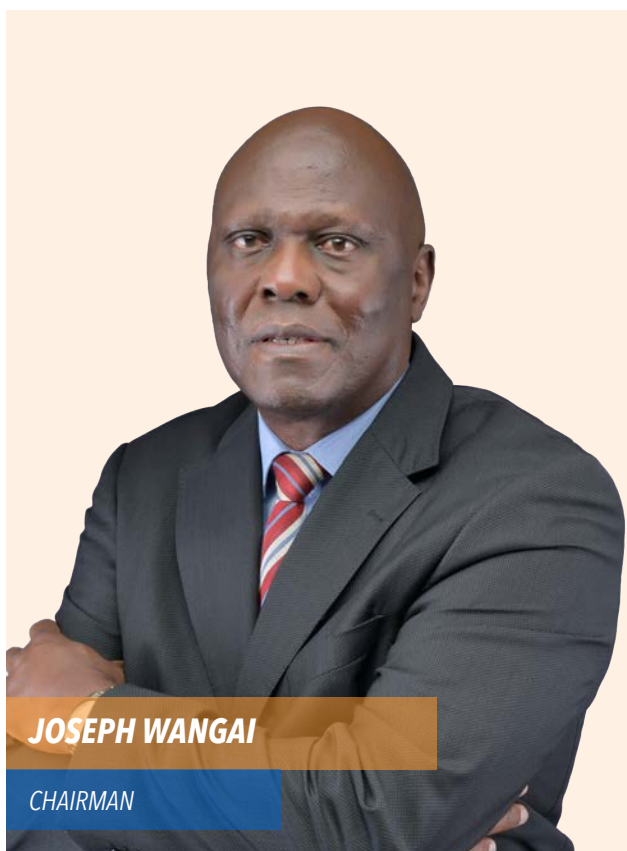


GOVERNANCE

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CORPORATE GOVERNANCE REPORT

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



JOSEPH WANGAI

CHAIRMAN

On behalf of the ICEA LION General Insurance Board, it is my pleasure to share with you this comprehensive 2025 Corporate Governance Report.

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

We are dedicated to attaining the utmost levels of accountability, integrity, fairness, responsibility, and transparency.

To fulfill this goal, we have established formal frameworks to uphold corporate governance, regularly assessing and enhancing them. In alignment with this commitment, we adhere to best-practice governance principles, incorporating the King IV Corporate Governance Code to guide our processes.

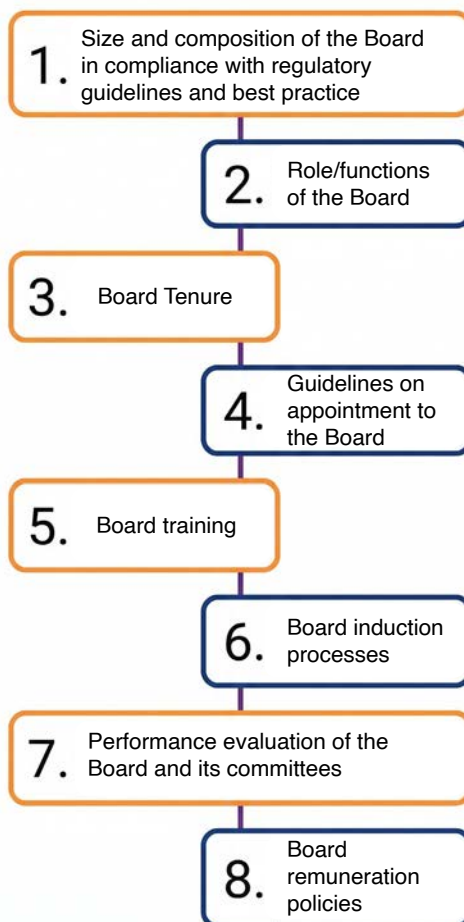
In this report, I highlight key features of the current corporate governance practices.

BOARD OF DIRECTORS

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

OUR BOARD CHARTER

Key components in our Board charter include the following:



BOARD MEETINGS AND INFORMATION FOR DIRECTORS

In 2025, our Board convened four times on predetermined dates to assess and supervise the implementation of strategic initiatives and business plans. The meetings also involved reviewing quarterly financial results, approving financial reports, and exercising effective control over strategic, financial, operational, and compliance matters. To fulfill these responsibilities, the Board delegates authority to the Chief Executive Officer for day-to-day operations. Advance notice of Board meetings, in accordance with the Company's Articles of Association, is provided along with agendas and relevant documents to all directors. These documents include regular progress reports on business and discussion papers addressing specific issues. The Company Secretary is consistently available to address matters related to the Board and its Committees.

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

BOARD COMPOSITION & APPOINTMENTS

Our Board of Directors consists of the Chief Executive Officer, and 12 non-executive directors including myself as Chairman. These Directors have a good mix of skills, experience and competencies in relevant fields of expertise. Further, these Directors meet the "fit and proper persons' criteria" in compliance with the "Guidelines of Suitability of Persons" as required by the Insurance Regulatory Authority. Directors are appointed by the Nomination and Remuneration Committee of the Board.

Role and mandate of the Board of Directors

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

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

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

The board is further accountable for the following:

- 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 and give effect to this.
- 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.

BOARD COMMITTEES

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

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

Board Audit & Risk Management Committee

This committee is chaired by a non-executive director. There are five non-executive directors who sit in this committee. The Group CEO, CEO, the Chief Finance Officer, Head of Internal Audit and the Head of Risk and Compliance, attend by invitation.

The purpose of the Committee is to monitor and review the adequacy and effectiveness of accounting policies, financial and other internal control systems, financial reporting processes and sustainability reporting. Please refer to the sustainability Governance framework on pages 72. It also provides independent oversight of the Group's assurance functions, including reviews of the independence and effectiveness of the external audit, internal audit and risk and compliance functions. The committee also assesses compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.

Board Investments Committee

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

Board Innovation and ICT Committee

This committee is chaired by a non-executive director. Four other non-executive directors also sit in this committee. The CEO, Head of Technology and Transformation, Head of Infrastructure, Head of Business Applications and the Head of Risk and Compliance, attend by invitation. This committee met four times in 2025. This committee reviews the ICT Strategy including ICT Security and Business Continuity Plans (BCP), recommends ICT projects for Board approval, reviews recommendations on the annual budgets and monitoring project implementation. It also vets the company' innovation strategy and investments in innovation development prior to submission to the Board for approval. It monitors compliance with the approved innovation strategy, including innovation portfolio mix and the progress made in its implementation.

Board Nominations & Remuneration Committee

Five non-executive directors, one of whom is independent sit on this committee. This committee is responsible for making recommendations to the Board on executive remuneration and incentive policies, recruitment, retention and termination policies for senior management, remuneration framework as well as succession planning.

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 and the Company Chief Executive, there are four additional non-executive directors who are members of this committee. CEOs attend by invitation. The committee met three times in 2025.

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 not only to executing tasks correctly but also to pursuing the right objectives. Our team possesses the key qualifications and experience in their respective fields. Additionally, we adhere to the "fit and proper persons' criteria" as outlined in compliance with the "Guidelines of Suitability of Persons" mandated by the Insurance Regulatory Authority. Directors have undergone induction on how the Company governs itself, makes decisions, defines its principles, and upholds the standards of governance it aims to uphold.

OUR SUSTAINABILITY PRACTICES

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

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

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

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

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

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

COMPLIANCE & ANTI-MONEY LAUNDERING PROGRAM

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

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

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

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

The compliance team's responsibilities include advising business units on laws, creating, implementing, and monitoring internal guidelines, and regularly training employees on relevant rules. An independently managed whistle-blower 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 management on various aspects, including technical provisions, premium and pricing activities, and compliance with statutory and regulatory requirements.

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

CONFLICT OF INTEREST

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

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

DIRECTORS' EMOLUMENTS

The aggregate number of emoluments paid to Directors for services rendered during the financial year is disclosed in note 53 on page 205.

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 53 to the financial statements for the year ended 31 December 2025. (See page 205)

CONDUCT OF BUSINESS & PERFORMANCE REPORTING

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

DISCLOSURE OF INFORMATION & RELATIONSHIP WITH THE INSURANCE REGULATORY AUTHORITY

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

ACCOUNTABILITY, AUDIT & SHAREHOLDER RELATIONS

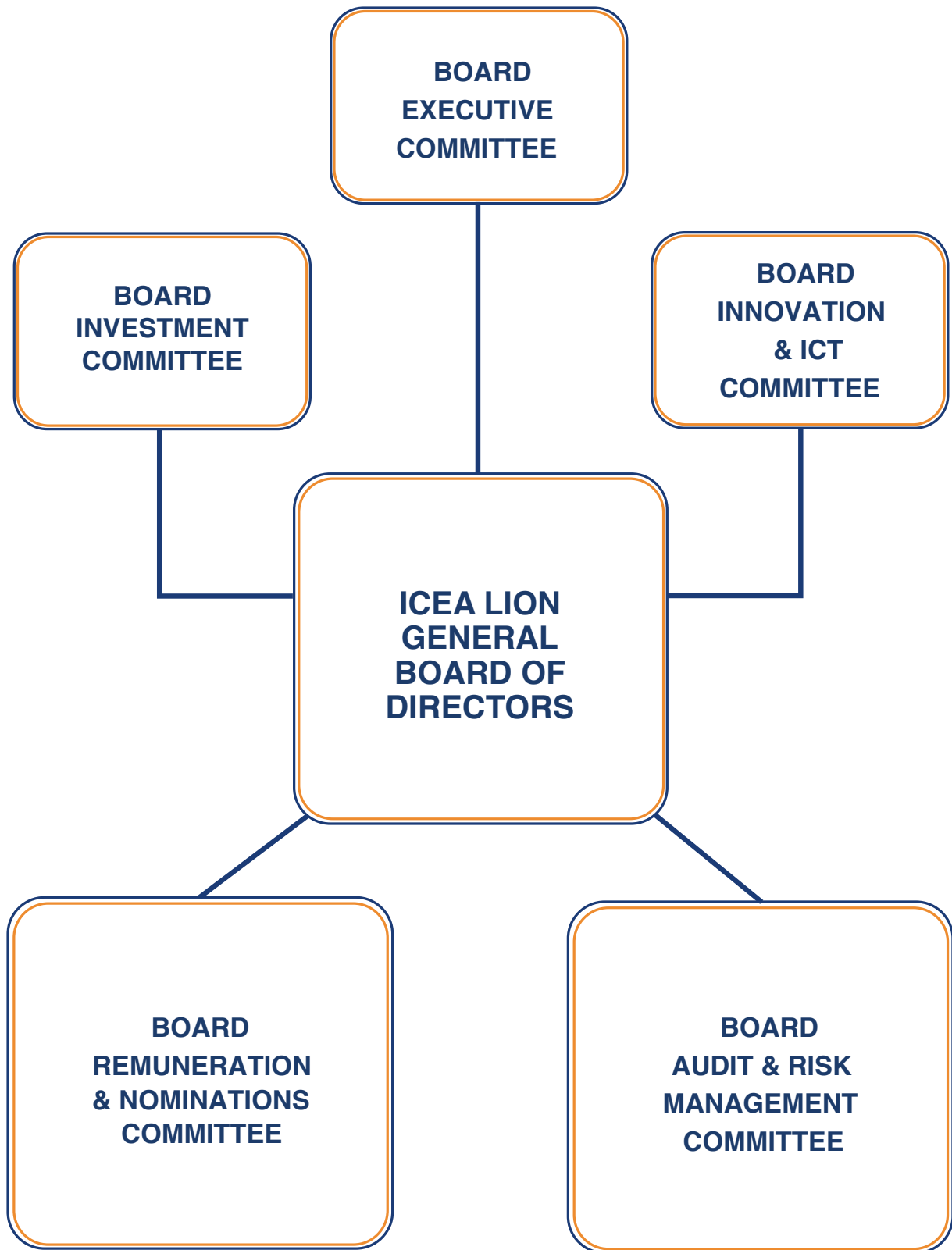
Our Board acknowledges its duty to provide a fair and comprehensible evaluation of ICEA LION's financial status and future outlook. The financial statements adhere to IFRS and the stipulations of the Kenyan Companies Act 2015, and have undergone an audit based on International Auditing Standards.

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.

OUR BOARD STRUCTURE



BOARD ATTENDANCE SCHEDULE

Date		14.03.2025	13.06.2025	26.09.2025	21.11.2025
Mr J Wangai	Chairman	●	●	●	●
J P M Ndegwa	Member	●	●	●	●
A S M Ndegwa	Member	●	●	●	●
E M Ndegwa	Director	●	●	●	●
J K Muiruri	Member	●	Retired	Retired	Retired
D G M Hutchison	Member	●	●	●	●
P K Mugambi	Alt Director	●	●	●	●
M. Manga	Member	●	●	●	●
Ms M. Abdullahi	Member	●	●	●	●
K. Thuo	Member	●	●	●	●
Norman Kelly	Member	●	●	●	●
Doug Lacey	Member	●	●	●	●
Philip Lopokoiyit	Group Chief Executive Officer	●	●	●	●
Godfrey Kioi	Company Chief Executive Officer	●	●	●	●

Board Audit, Risk and Compliance Committee

Date		11.03.2025	12.06.2025	24.09.2025	20.11.2025
Kairo Thuo	Chairman	●	●	●	●
J K Muiruri	Member	●	Retired	Retired	Retired
A S M Ndegwa	Member	●	●	●	●
D G M Hutchison	Member	●	●	●	●
P K Mugambi	Member	●	●	●	●
E M Ndegwa	Member	●	●	●	●
Norman Kelly	Member	●	●	●	●
Doug Lacey	Member	●	●	●	●
Philip Lopokoiyit	Group Chief Executive Officer	●	●	●	●
Godfrey Kioi	Company Chief Executive Officer	●	●	●	●

Board Investment Committee

Date		10.03.2025	09.06.2025	22.09.2025	17.11.2025
A S M Ndegwa	Chairman	●	●	●	Meeting was postponed
J K Muiruri	Member	●	Retired	Retired	
P K Mugambi	Member	●	●	●	
M Manga	Member	●	●	●	
Norman Kelly	Member	●	●	●	
Doug Lacey	Member	●	●	●	
Philip Lopokoiyit	Group Chief Executive Officer	●	●	●	
Godfrey Kioi	Company Chief Executive Officer	●	●	●	

Board Innovation & ICT Committee Meeting

Date		07.03.2025	09.06.2025	22.09.2025	17.11.2025
M Manga	Chairman	•	•	•	•
A S M Ndegwa	Member	•	•	•	•
J K Muiruri	Member	•	Retired	Retired	Retired
P K Mugambi	Member	•	•	•	•
Mariam Abdullahi	Member	•	•	•	•
Norman Kelly	Member	•	•	•	•
Doug Lacey	Member	•	•	•	•
Philip Lopokoiyit	Group Chief Executive Officer	•	•	•	•
Godfrey Kioi	Company Chief Executive Officer	•	•	•	•

Nomination & Remuneration Committee

Date		03.03.2025	18.11.2025
J P M Ndegwa	Chairman	•	•
A S M Ndegwa	Member	•	•
J Wangai	Member	•	•
J K Muiruri	Member	•	Retired
Norman Kelly	Member	•	•
Doug Lacey	Member	•	•
Philip Lopokoiyit	Group Chief Executive Officer	•	•
Godfrey Kioi	Company Chief Executive Officer	•	•

Board Executive Committee Meeting

Date		26.02.2025	10.03.2025	17.09.2025
J Wangai	Chairman	•	•	•
J P M Ndegwa	Member	•	•	•
A S M Ndegwa	Member	•	•	•
P K Mugambi	Member	•	•	•
Norman Kelly	Member	•	•	•
Doug Lacey	Member	•	•	•
Philip Lopokoiyit	Group Chief Executive Officer	•	•	•
Godfrey Kioi	Member	•	•	•

• Attended

• Not Attended

GOVERNANCE ON SUSTAINABILITY

ICEA LION Group's governance of sustainability is designed to ensure effective oversight, accountability and integration of sustainability-related Impacts, Risks and Opportunities (IROs) into strategic decision-making, risk management and day-to-day operations. In line with ISSB (IFRS S1 and S2), sustainability governance is embedded at both Board and Senior Management levels, recognising that sustainability-related risks and opportunities can reasonably be expected to affect the Group's financial performance, position and long-term prospects.

Board Oversight and Accountability

Oversight of sustainability IROs is anchored at the Board level. The Board Audit and Risk Committee will double as the ESG Committee, providing clear strategic direction, oversight and accountability for sustainability matters. This structure will ensure that sustainability considerations are addressed alongside financial, operational and regulatory risks, rather than in isolation. The Committee will oversee the approval of sustainability-related policies, risk appetite, targets and disclosures, and monitor performance against agreed objectives.

To ensure consistency and depth of oversight across the Group, the same governance model will be progressively adopted by the business boards across the group, embedding sustainability governance at subsidiary and business-line level.

Roles and Responsibilities

At ICEA LION sustainability has been embedded into our existing governance structure and processes across the Board of Directors to management committees. The Board of Directors are responsible for oversight of sustainability matters; whilst management is responsible for monitoring sustainability matters and executing the company's sustainability strategy, aligned to the overall business growth strategy. This is consistent with the Group's approach to manage sustainability related matters. Below is the governance structure of the Company:

OUR LEADERSHIP STRUCTURE



Sustainability Governance Structure:

Level	Function	Role and responsibility
Board	Board of Directors	Provide strategic oversight of sustainability and climate risks, integrating them into governance and business practices.
Board	Board Audit and Risk Committee	Oversee financial reporting integrity, risk management effectiveness, and sustainability controls.
Management	Chief Executive Officer	Executing the company's strategy, ensuring effective management of sustainability and climate-related risks, and reporting to the Board on progress and performance.
Management	Chief Finance Officer	Oversee financial strategy and reporting, integrating sustainability and climate risks into planning, risk management, and disclosures.
Management	Risk and compliance department	Identify, assess, and monitor sustainability and climate risks, ensuring regulatory compliance and supporting the risk management framework.
Management	ESG Champions	Responsible for company wide integration of sustainability into day to day operations.

We recognise that sustainability is a journey, and as the company integrates sustainability into its business model and strategic decision making, roles and responsibilities across the organisation will evolve proportionately. The leadership remain committed to ensuring the business is structured in a manner that meets its sustainability objectives now and, in the future and involve other functions such as operations and marketing.

The Role of The Board of Directors.

The Board of Directors is ultimately responsible for the Company's strategic direction and oversight of its sustainability-related risks and opportunities. This is executed through the Board Audit and Risk committee which comprises of 6 members.

Integration with Risk Management (ISSB S1 and S2)

The board's specific responsibilities in relation to sustainability include:

- i. Assigning roles and responsibilities:** As indicated above, oversight of sustainability matters at board level is assigned to the Board Audit and Risk committee, whereas execution of sustainability matters at management level is assigned to senior management and the Sustainability Committee. The entity is in the process of developing terms of references for the respective committees and will continue to refine job roles as it implements sustainability-related policies and KPI's.
- ii. Ensuring appropriate skills and competencies:** The board approves the resources needed, for effective management of sustainability related initiatives. This is achieved by investing in personnel to ensure they have the required skills to execute their sustainability related duties. Several capacity building sessions to cohorts such as the board, key management and sustainability champions were organized during the year. Additionally, the Board engages sustainability consultants to support in the implementation of sustainability.
- iii. Communication of sustainability matters:** On a quarterly basis, the Board Audit and Risk committee assesses sustainability and climate-related risks and opportunities. The ESG and climate initiatives are monitored and reviewed.
- iv. Integration of sustainability with strategy, decision making and risk management:** The board ensures that sustainability is integrated into the overall Company strategy. In particular, the board considers climate-related risks and opportunities when reviewing strategy, performance objectives and risk management processes and policies.
- v. Integration of sustainability KPI's into remuneration policies:** Currently, ICEA LION does not have a formal mechanism that directly links sustainability-related performance to remuneration for senior management or other employees. However, sustainability objectives are integrated into the broader performance evaluation framework for key management personnel and staff across the Company. In addition, the company fosters active employee engagement in sustainability through dedicated ESG initiatives, including an annual ESG Month during which various ESG Challenges are organized. Employees who demonstrate outstanding participation and performance in these challenges are recognized and rewarded. This helps in reinforcing a culture of sustainability awareness while encouraging practical involvement in climate and ESG initiatives across the organization.
- vi. Handling of trade-offs:** The Board is responsible for overseeing ICEA LION exposure to sustainability-related risks and opportunities across its service offerings and client segments.

In fulfilling this role, the Board ensures that appropriate governance structures, policies, and risk management frameworks are in place to identify, assess, and manage sectors or activities that present elevated sustainability or climate-related risks. This includes evaluating strategic implications of operating in higher risk sectors and guiding management in establishing screening criteria and acceptance threshold that balance commercial objectives with ICEA LION sustainability commitments.

vii. Setting and monitoring of sustainability related metrics and targets:

The Board is responsible for overseeing and approving ICEA LION sustainability-related metrics and targets. Additionally, the Board reviews, challenges, and approves these metrics and targets to ensure they are aligned with the Company strategy, risk appetite, and long-term value creation. Further, they monitor performance against approved targets and ensures that appropriate governance, controls, and reporting processes are in place to support accurate and reliable disclosure.

Management's role in governance

The Company's senior management and the Sustainability Steering Committee is responsible for implementing the Board-approved strategy and for the day-to-day management of sustainability-related risks and opportunities. As defined in the Company's policies, senior management's duties include:

- Ensuring that staff have sufficient awareness and understanding of sustainability-related risks through training and capacity development.
- Addressing material sustainability-related risk issues in a timely manner.
- The Chief Finance Officer in collaboration with other senior members are the designated management positions with primary responsibility for overseeing these processes, reporting directly to the Chief Executive Officer.

Risk Management Integration

The Company has an established senior management and Head of Risk and Compliance who is responsible for identifying and managing the overall risks for the Company. Sustainability-related risks are integrated into the overall risk management framework of the Company, and are monitored alongside other strategic, operational and financial risks. The Committee provides regular oversight of these risks and reports to the Board of Directors, ensuring that sustainability and climate related matters are appropriately escalated and aligned with the Company's governance and strategic objectives.

At ICEA LION, climate-related risks and opportunities are embedded within the Company's Enterprise Risk Management (ERM) framework, ensuring that sustainability considerations are integrated into overall governance and business practices.

The company recognises that climate-related risks and opportunities are integral to its long-term resilience and value creation. These risks-ranging from physical impacts of climate change to transition challenges such as regulatory shifts and evolving stakeholder expectations-are systematically assessed within the Company's Enterprise Risk Management (ERM) framework.

At the same time, opportunities linked to sustainable finance, innovation, and responsible investment are considered to ensure alignment with strategic objectives and sustainable growth.

The ERM framework provides a structured approach for identifying, assessing, and managing risks that could affect strategic objectives and long-term value creation. Risks are systematically captured across financial, operational, and compliance domains, with particular attention to emerging issues such as cybersecurity, regulatory developments, and environmental and social factors.

Climate-related risks are fully integrated into this process, with all three lines of defense responsible for assessing relevance, measuring impacts, and implementing controls and response strategies. The ERM framework also facilitates proactive identification of ESG-related risks and opportunities, reinforcing strong governance, accountability, and a risk-aware culture across the organization.

Process of Integrating, Monitoring and Managing Climate Risks and Opportunities.

ICEA LION recognises the importance of identifying and assessing climate-related risks and opportunities, particularly given their potential impact on the Company's property, motor, engineering and contractor's all risks portfolios. These risks may influence underwriting performance, claims frequency and severity, asset values and overall portfolio resilience. Although the Company has not yet established a standalone climate risk policy or a formalised governance structure dedicated specifically to climate matters, relevant considerations are progressively being integrated into existing risk management, underwriting and strategic decision-making processes.

Management monitors emerging climate-related risks and opportunities using available internal data, historical claims trends, market developments and industry research. These insights inform underwriting guidelines, pricing decisions and portfolio risk assessments across key business lines.

ICEA LION is in the process of strengthening its approach through the gradual development of more formalised climate risk management practices, including structured risk identification, enhanced governance oversight, integration into enterprise risk management frameworks and, over time, the use of scenario analysis. This phased enhancement is intended to ensure that climate considerations are increasingly embedded within strategic planning and operational activities.

Climate considerations are integrated into the Company's existing risk management framework as outlined below:

Risk Management Process

- 1. Risk Identification:** Document financial, operational, and compliance risks, noting source, cause, and impact. Record all risks in a central register.
- 2. Risk Analysis:** Assess likelihood and impact using qualitative and quantitative methods, distinguishing inherent risk (before controls) from residual risk (after controls).

3. Risk Evaluation: Compare residual risks against the Company's risk appetite. High risks require additional controls, medium risks may be treated if cost-effective, and low risks are monitored.

4. Risk Treatment: Apply strategies such as acceptance, avoidance, mitigation, transfer (e.g., insurance), or increase (to enable growth). Actions are documented in risk plans.

5. Monitoring and Review: Review risk plans quarterly or when circumstances change. Track trends with Key Risk Indicators (KRIs) and test controls through Internal Audit.

6. Risk Communication and Reporting: Escalate risks based on severity. Significant risks are reported to the Board Audit and Risk Management Committee, while approved risks remain in the register and are monitored regularly.

Through this approach, ICEA LION ensures that sustainability and climate considerations are not treated as standalone issues but are embedded into the broader risk management framework, supporting resilience, regulatory compliance, and sustainable growth.

Integration with Risk Management (IFRS S1 and IFRS S2)

The governance framework will ensure that sustainability-related risks particularly climate-related risks under IFRS S2 and emerging nature-related risks are identified, assessed, managed and monitored through the Group's enterprise risk management processes. A clearly articulated ESG risk appetite will guide decision-making, escalation and mitigation actions, supporting prudent risk-taking and long-term value creation.

Nature-related Governance (TNFD Alignment)

In line with the TNFD recommendations, The Group's governance arrangements will support oversight of nature-related dependencies, impacts, risks and opportunities across the value chain (to include customers and suppliers). Board and management oversights will enable informed decisions on portfolio exposure, underwriting practices and investment strategies in sectors exposed to biodiversity loss, ecosystem degradation and nature-related transition risks.

Transparency, Ethics and Continuous Improvement (GRI Alignment)

Consistent with GRI governance disclosures, ICEA LION's governance approach promotes transparency, ethical conduct and stakeholder trust. Clear roles, documented processes, regular reporting and ongoing training strengthen the effectiveness of sustainability oversight. Continuous review of governance arrangements ensures they remain fit for purpose as regulatory expectations, market conditions and sustainability risks evolve.

Through this governance framework, The Group will keep ensuring sustainability is systematically embedded into leadership, oversight and decision-making, supporting resilience, regulatory compliance and long-term value creation for all stakeholders.

BOARD COMMITTEE STATEMENTS

BOARD INVESTMENT COMMITTEE STATEMENT

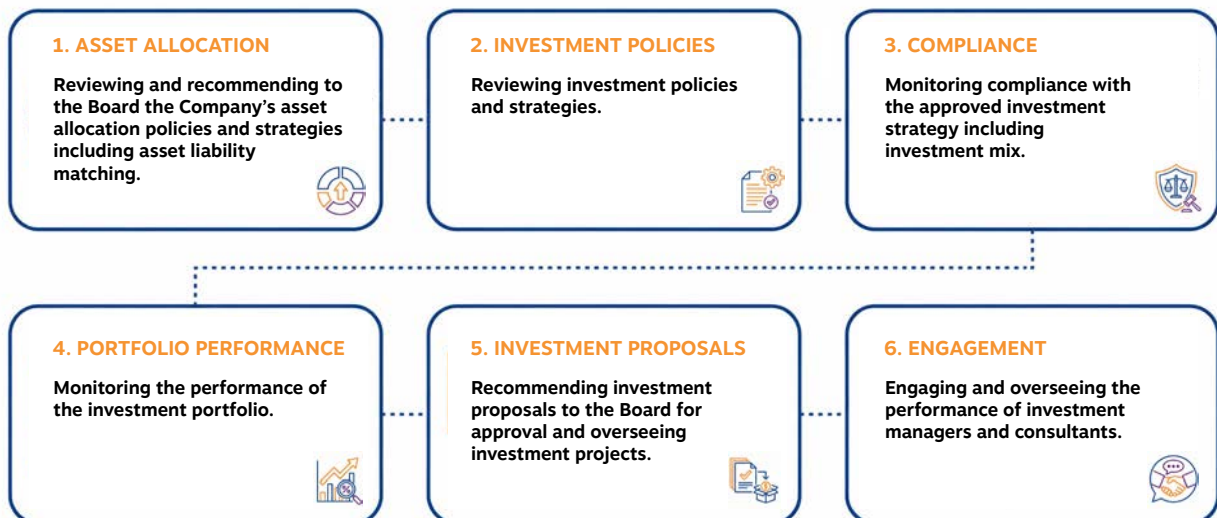


ANDREW NDEGWA

COMMITTEE CHAIRMAN

It is my pleasure to present the report of the Board Investment Committee for the year ended 31 December 2025.

The Committee is charged with the responsibility of:



MACRO-ECONOMIC ENVIRONMENT

2025 marked a clear inflection year for the Kenyan macroeconomic and financial market environment, as conditions shifted from post-tightening stabilisation to a more accommodative, late-cycle recovery phase. This transition followed two years (2023–2024) characterized by elevated inflation, restrictive monetary policy, weak private sector credit growth, and subdued investor sentiment.

Global backdrop

Globally, disinflation trends consolidated in 2025, allowing major central banks to pause or slow tightening cycles. While policy rates remained elevated, the direction of travel shifted toward eventual easing, improving financial conditions and supporting asset prices. However, growth outcomes remained uneven across regions, reflecting geopolitical tensions, commodity price volatility, and divergent fiscal dynamics.

Kenya - economic activity and growth

Domestically, economic momentum improved meaningfully in 2025. Real GDP growth accelerated to approximately 5.0% in 2025, up from 4.5% in 2024, supported by stronger activity in agriculture, construction, financial services, and a gradual recovery in manufacturing.

Business confidence strengthened through the year. The Stanbic Purchasing Managers' Index (PMI) moved decisively into expansionary territory, averaging above 50 in the second half of 2025 and reaching 53.7 in December 2025, signaling a recovery in private sector activity.

Private sector credit conditions also improved materially. After contracting in 2024, private sector credit growth recovered to 6.3% by November 2025, reflecting improved liquidity conditions, lower interest rates, and easing risk aversion in the banking system.

Inflation and monetary policy

Inflation remained well contained throughout 2025. Headline inflation averaged approximately 4.0%–4.5%, down from 7.7% in 2023 and broadly unchanged from 2024 levels, remaining within the Central Bank of Kenya’s target range. This disinflation was driven by:

- exchange-rate stability;
- favourable food supply conditions;
- lower energy price pass-throughs, and;
- subdued demand-side pressures.

In response, the Monetary Policy Committee implemented a sustained easing cycle, cutting the Central Bank Rate (CBR) from 11.25% in December 2024 to 9.00% by December 2025. This policy stance translated rapidly into lower interbank and Treasury bill rates, supported by ample system liquidity and active Central Bank liquidity management.

External position and currency

External conditions were notably supportive in 2025. The Kenya Shilling remained broadly stable against the U.S. Dollar, strengthening modestly on a year-on-year basis, supported by:

- strong diaspora remittance inflows;
- resilient tourism receipts;
- sustained export performance, and;
- improved foreign exchange liquidity.

Official foreign exchange reserves increased to approximately USD 12.4 billion, equivalent to over 5 months of import cover, comfortably above statutory thresholds.

Financial markets

Financial markets responded positively to the improved macroeconomic environment in 2025.

Equities: The Nairobi Securities Exchange recorded strong gains, with broad index appreciation of over 50% year-on-year, driven by falling interest rates, stable inflation, and increased domestic investor participation, even as foreign investor activity moderated.

Fixed income: The bond market benefited from monetary easing, with high primary auction subscription levels, increased secondary market turnover, and meaningful capital gains on longer-dated government securities as yields declined across most of the curve.

Despite these improvements, structural fiscal pressures persisted. Public debt continued to rise, with a notable shift toward domestic borrowing, increasing medium to long-term refinancing and fiscal sustainability considerations. While these risks did not materially affect short-term interest rates in 2025, they remained reflected in elevated long-term bond yields.

FOCUS AREAS IN 2025

The year’s investment income came primarily from fixed-income assets as well as capital gains from equity revaluations and property holdings. The Committee assessed potential investments in Alternative Investments, including infrastructure, private credit and debt funds, structured products, and offshore mutual funds. The Committee continually reviewed the property portfolio to optimize the returns. Further, the management of investments transitioned from an advisory to a discretionary arrangement with the Investment Manager.

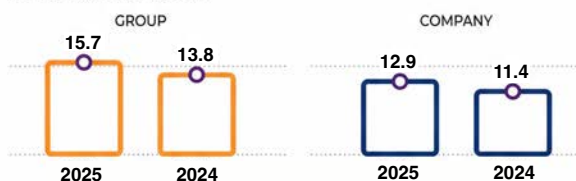
During the year NCBA Bank Kenya Plc was appointed as the custodian for our investment assets marking another key milestone in our investment assets management.

PERFORMANCE OF OUR INVESTMENTS

The growth on the investment assets portfolio was driven by new business inflows and revaluation gains on both equities and Government securities.

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

INVESTMENT ASSETS



GROWTH ON INVESTMENT ASSETS



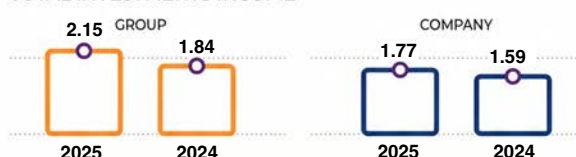
INVESTMENTS INCOME TO PROFIT OR LOSS



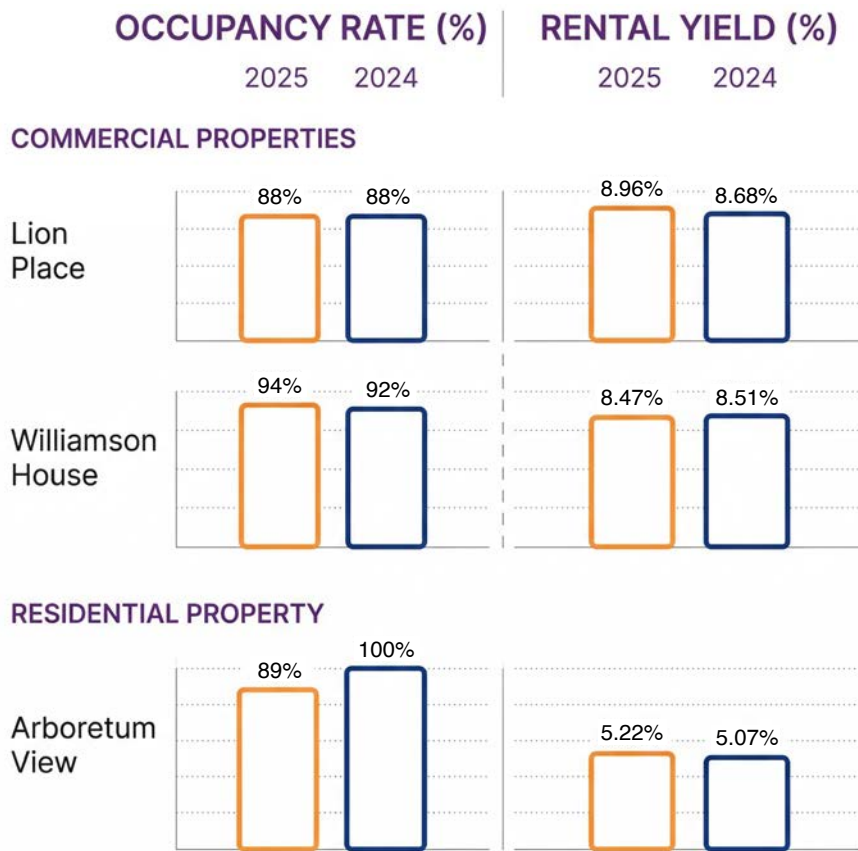
INVESTMENT INCOME TO OTHER COMPREHENSIVE INCOME



TOTAL INVESTMENTS INCOME



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



LOOKING FORWARD

Looking ahead into 2026, the macroeconomic outlook remains constructively cautious. Continued monetary accommodation, improving credit conditions, and stable inflation provide a supportive near-term backdrop. However, risks remain centered on fiscal consolidation challenges, elevated domestic borrowing requirements, commodity price volatility (particularly oil), and rising sensitivity to election-cycle dynamics.

As a result, market participants are expected to remain selective, balancing income generation with liquidity, risk management, and resilience to late-cycle adjustment risks rather than relying on a single macro-outcome.



BOARD AUDIT & RISK MANAGEMENT COMMITTEE STATEMENT



As the Chair of the Audit and Risk Management Committee, I am honoured to present our report. Our committee convenes quarterly to review external auditors' plans, internal audit reports, whistleblower 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 a strong corporate governance culture. Over the past year, we have navigated significant macroeconomic challenges and increasing regulatory demands.

With evolving risks such as geopolitical tensions, country social and political tensions, and the rapid adoption of Ai our committee remains steadfast in enhancing oversight, strengthening internal controls, and ensuring the Company is well-positioned to adapt and thrive in a complex global environment.



Regarding Financial Statements, the Committee's focus included:

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

The Statement of Directors' Responsibilities can be found on page 115 of this report.

Company Capital Adequacy

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

Filing of Statutory Returns

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

Internal Control & Risk Management

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

To fulfill this responsibility, the Committee:

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

The Company's principal risks are set out from pages 85 to 88 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 staff.
- Segregation of duties, clear accountability, and delegated authority across functions.
- Established policies and procedures covering financial planning and reporting, preparation of both financial, non-financial information, sustainability 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	MEETING DATES 2025
Operations	11th March
Operations	11th March
Operations	12th June
Retail and Agency Network	24th September
Customer Experience	24th September
Information Technology	20th November

The Committee is satisfied with the performance of the internal audit function. The Committee will continue to provide support and guidance to the internal audit function to ensure it is able to achieve its mandate effectively.



BOARD NOMINATION AND REMUNERATION COMMITTEE STATEMENT



JAMES NDEGWA

COMMITTEE CHAIRMAN

On behalf of the Board of Directors, I am pleased to present the report of the Nomination and Remuneration Committee of ICEA LION Group for the year ended 31 December 2025. In alignment with the mandate and responsibilities of the Nomination and Remuneration Committee, two meetings were held in 2025.

The Committee supports the Board in overseeing the Group's people governance, including remuneration policy, performance and reward outcomes, leadership and succession planning, organizational effectiveness, and culture. In executing its mandate, the Committee remains guided by the Group's purpose, values, regulatory obligations, and commitment to sustainable value creation across its operations in Kenya, Uganda, and Tanzania.

Committee Focus in 2025

During the year under review, the Committee's work was anchored on three strategic priorities:

- aligning remuneration and performance outcomes to sustainable profitability and prudent risk management;
- strengthening leadership capability, succession depth, and retention of critical and scarce skills across the Group; and
- enhancing people governance, systems, and culture to support ICEA LION Group's long-term strategy and commitments.

The Committee met regularly during the year and considered detailed submissions from management on performance, reward, policy, talent, and strategic people initiatives.

Business Performance Review and Reward Outcomes

The Committee reviewed comprehensive business performance reports across all operating entities. Performance assessments were undertaken against approved financial and non-financial scorecards, including profitability, growth, customer outcomes, risk and compliance, and people management indicators.

Based on this review, the Committee considered and approved profit-share and incentive proposals that appropriately reflected individual and collective performance, market conditions, and the Group's financial results. In doing so, the Committee ensured alignment with the principles of pay-for-performance, affordability, internal equity, and long-term value creation, while remaining mindful of the need to avoid excessive risk-taking.

Annual Salary Review

The Committee reviewed and approved the annual salary review outcomes for 2024 across the Group. Key considerations included inflationary pressures in the respective markets, labour market competitiveness within the insurance and financial services sector, internal relativities, and overall Group performance.

Salary adjustments were applied in a targeted and differentiated manner, with emphasis on performance differentiation, retention of critical skills, and sustainability of people costs. The Committee was satisfied that the approved outcomes supported employee engagement and wellbeing, while maintaining financial discipline and shareholder value protection.

Policy Reviews and Strengthening People Governance

In line with its governance responsibilities, the Committee reviewed and approved updates to key people-related policies during the year. Particular focus was placed on the Retention and Development of Essential and Rare Skills Policy, reflecting increasing competition for specialized skills within the insurance industry.

The revised policy strengthened the Group's framework for identifying critical roles, developing scarce capabilities, and implementing targeted retention interventions. This is expected to enhance organizational resilience, continuity, and long-term competitiveness.

Strategic HR Projects and Digital Enablement

The Committee received regular updates on key strategic HR initiatives, most notably the implementation of the Group's Digital HRMIS (SAP SuccessFactors) platform. During the year, significant progress was achieved, including system configuration, data migration, and phased rollout across the Group's entities.

The Committee noted that the platform is expected to improve workforce analytics, performance and talent management, governance reporting, and employee experience, while strengthening data integrity and compliance. Oversight of the implementation remained a priority to ensure effective

change management and realization of anticipated benefits.

Job Evaluation and Reward Structure Review

The Committee reviewed and approved the outcomes of the Group-wide Job Evaluation and Reward Structure project undertaken during the year. The exercise was aimed at promoting internal equity, role clarity, and market alignment across all entities and functions. This exercise is being done in a phased-out approach, starting with Kenya under Phase I then under Phase II, Uganda and Tanzania.

The Committee was satisfied that the approved framework provides a consistent and transparent basis for grading, remuneration, and career progression decisions, and supports fair pay practices, talent mobility, and sustainable people cost management.

Succession Planning and Leadership Continuity

Succession planning remained a key focus area for the Committee, particularly for executive and senior leadership roles across the Group. The Committee reviewed leadership succession plans, with emphasis on readiness levels, development actions, and internal talent pipelines.

Progress was noted in getting a better understanding of the leadership depth and the plans in developing high-potential talent across all the three markets. The Committee reaffirmed the importance of sustained investment in leadership development to support continuity, resilience, and strong governance across the Group.

Culture, Engagement, and People Sustainability

The Committee reviewed updates on strategic people initiatives, organizational culture, and employee engagement, including the outcomes of the Group’s people survey conducted during the year. Survey results were considered alongside management’s action plans, with focus on leadership effectiveness, green culture values alignment, inclusion, and employee wellbeing. Enhanced people survey reports were noted under two categories of Manager Index (MI) and Manager Net Promoter Score (MNPS). These will help to further sharpen the action planning to manager specific levels.

The Committee noted encouraging progress in key engagement indicators, while emphasizing accountability for addressing identified gaps. These initiatives were recognized as central to building a high-performance, values-driven culture and supporting ICEA LION Group’s broader objectives.

Appointment of Company Secretary:

Ms. Sally Gitau - Company Secretary, ICEA LION Group

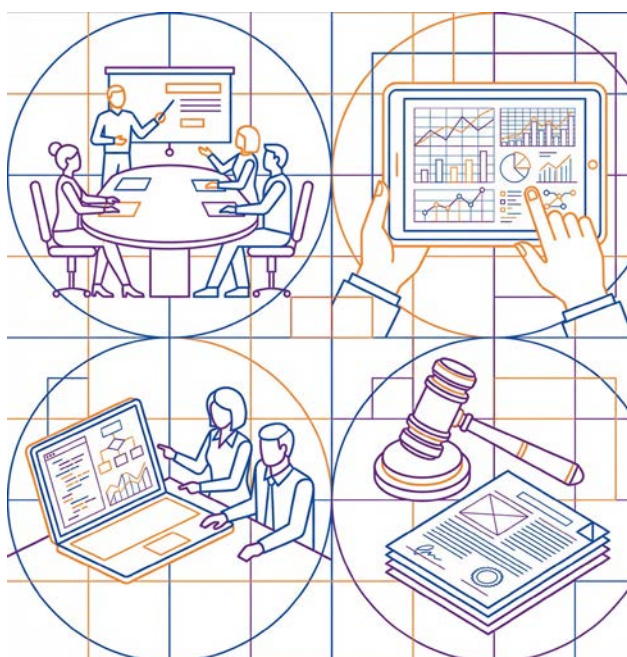
On 21st November 2025, the Board of Directors announced the appointment of Ms. Sally Gitau as the Company Secretary for ICEA LION Group. Prior to her appointment, Sally was the Assistant Company Secretary of First Chartered Securities Limited Group, ICEA LION Group, East Africa Reinsurance Group and Mitchell Cotts Group. She also worked as a Legal Officer at ICEA LION Trust Company Limited between 2012 to 2016.

Ms. Sally is an Advocate of the High Court of Kenya and holds a Master of Laws (LL.M) in Corporate Governance from the University of Nairobi. She is a Certified Public Secretary of Kenya (CPS-K), a Certified Public Accountant of Kenya (CPA-K), a Certified Governance Auditor, a trained Legal and Compliance Auditor, and a Certified Trustee under the law, underpinning her expertise in board effectiveness, ethics, compliance, and organizational governance. Sally is a member of the Law Society of Kenya (LSK) and the Institute of Certified Secretaries (ICS). She also serves on the LSK Young Lawyers’ Mentorship Board and is a member of the LSK Practice Standards and Ethics Committee. She has previously served on the LSK Young Lawyers Committee. Sally has also made commendable contribution to academia, having taught Company Secretarial Practice and Strategic Human Resource Management in the past.

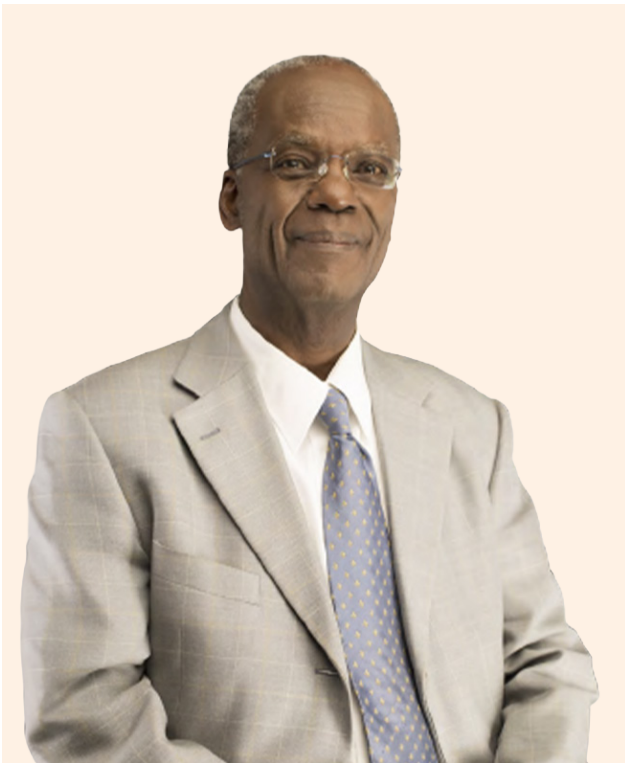


Sally Gitau - Company Secretary

I wish to take this opportunity to thank Mr. Kennedy Ontiti for his immense contribution to ICEA LION Group having served in the capacity of Company Secretary for 13 years. The Board of Directors acknowledges and appreciates Kennedy for his diligence in service.



Retirement of a Non-Executive Director:



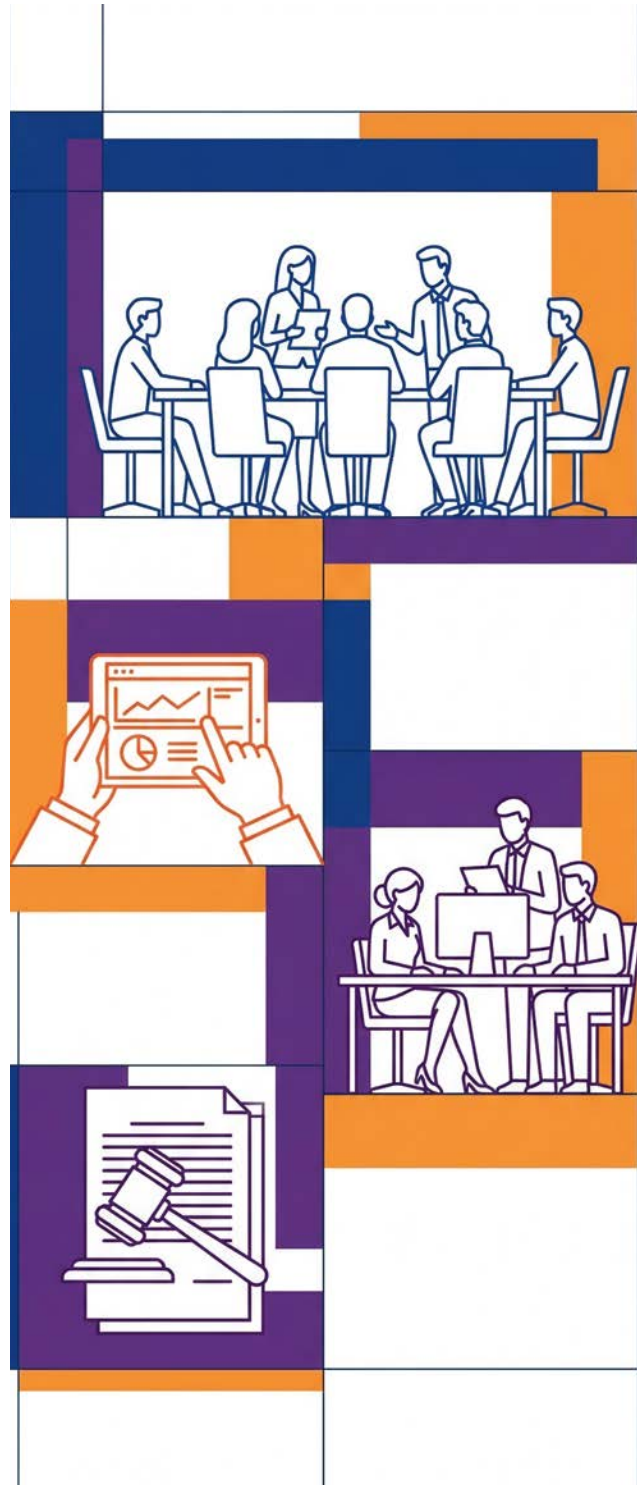
Mr Joseph Kamande Muiruri: Non-Executive Director

Mr Joseph Muiruri retired as a Non-Executive Director of ICEA LION General Insurance with effect from 7th April 2025. Mr. Muiruri has served as a Director since 1986 marking 39 years of incredible service. The Board of Directors acknowledges the many years of service by Director Muiruri and wishes him the best in his future endeavors.

In Conclusion

The Committee is satisfied that, during the year, it effectively discharged its responsibilities and provided robust oversight of remuneration, talent, succession, and people governance matters across ICEA LION Group. The work undertaken during the year strengthened alignment between people strategy and business performance, enhanced transparency and governance, and supported the Group’s long-term sustainability and ESG objectives.

On behalf of the Committee, I would like to thank the Board, management, and all employees across Kenya, Uganda, and Tanzania for their continued commitment and contribution to the success of ICEA LION Group.



BOARD INNOVATION AND ICT COMMITTEE STATEMENT



MUGWE MANGA

COMMITTEE CHAIRMAN

Technology as a Business Driver

2025 was a year in which technology, data and innovation moved decisively from support functions to core business drivers across the Group. Our oversight throughout the year focused on a central question: whether innovation was translating into measurable business value and improved customer experience. I am encouraged that the evidence increasingly supports this.

Digital initiatives in the Life business demonstrate this shift clearly. Digital channels are now the primary driver of new business. Onboarding turnaround time improved from 14 days to 3 days, while loan approvals reduced from 8 days to 30 minutes. Automated receipting and portal based onboarding have similarly reduced processing friction. These developments represent not only efficiency gains but a more responsive and modern service model.

Revenue performance from digital products has also been notable. Personal Retirement Scheme (PRS) and Investure have transitioned from emerging offerings into meaningful revenue contributors.

Expansion of collections through the Partners Portal and ecosystem partnerships such as NCBA Educator further demonstrate the commercial strength of well structured digital distribution.

Digital Adoption and Customer Experience

Across the Group, digital adoption continued to strengthen. Life digital inflows increased significantly year on year and digital onboarding reached 67 percent Group wide. However, digital revenue contribution remains below the long term ambition highlighting the scale of opportunity ahead.

Customer feedback provided important insights. Communication gaps, claims turnaround and navigation challenges were identified as key detractors. The Committee emphasised that digital transformation must be measured not only by platform growth but by tangible improvements in customer trust, clarity and service responsiveness.

Strengthening Technology Foundations

A major focus during the year was reinforcing the Group's technology

foundations. Progress toward replacing legacy core systems in the General business finance reporting system across the Group, modernising integration through API platforms and introducing a more automated approach to software quality assurance are critical steps toward resilience and scalability. These foundational investments reduce operational risk and will determine the speed and cost of future innovation.

Data and Analytics Advancement

The Committee reviewed significant progress in data and analytics. The Group advanced to Data Analytics Maturity Level 2 through expanded dashboard usage across functions, deployed predictive models and strengthened governance. The pathway to Level 3 maturity, where diagnostic and AI driven insights become embedded in daily decision making is now clearly defined.

The Committee stressed the importance of ensuring that data initiatives are closely linked to commercial outcomes and overall Group strategy.

Cybersecurity and Risk Oversight

Cybersecurity and data protection remained priority oversight areas. Risks relating to network access controls, legacy vulnerabilities and threat detection were reviewed and a structured 2026 Cybersecurity Strategy was endorsed to strengthen resilience, monitoring and compliance. Trust in our systems and data practices remains fundamental to the Group's reputation and growth.

Project Delivery and Execution Discipline

Project execution improved during the year, supported by the move towards automated project management tools and discussions on establishing a more focused delivery structure. As transformation initiatives grow in number and complexity, disciplined execution will be essential.

One Customer One Group

The convergence of marketing, digital platforms and data under the One Customer One Group strategy is one of the most strategically significant developments of the year. Unified onboarding, Customer 360 initiatives and cross selling models are shaping a more integrated customer proposition across the Group.

Looking Ahead

Priorities for the coming period remain clear. These include scaling digital revenue contribution, embedding AI supported decision making, completing core system modernization, maintaining strong cyber resilience and ensuring that every technology initiative is anchored in customer value and commercial impact.

Appreciation

I extend sincere appreciation to Management, the Technology and Transformation team, Data and Analytics team, Marketing and Communication team, Risk and Compliance teams and all business units. The progress achieved reflects collaboration, technical depth and a shared commitment to innovation led growth.

MUGWE MANGA

CHAIRMAN, BOARD INNOVATION & ICT COMMITTEE ICEA LION GROUP



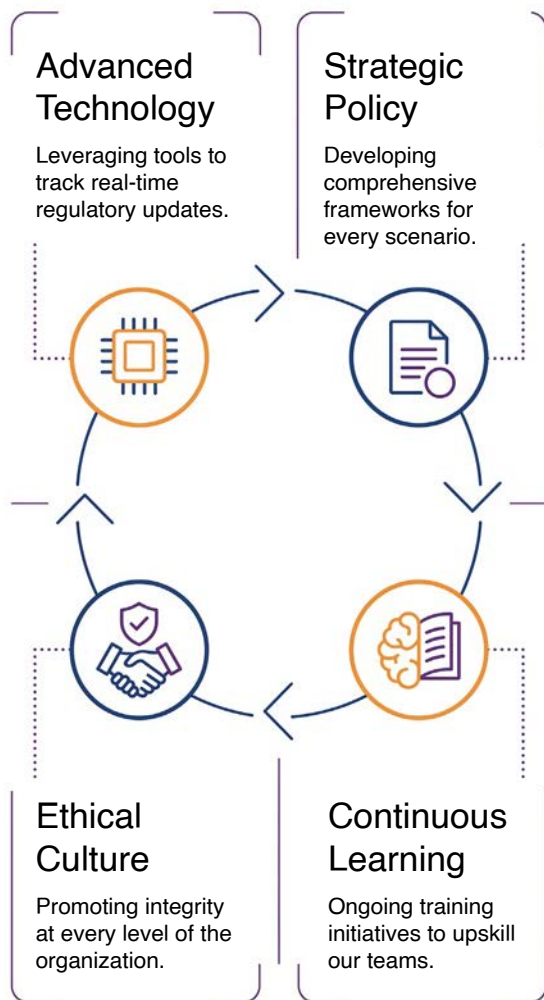
RISK LANDSCAPE

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OUR RISK LANDSCAPE

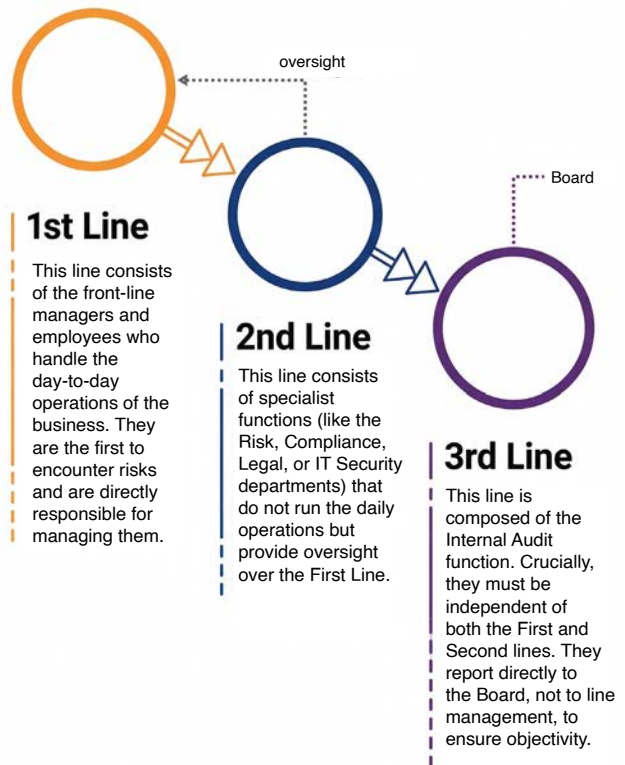
We recognize that Governance, Risk and Compliance are not merely regulatory obligations, but essential drivers of our continued success and brand integrity. Our approach is defined by a proactive risk management strategy that prioritizes the early identification, mitigation, and continuous monitoring of threats to ensure organizational resilience.

To support this, we have invested in a future-ready, agile GRC model designed to thrive amidst shifting regulations and market dynamics. This resilience is powered by a four-part ecosystem:



OUR APPROACH TO RISK MANAGEMENT

Our Governance Risk and Compliance framework is built on the 'Three Lines of Defense' model, engaging everyone from our employees and partners to the Board. Through unified cohesion, these lines integrate seamlessly to form a unified risk management strategy. This collaboration strengthens our ability to identify and mitigate risks while ensuring full regulatory compliance. By maintaining collective vigilance and adaptability in an evolving landscape, ICEA LION remains a steadfast protector against uncertainty.



ACHIEVING RESILIENCE THROUGH RISK INTELLIGENCE

We have institutionalized a comprehensive, integrated risk management framework that sits at the core of our daily operations. Supported by robust corporate governance, this framework enables the continuous identification, monitoring, and mitigation of risk. Execution is led by our independent Risk Management and Compliance team, which reports directly to the Board Audit and Risk Committee to ensure objectivity and rigorous validation.

Our strategic approach is anchored by a clearly defined Risk Appetite Statement, approved by the Board and cascaded through senior management. We employ a proactive methodology, utilizing regular assessments to benchmark exposure against strict tolerance levels. To embed this culture across the organization, we invest in systematic staff training and documented procedures.

We remain committed to continuous improvement. A key milestone in this journey is our adoption of the Risk-Based Capital regime endorsed by the Insurance Regulatory Authority (IRA). This transition reinforces our commitment to "Risk Intelligence," ensuring we remain adaptable, compliant, and secure in a dynamic landscape.

RISK APPETITE PROCESS AND SETTING

Defining our Risk Appetite is central to our organizational strategy. It establishes the boundaries within which we operate, aligning risk tolerance with our business goals. By clearly articulating these limits, we create a framework that empowers decisiveness—balancing the pursuit of opportunity with the necessity of protection. This proactive structure allows us to navigate uncertainty with confidence.

Risk Factors & Measurement

To thrive in a complex global environment characterized by technological shifts and interconnected vulnerabilities, we prioritize the precise measurement and understanding of risk. Below are the key risk categories we monitor to ensure long-term resilience:

1. Insurance Risk - Arising from potential gaps in underwriting, pricing, or claims management, this risk is managed through a robust system tailored to our scale. We enforce strict policies governing product design, reserving, and reinsurance to prevent financial loss and ensure we meet all obligations.

2. Credit Risk - To mitigate the risk of default, we maintain a rigorous Credit Control policy that standardizes debtor management. We engage stakeholders proactively to ensure timely collection and address issues before escalation. Our exposure is further managed through adherence to the statutory Solvency Capital Requirement.

3. Investment Risk - To protect against market volatility and principal loss, the Board's Investment Committee drives our asset allocation strategy. We continuously monitor our investment mix against approved benchmarks, focusing on asset-liability matching to optimize returns while minimizing impairment risks.

4. Operational Risk - We mitigate risks stemming from internal process failures, human error, or external events through a "Three Lines of Defense" model. This includes strict oversight of human capital, fraud prevention, and cyber/ICT resilience to ensure seamless business continuity.

5. Market Risk - We actively manage exposure to interest rates, exchange rates, and liquidity pressures that could impact our assets. Our strategy includes:

- Strict functional limits on market exposure.
- Asset & Liability Management (ALM) to align assets with liability structures.
- A disciplined investment process requiring dual-validation by Investment and Risk teams.

6. Reputational Risk - We hold a zero-tolerance policy for actions that compromise our integrity. To protect our brand from negative exposure (including social media incidents), we have established a Crisis Management Team dedicated to swift, transparent responses that preserve stakeholder trust.

7. Business Continuity Risk - From natural disasters to technological failures, we prepare for disruption through formalized Business Continuity and Disaster Recovery plans. These plans are regularly tested to ensure we can maintain service delivery under adverse conditions.

8. Compliance Risk - To avoid regulatory breaches or ethical lapses, we maintain an independent compliance and internal audit function. This team ensures all operations align with laws, codes of conduct, and best practices, safeguarding our legal integrity.

9. Fraud Risk - We treat fraud risk as a critical component of our Enterprise Risk Management. Our Board-approved policy enforces a culture of honesty through:



10. Sustainability Risk - Please refer to pages 87 to 88 on our management of sustainability risk.

Navigating a Transforming Risk Landscape

The nature of global risk is undergoing a fundamental shift, driven by the convergence of geopolitical instability—notably the conflicts in Europe and the Middle East—and the escalating threats of climate change and cyber warfare. This volatile environment tests the financial resilience of organizations, as physical disruptions and attacks on intangible assets become increasingly common.

Looking ahead, these systemic risks threaten to impact the solvency and profitability of the wider insurance sector. Persistently high inflation and the resulting pressure on household purchasing power may lead to increased policy lapses, demand contraction, and unrealized investment losses.

In response, the Company has adopted a proactive surveillance strategy. We continuously monitor the horizon for emerging threats across microeconomic, macroeconomic, and geopolitical spheres. By identifying these shifts early, we aim not only to mitigate potential operational shocks but also to uncover new opportunities for growth in a changing world.

Proactive Regulatory Risk Management

The financial services regulatory landscape is in a state of constant flux, characterized by intensified supervisory scrutiny and evolving financial crime legislation. While these shifts aim to increase market transparency, they also impose higher compliance costs and add complexity to products development.

Failure to adhere to these rigorous standards carries existential risks, including severe financial penalties, reputational erosion, and the potential revocation of operating licenses.

We view these challenges through a strategic lens. Rather than treating compliance merely as a cost center, we recognize it as a cornerstone of our corporate integrity and long-term resilience. To safeguard our credibility and contribute to industry stability, we have institutionalized a comprehensive compliance framework. Overseen directly by the Board, this framework ensures that we navigate the evolving regulatory environment with the necessary agility, transparency, and care.

Harnessing Technology for Strategic Advantage

The insurance sector is experiencing a paradigm shift, catalyzed by the rapid maturation of Artificial Intelligence (AI), Machine Learning (ML), and blockchain technology. As agile Insurtech competitors utilize big data and automation to disrupt traditional value chains, technological fluency has become the defining metric of market leadership.

We are meeting this challenge by embedding these disruptive technologies directly into our operational DNA. By strategically deploying AI and blockchain, we are revolutionizing our underwriting precision and claims efficiency while unlocking high-value, data-driven insights.

Our strategy extends beyond mere survival; we are leveraging these tools to fuel sustainable innovation and cement our status as a forward-thinking market leader.

Climate Change and Sustainability

Climate change represents a systemic risk to the global economy, driving physical property damage, health crises, and significant financial losses. For the insurance sector, this translates into a complex landscape defined by rising claims frequencies, escalating reinsurance costs, and the growing difficulty of modeling climate-related risks.

To navigate these challenges, we are committed to building resilience across Africa. We actively champion the Nairobi Declaration on Sustainable Insurance (NDSI) and collaborate with financial institutions to mitigate the continent's exposure to climate threats. Furthermore, we are aligning our governance with global best practices.

Evolving Competitive Landscape and Strategic Response

The insurance sector faces intensifying competition from non-traditional entrants, including technology giants and financial institutions. These entities, often operating with leaner business models and lower cost bases, continue to exert pressure on industry-wide profit margins.

To counter these market dynamics, we are executing a multi-pronged strategy focused on agility and efficiency. We are accelerating our digital transformation to streamline operations and enhance customer experience while simultaneously reducing our cost-to-serve. Furthermore, we are shifting from competition to collaboration by forging strategic partnerships with tech firms and financial institutions, leveraging their platforms to expand our reach.

Underpinning these efforts is a robust framework of scenario planning and market risk assessment, ensuring we remain proactive in anticipating competitive shifts.

MANAGING SUSTAINABILITY RELATED IMPACTS, RISKS AND OPPORTUNITIES

ICEA LION Group operates in a risk environment increasingly shaped by sustainability-related Impacts, Risks and Opportunities (IROs) that influence underwriting performance, investment outcomes, operational continuity and long-term enterprise value. For purposes of business continuity and in line with IFRS S1, the Group will be pro-active in the identification, assessing and managing of sustainability-related risks and opportunities that could reasonably be expected to affect its financial performance, position and future prospects, integrating them into its overall risk landscape and enterprise risk management framework.

Overview of the Sustainability Risk Landscape

The Group's sustainability risk landscape spans environmental, social and governance dimensions, with varying degrees of financial and operational materiality across business lines. Key sustainability-related risks include climate change, nature and biodiversity loss, conduct and governance risks, customer and social inclusion risks, supply chain standards, operational resource efficiency, and regulatory and reputational risks. These risks interact with traditional insurance and investment risks, amplifying potential impacts if not proactively managed.

Climate-related Risks and Opportunities (IFRS S2)

Climate-related risks are a central component of ICEA LION's risk landscape and will be managed in alignment with IFRS S2. These include:

- **Physical risks**, such as increased frequency and severity of floods, droughts and extreme weather events affecting insured assets, claims experience and investment portfolios.
- **Transition risks**, arising from regulatory changes, market shifts, technological developments and changing customer expectations as economies transition to lower-carbon and more climate-resilient models.

The Group will manage these risks through sector prioritisation, underwriting controls, reinsurance, portfolio diversification, gradual reduction of exposure to high-risk sectors, and increased allocation to green and climate-resilient investments. At the same time, opportunities are emerging through climate-responsive insurance products, adaptation solutions and sustainable investments.

Nature-related Risks (TNFD Alignment)

Nature-related risks, including biodiversity loss, ecosystem degradation and resource scarcity, are increasingly recognised as systemic drivers of financial risk. In line with the TNFD framework, from 2026 ICEA LION will consider nature-related dependencies and impacts across underwriting and investment portfolios, particularly in sectors reliant on natural capital.

These risks will be managed through screening, gradual exclusions, portfolio monitoring and engagement, while opportunities exist in supporting nature-positive and resilience-enhancing activities.

Social and Governance Risks

Social risks within the Group's risk landscape include customer conduct and claims fairness, financial inclusion gaps, data privacy, accessibility, and stakeholder trust. These risks are actively managed through transparent product disclosures, fair claims handling, and digital enablement. In addition, The Group shall be conducting financial literacy initiatives and targeted engagement with underserved markets, consistent with GRI's impact-based approach.

Governance risks such as regulatory non-compliance, weak oversight or unethical practices are addressed through strong Board and management oversight, clear accountability structures. This shall be further strengthened by a clearly defined ESG risk appetite and zero tolerance for regulatory breaches. This governance approach ensures sustainability-related risks are considered alongside financial and operational risks.

Monitoring, Controls and Adaptive Capacity

ICEA LION continuously monitors its sustainability risk landscape through defined KPIs, portfolio reviews, stakeholder feedback and internal reporting. The phased adoption of IFRS S1, IFRS S2, GRI and TNFD strengthens risk visibility, comparability and decision-usefulness, enabling timely responses as sustainability risks evolve.

Through this integrated understanding of the sustainability risk landscape, ICEA LION enhances its ability to manage downside risks, seize emerging opportunities and support long-term resilience and value creation.





NATURAL CAPITAL

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WHAT'S
YOUR?
PLAN.

2025 ESG PERFORMANCE REPORT

1. Executive Summary

2025 represented a pivotal year in ICEA LION Group's sustainability journey, marking the transition from fragmented ESG initiatives to a fully structured, strategy-led approach. Building on the 2024 Natural Capital Report, which established the Group's initial baseline on climate, nature and ESG exposure, the 2025 reporting year focused on execution, governance strengthening, and measurable outcomes.

During the year, ICEA LION implemented its first Group-wide ESG Strategy (2025-2027) across ICEA LION Group, with performance tracked on a monthly basis. This enabled the Group to move beyond ad hoc reporting towards systematic identification, management and disclosure of ESG, climate and nature-related risks and opportunities.

Compared to 2024, the Group recorded significant progress, including a substantial increase in ESG-aligned investments, expanded climate-resilient insurance solutions, deepened staff capacity on IFRS S1 and IFRS S2 and TNFD, and clearer articulation of future integration of ESG into underwriting from 2026. At the same time, the report transparently highlights areas where gaps remain, particularly in underwriting integration and stakeholder-facing ESG training, ensuring credibility and readiness for continuous improvement.

This report is transitioning to be aligned with the UNEP FI Principles for Sustainable Insurance (PSI), Principles for Responsible Investment (PRI), the Nairobi Declaration on Sustainable Insurance (NDSI), IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), the Taskforce on Nature-related Financial Disclosures (TNFD), and relevant GRI Standards.

2. Material Topics Performance

The Group has identified seven material topics namely, Customer, People, Digital Transformation, Governance, Social Economic, Climate and Biodiversity.

Below is an update on our progress with respect to these material topics:

A. Governance

In 2025, ICEA LION addressed a key limitation identified in the 2024 Natural Capital Report: the absence of a unified, Group-wide ESG implementation framework. The development and approval of the 2025-2027 ESG Strategy provided a clear governance structure, defined roles and responsibilities, and established measurable Key Performance Indicators (KPIs) across all business lines.

The strategy integrates ESG considerations into governance, investments, underwriting roadmaps, claims management, product development and stakeholder engagement. Progress against the strategy is monitored monthly, strengthening accountability and enabling early identification of risks and opportunities.

Framework alignment:

- **UNEP FI Principles for Sustainable Insurance (PSI):** The strategy embeds ESG into core insurance activities, including risk management, product innovation, claims fairness and stakeholder engagement.
- **Principles for Responsible Investment (PRI):** ESG screening and allocation of capital to ESG and climate-related investments were operationalized within the investment function.
- **Nairobi Declaration on Sustainable Insurance (NDSI):** ICEA LION continued its leadership role in advancing sustainable insurance practices across Africa through NDSI.
- **IFRS S1 and IFRS S2:** Transitioning to IFRS S1 and IFRS S2 compliance Reporting commenced, supported by targeted capacity building to ensure climate and sustainability-related financial disclosures are decision-useful.
- **TNFD:** ICEA LION is in the process of preparing to report in line with TNFD.
- **Global Reporting Initiative (GRI) Standards:** Reporting capability was strengthened to ensure consistency, comparability and transparency of ESG disclosures.

Change from 2024: Governance maturity progressed from isolated ESG actions to a cohesive, strategy-driven approach with defined oversight and accountability mechanisms.

Please refer to page 72 in relation to Governance on sustainability.

B. People

i. Internal Capacity Building

Recognising that effective ESG and natural capital integration depends on internal capability, ICEA LION significantly expanded staff training and technical capacity in 2025 compared to 2024.

- **IFRS S1 and IFRS S2, ESG & Climate Risk Training:** Staff across the Group were trained on sustainability governance, climate-related risks and opportunities, and the link between ESG and financial performance. This improved the Group's ability to interpret and apply emerging disclosure requirements.
- **Sustainability Standards Implementation Project:** The Board, Executives and ESG Champions received in-depth training on IFRS S1 and IFRS S2, GRI and TNFD. This enhanced internal capacity for data management, KPI development, materiality assessment, documentation and audit readiness.
- **Nature Positive Finance Training:** Training focused on nature-related risks and opportunities, supporting the assessment and structuring of nature-positive investment products.
- **ESG Month and ESG Day:** All staff across Kenya, Uganda and Tanzania participated in awareness and engagement activities, reinforcing ESG as a shared responsibility rather than a specialist function.

- **CSR and Tree Planting Initiatives:** Staff participated in community-based environmental activities, linking social impact, nature conservation and employee engagement. The Group planted 1000 Mangrove trees at the Kenyan Coast in Mombasa, with a commitment to grow 20,000 Mangrove seedlings in 2026.

Alignment: PSI (capacity building), IFRS S1 and IFRS S2, TNFD, GRI.

Change from 2024: Training evolved from general awareness to targeted, standards-driven capacity building directly linked to implementation and disclosure.

ii. ESG Culture & Staff Engagement

The continuation of the annual ESG Drive and ESG Day strengthened organizational culture by recognising individual and business-level ESG innovations. These initiatives fostered internal ownership, encouraged behavioural change, and embedded sustainability into everyday decision-making.

C. Climate and Biodiversity

i. ESG, Nature & Climate Investments

In 2025, ICEA LION materially increased its allocation to ESG and climate-related investments.

Growth: This represents a year-on-year increase of over 700 percent in ESG investment value, demonstrating a deliberate shift toward scaling sustainable finance.

The Group has committed to a phased increase in green investments, targeting 2% of the portfolio by 2025 and scaling annually by 2 - 3% to achieve a 15% allocation by 2030.

ii ESG Screening of Investments

In line with our progressive approach on integrating ESG in investments screening and selection as we build our internal capacity, during the year, three investment opportunities were systematically screened against ESG, climate and nature-related risks using the FSDA-developed ESG screening tool. These included the Safaricom Green Bond, Atree Kadzi Gender Climate Fund and ADP IV. Screening outcomes informed investment decision-making and risk assessment.

Alignment: PRI, PSI, IFRS S1, TNFD.

iii. Underwriting, Products & Risk Solutions

ICEA LION continued to deploy insurance solutions that support climate resilience, nature protection and inclusive growth.

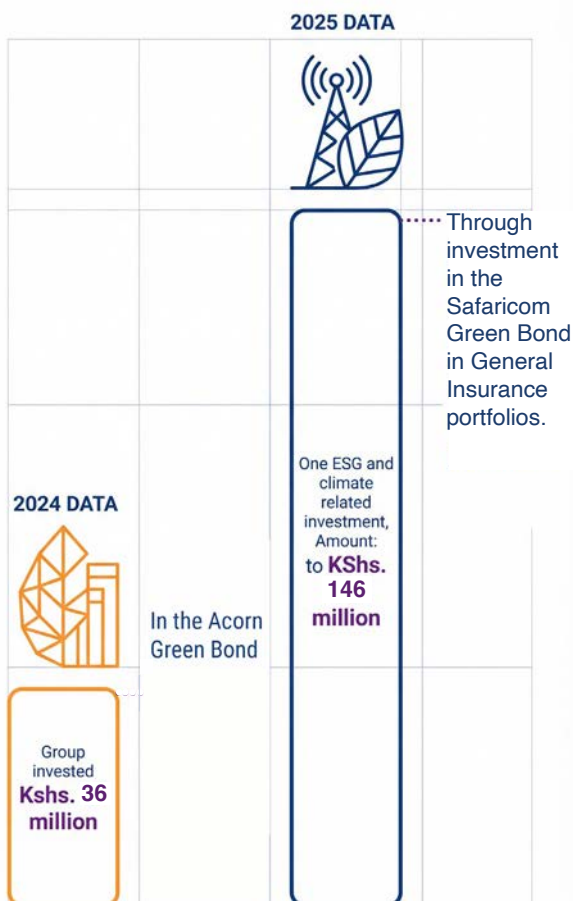
- **DRIVE - Index-Based Livestock Insurance:** In 2025, the product generated gross premiums of Kshs. 91.3 million, representing 22 percent growth from 2024. Geographic coverage expanded from 12 to 22 counties, while the number of livestock insured increased from 254,574 to 337,361. The product supports drought resilience for pastoralist communities and contributes to food system stability.
- **Geothermal Well Output Insurance Facility:** As lead underwriter, ICEA LION supported the scaling of this facility from an initial USD 2 million pool to USD 40 million, unlocking private capital for renewable energy development.
- **Environmental Impairment Liability and Medical Second Opinion:** These products continued to support pollution risk management and sustainable healthcare outcomes, respectively.

Alignment: PSI, NDSI, climate adaptation and mitigation objectives, TNFD.

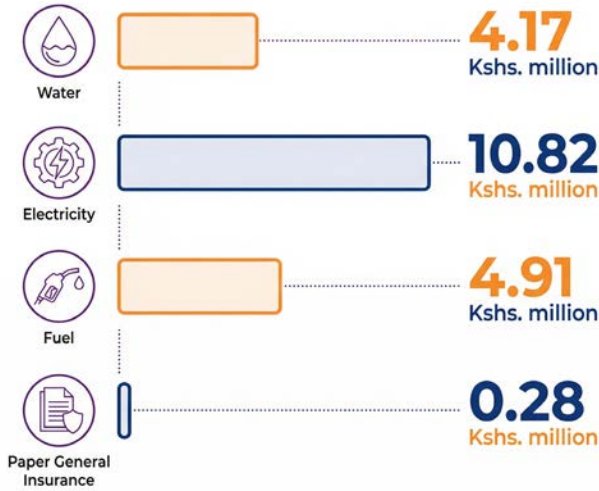
iv. Procurement, Resource Consumption & Supplier ESG Management

In 2025, the Procurement Department strengthened its contribution to ICEA LION Group's environmental performance by systematically tracking and reporting operational resource consumption costs across water, electricity, fuel, and paper. This represents a significant improvement from 2024, where reporting focused primarily on aggregate consumption trends and selected efficiency indicators rather than department-led consolidation.

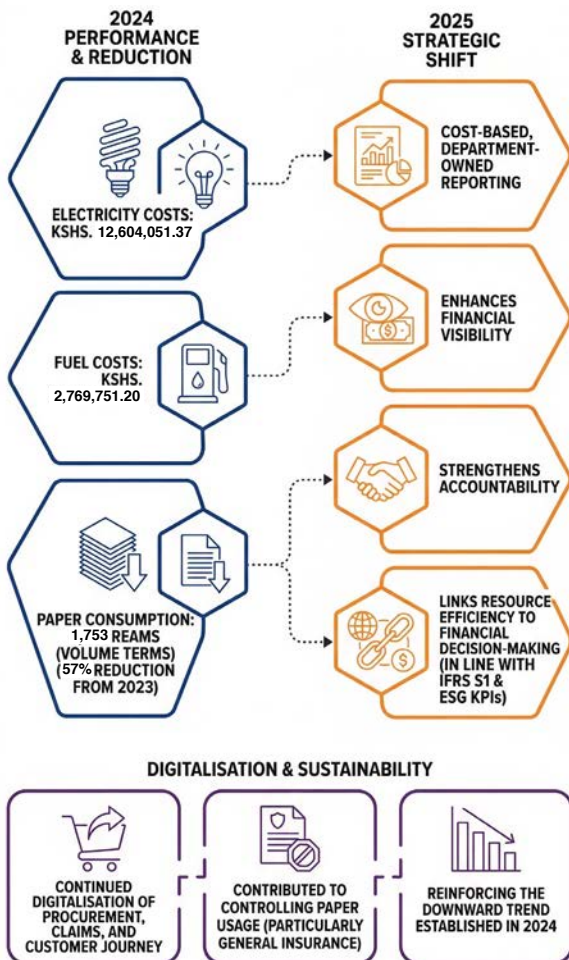
**GREEN INVESTMENTS:
2024 VS 2025 MAGNITUDE**



2025 Resource Consumption Costs



Comparison with 2024:



• In 2024, electricity costs totaled Kshs. 12.6 million and fuel costs amounted to Kshs. 2.77 million, while paper consumption was reported in volume terms (1,753 reams, a 57% reduction from 2023).

• The 2025 shift toward **cost-based, department-owned reporting** enhances financial visibility, strengthens accountability, and supports the Group's transition toward linking **resource efficiency directly to financial decision-making**, in line with IFRS S1, IFRS S2 and operational ESG KPIs.

• Continued digitalisation of procurement, claims, and customer journeys contributed to controlling paper usage, particularly within General Insurance, reinforcing the downward trend established in 2024.

Change from 2024: Procurement moved from indirect participation in resource efficiency initiatives to **active ownership of consolidated resource cost tracking**, strengthening internal ESG data governance and readiness for more granular consumption metrics in future reporting cycles.

- Supplier ESG Screening, Engagement & Capacity Building

In 2025, the Procurement Department played a central role in extending ESG, nature, and climate considerations into the Group's supply chain, addressing a key gap identified in earlier reporting periods.

• Prequalified suppliers were screened against ESG parameters using an ESG Questionnaire designed to assess baseline awareness, compliance, and risk exposure.

• All suppliers completed the ESG Questionnaire, providing the Group with its first structured dataset on supplier ESG maturity and understanding.

• No ESG, nature, or climate-related breaches were reported by suppliers during the year.

• No suppliers were disengaged or terminated due to ESG non-compliance in 2025.

• Based on questionnaire outcomes, suppliers will be ranked according to ESG awareness and compliance levels, forming the basis for targeted ESG capacity-building training

Comparison with 2024:

• In 2024, supplier ESG engagement was largely indirect, embedded within broader UN Global Compact participation and responsible procurement principles.

• In 2025, the Group progressed to full supplier ESG screening (100%), marking a transition from principle-based commitments to operationalized supply chain ESG risk management.

Change from 2024: Procurement evolved from general responsible sourcing practices to structured ESG screening, supplier baseline assessment, and forward-looking supplier capacity-building, strengthening value-chain resilience and alignment with PSI, GRI, and TNFD expectations.

Alignment and Forward Outlook

Procurement-led ESG actions in 2025 directly support:

- UNEP FI Principles for Sustainable Insurance (PSI): Supplier engagement and responsible business practices
- GRI Standards: Resource consumption and supply chain disclosures
- IFRS S1: Operational cost visibility and ESG-related financial impacts
- TNFD: Foundational groundwork for extending nature-related risk considerations into the value chain

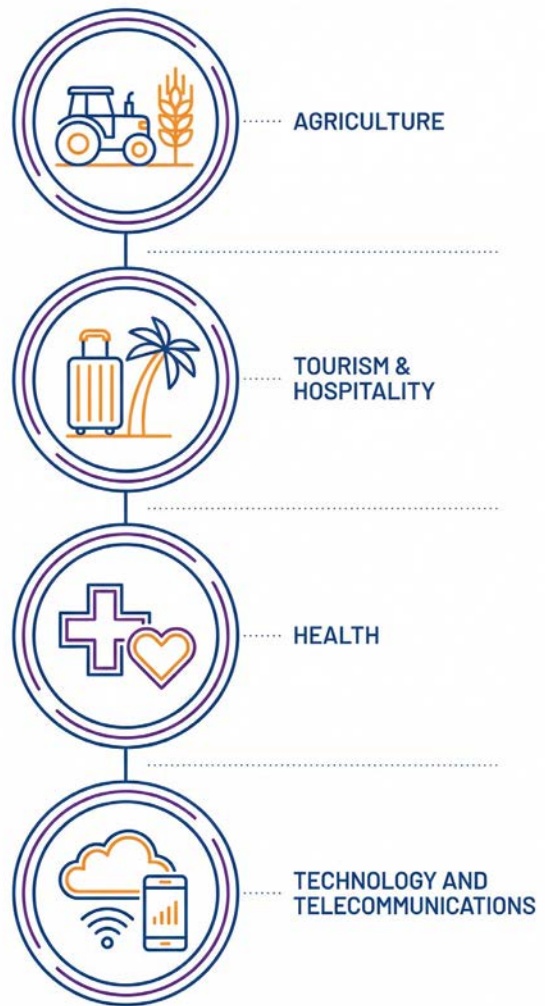
LOOKING AHEAD, THE PROCUREMENT DEPARTMENT WILL SUPPORT THE GROUPS 2026 PRIORITIES BY:



V. Nature & Climate Risk Integration Roadmap

While ESG integration into underwriting had not yet been fully implemented by 2025, the year marked a clear commitment and roadmap for action from 2026.

ICEA LION will begin integrating ESG, climate and nature considerations into underwriting decisions in the following priority sectors:



This approach aligns with Phase II of UNEP FI PSI's Nature Positive Working Group, where ICEA LION participates in the Core Thematic Working Group. The group focuses on practical tools for assessing physical, transition and systemic nature-related risks and on commercializing nature-based solutions.

Alignment: PSI, TNFD, NDSI.

Vi. Digital and ESG-Linked Product Innovation

In 2025, ICEA LION launched a fully digital, end-to-end private motor insurance journeys via WhatsApp Chatbot and the Agent Mobile App.

- Revenue generated: Kshs. 7 million via WhatsApp and Kshs. 17 million via the Agent App.
- Environmental benefits include reduced paper use, improved efficiency and enhanced customer accessibility.

D. Customers

i. Treating Customers Fairly (PSI)

ICEA LION strengthened customer-centric claims practices through timely responses, transparent communication and digitalisation. Commitments include responding to customer emails within 24 hours, empathetic engagement, clear explanation of claims processes, and elimination of unnecessary paper-based documentation.

Digital channels allow customers to report claims, upload documents, track claim status and request services, improving efficiency and customer experience while reducing environmental impact.

Please refer to section on customers on page 57 for additional information on our performance in relation to Customers

E. Social Economic

i. Partnership & Leadership

ICEA LION continued to play a leadership role in regional and global sustainability initiatives:

- Active participation in UNEP FI's PSI Nature Positive Working Group (Phase II) as well as in the Regional Roundtables for Africa & Middle East represented by the Group ESG Specialist and The Asia Pacific Regional Roundtable represented by the Group CEO.
- Chairing ANCA's TNFD Working Group and participating in the Nature Financing Workstream. Participation and speaking in the ANCA Executive Summit, held in October 2025 in Cape Town. The Group CEO was part of the Keynote speakers demonstrating The Group's commitment to ESG.
- Founding member and Chair of the Nairobi Declaration on Sustainable Insurance, which expanded to over 275 signatories across 38 African countries. Strong participation & Contribution in the inaugural NDSI Africa Sustainable Insurance Summit (ASIS) held in Accra, Ghana in April 2025

Change from 2024: The Group progressed from participation to agenda-setting and leadership across multiple platforms.

ii. Insurance Products

ICEA LION's General insurance products continued to deliver measurable social benefits. During the year, the Group offered risk protection worth KShs. 3.9 Trillion (2024 - KShs. 3.7 Trillion) enabling its customers to have peace of mind in their Walk of Life. In addition, please refer above to the Medical Second Opinion product by the General Businesses together with Geothermal recourse risk facility and Environmental Impairment Liability.

Alignment: PSI, SDGs, GRI Social disclosures.

F Digital transformation

Our digital transformation journey has been discussed in detail on our Business Growth strategy on pages 40 as well as on Pages 57 in relation to customer centric solutions. In addition please refer to the Chief Executive Officer's statement on pages 22.

3. Outlook

By the end of 2025, ICEA LION had established a robust foundation for ESG and natural capital integration. The focus for 2026 will be on embedding ESG into underwriting processes, expanding nature and climate risk assessments, issuing TNFD-aligned and IFRS S1 & IFRS S2-ready disclosures, and scaling ESG-linked investments and insurance solutions.

The Group is positioned not only to manage risk, but to actively de-risk Africa's future by channeling capital, innovation and partnerships toward a resilient and nature-positive economy.

CLIMATE RISK

Strategic Context and Value Creation (IFRS S1, GRI)

Climate change, biodiversity loss and ecosystem degradation increasingly shape the risk environment in which the ICEA LION Group operates, particularly across sectors such as agriculture, tourism and hospitality, health, technology and telecommunications. In line with IFRS S1, the Group recognises that climate- and nature-related Impacts, Risks and Opportunities (IROs) can reasonably be expected to influence enterprise value and therefore plans to integrate natural capital considerations into strategy, risk management, capital allocation and disclosure. In addition natural capital will underpin ICEA LION Group's underwriting performance, investment outcomes and long-term financial resilience.

ICEA LION's approach is intended to balance risk mitigation, operational efficiency, and opportunity creation, while supporting the transition to climate-resilient and nature-positive economic activity across its markets.

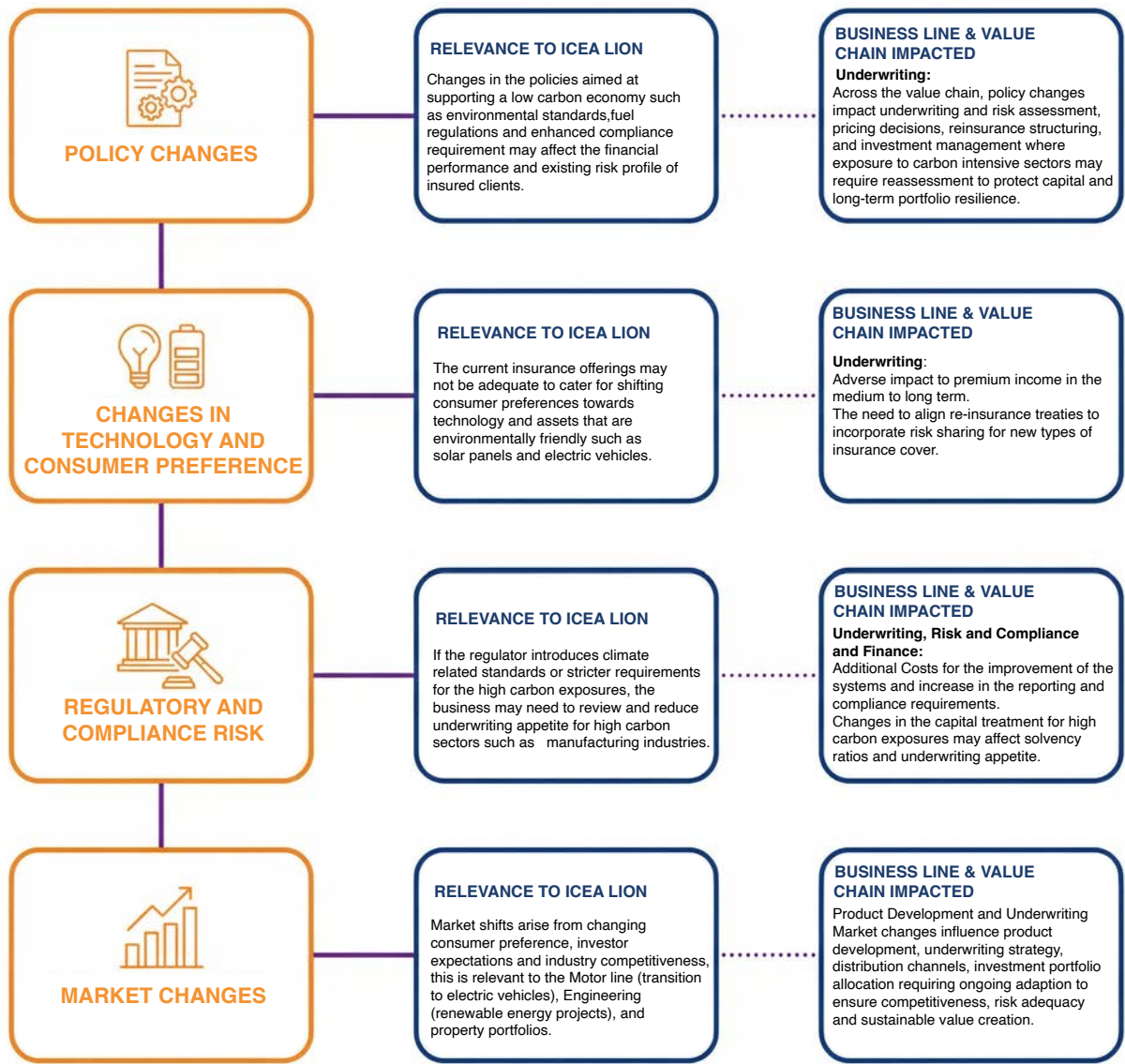
CLIMATE-RELATED RISKS

In alignment with IFRS S2, and as part of the identified material topics in the 2025 materiality assessment process, ICEA LION will be deliberate in identifying and managing both physical and transition climate risks supported by relevant Key Performance Indicators (KPIs), responsible parties and clearly set out timelines.

These risks are particularly relevant to underwriting and investment exposure in climate-sensitive sectors such as agriculture and tourism of which are some of the priority sectors the Group shall commence with, in the integration of ESG in underwriting from 2026.

Transition risks

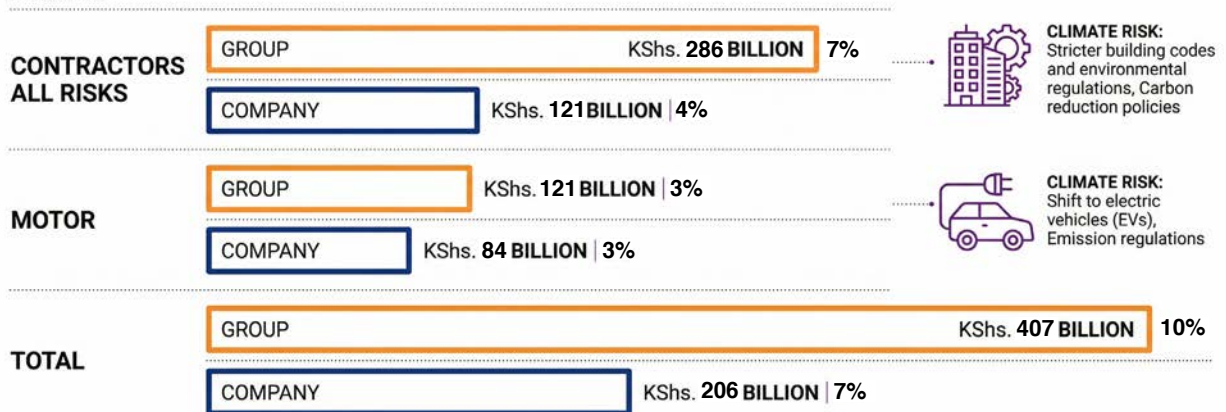
Transition risks refer to the risks arising from global and national shift toward a low-carbon economy. These risks may result from changes in climate-related regulations, market dynamics changing and consumer preference, technological advancements, and stakeholder expectations. ICEA LION has identified the following transition risks that impact the business:



Below are the Group and Company's business activities with significant exposure to transition risk:

2025 SECTOR EXPOSURE & CLIMATE RISK OVERVIEW

SECTOR



Effect on Business Model, Value Chain and Strategic Decision Making

The above-mentioned climate related transition risks have the potential to significantly influence ICEA LION strategic positioning, product innovation and underwriting and investment approach. Growing stakeholder expectations for climate aligned insurance solutions, exposes ICEA LION to reputational risk. Failure to integrate sustainability and climate considerations into underwriting, product development and investment strategies could lead to the loss of customer confidence, ability to attract strategic partnerships and negative brand perception.

The growing adoption of low-carbon technologies-such as electric vehicles, energy-efficient appliances, and renewable energy systems-has shifted consumer preferences and created demand for insurance solutions tailored to electric vehicles, solar installations, and renewable energy infrastructure. We recognise these trends and have begun to incorporate the above in our product development strategies to mitigate the risk of declining premium income and erosion of market share to competitors offering sustainability-focused products.

Effects on Strategy and Decision Making

To address climate transition risks, ICEA LION has implemented a range of initiatives, which include:

- a). Embed transition risk considerations in product design and underwriting: The Group integrates climate transitions considerations into product development and underwriting practices. Through its product innovation team, the company explores and develops climate conscious insurance solutions that support client's sustainability objectives.
- b). Evaluate sectoral exposures and emerging regulatory developments: The Group assesses exposure to sectors that may be significantly affected by climate transition policies including transport, construction and energy intensive industries. Frequent monitoring of emerging regulations and environmental standards enables management to anticipate potential impacts on client's financial stability and adjust underwriting strategies accordingly.
- c). Conduct periodic portfolio reviews in order to assess sensitivity to policy, technology and market shifts associated with the transition to a low carbon economy. These reviews help to identify accumulation risks, emerging trends and areas that require strategic adjustment to maintain portfolio resilience
- d). Apply underwriting controls and pricing adjustments where elevated transition risks or sector concentrations are identified, the company may implement underwriting restrictions, enhance due diligence or stricter risk selection criteria. Pricing assumptions are also reviewed and adjusted to reflect evolving risk profiles, ensuring premium adequacy and protection of long-term profitability.

Financial Effects (Current and Future Anticipated Effects)

Current effects

For the current reporting period, transition risks have a limited direct financial impact on the Group since its investment transition-risk assessment has not yet begun, so no current fair-value or impairment effects have been recognised in the investment portfolio. Underwriting exposure to transition-sensitive sectors exists but is not yet material enough to affect current earnings, claims ratios, or capital adequacy positions. Operational transition-risk costs remain minimal, with only early-stage spending on awareness, policy development, and capacity building.

Incremental costs during the year of amount KShs. 10 Million and KShs. 3.1 Million for the Group and the Company respectively covering ESG training, and internal reporting efforts were recorded under administrative expenses and did not materially impact financial performance. No fines or penalties arose from climate risk policies or regulations.

Anticipated effects

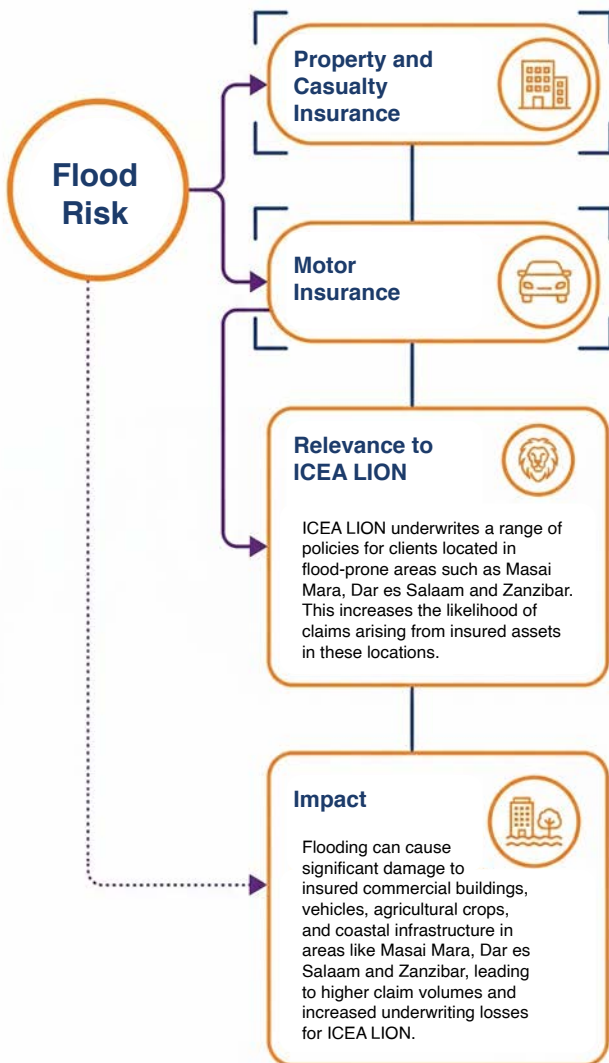
ICEA LION anticipates that reputational risks and technology-driven market shifts will have measurable financial effects across both its underwriting and investment activities. Reputational risk may lead to reduced premium volumes if customers perceive ICEA LION is insufficiently aligned with emerging climate expectations, potentially affecting underwriting income and weakening customer retention rate. This loss of confidence may also influence investment performance, as ICEA LION may be required to adjust or divest from certain holdings to maintain stakeholder trust, which could introduce fair-value losses or lower investment returns.

At the same time, market risks triggered by rapid technological change are expected to affect underwriting profitability, as new low-carbon technologies introduce unfamiliar risk patterns, increase pricing uncertainty, and drive higher claims volatility. These shifts may also require ongoing investment in modelling tools, product redesign, and system enhancements, increasing operating expenses and placing pressure on underwriting margins. Together, reputational and technology-related transition risks have the potential to influence the Company's premium income, claims experience, operating cost structure, and investment valuations, thereby affecting overall financial performance and business resilience.

The Company has not yet quantified the expected financial impacts due to current data limitations but is strengthening its systems and processes to support future measurement and disclosure in accordance with ISSB requirements.

Physical risks

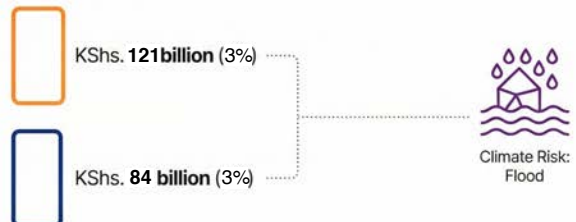
Climate-related physical risks are the risks that arise from the physical impacts of climate change itself, such as more frequent and severe weather events or long-term environmental shifts. ICEA LION has identified the following physical risks that impact the business:



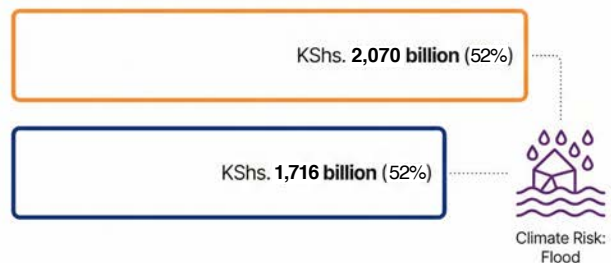
The infographic below outlines the Company's insurance exposures and business activities that generate physical risk for the Company.

Financial Exposure & Climate Risk (31 Dec 2025)

Motor



Property



Total Exposure

Group: KShs. 2,191 billion (55%)
Company: KShs. 1,801 billion (59%)

Effect on Business Model, Value Chain.

Physical climate risks such as flooding have the potential to materially affect the Group's underwriting approach, product strategy, and overall exposure profile. Increasing flood events in highly populated and coastal areas heighten the risk of significant damage to insured commercial properties, vehicles, and logistics infrastructure.

These evolving physical hazards may require the Group to refine underwriting criteria, strengthen accumulation controls, and recalibrate pricing to maintain portfolio resilience and protect underwriting margins.

In response, ICEA LION may need to enhance product features to better support customer resilience, such as offering peril-specific endorsements and flood-mitigation incentives. Operationally, these risks also necessitate improved hazard mapping, investment in exposure-management tools, and enhancement of claims readiness during peak seasons when extreme events occur. Failure to adjust underwriting practices, product design, and risk-management processes in line with these physical risk trends could expose the company to increased loss ratios, higher reinsurance costs, and reduced competitiveness if customers migrate toward insurers offering more climate-responsive coverage options.

Effects on Strategy and Decision Making

ICEA LION acknowledges the critical role of climate risk within its business model and operations. The Company is committed to strengthening government frameworks, processes, and strategic approaches to effectively manage and respond to material climate risks through:

- e). Integrating climate hazards into underwriting guidelines by applying location-based risk assessment. This includes evaluating exposures to flood prone areas, storm corridors and other high-risk zones, particularly for property and contractor's all risk in vulnerable regions, including monitoring aggregate exposures to reduce potential losses from a single catastrophic event.
- f). Use of insurance and claims analysis to manage exposures; the Company utilises proportional and non-proportional reinsurance arrangements to manage peak exposures arising from extreme weather events and catastrophic losses. In addition, event-driven claims patterns are monitored and analysed to identify emerging trends in frequency and severity. These insights inform pricing adjustments, underwriting guidelines and risk selection decisions, strengthening portfolio resilience against evolving climate-related physical risks.

Financial Effects (Current and Future Anticipated Effects)

Current effects

Below is a summary of annual losses attributable to insurance payouts, as well as incurred losses for insurance products arising from floods:

Gross Incurred Claims	2025	2024
	KShs (millions)	KShs (millions)
Group	86	395
Company	64	363

Net Incurred Claims	2025	2024
	KShs (millions)	KShs (millions)
Group	25	170
Company	16	162

Anticipated effects

Floods are expected to directly affect ICEA LION income statement by increasing the frequency and severity of claims across property, motor, and contractor's all risk portfolios, which will raise claims incurred and place downward pressure on the insurance service results.

Reduced underwriting performance may further lower net earned premiums if ICEA LION tightens risk appetite or loses customers in high-risk areas. These events can also increase reinsurance expenses where the Company relies more heavily on catastrophe protection, reducing net underwriting income. Operating expenses may rise as ICEA LION responds to climate-driven events through enhanced claims handling, risk assessments, and system improvements.

From a Statement of Financial Position (SOPF) perspective, severe physical events may lead to higher insurance contract liabilities due to increased expected claims, while reinsurance recoverable may fluctuate depending on the scale of catastrophe events. In the medium to long term investments in hazard-mapping tools, exposure-management systems, and claims-processing technologies may increase intangible assets and related amortisation costs. Recurring climate-driven losses may also influence the valuation of certain investment assets, potentially impacting financial assets measured at fair value. Overall, unmanaged physical risks may create volatility in ICEA LION financial position by increasing liabilities and affecting asset valuations.

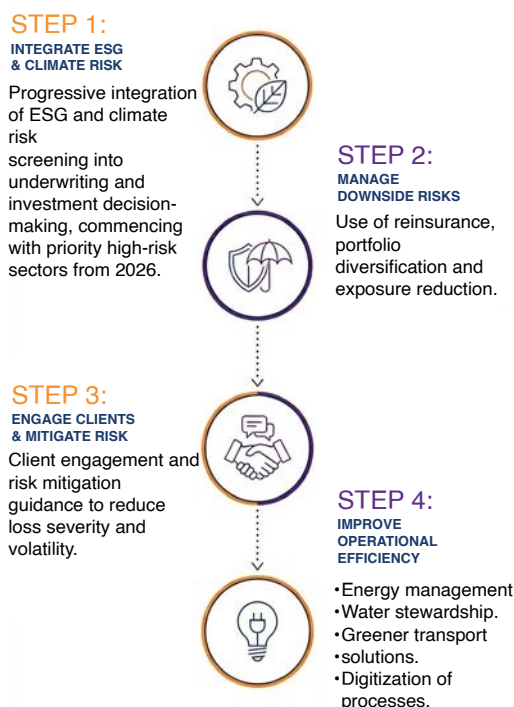
ICEA LION Group has not yet quantified the expected financial impacts due to current data limitations but is strengthening its systems and processes to support future measurement and disclosure in accordance with ISSB requirements.

CLIMATE RESILIENCE

In accordance with IFRS S2, the Group recognizes the importance of climate-related scenario analysis as a key tool for assessing the resilience of its strategy and business model against both physical and transition risks. Scenario analysis supports forward-looking risk identification, strategic planning and capital resilience assessment.

However given current data limitations, evolving methodologies and the ongoing development of formal climate governance structures, the 2025 assessment has been primarily qualitative in nature. While we acknowledge the value of quantitative modelling, the necessary granular data, standardized metrics and insurance-specific scenario parameters are still being developed.

The Group shall strengthen climate resilience using:



These measures enhance the Group's capacity to anticipate, absorb and adapt to climate-related shocks while maintaining service continuity and financial stability.

The Group remains committed to progressively strengthening its data infrastructure, analytical capabilities and governance frameworks to enable more robust and quantitative climate scenario analysis in future reporting cycles.

Capacity to Adjust or Adapt Strategy and Business Model

Although the Group has not yet conducted a fully developed quantitative climate-related scenario analysis, the Group recognises the importance of assessing climate resilience and maintains the capacity to adjust and adapt its strategy and business model in response to emerging physical and transition risks.

The Group's diversified portfolio structure, dynamic underwriting framework, periodic portfolio reviews, and established reinsurance arrangements provide flexibility to respond to evolving risk patterns. Management retains the ability to adjust risk appetite, pricing assumptions, product design, sector exposure and investment allocation as climate-related developments unfold.

Through its existing enterprise risk management processes and strategic oversight mechanisms, the Group is positioned to respond proactively to changing regulatory, market and environmental conditions while progressively strengthening its formal climate risk assessment capabilities.

CLIMATE-RELATED METRICS AND TARGETS

i. Overview

For the year 2025, the Company is in the process of setting targets that reflects our commitment to driving measurable progress and delivering positive outcomes. We are also in the process of collecting data relating to the effects of sustainability and climate-related risks and opportunities on business decisions and outcomes and intent to enhance quantitative information about these factors in future editions of IFRS S1 and IFRS S2 reports.

Our approach is to ensure clear, comprehensive and standard-compliant disclosures that address stakeholder expectations for transparency and accountability. Metrics are systematically identified based on their relevance to our operations.

ii. Greenhouse Gas Emissions (GHG)

Methodology, Inputs, and Assumptions

Activity Data

For the measurement of emissions, the entity will use the following activity data:

- Scope 1 GHG emissions: Quantities of fuel (e.g., diesel) consumed in backup generators and the entity's vehicle fleet, sourced from fuel purchase records, invoices, and vehicle logs.
- Scope 2 GHG emissions: Quantities of purchased electricity consumed at all its locations sourced from utility provider invoices.

The Group will calculate Scope 1 and Scope 2 GHG emissions using indirect measurement methods, as direct monitoring systems are not yet fully deployed. Activity data is sourced from supplier invoices, generator logbooks, utility bills and facility records.

Emission Factors for the measurement of Scope 1 and Scope 2, location based GHG emissions will be used from the most recent country-specific emission factors for Kenya, Uganda and Tanzania and from recognised international sources, such as the International Energy Agency (IEA), or regional/national factors where available and appropriate. For the measurement of Scope 2 (market-based) GHG emissions, supplier-specific emission factors will be used where available.

The Group is in the process of commencing the quantification of a baseline for Scope 1 and Scope 2 emissions.

iii Other Cross Industry Metrics

The below are mandatory climate related metrics as required by IFRS S2.

<p>1. Assets or business activities vulnerable to transition risks.</p> <p>The Group has motor vehicles which are subject to regulatory changes, shifting fuel standards, and evolving market preference.</p> 	<p>2. Assets or business activities vulnerable to physical risks.</p> <p>The Group has primary asset that are vulnerable to physical climate risks.</p> 
<p>3. Assets or business activities aligned to climate-related opportunities.</p> <p>The Group currently does not have formal metrics or structured tracking for climate-related opportunities, though it recognises them qualitatively and plans to integrate and measure them in future reporting cycles.</p> 	
<p>4. Capital expenditure, financing or investment deployed in climate-related risks and opportunities.</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="802 1444 1117 1727">  <p>ICEA LION General Kenya as deployed KShs . 146 Million in ESG aligned investments directly targeting climate related opportunities.</p> </div> <div data-bbox="1117 1444 1441 1727">  <p>At this stage, ICEA LION General Tanzania and ICEA LION General Uganda has not deployed specific capital expenditure, financing, or investments directly targeting climate-related risks or opportunities.</p> </div> </div>	

Internal carbon price

The Group does not currently use an internal carbon pricing to manage climate-related risks, to guide strategic planning, to support investment decision-making and to contribute to our emissions reduction targets.

Events After the Reporting Period

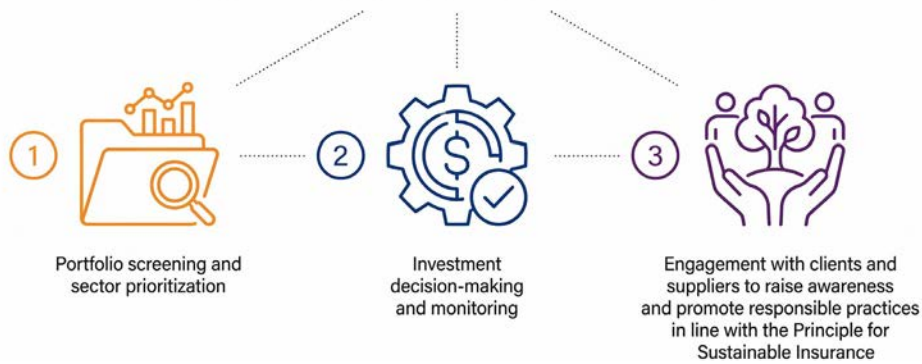
No transactions, events, or conditions have occurred between the end of the reporting period and the date of authorization of this document that require disclosure in this sustainability report.

NATURE AND BIODIVERSITY

Nature-related Dependencies, Impacts and Risks

Nature-related risks including biodiversity loss, ecosystem degradation and resource scarcity are increasingly recognised as systemic drivers of insurance and investment risk. In line with the TNFD framework, ICEA LION acknowledges dependencies on healthy ecosystems across underwriting and investment portfolios, particularly in sectors reliant on natural capital such as agriculture, tourism, health and technology & telecommunications.

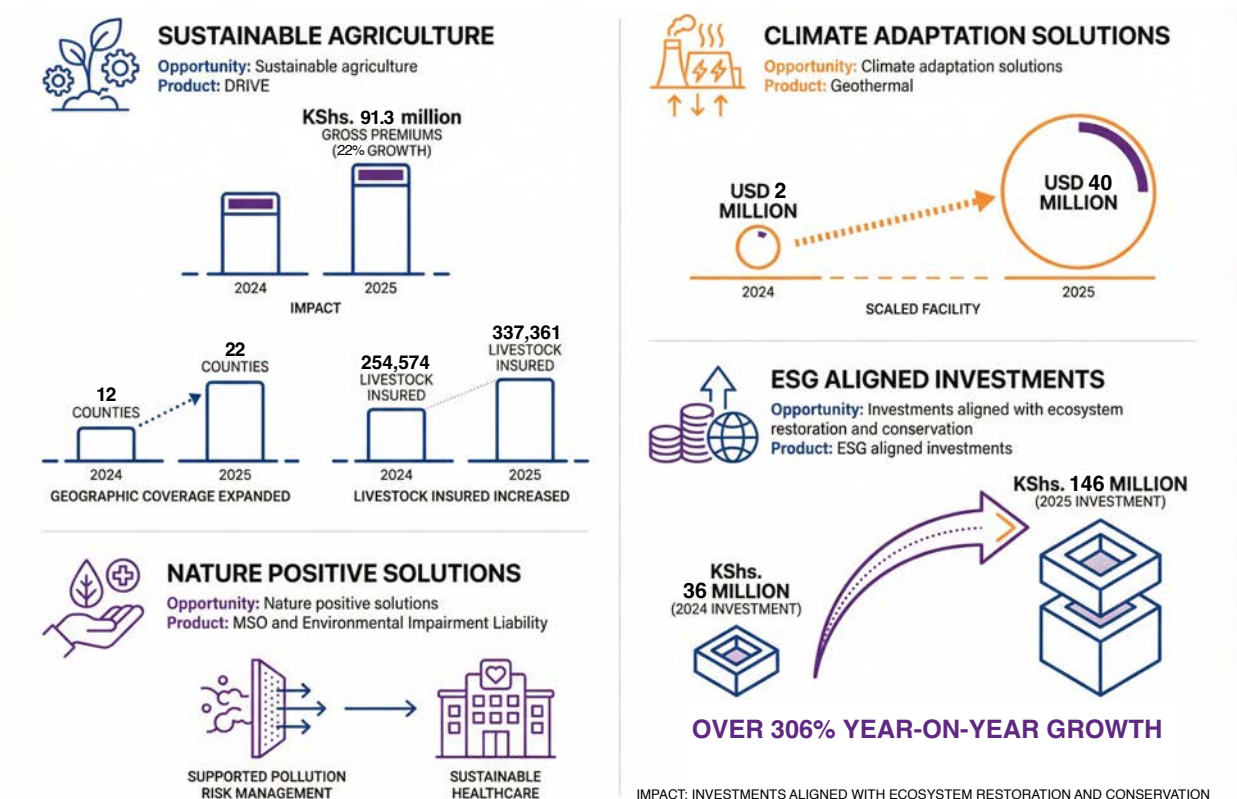
From 2026, the Group is embedding nature-related considerations into:



Climate and Nature-related Opportunities

Opportunities exist in supporting nature-positive and resilience-enhancing activities, including sustainable agriculture, climate adaptation solutions and investments aligned with ecosystem restoration and conservation. Additional opportunities exist in the investment and underwriting of Nature Based Solutions (NBS) as well as in the underwriting of transition risks. These opportunities will contribute to portfolio resilience, innovation in insurance solutions and long-term value creation.

Below is a summary of climate and nature related opportunities:



Business Resilience to Sustainability IROs

ICEA LION’s business resilience is anchored in its ability to anticipate, withstand, adapt to and recover from sustainability-related IROs. Climate and nature-related risks will be integrated into the Group’s enterprise risk management framework, supported by a clearly articulated ESG risk appetite and strong governance oversight.

Operational resilience will be further enhanced through reduced resource dependency, digitalisation of claims and customer engagement, and inclusive infrastructure upgrades. Financial resilience will be supported through prudent capital allocation, gradual rebalancing away from high-risk climate- and nature-exposed assets, and increased investment in green and impact assets.

This integrated approach will strengthen the Group’s capacity to manage uncertainty, protect enterprise value and support long-term obligations to policyholders and investors.

Governance of Climate and Nature

Oversight of climate- and nature-related IROs is embedded at Board and senior management levels. The Board Audit and Risk Committee, which also works as the Sustainability Committee, will provide strategic direction, approve policies and targets, and monitor performance. This governance model will progressively be adopted across all Group businesses to ensure consistency and accountability.

Management, supported by a dedicated ESG function and ESG Champions across subsidiaries, is responsible for implementation, data collection and continuous improvement. Sustainability risks, including climate and emerging nature-related risks, will be integrated into risk identification, assessment and monitoring processes, consistent with IFRS S1 and IFRS S2 requirements and TNFD recommendations.

Continuous Monitoring and Adaptive Capacity

ICEA LION will continuously monitor climate- and nature-related risks, opportunities and performance through defined KPIs, portfolio reviews and internal reporting. The phased adoption of IFRS S1, IFRS S2, GRI and TNFD strengthens data quality, scenario awareness and decision-useful disclosure.

This adaptive capacity will ensure the Group remains resilient amid increasing climate volatility, nature loss, regulatory change and socio-economic uncertainty, while supporting sustainable value creation for shareholders and wider stakeholders.

Integrated Reporting Positioning

This Natural Capital disclosure reflects ICEA LION Group’s commitment to integrated thinking, linking climate and nature impacts with strategy, governance, risk management and performance. It demonstrates alignment with IFRS S1 and IFRS S2 enterprise value focus, TNFD’s nature-risk lens, and GRI’s impact-based transparency, providing a coherent and credible foundation for integrated reporting and future enhancement.





HUMAN CAPITAL

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HUMAN CAPITAL

We are a value and solution led company having our human capital as core enablers who hold skills and competencies that enable us have a competitive differentiation in the market. With great intentions to serve our stakeholders in the region, we have a shared culture that enable us define the success for our customers, agents, partners, shareholders and the community. In line with our core value "Our people are important to us", we continue to attract the right talent, build competencies, drive engagement and improve our work environment by making ICEA LION a great place to work.

HUMAN CAPITAL STRATEGIC PRIORITIES

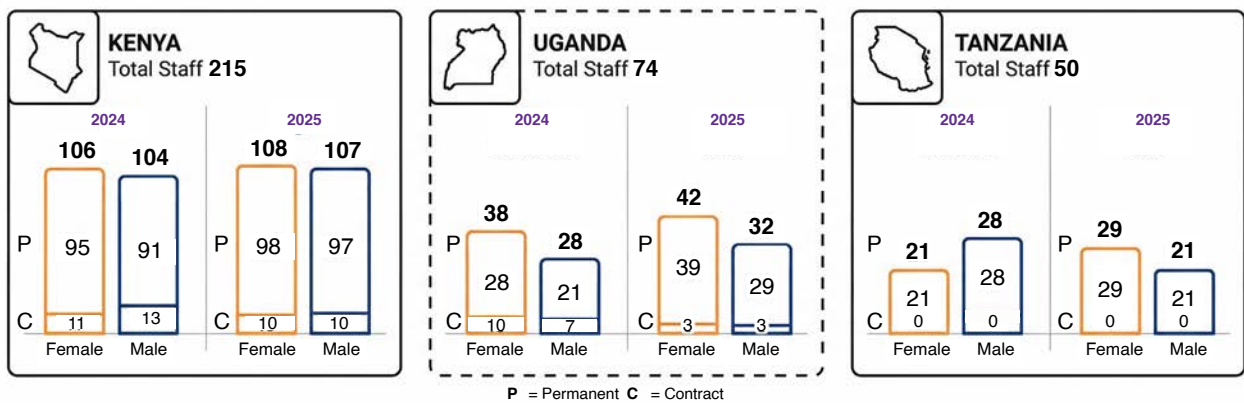


OUR STAFF COMPLEMENT

2025 vs 2024 Staff Distribution - Kenya , Uganda & Tanzania

Total Staff 2025: 339

Demographics: 180 Females, 159 Males Trends: 51% Female (2024) → 53% Female (2025)



Corporate Culture

ICEA LION Culture is anchored on our shared vision, values and behaviours which has enabled our employees to be consistent in our business interactions with our customers enhancing our corporate identity in the region. We have continued to be intentional in our culture transformation journey by entrenching the culture TREEMS behaviours in executing our business strategy. TREEMS represents our green behaviours as summarised on pages 13 of this report.

The leadership team is committed to continuously review our culture transformation journey since the launch of the culture campaign anchored on the TREEMS behaviours in 2023. In April 2025, we held our annual culture review pitstop, an opportunity to reflect on the journey, celebrate our progress in the transformation journey and identify opportunities to address emerging challenges. The outcome of the pitstop review led to action plans on how to further embed the desired behaviours across the organization in our day-to-day operations.



Culture Review Pitstop, April 2025

The business is currently executing a three year rolling strategy themed "Business Unusual, Step Change Delivery" whose execution of the objectives are to be On Time In Full (OTIF). The execution of the strategy is hinged on our talents as they uphold the shared culture TREEMS behaviours. During the year under review, we designed a robust recognition framework that is linked to the execution of the business strategy while embodying our culture TREEMS behaviours for our Annual Simba Excellence Awards.

Staff were invited to submit entries showcasing Business Unusual, Step Change Delivery projects/initiatives executed, while upholding the TREEMS behaviours and demonstrate tangible business results. During the end of year staff party in December 2025, we celebrated and recognised the Top 10 awardees where the General Business was awarded three (3) awards. In addition, staff were also recognized for completion of key professional programs and the 2024/2025 Edition of Africa Re's Young Insurance Professionals Programme Finalists (YIPP).



Annual Simba Excellence Awards, December 2025

TALENT ATTRACTION, DEVELOPMENT AND ATTRITION

The 2024 ICEA LION corporate brand launch with the slogan "What's Your Plan" which aimed to target our diversified customers including the youthful generation created a phenomenal platform to enhance our employer brand, and equally attracted diverse talent. As an employer brand, ICEA LION continues to position itself as an employer of choice in the region by;

- Closely upholding our core value, "Our people are important to us", through our commitment to diversity and inclusion, providing opportunities for growth, creativity, innovation and varied work assignments, provide competitive total rewards, and work/life balance.
- ICEA LION brand has a legacy of trust in all its interactions with its employees, customers, stakeholders and the community while upholding the core value "we champion integrity".
- ICEA LION continues to strive to provide volunteer opportunities for the employees to make a difference in the community.

The employer brand being our key strategic enabler in talent attraction, employee development, engagement and retention, ICEA LION has been committed to enhancing the employee experience. Some of the notable initiatives in the year under review were;

- ICEA LION launched the talent management policy, a framework that is underpinned on eight guiding principles for identifying, developing, deploying, engaging, and retaining employees with the aim of building a competent and engaged workforce to address our current and future talent needs.

- Enhanced the employer-employee interaction with the provision of a digital employee experience platform following the launch of the SAP Success Factors system.
- Enhanced the performance management system by ensuring that individual performance goals are aligned to the corporate objectives providing a clear line of sight through the SAP SuccessFactors system that is geared to drive a high performance culture. This effectively enables check-in conversations, biannual and annual reviews between the employee and the manager.
- Assessed and improved the quality of the employer-employee relationship through the Manager Index and Manager Net Promoter Score (MNPS) which was introduced in the 2025 Your Voice Matters, annual survey.
- In the year under review, we launched the job rotation program and talent mobility through internal recruitments to enable continuous development and career advancement opportunities.

ICEA LION growth and sustainability is pegged on its provision of a learning environment where employees are constantly acquiring and sharing new information, constantly expanding its treasure of skill, knowledge and abilities. The main goal is to offer a long term focus on preparing for growth/higher responsibilities while increasing the capacities of employees to perform their current jobs and ensuring we are compliant with the regulatory requirements.

In October 2025, we launched our Simba iHUB Knowledge Sharing initiative for creating, acquiring, sharing and management of knowledge to augment individual and organisational performance. This initiative is an enabler for expertise sharing and organisational learning and knowledge retention and reduction of knowledge loss in the event of employee attrition. The purpose of the Simba iHUB is to enhance social sharing of knowledge, deepen cross-functional collaboration, spark ideas and conversations that spur innovation and drive a culture of continuous learning at ICEA LION.

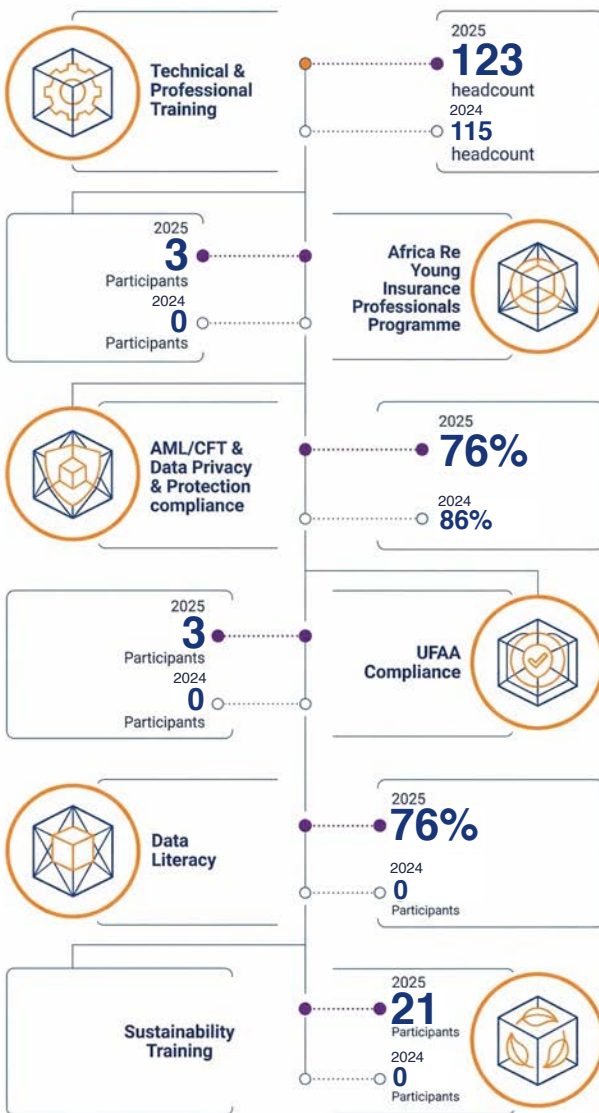


Simba iHUB Launch, October 2025

The intent of ICEA LION is to continuously provide development programs that seek to upgrade employees' skills as follows;

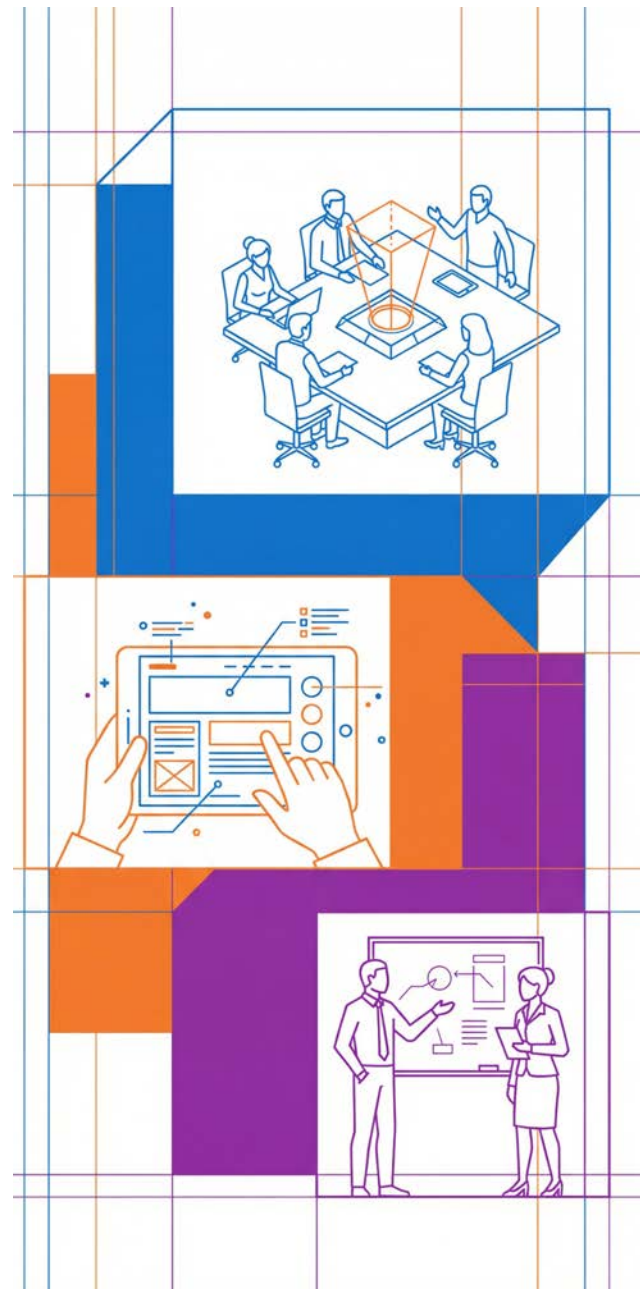
- Staff are sponsored to pursue their full certification within their area of expertise for their career development
- Our online learning platform provides 24/7 learning access, engaging staff in a wide range of online content for capability development, soft skills learning and personal growth
- We drive a coaching culture, where we have supported the training and certification of pool certified in-house coaches to enhance staff engagement and productivity
- In-house training programs align to our corporate strategy aimed at improving knowledge, skills, behaviour and overall organizational performance

The average training hours per employee in the year under review is 34.8 hours. Some of the development activities we undertook in the year under review are as follows;



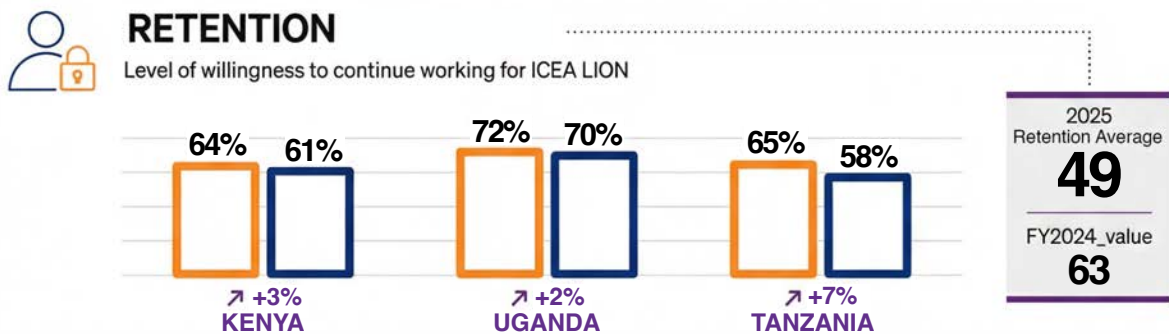
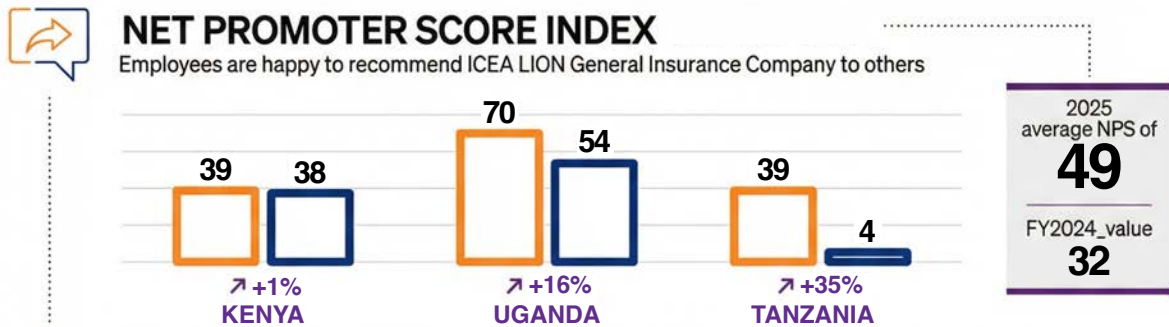
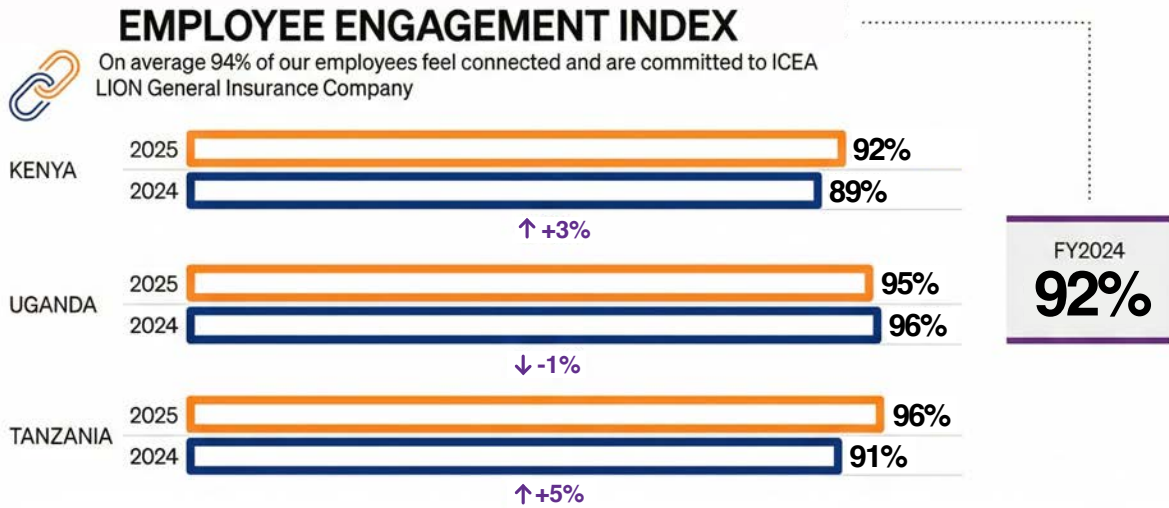
During the year under review we have had seventeen (17) employees who were promoted and an attrition rate of 7% in Kenya.

It is the intent of ICEA LION to keep talented and high performing employees. Throughout the year under review, we have undertaken efforts to ensure that employees have a clear understanding of their performance objectives that are aligned with the corporate strategy, provision of opportunities for development, feedback mechanism through Your Voice survey and that the total rewards are reflective of the market despite the external pressure of increased taxes.



EMPLOYEE ENGAGEMENT

ICEA LION continues to be committed to creating a mutually beneficial relationship in which our employees feel that they are heard and valued. The 2025 annual survey "Your Voice Matters, Tell It Like It Is" garnered the highest ever participation at an average rate of 97%, and the outcomes are as summarised below:



The target is to have the employee engagement index above the high performance norm benchmark which was 86% in 2025.

In the year under review, the Group held our annual cross functional team building in October 2025. The team building was anchored on the business strategy theme "Business Unusual, Step Change Delivery" that sought to bring an understanding on the importance of everyone's contribution to the business strategy alongside strengthening our connection with the leadership team.



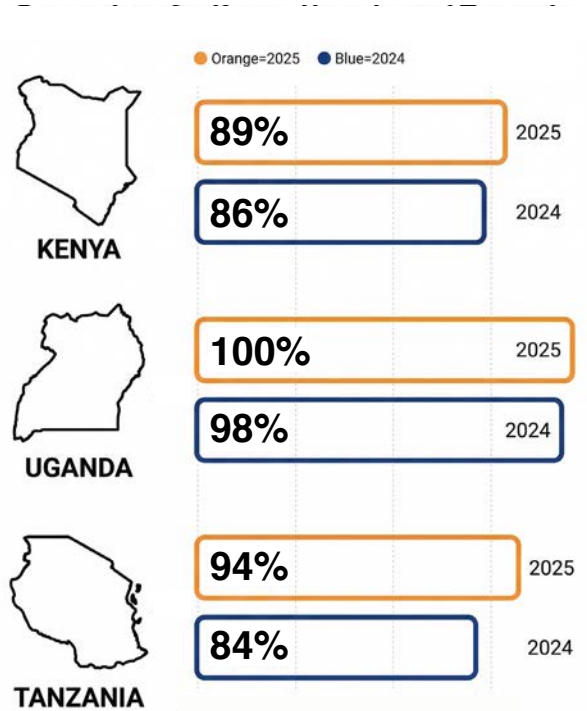
Team Building 2025 at Ridge Cabin Resort Limuru

DIVERSITY EQUITY AND INCLUSION (DEI)

ICEA LION has a diverse staffing complement that is multigenerational and multitalented presenting a valuable asset for the organisation. These diversities have enabled us to be intentional from the onset during talent acquisition, and enable everyone feel that they are included and accepted, have a valued place in the organisation and are equally able to contribute to the fullest. We are keen to continually assess the effectiveness of our inclusiveness by allowing our employees to voice out how they feel through the annual survey "Your Voice Matters, Tell It Like It Is". The results in the year under review are as follows;



Team Building 2025 at Ridge Cabin Resort Limuru



In the year under review we undertook the following Diversity, Equity, and Inclusion (DEI) initiatives;

ICEA LION Engagement Council

There has been a notable increase of young employees specifically the Gen Z generation who are joining the organisation. This generation brings with it different skill sets and perspectives, agility to generate innovative and creative solutions and ideas, and opportunities for cross generational learning and mentoring with the older generational employees. In light of this, in September 2025, the ICEA LION Engagement Council was established with the appointment of the young leaders comprising of ten representatives from the different companies. The objective of the Engagement Council is to act as an additional feedback channel to the leadership team, provide insights and perspectives on how to better engage, understand, and create meaningful connections with the youthful demographic while providing value to the business.

Inclusive Events

In an effort to provide an inclusive workplace for all employees, ICEA LION through the leadership has continuously sponsored calendar events to celebrate our diversity.

During Women's Month in March 2025, we recognised and celebrated the role and contribution of our female employees in society and towards the success of our organisation, the theme for the month-long activities was 'Accelerating action to drive high performance'.

Similarly, we had month-long activities to celebrate our male staff during the Men's Month (Movember), honoring their contribution, navigating health and wellness challenges, as we explored the shift from the traditional norms to the modern expectations.



Addressing the audience during the International Women's Day



Participants actively listening during the Men's Day

CREATING A HEALTHY, SAFE WORKPLACE AND A SAFE & HEALTHY WORKPLACE

ICEA LION strives to ensure it maintains a fair working environment for all our employees where we promote fair and equal practices in talent acquisition, access to skills, career growth and development opportunities and compensation system that is compliant with local laws and regulations. In the year under review, all vacant positions were opened up for internal candidates and filled competitively.

ICEA LION strives to uphold an ethical working environment through our organisation values. The values are codified in the organisation's codes of conduct and in the organisation's processes. To ensure we live up to this commitment, ICEA LION has in place the whistleblowing policy which empowers employees to voice unethical behavior or unprofessional conduct anonymously through Deloitte.

At ICEA LION the health, safe working environment and employee rights is a critical component in the employees' work experience. In the year under review, ICEA LION undertook some enhancements of the workspace to enhance workplace safety, health, energy efficiency, and overall staff well-being, in line with good occupational safety practice and statutory expectations. The following are some of the notable enhancements;

i.) Solar Power and Energy Improvements

A grid-tied solar power system has been installed to supplement mains electricity supply. This intervention improves energy reliability, reduces dependency on the national grid, and lowers exposure to outages that may disrupt workplace operations. Electrical works associated with the solar installation were carried out with appropriate isolation, labeling, and protective measures to reduce electrical risk. The system contributes to a safer and more stable working environment while supporting environmental sustainability goals.

ii.) Lighting Improvements and Use of Dimmer Controls

Lighting across common areas and workspaces has been upgraded, including the introduction of dimmer controls where appropriate. These changes reduce glare, eye strain, and fatigue, especially for staff working long hours indoors. Improved lighting levels has enhanced visibility and reduced the risk of slips, trips, and errors associated with poor illumination.

iii.) Washroom Refurbishment and Hygiene Enhancements

Washrooms have been refurbished to improve cleanliness, functionality, and hygiene standards. Upgrades include improved plumbing fixtures, better ventilation, and enhanced finishes that are easier to clean and maintain. These improvements support infection prevention, personal hygiene, and overall staff comfort, which are core components of a healthy workplace.

iv.) Gym and Wellness Facilities

There is an on-site gym facility and sports club arrangement to promote physical activity and employee wellness. Encouraging regular exercise seeks to support musculoskeletal health, stress reduction, and general physical fitness. From an Occupational Safety and Health Administration (OSHA) perspective, this will help prevent work-related fatigue and sedentary lifestyle-associated health risks.

v.) General Workplace Improvements

Additional improvements have been made across the building, including upgrades to finishes, mesh ergonomic chairs, tea pauses, cafeteria with subsidised meals, filtered drinking water, elaborate circulation areas, and shared spaces. These works improve housekeeping standards, reduce physical hazards, and enhance the overall working environment. Attention has been given to safe access, clear walkways, and orderly spaces to minimize the risk of accidents. The central courtyard was enhanced as a shared space for meetings and collaboration.



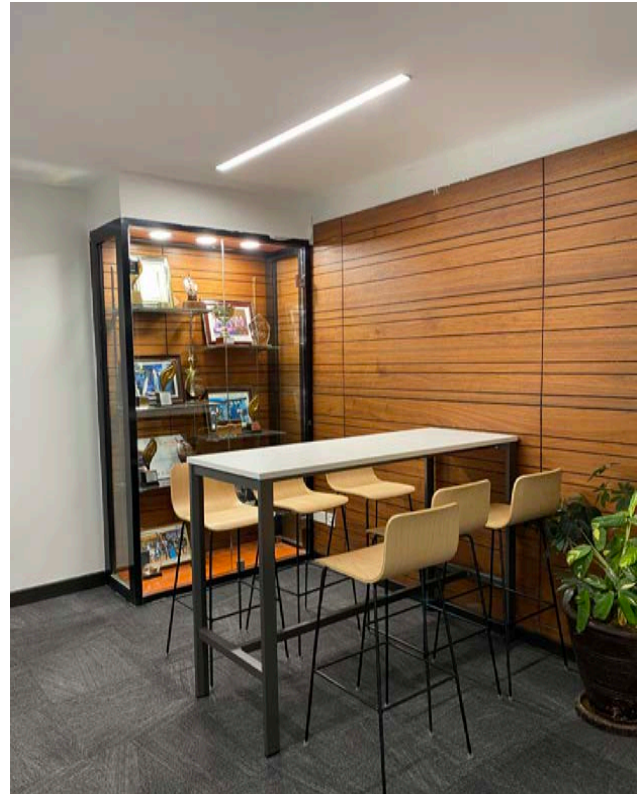
vi.) Air Conditioner Upgrade

The building air conditioning system has been upgraded to improve thermal comfort, indoor air quality, and energy efficiency. The upgrade provides more consistent temperature control, improved ventilation, and better air circulation across workspaces. These improvements reduce heat stress, support respiratory comfort, and enhance concentration and productivity, which are important considerations under occupational health standards.

Overall Occupational Safety & Health and Workplace Environment Impact

Collectively, these interventions demonstrate a proactive approach to occupational safety and health. The improvements address electrical safety, thermal comfort, lighting, hygiene, ergonomics, and employee well-being. ALL ICEA LION premises have registered as places of work with the Department of Occupational Safety and Health Services (DOSHS) and appropriate and external audits were completed in 2025.

All these contribute to a safer, healthier, and more productive workplace for all our employees in addition to compliance with statutory guidelines.



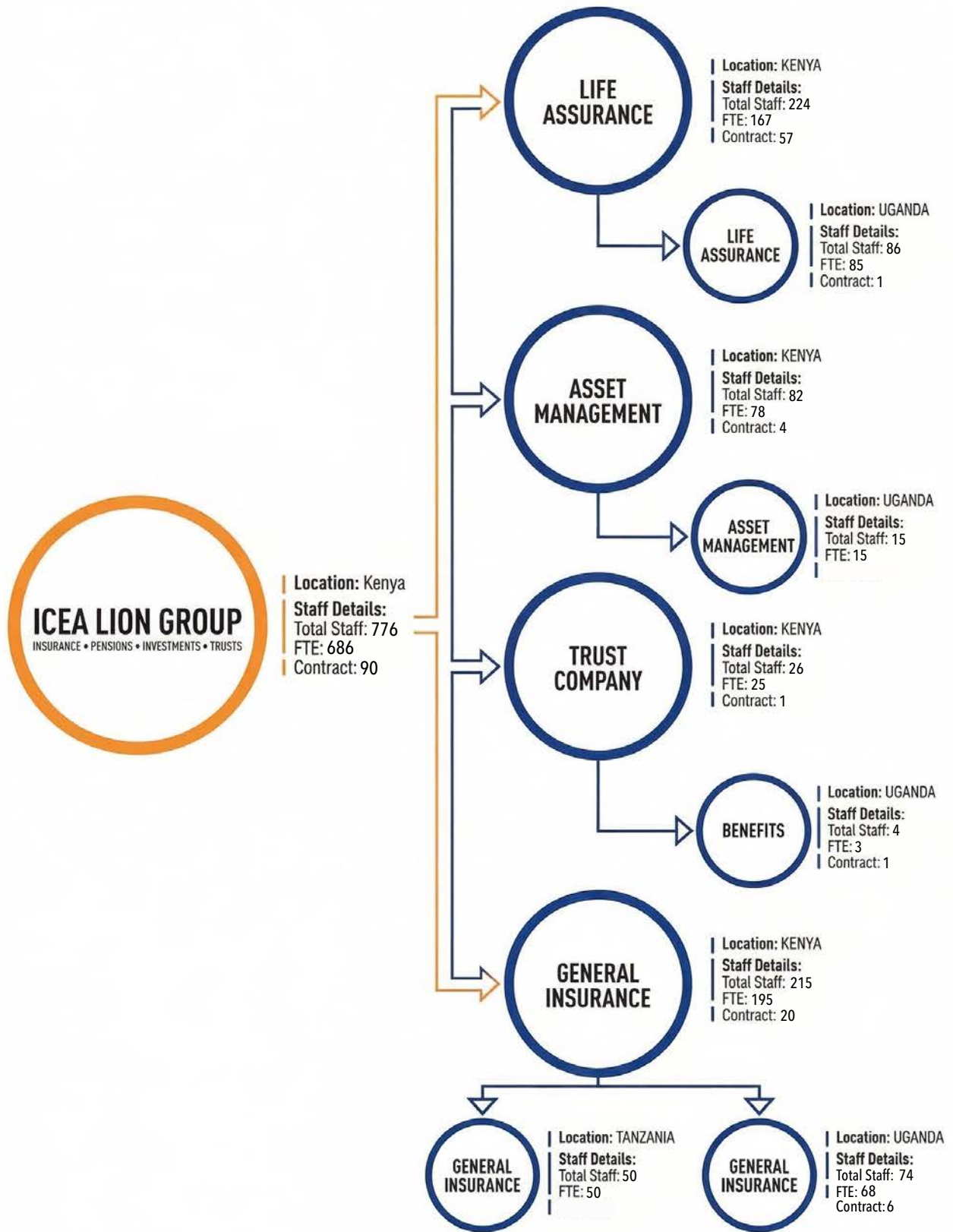
LOSS WITHIN THE YEAR

During the year under review, we lost one of our colleagues, Ms. Gloria Namwonja Khasamba. Gloria was the Assistant Manager, Claims at the Mombasa Branch having worked for ICEA LION for 18 years. Our heartfelt condolences to the family and friends from the entire ICEA LION Group fraternity.



Ms. Gloria Namwonja Khasamba

OUR PEOPLE INCLUDING STAFF COMPLEMENT



FTE - Full Time Employees

FINANCIAL STATEMENTS

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REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2025 which disclose the state of affairs of ICEA LION General Insurance Limited (the "Company"), and ICEA LION General Insurance Company (Tanzania) Limited, and ICEA LION General Insurance Company (U) Limited, together ("the Group").

BUSINESS REVIEW

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

The Group reported a profit before tax of Kshs 1,455,325,000 (2024: Kshs 1,701,742,000) whereas the company reported a profit before tax of Kshs 1,110,932,000 (2024: Kshs 1,403,560,000).

The Group is exposed to various risks including insurance risk, financial risk and capital risk. The details of these risks and how the Group manages them are discussed on Note 4 on pages 152 to 171.

GROUP AND COMPANY RESULTS	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Profit before income tax	1,455,325	1,701,742	1,110,932	1,403,560
Income tax expense	(289,899)	(360,312)	(214,249)	(303,510)
Profit for the year	1,165,426	1,341,430	896,683	1,100,050
Attributable to owners of the parent	1,110,281	1,294,516	896,683	1,100,050
Attributable to non-controlling interest	55,145	46,914	-	-
Profit attributable to equity holders of the parent company transferred to retained earnings	1,165,426	1,341,430	896,683	1,100,050

RESULTS AND DIVIDEND

Profit for the year of Ksh 1,110,281,000 (2024: Ksh 1,294,516,000) has been added to retained earnings. During the year, no interim dividend was paid (2024: nil). The directors recommend the approval of a final dividend of Ksh 600,000,000 (2024: Ksh 400,000,000).

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 17.

RELEVANT AUDIT INFORMATION

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

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

REPORT OF DIRECTORS (continued)

EMPLOYEES

The average number of employees in 2025 was 339 (2024: 325). 2025 managerial staff averaged at 41 (2024: 34) while non-managerial staff averaged at 298 (2024: 291). During the year, the key strategic plan was development of succession plans, revamp of performance management supported by the new HRMIS, leadership development and implementation of culture transformation initiatives.

AUDITOR

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

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

PROFESSIONAL INDEMNITY COVER

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

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue at a meeting of the Directors held on 13 March 2026.

By Order of the Board



SECRETARY

13 March 2026
Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of ICEA LION General Insurance Company Limited (the "Group and Company") set out on pages 121 to 205 which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policies.

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

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

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

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

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

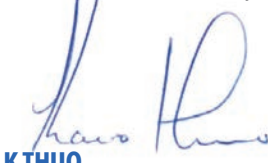
APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on 13 March 2026.



J WANGAI

Chairman



K THUO

Director

13 March 2026

REPORT OF THE PARENT COMPANY CONSULTING ACTUARY

I have conducted an actuarial valuation of the Company's insurance liabilities as at 31 December 2025. The valuation was conducted in accordance with IFRS 17 requirements, generally accepted actuarial principles and taking into account the requirements of the Insurance Act Cap 487 of the Laws of Kenya.

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

In my opinion, the Company's insurance liabilities reserves were adequate as at 31 December 2025.



Katlego Thaba
Fellow of the Actuarial Society of South Africa

13 March 2026



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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of ICEA LION General Insurance Company Limited ("the Group and Company") set out on pages 121 to 205, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and the 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 General Insurance Company Limited as at 31 December 2025, 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), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Kenya. We have also 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 judgement, 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	JM Ngonga
BM Ndung'u	MM Gachuhi
BO Amukah	M Muthusi
GM Kasimu	PI Kinuthia
JI Kariuki	S Ituku
JM Gathecha	S Obock
JM Ndunyu	W Genga



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED (continued)

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

Key audit matters (continued)

Valuation of insurance contract liabilities and reinsurance contract assets

See notes 2(c), 3, 34, 35 (a), 35 (b) and 49 to the consolidated and separate financial statements

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>At 31 December 2025, the Group held insurance contract assets and liabilities as well as reinsurance contract assets and liabilities as a result of its insurance operations. As at that date, the value of Insurance contract liabilities balance at Group and Company was KShs 9.77 Billion and KShs 7.15 Billion respectively while that of reinsurance contract assets was KShs 4.71 Billion and KShs 3.10 Billion respectively.</p> <p>Determination of insurance contract liability balances</p> <p>All contracts were accounted for under the simplified premium allocation approach. The insurance contract liability balance reflects, within the liability for remaining coverage component, the premiums received for which insurance cover should still be provided. It also includes a liability for incurred claims element, which represents the estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.</p> <p>In valuing the insurance contract liability balances, management applies significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims and lapses, expected premiums on insurance contracts, expected 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"> - Discount rates - Confidence levels applied in determining the risk adjustment for non-financial risk. 	<p>Our audit procedures over the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied, as follows:</p> <ul style="list-style-type: none"> - With the assistance of our actuarial specialists, we assessed the valuation methodologies and assumptions for compliance against the latest actuarial guidance, legislation and approved Group and Company accounting policy; - We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data and our assessment of the Group's and Company's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the assumptions around the discount rate (and associated illiquidity premium) and the confidence levels applied in the determination of the risk adjustment for non-financial risk. - We assessed management's determination of the confidence levels applied in the determination of the risk adjustment for non-financial risk, in line with the minimum regulatory requirements. This included assessing the reasonableness of key assumptions, such as claim variability, lapse risk, and operational risk, used in determining the confidence level by comparing with industry benchmarks or peer companies where available and verifying if the model accounts for entity-specific risk appetite and experience data. - We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17. We obtained management's portfolio assessment for the product type (which included their assessment of 'managed together' and 'similar risks') and evaluated whether management's portfolio assessment is in accordance with the requirements of IFRS 17, and vouched to standard contractual terms for the product type. Where management applied the premium allocation approach (PAA) to measure a group of contracts, we also assessed compliance of these groups with the eligibility criteria in IFRS 17. - We evaluated the accuracy of the risk adjustment, including calculation method, and its related release by conducting walkthroughs of the risk adjustment models and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors; - For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group and Company, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to actual historical trends, key ratios and market data, and investigated material differences to assess whether they indicate bias in management's assumptions;



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED (continued)

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

Key audit matters (continued)

Valuation of insurance contract liabilities and reinsurance contract assets (continued)

See notes 2(c), 3, 34, 35 (a), 35 (b) and 49 to the consolidated and company financial statements (continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p><i>Determination of insurance contract liability balances (continued)</i></p> <p>We considered the valuation of insurance contract liability balances to be a key audit matter in our audit of the financial statements because of the following:</p> <ul style="list-style-type: none"> – The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and – The material nature of insurance contract liability as at 31 December 2025. 	<ul style="list-style-type: none"> – For the valuation liability for remaining coverage we performed an assessment of the LRC to ensure it appropriately reflects the unearned portion of premiums and the expected fulfillment cash flows for services to be provided in future periods. The work included verifying the accuracy of premium allocation, evaluating assumptions underpinning future cash outflows, testing the model calculations, and confirming that recognition aligns with contract boundaries as applicable IFRS 17 measurement requirements; and – We evaluated whether the IFRS 17 specific disclosures in the financial statements are adequate and in accordance with IFRS 17.

Other information

The directors are responsible for the other information. The other information comprises the information included in the *ICEA LION General Insurance Company Limited's 2025 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.

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 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 judgement and maintain professional scepticism throughout the audit.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED (continued)

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 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 and 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 and 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 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.

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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015, we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion, the information given in the report of the directors on pages 113 and 114 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 number P/1610.

For and behalf of:

KPMG Kenya
Certified Public Accountants (Kenya)
PO Box 40612 - 00100
Nairobi

Date: 31 March 2026



UNIQUE CODE: 74296260330

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

for the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Insurance revenue	5	12,614,611	11,745,289	8,897,725	8,832,957
Insurance service expenses	6	(9,035,464)	(7,821,098)	(6,168,109)	(5,563,689)
Allocation of reinsurance premiums paid	7	(5,171,512)	(4,946,813)	(3,543,561)	(3,722,593)
Amounts recovered from reinsurance contracts	8	1,413,174	1,403,369	618,689	777,280
Insurance service result		(179,191)	380,747	(195,256)	323,955
Interest revenue calculated using the effective interest method	9(a)	1,249,255	1,181,444	944,977	932,130
Other investment revenue	9(b)	768,996	601,373	686,819	566,785
Impairment loss on financial assets	9(c)	(4,399)	(31,394)	(6,135)	(6,603)
Investment return		2,013,852	1,751,423	1,625,661	1,492,312
Net finance expense from insurance contracts	10	(414,143)	(510,889)	(338,610)	(461,571)
Net finance income from reinsurance contracts	10	155,974	215,941	115,241	185,596
Net insurance finance expense	10	(258,169)	(294,948)	(223,369)	(275,975)
Net financial result		1,755,683	1,456,475	1,402,292	1,216,337
Other income	11	44,993	24,856	36,083	19,117
Foreign exchange (loss)/gains	12	(8,382)	(74,745)	9,604	(81,774)
Other operating expenses	15	(157,778)	(85,591)	(141,791)	(74,075)
Profit before tax		1,455,325	1,701,742	1,110,932	1,403,560
Income tax expense	17	(289,899)	(360,312)	(214,249)	(303,510)
Profit for the year		1,165,426	1,341,430	896,683	1,100,050
Other comprehensive income net of tax					
Items that may not be subsequently classified to profit and loss					
Change in fair value of equity securities at Fair Value Through Other Comprehensive Income	26	294	(7,027)	-	-
Deferred tax on fair value (loss)/gain	25(b)	(88)	2,108	-	-
		206	(4,919)	-	-
Items that may be subsequently classified to profit and loss					
Exchange differences on Translating net assets of foreign subsidiary		10,779	(184,742)	-	-
Change in fair value of debt securities at Fair Value Through Other Comprehensive Income	30	142,642	103,235	142,642	103,235
		153,421	(81,507)	142,642	103,235
Total other comprehensive income/(loss) net of tax		153,627	(86,426)	142,642	103,235
Total comprehensive income for the year		1,319,053	1,255,004	1,039,325	1,203,285
Profit attributable to;					
Owners of the company	19	1,110,281	1,294,516	896,683	1,100,050
Non-controlling interest	45	55,145	46,914	-	-
		1,165,426	1,341,430	896,683	1,100,050
Total comprehensive income attributable to;					
Owners of the company		1,262,623	1,246,085	1,039,325	1,203,285
Non-controlling interest	45	56,430	8,919	-	-
		1,319,053	1,255,004	1,039,325	1,203,285
Earnings per share					
Basic and diluted	19	22.21	25.89	17.93	22.00

The notes on pages 126 to 205 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

	Notes	GROUP		COMPANY	
		2025 Kshs '000'	2024 Kshs '000'	2025 Kshs '000'	2024 Kshs '000'
ASSETS					
Property and equipment	21	121,337	87,487	76,572	56,699
Investment properties	22	2,885,000	2,865,000	2,885,000	2,865,000
Right-of-use asset	23	91,321	150,684	37,431	74,625
Intangible assets	24	60,927	67,004	49,506	65,215
Deferred income tax	25(c)	-	9,617	-	-
Equity securities held at fair value through other comprehensive income	26	16,044	15,578	-	-
Equity securities held at fair value through profit or loss	27	1,330,915	952,391	1,053,899	732,046
Investment in Real Estate Investment Trusts	28	38,234	36,282	38,234	36,282
Debt Securities at amortised cost	29	6,440,746	5,934,595	4,814,021	4,529,418
Debt Securities at fair value through other comprehensive income	30	1,789,958	1,274,232	1,789,958	1,274,232
Corporate bonds at amortised cost	31	156,177	73,992	140,347	58,124
Receivables from intermediaries	32	739,351	805,977	511,551	691,276
Reinsurance contracts - assets	34	4,708,058	5,181,121	3,102,830	3,694,714
Current tax recoverable	17(c)	239,682	117,318	167,630	71,500
Other receivables	36	412,120	351,989	221,291	171,819
Kenya Motor Insurance Pool	37	40,153	56,360	40,153	56,360
Investment in subsidiaries at cost	38	-	-	564,244	564,244
Due from subsidiary companies	39	-	-	13,827	13,573
Deposits with Financial Institutions at amortised cost	40	3,045,887	2,645,708	2,151,740	1,918,871
Cash and bank balances	41	371,030	153,945	258,274	17,181
Total assets		22,486,940	20,779,280	17,916,508	16,891,179
EQUITY					
Share Capital	43	1,000,000	1,000,000	1,000,000	1,000,000
Other reserve	44(a)	30,408	(112,343)	26,099	(116,543)
Contingency reserve	44(b)	137,607	113,780	-	-
Currency translation reserve	44(c)	13,696	4,105	-	-
Retained earnings	44(d)	7,892,589	7,406,135	7,355,803	7,059,120
Proposed dividends	20	600,000	400,000	600,000	400,000
Equity attributable to owners of the company		9,674,300	8,811,677	8,981,902	8,342,577
Non-controlling interests	45	289,107	244,976	-	-
Total Equity		9,963,407	9,056,653	8,981,902	8,342,577
LIABILITIES					
Long-term loan	46	71,276	140,803	-	-
Insurance contracts liabilities	35(a)	9,768,721	9,303,013	7,152,208	7,062,282
Deferred income tax	25(c)	545,879	449,103	532,886	449,103
Lease Liability	47	105,744	208,582	47,958	134,666
Other payables	48	1,392,150	1,174,308	947,615	729,497
Reinsurance contracts liabilities	35(a)	639,763	446,818	253,939	173,054
Total liabilities		12,523,533	11,722,627	8,934,606	8,548,602
Total Equity and Liabilities		22,486,940	20,779,280	17,916,508	16,891,179

The financial statements on pages 121 to 205 were approved and authorised for issue by the board of directors on 13 March 2026 and were signed on its behalf by:

J. Wangai
Chairman

K. Thuo
Director

G. Kioi
Chief Executive Officer
and Principal Officer

The notes on pages 126 to 205 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Share capital Ksh '000	Other reserve Ksh '000	Contingency reserve Ksh '000	Currency translation reserve Ksh '000	Retained earnings Ksh '000	Proposed dividends Ksh '000	Attributable to shareholders Ksh '000	Non- controlling interest Ksh '000	Total Ksh '000
2024									
At 1 January 2024	1,000,000	(212,971)	92,682	153,164	6,532,717	300,000	7,865,592	240,385	8,105,977
Total comprehensive income									
Profit for the year	-	-	-	-	1,294,516	-	1,294,516	46,914	1,341,430
Other comprehensive income	-	100,628	-	(149,059)	-	-	(48,431)	(37,995)	(86,426)
Total comprehensive income for the year	-	100,628	-	(149,059)	1,294,516	-	1,246,085	8,919	1,255,004
Transfer from retained earnings to contingency reserve	-	-	21,098	-	(21,098)	-	-	-	-
Transaction with owners									
- 2023 final dividend paid	-	-	-	-	-	(300,000)	(300,000)	(4,328)	(304,328)
- 2024 proposed final dividend	-	-	-	-	(400,000)	400,000	-	-	-
Balance as at 31 December 2024	1,000,000	(112,343)	113,780	4,105	7,406,135	400,000	8,811,677	244,976	9,056,653
2025									
At 1 January 2025	1,000,000	(112,343)	113,780	4,105	7,406,135	400,000	8,811,677	244,976	9,056,653
Total comprehensive income									
Profit for the year	-	-	-	-	1,110,281	-	1,110,281	55,145	1,165,426
Other comprehensive income	-	142,751	-	9,591	-	-	152,342	1,285	153,627
Total comprehensive income for the year	-	142,751	-	9,591	1,110,281	-	1,262,623	56,430	1,319,053
Transfer from retained earnings to contingency reserve	-	-	23,827	-	(23,827)	-	-	-	-
Transaction with owners									
- 2024 final dividend paid	-	-	-	-	-	(400,000)	(400,000)	(12,299)	(412,299)
- 2025 proposed final dividend	-	-	-	-	(600,000)	600,000	-	-	-
Balance as at 31 December 2025	1,000,000	30,408	137,607	13,696	7,892,589	600,000	9,674,300	289,107	9,963,407

The notes on pages 126 to 205 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Share capital Ksh '000	Other reserve Ksh '000	Retained earnings Ksh '000	Proposed dividends Ksh '000	TOTAL Ksh '000
2024					
At 1 January 2024	1,000,000	(219,778)	6,359,070	300,000	7,439,292
Total comprehensive income					
Profit for the year	-	-	1,100,050	-	1,100,050
Other comprehensive income-fair value	-	103,235	-	-	103,235
Total comprehensive income for the year	-	103,235	1,100,050		1,203,285
Transfer to retained earnings from contingency reserve					
Transaction with owners					
- 2023 final dividends	-	-	-	(300,000)	(300,000)
- 2024 proposed dividend	-	-	(400,000)	400,000	-
Balance as at 31 December 2024	1,000,000	(116,543)	7,059,120	400,000	8,342,577
2025					
At 1 January 2025	1,000,000	(116,543)	7,059,120	400,000	8,342,577
Total comprehensive income					
Profit for the year	-	-	896,683	-	896,683
Other comprehensive income-fair value	-	142,642	-	-	142,642
Total comprehensive income for the year	-	142,642	896,683	-	1,039,325
Transfer to retained earnings from contingency reserve					
Transaction with owners					
- 2024 final dividends paid	-	-	-	(400,000)	(400,000)
- 2025 proposed dividend	-	-	(600,000)	600,000	-
Balance as at 31 December 2025	1,000,000	26,099	7,355,803	600,000	8,981,902

The notes on pages 126 to 205 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 Ksh '000	2024 Ksh '000	2025 Ksh '000	2024 Ksh '000
Cash flows generated from operating activities					
Cash generated from/(used in) operations	51	968,495	82,128	728,718	(42,477)
Income tax paid	17(c)	(305,762)	(570,524)	(226,596)	(506,077)
Interest paid on lease liability	47	(17,440)	(28,632)	(9,752)	(19,779)
Net cash generated from/(used in) operating activities		645,293	(517,028)	492,370	(568,333)
Cash flows from investing activities					
Dividend income received	9(b)	98,826	70,158	81,044	56,515
Dividend income received from subsidiary	9(b)	-	-	11,231	3,733
REIT income received	9(b)	823	1,322	823	1,322
Purchase of intangible assets	24	(50,207)	(11,441)	(39,522)	(10,274)
Purchase of property and equipment	21	(74,001)	(46,888)	(45,174)	(34,381)
Proceeds from sale of property and equipment		3,548	1,977	58	1,109
Purchase of corporate bonds		(141,790)	-	(141,790)	-
Proceeds from maturities of corporate bonds		59,057	-	59,057	-
Purchases of debt securities at amortised cost	29(b)	(1,216,069)	(365,289)	(818,905)	-
Proceeds from maturities on debt securities at amortised cost	29(b)	1,052,866	905,390	661,825	596,201
Purchases of debt securities at fair value through other comprehensive income	30	(581,018)	-	(581,018)	-
Proceeds from disposal of debt securities at fair value through other comprehensive income	30	204,402	-	204,402	-
Proceeds of sale of equity securities held at fair value through profit or loss		103,662	15,781	70,216	15,781
Purchase of equity instruments held at fair value through profit or loss	27	(57,077)	-	(44,279)	-
Purchase of equity at fair value through other comprehensive income	26	(187)	(157)	-	-
Purchases of deposits maturing after 3 months	40(b)	(1,102,329)	(974,749)	(40,955)	-
Proceeds from maturities of deposits maturing after 3 months	40(b)	942,728	983,492	-	-
Interest income received		854,478	953,775	767,123	863,970
Rental income received		223,808	218,840	223,808	218,840
Net cash generated from investing activities		321,520	1,752,211	367,944	1,712,816
Cash flows from financing activities					
Dividends paid to shareholders of parent company	20	(400,000)	(300,000)	(400,000)	(300,000)
Repayment of principal lease payment	46	(71,771)	-	-	-
Repayment of principal lease payment	47	(98,453)	(94,744)	(76,181)	(65,265)
Net cash used in financing activities		(570,224)	(394,744)	(476,181)	(365,265)
Net increase in cash and cash equivalents		396,589	840,439	384,133	779,218
Cash and cash equivalents at beginning of year		2,139,367	1,368,004	1,936,052	1,216,775
Effect of exchange rate changes on translation of cash and cash equivalents	40(b)	(4,162)	(69,076)	(881)	(59,941)
Cash and cash equivalents at year end	51(b)	2,531,794	2,139,367	2,319,304	1,936,052

The notes on pages 126 to 205 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

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

Please refer to the Corporate Information on page 214 on details of the Company and the Subsidiaries addresses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

Please refer to page 213 for full names of the abbreviations used in these financial statements.

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the Company and its subsidiary as well as the company financial statements of the Company, together referred to as "the financial statements", have been prepared on going concern basis in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Kenyan Companies Act, 2015. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by

Kenyan Companies Act, 2015. For the Kenyan Companies Act, 2015 reporting purposes the balance sheet is represented by the statement of financial position and the profit or loss account is represented by the statement of profit or loss and other comprehensive income.

(ii) Basis of measurement

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

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

The financial statements, except for the statement of cash flows, have been prepared on the accrual basis of accounting, whereby income and expenses are recognised when earned or incurred, rather than when cash is received or paid.

(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 recognised prospectively. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

New standards amendments and interpretations

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

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new standards in preparing these consolidated financial statements.

Standards available for early adoption

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates.	1 Jan 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

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

New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2025

Standards available for early adoption	
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7	1 Jan 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 Jan 2026
Annual Improvements to IFRS Accounting Standards– Volume 11	1 Jan 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 Jan 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.	1 Jan 2027 (Kenya) 1 Jan 2027 (Uganda) 1 Jan 2025 (Tanzania)

i) IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

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

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an

associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

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

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

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

iii) Amendments to the Classification and Measurement of Financial Instruments–Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2025 (continued)

iii) Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7 (continued)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

iv) Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

v) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application

date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

vi) IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Group's financial statements.

vi) IFRS S1 and IFRS S2

The International Sustainability Standards Board (ISSB) has issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

The Group's Tanzanian subsidiary has adopted these standards and has prepared its sustainability-related disclosures in compliance with these standards issued by the International Sustainability Standards Board.

The Company and the Uganda subsidiary have not early adopted these standards as at 31 December 2025. As a regulated insurer, management is undertaking a structured implementation programme, including:

- Gap assessment against existing sustainability and climate-related disclosures;
- Enhancement of governance and risk management frameworks to align with ISSB requirements;
- Review of data collection processes, systems and internal controls, particularly in relation to climate-related risk metrics and targets; and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2025 (continued)

vi) IFRS S1 and IFRS S2 (continued)

- Assessment of alignment with regulatory expectations and emerging guidance applicable to insurance entities.

The standards introduce additional disclosure requirements but do not affect the recognition or measurement of assets and liabilities in the financial statements. Management is currently assessing the full impact on future sustainability disclosures.

(b) Basis of consolidation

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

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

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

i) Subsidiaries

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

- The size of the Company's holding of voting relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings

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

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

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

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

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

Changes in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

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

(ii) Investment in subsidiary companies

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

(iii) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. In determining

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

(iii) Business combination (continued)

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

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

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

(iv) Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(c) Insurance contracts

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

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

ii). Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

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

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

iii). Combining a set or series of contracts

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

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

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

iv). Level of aggregation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

iv). Level of aggregation (continued)

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

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

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

v). Recognition

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

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

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

vi). Contract boundaries

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

vi). Contract boundaries (continued)

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

vii). Fulfilment cash flows within contract boundary

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

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

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

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

viii). Discount rates

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

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

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

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

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

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

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

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

ix). Risk adjustment for non-financial risk

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

The purpose of the RA is to determine the insurer's own assessment of the uncertainty and variability inherent in the fulfilment cash flows. As such, the disclosure in the financial statements should

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

ix). Risk adjustment for non-financial risk (continued)

provide a reasonable description of the basis on which the RA is determined to ensure sufficient understanding and comparability.

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

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

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

x). Insurance acquisition cash flows

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

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

The Group shall recognise:

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

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

xi). Changes in fulfilment cash flows

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

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

Experience adjustments are the difference between:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

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

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

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

xiii). Insurance contracts measured under the premium allocation approach

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

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

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the Liability for Remaining Coverage (LRC). The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

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

The Group also applies the PAA to the all – Proportional and Non-Proportional treaties. The coverage period of such reinsurance

contracts held is 12 months or less. As the coverage period exceeds one year, the Group at initial recognition assessed that the PAA is a reasonable approximation of the General Model.

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

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

xiv). Onerous contracts

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xiv). Onerous contracts (continued)

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

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

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

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

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

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

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

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

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

xv). Reinsurance contracts held

1.1 Recognition

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

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

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

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

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

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance contracts held that provides proportionate coverage:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xv). Reinsurance contracts held (continued)

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

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

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

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

xvi). Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

xvii). Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

xviii). Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Risk Adjustment on LIC both Current and Past.

xix). Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xix). Income or expenses from reinsurance contracts held (continued)

as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group.

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

xx). Insurance contract revenue

For those groups of contracts for which coverage has expired at the transition date, there is no revenue recognised after the date of transition.

For groups of contracts, other than direct participating contracts, that were determined to be onerous at the date of transition, the loss component was estimated at the transition date. If there is still coverage remaining after the date of transition, revenue for such groups is recognised, but in considering changes in the LRC the Group excludes subsequent increases and decreases in the loss component.

xxi). Insurance finance income or expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for motor and home insurance policies with a coverage period of one year or less. The Group discounts the liability for incurred claims. The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI based on the systematic allocation method over the duration of the contracts in the Group.

In applying the premium allocation approach to insurance contracts, an entity may be required, or may choose, to discount the liability for incurred claims. In such cases, it may choose to disaggregate

the insurance finance income or expenses. If the entity makes this choice, it shall determine the insurance finance income or expenses in profit or loss using the discount rate specified

In applying the Premium Allocation Approach (PAA) to insurance contracts, the Group and the Company have chosen to discount the liability for incurred claims and to disaggregate insurance finance income or expenses. In this case, the insurance finance income or expenses are determined in profit or loss using the discount rate specified for the liability.

xxii). Exchange differences arising from IFRS 17 contracts

IFRS 17 requires an entity to treat an insurance contract as a monetary item under IAS 21 for the purpose of translating foreign exchange items into the entity's functional currency. An entity includes exchange differences on changes in the carrying amount of groups of insurance contracts in the statement of profit or loss, unless they relate to changes in the carrying amount of groups of insurance contracts included in other comprehensive income in which case they shall be included in other comprehensive income.

(d) Kenya Motor Insurance Pool

The Kenya Motor Insurance Pool balances represent the Group's share of the surplus and net assets of the pool.

Results of the company's share of the two Kenya Motor Insurance Pools are accounted for in profit or loss in accordance with the Pool's accounting year which runs from October of the previous year to September of the current year. As a result, the Pool's results for the 4th quarter of the Group's accounting year are accounted for in the subsequent year.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in Kenya Shillings ("Ksh") rounded to the nearest thousand, which is the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of individual entities in the Group, transactions in foreign currencies during the year are recorded at rates ruling at the transaction dates. Assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

at the end of each reporting period which are expressed in foreign currencies are translated at rates ruling at that date. The resulting differences are dealt with in profit or loss in the year in which they arise.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Kenya shillings, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to Kenya shillings using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in other comprehensive income and accumulated in equity under the Groups' currency translation reserve. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(f) Retirement contribution obligations

The Kenya and Uganda General businesses operates defined contribution pension schemes for its employees. The assets of these schemes are held in separate trustee administered funds. The schemes are funded by contributions from both the employees and the employer. Contributions are determined by the rules of the schemes.

All the three entities in the Group also contributes to the statutory defined contribution pension schemes, the respective National Social Security Fund (NSSF) in Kenya Uganda and Tanzania. Contributions to these schemes are determined by local statute.

The Group's obligations to retirement contribution schemes are charged to profit or loss as they fall due. There is no further obligation to the Group.

(g) Income tax expense

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or

loss for the year. Tax is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

(h) Investment properties

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. Investment properties are carried at fair value, representing market value determined by external independent valuers. Changes in their carrying amount between the statement of financial position dates are accounted for through profit or loss. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(i) Dividends payable

Dividends payable on ordinary shares are charged to equity in the period in which they are declared. Dividends declared after the reporting date are not recognised as liabilities at the end of each reporting period.

Proposed dividends are shown as a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Property and equipment

All property and equipment are initially recorded at cost. These are stated at historical cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation

Depreciation is calculated on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life at the following rates:

Furniture, fixtures and fittings and office equipment	12.5% – 20%
Motor vehicles	25%
Computer equipment	25%

Property and equipment is periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts.

(k) Intangible assets

Intangible assets comprise of computer software costs which are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of 3 years.

The useful lives of intangible assets are assessed to be either finite or indefinite. Costs associated with maintaining computer software are recognized as an expense as incurred. However, expenditure that enhances or extends the benefits of computer software beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over a period of 3 years. There are no intangible assets with indefinite useful lives.

(l) Leases

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease

arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Leases (continued)

(a) The Group as lessee (continued)

a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-

alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as the lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(m) Financial assets

Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Classification (continued)

value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt securities

Subsequent measurement of debt securities depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When

the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Equity securities

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments on major exchanges Nairobi Securities Exchange (NSE), Dar-es-Salaam Stock Exchange (DSE) and Uganda Securities Exchange (USE). The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For example a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments,

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Determination of fair value (continued)

using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and debt instruments carried at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has applied the ECL impairment model to the following financial instruments that are not measured at FVTPL:

- Debt securities measured at amortised cost
- Corporate bonds;
- Deposits with financial institutions; and
- Cash and bank balances.

No impairment loss is recognised on equity investments and financial assets measured at FVTPL.

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of

ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date. The Group will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
 - Other financial instruments (other than trade and lease receivables) for which credit risk has not increased significantly since initial recognition.
- Loss allowances for premium and rent receivables will always be measured at an amount equal to lifetime ECLs. The impairment requirements of IFRS 9 require management judgement, estimates and assumptions, particularly in the following areas, which are discussed in detail below:
- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
 - Incorporating forward-looking information into the measurement of ECLs.

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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Measurement of expected credit losses (continued)

- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Expected credit losses

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

$ECL = PD \times LGD \times EAD$

In applying the IFRS 9 impairment requirements, the Group follows the general approach.

Under the general approach, at each reporting date, the Group determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- **Stage 1** – where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group will recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- **Stage 2** – where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Group will recognise lifetime ECL but interest income will continue to be recognised on a gross basis.
- **Stage 3** – where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Group will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

Definition of default

The Group will consider a financial asset to be in default when:

- the counterparty or borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the counterparty or borrower is more than 90 days past due on any material credit obligation to the Group. This will be

consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Group; or;

- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

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

- Qualitative: e.g. Breach of covenant and other indicators of financial distress;
- Quantitative: e.g. Overdue status and non-payment of another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Significant increase in credit risk (SIICR) (continued)

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

Measurement of ECL

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

- Probability of Default;
- Loss given default (LGD); and
- Exposure at default (EAD).

To determine lifetime and 12-month PDs, the Group uses the PD tables supplied by Standard & Poors based on the default history of obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated based on current bond yields and CDS prices, and adjusted to reflect forward-looking information as described above. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include:

- instrument type;
- credit risk grading;
- collateral type;
- date of initial recognition;
- remaining term to maturity; industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios.

Fair value through profit or loss (FVTPL)

If a financial asset or group of financial assets is not held within the "hold to collect" or the "hold to collect and sell" business model it should be measured at FVTPL. FVTPL is the residual category under IFRS 9. Additionally, a business model in which an entity manages financial assets, with the objective of realizing cash flows through solely the sale of the assets would result into FVTPL business model. Even though the entity might collect contractual cash flows while it holds the financial assets the objectives of such a business model is not achieved by both collecting contractual cash flows and selling financial assets. This is because the collection of contractual cash flows is not integral to achieving the business models objectives; instead it is incidental to it.

Financial liabilities

Two measurement categories exist for financial liabilities; FVTPL and amortised cost. Financial liabilities that are held for trading are measured at FVTPL and all other financial liabilities are measured

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

Financial liabilities (continued)

at amortised cost unless the fair value option is applied. IFRS 9, contains an option to designate a financial liability as measured at FVTPL when:-

- (i) Doing so significantly reduces or eliminates an accounting mismatch that would arise from measuring assets and liabilities or recognising gains or losses on different basis
- (ii) The liability is part of a group of financial liabilities that are managed and performance is evaluated on a fair value basis.

A financial liability that does not meet any of the above two criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

Derecognition of financial liabilities

A financial liability is removed from the statement of financial position when and only when it is extinguished, i.e. when the obligation in the contract is either discharged or cancelled or it expires. Where there been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as extinguishment of the original financial liability and the recognition of a new financial liability.

A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future

events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(o) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have an original maturity of 3 months or less.

(p) Impairment of non-financial assets

At each end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the impairment loss is recognised in the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(q) Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, described in Note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

- Assessment of significance of insurance risk:** The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Group's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Group.

- Determination of the contract boundary:** The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance. See Note 2.C (vi) for more details

- Identification of portfolios:** The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. For some product lines, the Group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

- Proportional and Non Property, Marine, Aviation, Personal Accident, Medical, Accident, Motor and Liability** reinsurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the Group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

- Assessment of significance of modification:** As explained in Note 2 (c), the Group derecognises the original contracts and recognises the modified contract as a new contract, if the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

A. Critical judgements in applying the Group's accounting policies (continued)

derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

• **Level of aggregation for determining the risk adjustment for non-financial risk:** IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the Group's expected fulfilment cash flows to the total expected fulfilment cash flows

• **Selecting a method of allocation of coverage units:** IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the Group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

Level of aggregation

The Group included contracts into groups of contracts issued more than one year apart as there was no reasonable and supportable information available to make the division.

Measurement at the transition date

In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

The Group used discount rates as at the date of transition, instead of discount rates as at the date of initial recognition.

Reinsurance contracts held

For a group of reinsurance contracts held the Group determines the loss-recovery component of the asset for remaining coverage at transition by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at the transition date with the percentage of claims for the Group of underlying onerous insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

B. Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. As at 31 December, the carrying amount were as tabulated below:

	GROUP		COMPANY	
	2025 Kshs'000	2024 Kshs'000	2025 Kshs'000	2024 Kshs'000
Reinsurance contracts Held that are assets	4,708,058	5,181,121	3,102,830	3,694,714
Insurance contracts issued that are liabilities	(9,768,721)	(9,303,013)	(7,152,208)	(7,062,282)
Total	(5,060,663)	(4,121,892)	(4,049,378)	(3,367,568)

GROUP 2025	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	488,443	235,575
Gross loss ratio	-5%	(488,443)	(235,575)
Parallel shift in discount rates	1%	97,689	47,115
Parallel shift in discount rates	-1%	(97,689)	(47,115)
Risk Adjustment	1%	5,751	3,022
Risk Adjustment	-1%	(5,751)	(3,022)

GROUP 2024	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	465,808	259,155
Gross loss ratio	-5%	(465,808)	(259,155)
Parallel shift in discount rates	1%	93,162	51,831
Parallel shift in discount rates	-1%	(93,162)	(51,831)
Risk Adjustment	1%	4,851	2,679
Risk Adjustment	-1%	(4,851)	(2,679)

COMPANY 2025	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	357,610	155,142
Gross loss ratio	-5%	(357,610)	(155,142)
Parallel shift in discount rates	1%	71,522	31,028
Parallel shift in discount rates	-1%	(71,522)	(31,028)
Risk Adjustment	1%	3,510	1,714
Risk Adjustment	-1%	(3,510)	(1,714)

COMPANY 2024	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	353,771	184,835
Gross loss ratio	-5%	(353,771)	(184,835)
Parallel shift in discount rates	1%	70,754	36,967
Parallel shift in discount rates	-1%	(70,754)	(36,967)
Risk Adjustment	1%	3,940	1,836
Risk Adjustment	-1%	(3,940)	(1,836)

A sensitivity analysis of exposure to insurance risk and its impact on profit or loss and equity is included in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Method of estimating discount rates

Discount rates

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

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

In order to compute the discount rate, the bottom-up approach, one of the methods prescribed in the IFRS 17 standard, has been used

by the Group to determine discount rates for all product groups, as risk free rates are readily available.

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

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, with an adjustment for an illiquidity premium where applicable.

Risk-free rates are determined by reference to the yields of highly liquid sovereign securities in the currency of the insurance contract liabilities.

Due to the absence of sufficiently observable and reliable market data, the Group has not explicitly determined an illiquidity premium, as any such adjustment would require significant judgment and would not be reliably measurable; management has also assessed that the impact of an illiquidity premium would not be material to the valuation. Accordingly, no illiquidity premium has been applied, and the Group will incorporate one when sufficient reliable data becomes available.

Discount rates applied for discounting of future cash flows are listed below:-

Kenya	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2025	9.21%	9.96%	10.70%	10.47%	10.64%	11.43%	12.54%	12.85%	12.89%	12.60%
2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%
Tanzania	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2025	6.24%	10.05%	10.21%	10.38%	10.54%	10.92%	11.30%	11.68%	12.07%	12.45%
2024	12.99%	11.68%	11.95%	12.23%	12.50%	12.77%	13.04%	13.08%	13.11%	13.15%
Uganda	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2025	13.27%	15.15%	15.76%	15.94%	16.05%	16.21%	16.34%	16.47%	16.60%	16.73%
2024	12.70%	15.83%	15.85%	15.88%	15.98%	16.15%	16.28%	16.40%	16.53%	16.62%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Estimation of allocation rate for insurance finance income or expenses

The Group uses either the constant or crediting rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the Group contracts. In determining the constant rate, the Group estimates the expected insurance finance income or expenses over the remaining duration of the Group that is partly implicit in the estimated cash flows.

For direct participating contracts for which the Group does not hold the underlying items, the Group uses the crediting rate for the systematic allocation of insurance finance income or expenses. In determining the crediting rate, the Group estimates the constant factor.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as claims risk and expense risk. It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk and reflects the degree of the Group's risk aversion. The Group determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts.

In determining the risk adjustment for non-financial risk, the Group assesses each portfolio of insurance contracts individually before aggregating the results to the entity level, incorporating diversification effects where applicable. The risk adjustment is estimated using the Value at Risk (VaR) method, which quantifies the additional capital needed to address uncertainty in fulfillment cash flows. This approach involves modeling the statistical distribution of these cash flows over a one-year horizon, with the 75th to 99.5th percentile selected as the threshold. This percentile reflects the level of compensation required by shareholders to bear non-financial

risks ensuring a robust and strong risk management framework. The current year resulting risk adjustment corresponds to a 79% confidence level (2024:79%)

Non-financial risk factors, also referred to as underwriting variables, are the key sources of estimation uncertainty, as they impact estimates of future cash flows and their associated probabilities, and affect the amount of projected capital required at 79% confidence level, which in turn impacts the overall amount of risk adjustment for non-financial risk.

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

Calculation of loss allowance

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on the financial assets had been 5% higher (lower) as of 31 December 2025, the loss allowance would have been Kshs. 25,347,400 and Kshs. 25,253,900 (2024: Kshs. 26,748,200 and Kshs. 22,900,150) for the group and the company respectively.

Valuation of investment properties

The valuation takes into effect the general state of the economy. This has been reflected in the valuation hence resulting into a key judgement area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

The effects of changes in gross annual rental and yield will have the following effect on the fair value of the properties:-

GROUP AND COMPANY

	change %	31 December 2025 Impact on profit before tax Kshs'000	31 December 2024 Impact on profit before tax Kshs'000
Gross annual rental	+5%	11,190	10,942
Gross annual rental	-5%	(11,190)	(10,942)
Rate of return	+2.5%	5,595	5,471
Rate of return	-2.5%	(5,595)	(5,471)

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms.

Useful lives and residual values of property, plant and equipment

The Group reviews the estimated residual values and expected useful lives of intangible assets, property, plant and equipment at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks.

Property and equipment

Critical estimates are made by management in determining depreciation rates and timing of capitalization of the assets. The depreciation rates used are set out in note 2(j) above and Property Plant and Equipment note 21.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 2). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Going concern

Management does an assessment of the Group's and Company's ability to continue as a going concern at the end of every financial year. The assessment involves review of the Group's and Company's net assets and total assets against total liabilities and the plans management have put in place to address any going concern indicators. Furthermore, an assessment of events and conditions that may cast significant doubt upon the Group's and Company's ability to continue as a going concern is done. The Group and Company also evaluates existing growth opportunities and potential threats that may have a significant impact on their existence including compliance with statutory requirements. The Group and Company leverage on existing opportunities in developing future business plan to ensure that they continue operating in a profitable manner.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place. The Group has a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to management.

Management of Insurance and financial risk

The Group's activities expose it to a variety of risks. The Group classifies the various risks it is exposed to into insurance risk and financial risk. Financial risks include credit risk, liquidity risk and market risk. Market risk includes the effect of changes in equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets, identification and management of risks. It seeks to minimize potential adverse effects on its financial performance by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients and defined criteria for the approval of intermediaries and reinsurers. The Group has put in place investment policies which help manage liquidity and seek to maximize return within an acceptable level of interest rate risk.

i) Insurance risk

Insurance risk in the Group arises from:

- Fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
- Unexpected claims arising from a single source;
- Inaccurate pricing of risks or inappropriate underwriting of risks when underwritten;
- Inadequate reinsurance protection or other risk transfer techniques; and
- Inadequate reserves
 - (a), (b) and (c) can be classified as the core insurance risk, (d) relates to reinsurance planning, while (e) is about reserving.

Core insurance risk

This risk is managed through:

- Diversification across a large portfolio of insurance contracts;
- Careful selection guided by a conservative underwriting philosophy;
- Continuous monitoring of the business performance per class and per client and corrective action taken as deemed appropriate;

- A minimum of one review of each policy at renewal to determine whether the risk remains within the acceptable criteria;
- Having a business acceptance criteria which is reviewed from time to time based on the experience and other developments; and
- Having a mechanism of identifying, quantifying and accumulating exposures to contain them within the set underwriting limits.

Reinsurance planning

Reinsurance purchases are reviewed annually to verify that the levels of protection being sought reflect developments in exposure and risk appetite of the Group. The basis of these purchases is underpinned by the Group's experience, financial modelling by and exposure of the reinsurance broker.

The reinsurance is placed with providers who meet the Group's counter party security requirements.

Claims reserving

Estimates are made of the estimated cost of settling a claim based on the best available information on registration of a claim, and this is updated as and when additional information is obtained and annual reviews done to ensure that the reserves are adequate. Management is regularly provided with claims settlement reports to inform on the reserving performance. The claims reserves also includes an estimate for incurred but not reported claims.

Short-term insurance contracts

The Group principally issues the following types of general insurance contracts: Aviation, engineering, fire, liability, marine, motor, personal accident, theft, workmen compensation and various miscellaneous general risk classes. The risks under these policies usually cover twelve months duration.

These risks on these contracts do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Underwriting risk

Underwriting risk management

Underwriting risk consists of insurance risk, persistency risk and expense risk.

Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Group's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

The Group is exposed to different elements of insurance risks:

- Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor and home policies:
 - Catastrophe risk: the risk of incurring significant losses as a result of catastrophic events
- All policies:
 - Premium risk: the risk that premiums charged to policyholders are less than claims cost on business written
 - Reserve risk: the risk that the claims reserves are insufficient to cover all claims

Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability home insurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake.

The Group is exposed to reserve risk and premium risk arising on all insurance contracts issued.

The Group mitigates its exposure by applying its underwriting strategy to diversify the type of insurance risks accepted and the level of insured benefit.

The Group also mitigates these risks by purchasing excess of loss reinsurance programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Group has a variety of approved reinsurers to mitigate reinsurance risk, the risk of placement of ineffective reinsurance arrangements.

The Group's exposure to catastrophe risk on Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor insurance contracts issued is mitigated through holding.

The Group manages the insurance and reinsurance risk by:

- Ensuring that the Group has appropriate underwriting and reinsurance strategy within an overall risk management framework, including an effective system of internal control
- Identifying, assessing and measuring insurance risk across the Group, from an individual policy to a portfolio level
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of insurance and reinsurance policies
- Ensuring that risk management policies and procedures are reviewed regularly to reflect changes in the Group's activities and market conditions
- Monitoring that individual and aggregate claims reserves are reviewed regularly by internal actuaries using a variety of actuarial techniques
- Ensuring reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital
- Monitoring that reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis
- Limiting concentrations of exposure by class of business, counterparties, geographic location etc.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Group's objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

Underwriting risk (continued)

Underwriting risk management (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2025		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	949,257	941,928	371,642,475	373,533,660
	Reinsurance	836,349	920,493	370,372,247	372,129,089
Engineering	Gross	5,391,011	6,349,289	274,485,080	286,225,380
	Reinsurance	865,760	1,593,202	246,702,116	249,161,078
Fire Domestic	Gross	41,024,972	44,819,896	110,963,504	196,808,372
	Reinsurance	732,856	336,806	20,938,444	22,008,106
Fire Industrial	Gross	73,269,249	60,556,908	1,936,342,383	2,070,168,540
	Reinsurance	30,247,517	16,315,389	1,593,500,199	1,640,063,105
Liability	Gross	12,883,485	4,097,798	221,490,644	238,471,927
	Reinsurance	3,858,216	3,554,422	175,899,952	183,312,590
Marine	Gross	5,105,231	5,024,951	56,575,831	66,706,013
	Reinsurance	1,441,423	2,743,582	46,741,640	50,926,645
Motor Private	Gross	67,570,938	6,694,561	10,825,764	85,091,263
	Reinsurance	4,225,077	942,003	509,409	5,676,489
Motor Commercial	Gross	15,583,601	5,210,235	14,938,685	35,732,521
	Reinsurance	1,349,186	1,160,584	1,731,141	4,240,911
Personal Accident	Gross	53,905,055	28,360,210	238,161,520	320,426,785
	Reinsurance	49,270,335	16,547,053	119,694,991	185,512,379
Theft	Gross	12,667,333	8,288,523	72,825,431	93,781,287
	Reinsurance	2,767,704	2,124,768	25,919,719	30,812,191
Workmen's Compensation	Gross	8,125,789	6,143,582	176,286,010	190,555,381
	Reinsurance	1,508,604	410,874	36,656,286	38,575,764
Medical	Gross	182,203	-	-	182,203
	Reinsurance	3,640	-	-	3,640
Miscellaneous Accident	Gross	4,138,283	2,484,568	28,985,396	35,608,247
	Reinsurance	3,383,151	3,833,295	23,975,970	31,192,416
31 December 2025	Gross	300,796,407	178,972,449	3,513,522,723	3,993,291,579
	Reinsurance	100,489,818	50,482,471	2,662,642,114	2,813,614,403
	Net	200,306,589	128,489,978	850,880,609	1,179,677,176

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

Underwriting risk (continued)

Underwriting risk management (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2024		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	1,106,938	685,430	450,171,594	451,963,962
	Reinsurance	961,061	671,440	449,069,158	450,701,659
Engineering	Gross	5,149,073	6,729,465	248,518,965	260,397,503
	Reinsurance	806,873	1,642,305	221,144,479	223,593,657
Fire Domestic	Gross	35,049,959	38,602,466	102,754,258	176,406,683
	Reinsurance	637,427	375,609	21,793,350	22,806,386
Fire Industrial	Gross	55,365,003	48,630,735	1,752,372,445	1,856,368,183
	Reinsurance	23,758,596	13,015,251	1,454,091,719	1,490,865,566
Liability	Gross	12,590,450	4,057,498	188,589,002	205,236,950
	Reinsurance	3,896,015	3,243,679	138,389,588	145,529,282
Marine	Gross	4,788,962	4,171,485	119,184,624	128,145,071
	Reinsurance	1,184,387	1,591,574	110,449,604	113,225,565
Motor Private	Gross	56,664,440	6,475,667	8,921,106	72,061,213
	Reinsurance	4,564,270	892,318	528,103	5,984,691
Motor Commercial	Gross	11,689,879	4,448,380	16,852,111	32,990,370
	Reinsurance	1,472,752	890,323	2,176,498	4,539,573
Personal Accident	Gross	37,443,789	19,919,676	242,421,298	299,784,763
	Reinsurance	33,126,906	11,499,479	130,047,368	174,673,753
Theft	Gross	11,848,422	7,916,642	63,801,190	83,566,254
	Reinsurance	2,611,715	1,888,170	19,116,699	23,616,584
Workmen's Compensation	Gross	7,566,033	5,830,572	160,948,346	174,344,951
	Reinsurance	1,331,332	465,875	21,097,706	22,894,913
Miscellaneous Accident	Gross	4,147,407	2,550,798	22,155,686	28,853,891
	Reinsurance	3,401,891	3,972,268	18,315,743	25,689,902
31 December 2024	Gross	243,410,355	150,018,814	3,376,690,625	3,770,119,794
	Reinsurance	77,753,225	40,148,291	2,586,220,015	2,704,121,531
	Net	165,657,130	109,870,523	790,470,610	1,065,998,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

Underwriting risk (continued)

Underwriting risk management (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2025		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	931,872	760,861	354,269,325	355,962,058
	Reinsurance	818,964	739,426	353,235,705	354,794,095
Engineering	Gross	3,459,392	3,404,410	114,283,764	121,147,566
	Reinsurance	218,113	983,541	97,781,304	98,982,958
Fire Domestic	Gross	38,402,394	43,575,631	109,889,729	191,867,754
	Reinsurance	314,171	336,806	20,839,844	21,490,821
Fire Industrial	Gross	61,441,737	48,351,674	1,606,600,536	1,716,393,947
	Reinsurance	27,343,641	13,005,576	1,328,018,408	1,368,367,625
Liability	Gross	10,810,265	2,412,500	99,759,758	112,982,523
	Reinsurance	3,182,815	1,831,800	77,996,904	83,011,519
Marine	Gross	3,394,996	2,964,487	11,478,189	17,837,672
	Reinsurance	678,368	870,581	7,774,176	9,323,125
Motor Private	Gross	56,874,890	5,095,389	7,646,607	69,616,886
	Reinsurance	2,474,010	432,056	98,400	3,004,466
Motor Commercial	Gross	6,734,124	1,994,926	6,032,710	14,761,760
	Reinsurance	110,487	79,582	313,852	503,921
Personal Accident	Gross	52,960,432	26,533,810	143,113,552	222,607,794
	Reinsurance	48,915,058	15,542,010	72,113,776	136,570,844
Theft	Gross	9,846,595	6,310,189	59,690,415	75,847,199
	Reinsurance	2,191,986	1,482,544	20,229,329	23,903,859
Workmen's Compensation	Gross	7,278,332	4,628,063	141,776,003	153,682,398
	Reinsurance	1,217,719	120,000	7,313,833	8,651,552
Medical	Gross	5,000	-	-	5,000
	Reinsurance	3,640	-	-	3,640
Miscellaneous Accident	Gross	2,449,991	1,543,030	15,307,491	19,300,512
	Reinsurance	1,866,354	2,964,549	12,074,475	16,905,378
31 December 2025	Gross	254,590,020	147,574,970	2,669,848,079	3,072,013,069
	Reinsurance	89,335,326	38,388,471	1,997,790,006	2,125,513,803
	Net	165,254,694	109,186,499	672,058,073	946,499,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

Underwriting risk (continued)

Underwriting risk management (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2024		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	1,103,367	664,094	431,807,283	433,574,744
	Reinsurance	957,492	650,102	430,704,847	432,312,441
Engineering	Gross	3,502,425	3,984,069	91,068,529	98,555,023
	Reinsurance	207,406	813,504	75,477,582	76,498,492
Fire Domestic	Gross	33,225,436	37,582,795	101,328,992	172,137,223
	Reinsurance	306,196	354,613	21,692,346	22,353,155
Fire Industrial	Gross	45,264,193	38,157,269	1,469,753,355	1,553,174,817
	Reinsurance	20,647,844	10,700,639	1,228,880,953	1,260,229,436
Liability	Gross	10,598,703	2,608,000	105,927,262	119,133,965
	Reinsurance	3,336,988	1,624,200	83,213,167	88,174,355
Marine	Gross	3,576,116	2,718,656	79,611,834	85,906,606
	Reinsurance	640,194	618,756	76,700,363	77,959,313
Motor Private	Gross	47,616,385	4,644,468	7,185,117	59,445,970
	Reinsurance	2,498,351	775,282	216,655	3,490,288
Motor Commercial	Gross	6,542,821	1,955,705	6,115,436	14,613,962
	Reinsurance	81,068	127,083	127,348	335,499
Personal Accident	Gross	36,643,772	17,982,712	136,076,818	190,703,302
	Reinsurance	32,802,156	10,737,879	67,049,597	110,589,632
Theft	Gross	9,476,222	5,848,392	54,298,625	69,623,239
	Reinsurance	2,019,228	1,367,365	14,833,495	18,220,088
Workmen's Compensation	Gross	6,886,210	4,663,655	143,922,694	155,472,559
	Reinsurance	1,197,728	245,000	8,485,442	9,928,170
Miscellaneous Accident	Gross	2,781,769	1,594,747	15,315,499	19,692,015
	Reinsurance	2,206,100	3,032,542	12,745,751	17,984,393
31 December 2024	Gross	207,217,419	122,404,562	2,642,411,444	2,972,033,425
	Reinsurance	66,900,751	31,046,965	2,020,127,546	2,118,075,262
	Net	140,316,668	91,357,597	622,283,898	853,958,163

The geographical concentration of the Group's sum insured is disclosed below. The disclosure is based on the countries where the business is written.

	Insurance contracts issued Ksh'000	Reinsurance contracts held Ksh'000	Net Sum insured Ksh'000
31 December 2025			
Kenya	3,072,013,069	2,125,513,803	946,499,266
Tanzania	465,801,102	358,439,227	107,361,875
Uganda	455,477,408	329,661,373	125,816,035
Total	3,993,291,579	2,813,614,403	1,179,677,176
31 December 2024			
Kenya	2,972,033,425	2,118,075,262	853,958,163
Tanzania	381,723,993	281,661,449	100,062,544
Uganda	416,362,376	304,384,820	111,977,556
Total	3,770,119,794	2,704,121,531	1,065,998,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

Underwriting risk (continued)

Underwriting risk management (continued)

The Group monitors reinsurance risk by individual reinsurers. An analysis of the Group's reinsurance risk concentrations per individual reinsurers is provided in the following tables. The amounts in the table represent gross carrying amounts.

Exposure	GROUP		COMPANY	
	2025 Kshs'000	2024 Kshs'000	2025 Kshs'000	2024 Kshs'000
Reinsurer A	801,123,276	769,947,260	605,199,696	603,081,713
Reinsurer B	491,225,713	472,109,478	371,091,018	369,792,332
Reinsurer C	319,955,139	307,503,963	241,706,562	240,860,675
Reinsurer D	309,973,444	297,910,710	234,166,002	233,346,504
Reinsurer E	274,633,597	263,946,126	207,468,905	206,742,838
Reinsurer F	124,848,223	119,989,707	94,315,206	93,985,136
Reinsurer G	109,210,814	104,960,834	82,502,099	82,213,371
Reinsurer H	75,791,865	72,842,396	57,256,124	57,055,748
Reinsurer I	306,852,332	294,911,057	231,808,191	230,996,945
Total	2,813,614,403	2,704,121,531	2,125,513,803	2,118,075,262

The Directors do not believe that there are significant concentrations of insurance or reinsurance risks. Below is a spread of concentration of reinsurance by region.

Reinsurance contract assets	2025 Kshs'000	2024 Kshs'000
Concentration by region		
Kenya	3,102,830	3,694,714
Tanzania	756,750	689,353
Uganda	848,478	797,054
Total	4,708,058	5,181,121

Sensitivities

The following analysis details the impact of changes in key assumptions on the Group's profit or loss, and equity before and after risk mitigation from reinsurance and insurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

Group Sensitivity impact before tax

An increase/decrease of 5 percentage points in net ultimate claim experience would result in an increase/(decrease) in the Group profit before tax for the year by Ksh 58,983,859 (2024: Ksh 53,299,913).

Company Sensitivity impact before tax

An increase/decrease of 5 percentage points in net ultimate claim experience would result in an increase/(decrease) in the company profit before tax for the year by Ksh 47,324,963 (2024: Ksh 42,697,908).

Group Sensitivity impact after tax (impact on equity)

An increase/decrease of 5 percentage points in net ultimate claim experience would result in an increase/(decrease) in the Group profit after tax for the year by Ksh 41,288,701 (2024: Ksh 37,309,939).

Company Sensitivity impact after tax (impact on equity)

An increase/decrease of 5 percentage points in net ultimate claim experience would result in an increase/(decrease) in the company profit after tax for the year by Ksh 33,127,474 (2024: Ksh 29,888,536).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risks, equity price risk and foreign exchange currency risk. The sensitivity analyses presented below are based on a change in one assumption while holding all other assumptions constant.

(i) Foreign exchange currency risk

Foreign exchange currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities, which mitigate the foreign currency exchange rate risk. The currency risk is also effectively managed by ensuring that the transactions between the Group and other parties are designated in the functional currencies of the individual group companies.

Balances denominated in foreign currency (USD) at period end is as follows:

Exposure foreign exchange currency risk	GROUP		COMPANY	
	2025 Kshs'000	2024 Kshs'000	2025 Kshs'000	2024 Kshs'000
Bank Balances	73,324	1,592	10,428	(543)
Deposits with financial institutions	750,169	638,871	472,441	504,290
Total	823,493	640,463	482,869	503,747

Sensitivity impact before tax

Group

At 31 December 2025, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the Group profit before tax for the year would have been Ksh 419,100 (2024: Ksh 3,737,250) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Tanzania.

Company

At 31 December 2025, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the company profit before tax for the year would have been Ksh 480,200 (2024: Ksh 4,088,700) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya.

Sensitivity impact after tax (impact on equity)

Movements in foreign exchange are added back for tax purposes and deferred tax recognised and hence the impact after tax (on equity) is the same as impact before tax.

(ii) Interest rate risk

The Group is exposed to the risk that the level of interest income and in effect the cash flows will fluctuate due to changes in market interest rates. To manage this, the Group ensures that the investment maturity profiles are well spread. The securities that are subject to interest rate risk are bank deposits, corporate bonds and debt securities.

Exposure at period end is as follows:

Exposure to interest rate risk	GROUP		COMPANY	
	2025 Kshs'000	2024 Kshs'000	2025 Kshs'000	2024 Kshs'000
Debt securities at amortised cost	6,440,746	5,934,595	4,814,021	4,529,418
Debt securities at fair value through OCI	1,789,958	1,274,232	1,789,958	1,274,232
Corporate bonds at amortised cost	156,177	73,992	140,347	58,124
Deposits with financial institutions at amortised cost	3,045,887	2,645,708	2,151,740	1,918,871
Total	11,432,768	9,928,527	8,896,066	7,780,645

Sensitivity impact before tax

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the Group profit before tax for the year by Ksh 62,632,950 (2024: Ksh 59,072,200).

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit before tax for the year by Ksh 47,248,850 (2024: Ksh 46,606,500).

Sensitivity impact after tax (impact on equity)

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the Group profit after tax (equity) for the year by Ksh 43,843,065 (2024: Ksh 41,350,540).

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit after tax (equity) for the year by Ksh 33,074,195 (2024: Ksh 32,624,550).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk (continued)

(iii) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk as a result of its holdings in equity investments which are listed and traded on the Nairobi Securities Exchange and on the Dar-es-Salaam Stock Exchange which are classified at fair value through profit or loss. Exposure to equity price risk in aggregate is monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes.

The Group has a defined investment policy which sets limits on the Group's exposure to equity securities both in aggregate terms and by category/share. This policy of diversification is used to manage the Group's price risk arising from its investments in equity securities.

Exposure to equity price risk	GROUP		COMPANY	
	2025 Kshs'000	2024 Kshs'000	2025 Kshs'000	2024 Kshs'000
Equity securities held at fair value through other comprehensive income	16,044	15,578	-	-
Equity securities held at fair value through profit or loss	1,330,915	952,391	1,053,899	732,046
Total	1,346,959	967,969	1,053,899	732,046

Sensitivity impact before tax

Group

At 31 December 2025, if equity market indices had increased/decreased by 5%, with all other variables held constant, the Group profit before tax for the year would have increased/decreased by Ksh 19,819,350 (2024: Ksh 11,071,400).

Company

At 31 December 2025, if equity market indices had increased/decreased by 5%, with all other variables held constant, the company profit before tax for the year would have increased/decreased by Ksh 16,590,050 (2024: Ksh 9,837,500).

Sensitivity impact after tax (impact on equity)

Movements in equity are added back for tax purposes and hence the impact after tax (on equity) is the same as impact before tax.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the Group by failing to discharge a contractual obligation. The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- Net exposure limits are set for each counterparty or group of counterparties i.e. limits are set for investments and cash deposits, and minimum credit ratings for investments that may be held.
- Reinsurance is placed with counterparties that have a good credit rating.
- Ongoing monitoring by the management credit committee.

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the directors include details of provisions for impairment on receivables and subsequent write offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The provision rates are based on days past due for various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

Set out below is the information about the credit risk exposure on the Group and Company's receivables from direct insurance business and reinsurance receivables.

Total exposure on receivables from intermediaries

GROUP

As at December 2025

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	165,399	104,858	147,155	195,716	382,396	995,524
Impairment	2,693	4,479	9,097	50,733	189,171	256,173
Net Carrying amount	162,706	100,379	138,058	144,983	193,225	739,351
Loss Rates	2%	4%	6%	26%	49%	26%

As at December 2024

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	186,312	141,960	109,358	144,486	574,320	1,156,436
Impairment	85	111	336	54,052	295,875	350,459
Net Carrying amount	186,227	141,849	109,022	90,434	278,445	805,977
Loss Rates	0%	0%	0%	37%	52%	30%

COMPANY

As at December 2025

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	115,571	71,838	93,623	133,077	288,953	703,062
Impairment	(23)	(57)	(130)	(41,303)	(149,998)	(191,511)
Net Carrying amount	115,548	71,781	93,493	91,774	138,955	511,551
Loss Rates	0%	0%	0%	31%	52%	27%

As at December 2024

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	168,040	128,941	78,562	141,034	480,881	997,458
Impairment	83	108	190	53,483	252,318	306,182
Net Carrying amount	167,957	128,833	78,372	87,551	228,563	691,276
Loss Rates	0%	0%	0%	38%	52%	31%

Movement in the allowance for impairment in respect of receivables from intermediaries

GROUP	2025 Kshs'000	2024 Kshs'000
Balance at January	350,549	319,160
Amounts written off	(154,315)	-
Net remeasurement of net allowance	58,888	41,177
Exchange difference on translation	1,051	(9,788)
Balance as at 31 December	256,173	350,549

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

Movement in the allowance for impairment in respect of receivables from intermediaries (continued)

COMPANY	2025 Kshs'000	2024 Kshs'000
Balance at January	306,182	254,720
Amounts written off	(154,315)	-
Net remeasurement of net allowance	39,644	51,462
Balance as at 31 December	191,511	306,182

In determining the expected credit losses for these assets the Group has taken into account the historical default experience, the financial position of the counterparties, financial analysts reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. In the case of equity investments classified at fair value through profit or loss, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

The maximum exposure to credit risk is as summarised below:

GROUP

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2025			
Receivables from intermediaries	995,524	(256,173)	739,351
Reinsurance contact assets	897,513	(78,554)	818,959
Debt securities at amortised cost	6,454,565	(13,819)	6,440,746
Debt securities at fair value through other comprehensive income	1,793,490	(3,532)	1,789,958
Corporate bonds at amortised cost	157,795	(1,618)	156,177
Deposits with financial institutions at amortised cost	3,054,117	(8,230)	3,045,887
Other receivables*	385,884	-	385,884
Cash and bank balances**	372,064	(1,329)	370,735
	14,110,952	(363,255)	13,747,697

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2024			
Receivables from intermediaries	1,156,436	(350,459)	805,977
Reinsurance contact assets	1,124,926	(147,943)	976,983
Debt securities at amortised cost	5,949,935	(15,340)	5,934,595
Corporate bonds at amortised cost	74,058	(66)	73,992
Deposits with financial institutions at amortised cost	2,650,681	(4,973)	2,645,708
Other receivables*	320,764	(4,327)	316,437
Cash and bank balances**	154,967	(1,235)	153,732
	11,431,767	(524,343)	10,907,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

COMPANY

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2025			
Receivables from intermediaries	703,062	(191,511)	511,551
Reinsurance contact assets	565,526	(62,631)	502,895
Debt securities at amortised cost	4,822,873	(8,852)	4,814,021
Debt securities at fair value through other comprehensive income	1,793,490	(3,532)	1,789,958
Corporate bonds at amortised cost	141,944	(1,597)	140,347
Deposits with financial institutions at amortised cost	2,156,331	(4,591)	2,151,740
Other receivables*	200,780	-	200,780
Cash and bank balances **	258,329	(325)	258,004
	10,642,335	(273,039)	10,369,296

* Excludes prepayments

** Excludes petty cash balances

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2024			
Receivables from intermediaries	997,458	(306,182)	691,276
Reinsurance contact assets	792,802	(128,797)	664,005
Debt securities at amortised cost	4,537,731	(8,313)	4,529,418
Corporate bonds at amortised cost	58,058	66	58,124
Deposits with financial institutions at amortised cost	1,923,377	(4,506)	1,918,871
Other receivables*	140,942	-	140,942
Cash and bank balances **	17,092	(31)	17,061
	8,467,460	(447,763)	8,019,697

* Excludes prepayments

** Excludes petty cash balances

Debt securities at amortised cost

The movement in the allowance for impairment for debt securities at amortised cost during the year was as follows;

2025 GROUP	12 Month ECL Ksh'000	Lifetime ECL not credit impaired Ksh'000	Lifetime ECL credit impaired Ksh'000	Total Ksh'000
Balance at 1 January	15,340	-	-	15,340
Net remeasurement of loss allowance	(1,344)	-	-	(1,344)
Exchange difference on translation	(177)	-	-	(177)
Balance at 31 December	13,819	-	-	13,819

2024 GROUP	12 Month ECL Ksh'000	Lifetime ECL not credit impaired Ksh'000	Lifetime ECL credit impaired Ksh'000	Total Ksh'000
Balance at 1 January	6,685	-	-	6,685
Net remeasurement of loss allowance	9,118	-	-	9,118
Financial assets repaid	(281)	-	-	(281)
Exchange difference on translation	(182)	-	-	(182)
Balance at 31 December	15,340	-	-	15,340

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

Debt securities at amortised cost (continued)

The movement in the allowance for impairment for debt securities at amortised cost during the year was as follows;

2025 COMPANY	12 Month ECL Ksh'000	Lifetime ECL not credit impaired Ksh'000	Lifetime ECL credit impaired Ksh'000	Total Ksh'000
Balance at 1 January	8,313	-	-	8,313
Net remeasurement of loss allowance	539	-	-	539
Balance at 31 December	8,852	-	-	8,852

2024 COMPANY	12 Month ECL Ksh'000	Lifetime ECL not credit impaired Ksh'000	Lifetime ECL credit impaired Ksh'000	Total Ksh'000
Balance at 1 January	4,969	-	-	4,969
Net remeasurement of loss allowance	3,625	-	-	3,625
Financial assets repaid	(281)	-	-	(281)
Balance at 31 December	8,313	-	-	8,313

Debt securities at fair value through other comprehensive income

The movement in the allowance for impairment for debt securities at FVOCI during the year was as follows;

2025 GROUP AND COMPANY	12 Month ECL Ksh'000	Lifetime ECL not credit impaired Ksh'000	Lifetime ECL credit impaired Ksh'000	Total Ksh'000
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	2,422	-	-	2,422
New assets acquired	1,110	-	-	1,110
Balance at 31 December	3,532	-	-	3,532

Cash and bank balances and deposits with financial institutions

The Group held cash and bank balances and deposits with financial institutions of Kshs 3,416,917,000 at 31 December 2025 (2024: Kshs 2,799,653,000). These amounts are held with bank and financial institution counterparties, which have high credit ratings, based on Standard and Poors (S&P).

Impairment on cash and bank balances and deposits with financial institution has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers these balances to have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and bank balances and deposits with financial institution to those used for debt securities.

The amount of impairment allowance at 31 December 2025 is Kshs 5,270 thousand (2024: Kshs 5,865).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

Credit quality analysis for reinsurance contract assets

The following table provides information on the credit quality of reinsurance contracts held that are assets based on the Group's internal ratings:

Group's Risk Grade	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
1 - AAA to AA- by (S&P, Fitch, GCR) or Aaa to Aa3 by (Moody's) or A++ to A- by (AM Best)	3,699,552	4,589,676	2,518,402	3,273,451
2 - A+ to A- by (S&P, Fitch, GCR) or A1 to A3 by (Moody's) or B++ to B+ by (AM Best)	225,522	269,761	106,761	192,399
3 - BBB+ to BBB- by (S&P, Fitch, GCR) or Baa1 to Baa3 by (Moody's) or B to B- by (AM Best)	378,820	32,431	222,686	23,130
4 - Unrated	404,164	289,253	254,981	205,734
Total Reinsurance Assets	4,708,058	5,181,121	3,102,830	3,694,714

Movement in the allowance for impairment in respect of reinsurance contract assets

GROUP	2025 Kshs'000	2024 Kshs'000
Balance at January	147,943	146,698
Amounts written off	(44,154)	-
Net remeasurement of net allowance	(27,014)	(9,887)
Exchange difference on translation	1,779	11,132
Balance as at 31 December	78,554	147,943

COMPANY	2025 Kshs'000	2024 Kshs'000
Balance at January	128,797	144,525
Amounts written off	(44,154)	-
Net remeasurement of net allowance	(22,012)	(15,728)
Balance as at 31 December	62,631	128,797

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has developed and put in place an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. This framework involves the monthly assessment of the asset liability matching and liquidity gap against preset benchmarks. In addition the Group manages liquidity risk by maintaining adequate reserves and a proportion of current investments that are sufficient to meet liabilities as they fall due. The Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities. Where liquidity gaps are identified appropriate steps are taken to fill those gaps by looking for investment assets that match the liabilities maturity profile for that instance.

Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that are liabilities

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held that are in a liability position based on the estimated timing of the remaining contractual undiscounted cash flows. The amounts presented below do not include those relating to liability for remaining coverage of insurance and reinsurance contracts that are measured under the PAA.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

GROUP

	0-5 year Kshs'000	Over 5 years Kshs'000	Total Kshs'000	Carrying amount Kshs'000
2025				
Insurance contract liabilities	6,165,945	303,579	6,469,524	9,768,721
Reinsurance contract liabilities	597,340	29,726	627,066	639,763
Total	6,763,285	333,305	7,096,590	10,408,484

	0-5 year Kshs'000	Over 5 years Kshs'000	Total Kshs'000	Carrying amount Kshs'000
2024				
Insurance contract liabilities	6,000,040	235,198	6,235,238	9,303,013
Reinsurance contract liabilities	436,991	12,859	449,850	446,818
Total	6,437,031	248,057	6,685,088	9,749,831

COMPANY

	0-5 year Kshs'000	Over 5 years Kshs'000	Total Kshs'000	Carrying amount Kshs'000
2025				
Insurance contract liabilities	4,964,743	263,412	5,228,155	7,152,208
Reinsurance contract liabilities	230,237	11,004	241,241	253,939
Total	5,194,980	274,416	5,469,396	7,406,147

	0-5 year Kshs'000	Over 5 years Kshs'000	Total Kshs'000	Carrying amount Kshs'000
2024				
Insurance contract liabilities	4,472,495	235,198	4,707,693	7,062,282
Reinsurance contract liabilities	163,227	27,856	191,083	173,054
Total	4,635,722	263,054	4,898,776	7,235,336

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

GROUP

31 December 2025	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	> 5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	2,322,706	3,587,587	2,744,930	6,157,987	14,813,210
Debt securities at fair value through other comprehensive income	1,789,959	-	-	-	1,789,959
Corporate bonds at amortised cost	18,988	64,942	267,116	-	351,046
Deposits with financial institutions	2,946,499	-	-	-	2,946,499
Cash and bank balances	360,066	-	-	-	360,066
Equity securities at fair value through profit or loss	100,875	163,440	180,508	769,567	1,214,390
Receivables from intermediaries	7,418,250	395,135	395,135	197,568	8,406,088
Other receivables	478,693	463,199	23,691	-	965,583
Total assets	15,436,036	4,674,303	3,611,380	7,125,122	30,846,841
Liabilities					
Insurance Contract Liabilities	3,840,450	1,641,502	683,993	303,579	6,469,524
Reinsurance Contract Liabilities	478,436	59,452	59,452	29,726	627,066
Lease liability	85,735	38,544	16,049	4,522	144,850
Other payables	1,212,570	309,349	-	-	1,521,919
Total liabilities	5,617,191	2,048,847	759,494	337,827	8,763,359
Liquidity gap	9,818,845	2,625,456	2,851,886	6,787,295	22,083,482

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

GROUP

31 December 2024	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,456,730	3,097,563	2,566,650	4,495,517	11,616,460
Debt securities at fair value through other comprehensive income	1,274,233	-	-	-	1,274,233
Corporate bonds at amortised cost	7,084	64,914	15,868	-	87,866
Deposits with financial institutions	2,028,911	588,083	-	-	2,616,994
Cash and bank balances	17,181	91,409	-	-	108,590
Equity securities at fair value through profit or loss	61,554	94,177	105,617	323,637	584,985
Receivables from intermediaries	5,656,074	437,847	248,856	124,428	6,467,205
Other receivables	1,117,339	958,554	-	-	2,075,893
Total assets	11,619,106	5,332,547	2,936,991	4,943,582	24,832,226
Liabilities					
Insurance Contract Liabilities	3,709,844	1,748,346	541,850	235,198	6,235,238
Reinsurance Contract Liabilities	172,415	208,865	55,711	12,859	449,850
Lease liability	111,416	93,098	15,042	12,859	232,415
Other payables	1,018,824	362,594	-	140,803	1,522,221
Total liabilities	5,012,499	2,412,903	612,603	401,719	8,439,724
Liquidity gap	6,606,607	2,919,644	2,324,388	4,541,863	16,392,502

COMPANY

31 December 2025	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,776,827	3,154,686	1,544,658	5,970,439	12,446,610
Debt securities at fair value through other comprehensive income	1,789,959	-	-	-	1,789,959
Corporate bonds at amortised cost	15,217	30,433	172,223	-	217,873
Deposits with financial institutions	2,149,044	-	-	-	2,149,044
Cash and bank balances	247,310	-	-	-	247,310
Equity securities at fair value through profit or loss	64,436	140,501	157,569	482,831	845,337
Receivables from intermediaries	6,383,335	336,998	336,998	168,499	7,225,830
Other receivables	361,303	347,475	-	-	708,778
Total assets	12,787,431	4,010,093	2,211,448	6,621,769	25,630,741
Liabilities					
Insurance Contract Liabilities	2,809,738	1,573,119	581,886	263,412	5,228,155
Reinsurance Contract Liabilities	186,221	22,008	22,008	11,004	241,241
Lease liability	85,735	38,544	16,049	4,522	144,850
Other payables	1,068,324	165,103	-	-	1,233,427
Total liabilities	4,150,018	1,798,774	619,943	278,938	6,847,673
Liquidity gap	8,637,413	2,211,319	1,591,505	6,342,831	18,783,068

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

COMPANY

31 December 2024	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,268,423	2,665,694	2,566,650	3,710,517	10,211,284
Debt securities at fair value through other comprehensive income	1,274,233	-	-	-	1,274,233
Corporate bonds at amortised cost	7,084	64,914	-	-	71,998
Deposits with financial institutions	1,890,156	-	-	-	1,890,156
Cash and bank balances	17,181	-	-	-	17,181
Equity securities at fair value through profit or loss	43,191	94,177	105,617	323,637	566,622
Receivables from intermediaries	822,883	69,820	69,820	34,910	997,433
Other receivables	275,731	262,158	-	-	537,889
Total assets	5,598,882	3,156,763	2,742,087	4,069,064	15,566,796
Insurance Contract Liabilities	2,513,883	1,416,762	541,850	235,198	4,707,693
Reinsurance Contract Liabilities	51,805	55,711	55,711	27,856	191,083
Lease liability	85,467	22,773	22,358	15,042	145,640
Other payables	815,103	103,171	-	-	918,274
Total liabilities	3,466,258	1,598,417	619,919	278,096	5,962,690
Liquidity gap	2,132,624	1,558,346	2,122,168	3,790,968	9,604,106

(d) Fair value hierarchy

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Nairobi Securities Exchange ("NSE"), and Dar es Salaam Securities ("DSE") equity investments and government bonds classified at fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include

- Quoted market prices or dealer quotes for similar instruments.

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The table below shows an analysis of the fair value of assets and liabilities by level in the fair value hierarchy, however, it does not include instruments whose fair value approximates the carrying amount at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

GROUP

31 December 2025	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	1,330,915	-	-	1,330,915	1,330,915
- Equity securities at fair value through other comprehensive income	16,044	-	-	16,044	16,044
- Investment property	-	-	2,885,000	2,885,000	2,885,000
- Real Estate Investment Trusts	-	38,234	-	38,234	38,234
- Debt securities at fair value through other comprehensive income	1,789,958	-	-	1,789,958	1,789,958
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	6,693,159	-	-	6,693,159	6,440,746
- Corporate bonds at amortised cost	158,509	-	-	158,509	156,177
- Long-term loans	-	-	61,445	61,445	71,276
	9,988,585	38,234	2,946,445	12,973,264	12,728,350

GROUP

31 December 2024	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	952,391	-	-	952,391	952,391
- Equity securities at fair value through other comprehensive income	15,578	-	-	15,578	15,578
- Investment property	-	-	2,865,000	2,865,000	2,865,000
- Real Estate Investment Trusts	-	36,282	-	36,282	36,282
- Debt securities at fair value through other comprehensive income	1,274,232	-	-	1,274,232	1,274,232
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	5,579,394	-	-	5,579,394	5,934,595
- Corporate bonds at amortised cost	78,094	-	-	78,094	73,992
- Long-term loans	-	-	113,011	113,011	140,803
	7,899,689	36,282	2,978,011	10,913,982	11,292,873

COMPANY

31 December 2025	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	1,053,899	-	-	1,053,899	1,053,899
- Investment property	-	-	2,885,000	2,885,000	2,885,000
- Real Estate Investment Trusts	-	38,234	-	38,234	38,234
- Debt securities at fair value through other comprehensive income	1,789,958	-	-	1,789,958	1,789,958
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	5,080,995	-	-	5,080,995	4,814,021
- Corporate bonds at amortised cost	142,679	-	-	142,679	140,347
	8,067,531	38,234	2,885,000	10,990,765	10,721,459

COMPANY

31 December 2024	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000	Carrying Amount
<i>Measured at fair value</i>					
- Equity securities at fair value through profit or loss	732,046	-	-	732,046	732,046
- Investment property	-	-	2,865,000	2,865,000	2,865,000
- Real Estate Investment Trusts	-	36,282	-	36,282	36,282
- Debt securities at fair value through other comprehensive income	1,274,232	-	-	1,274,232	1,274,232
<i>Measured at amortised cost</i>					
- Debt securities at amortised cost	4,174,218	-	-	4,174,218	4,529,418
- Corporate bonds at amortised cost	57,954	-	-	57,954	58,124
	6,238,450	36,282	2,865,000	9,139,732	9,495,102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques used in determining fair value of financial assets.

Instrument	Level	Valuation Basis	Inputs
Real Estate Investment Trusts	2	Prices based on underlying Net Asset Value	Current unit price of underlying unitised asset

Investment properties fair valuation

The fair value of investment property was determined 31 December 2025 by external, independent property valuers, Lloyd Masika Ltd, who have appropriate recognized professional qualifications and recent experience in the location and category of the property valued. Investment property is valued annually by the independent valuers.

The following table shows the valuation technique used in measuring the fair values of investment properties and long-term loans, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment Properties	Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants.	Expected market rental growth 5%. Discount rate 13.20%.	The estimated fair value would Increase/(decrease) if: <ul style="list-style-type: none"> - expected market rental growth were higher/(lower); - void periods were shorter/(longer); - the occupancy rate were higher/(lower); - rent-free periods were shorter/(longer); or - the discount rate were lower/(higher).
Long-term Loans	Discounted Cash Flow (DCF) method. Future contractual cash flows (UGX 2bn in 2025 and UGX 2bn in 2026) are discounted to present value.	<ul style="list-style-type: none"> - Discount rate reflecting market borrowing rate for a similar borrower (16%). - Timing of expected repayments (2025 and 2026). - Credit risk of the borrower (reflected in the discount rate). 	<ul style="list-style-type: none"> - An increase in the discount rate would decrease the fair value of the loan, while a decrease in the discount rate would increase the fair value. - Earlier repayment increases the fair value as cash flows are discounted over a shorter period, while delays in repayment reduce the fair value. - Higher perceived credit risk increases the discount rate and lowers the fair value. Lower credit risk reduces the discount rate and increases the fair value.

(e) Capital Risk Management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- Allocation of capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- Aligning the profile of assets and liabilities taking account of risks inherent in the business.
- Maintaining financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- Maintaining strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders value.

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such

regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The Group has met all of these requirements throughout the financial year.

The Kenyan and Uganda Insurance Acts require each insurance company to hold a minimum level of paid up capital of Kshs 600 million and UGX 6 billion respectively.

Following the guidelines issued by Tanzania Insurance Regulatory Authority (TIRA) requiring all insurance companies in Tanzania to adopt Risk-Based Capital (RBC) supervision effective from the fourth quarter of 2025, management continues to implement its strategy to improve business performance to meet the new solvency requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(e) Capital Risk Management (continued)

The Company and its Subsidiaries are in compliance with the capital requirements as at 31 December 2025.

The Capital Adequacy Ratios for the Company and its subsidiaries as at 31 December 2025 and 31 December 2024 are as shown below.

Kenya

	2025 Ksh'000	2024 Ksh'000
Total Capital Available	8,891,504	7,606,203
Risk Based Capital Minimum	2,254,309	1,906,423
Capital Adequacy Ratio	394%	399%

Tanzania

	2025 Ksh'000	2024 Ksh'000
Total Capital Available	577,577	455,975
Risk Based Capital Minimum	282,719	284,392
Capital Adequacy Ratio	204%	160%

Uganda

	2025 Ksh'000	2024 Ksh'000
Total Capital Available	916,010	836,012
Risk Based Capital Minimum	226,664	211,205
Capital Adequacy Ratio	404%	396%

5 INSURANCE REVENUE

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Aviation	1,268,137	1,525,555	1,186,646	1,449,999
Engineering	493,887	445,283	274,749	250,321
Fire Domestic	168,326	165,709	159,843	158,808
Fire Industrial	2,168,362	2,166,421	1,665,095	1,665,087
Liability	440,590	361,297	249,828	245,023
Marine	416,299	346,363	257,374	247,007
Medical	965,579	823,059	453,225	455,346
Miscellaneous	363,468	323,764	241,866	233,761
Motor Commercial	1,316,128	1,150,631	613,953	607,728
Motor Private	2,906,958	2,565,139	2,380,485	2,142,362
Personal Accident	682,222	590,256	358,996	313,946
Theft	518,200	375,987	219,142	206,455
Workmen Compensation	906,455	905,825	836,523	857,114
Total	12,614,611	11,745,289	8,897,725	8,832,957

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

6 INSURANCE SERVICE EXPENSES

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Incurring claims (Note 35(a))	4,652,227	3,892,671	3,177,508	2,789,360
Losses on onerous contracts and reversals of those losses (Note 35(a))	80,763	39,469	84,119	16,607
Attributable expenses (Note 15)	2,670,477	2,390,904	1,860,435	1,732,532
Insurance acquisition cash flows amortisation (Note 35(a))	1,631,997	1,498,054	1,046,047	1,025,190
Total insurance service expenses	9,035,464	7,821,098	6,168,109	5,563,689

7 ALLOCATION OF REINSURANCE PREMIUMS PAID

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Allocation of Reinsurance Premium Paid (Note 35(b))	6,269,791	5,971,905	4,167,753	4,353,235
Reinsurance amortize acquisition cost (Note 35(b))	(1,247,898)	(1,158,148)	(721,105)	(720,783)
Total	5,021,893	4,813,757	3,446,648	3,632,452
Attributable expenses (Note 15)	149,619	133,056	96,913	90,141
Grand Total	5,171,512	4,946,813	3,543,561	3,722,593

8 AMOUNTS RECOVERED FROM REINSURANCE CONTRACTS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Amounts recoverable for incurred claims (Note 35(b))	1,381,201	1,380,609	580,561	778,896
Effect of changes in the risk of reinsurer's non-performance (Note 35(b))	12,750	10,280	14,435	(588)
Recoveries of loss on recognition of underlying onerous contracts (Note 35(b))	19,223	12,480	23,693	(1,028)
	1,413,174	1,403,369	618,689	777,280

9(a) INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Interest on deposits with financial institutions	254,860	226,232	177,998	168,352
Interest on corporate bonds held at amortised cost	8,456	8,646	6,945	7,104
Interest on debt securities - amortised cost	818,230	782,276	592,325	592,384
- fair value through other comprehensive income	167,709	164,290	167,709	164,290
Total interest income	1,249,255	1,181,444	944,977	932,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

9(b) OTHER INVESTMENT REVENUE

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Dividends receivable on equity instruments	98,826	70,158	81,044	56,515
REITs income	823	1,322	823	1,322
Dividend income from subsidiary	-	-	11,231	3,733
Total dividend income	99,649	71,480	93,098	61,570
Rental income from investment properties	223,808	218,840	223,808	218,840
Fair value gain/(losses) on investment properties (Note 22)	20,000	85,000	20,000	85,000
Gain on disposal of Treasury Bonds	171	-	171	-
Gain on revaluation of equity instruments (Note 27)	396,387	221,428	331,801	196,750
Gain on revaluation of Real Estate Investment Trust (REIT) (Note 28)	1,952	722	1,952	722
Gain on disposal of equity instruments	27,029	3,903	15,989	3,903
	768,996	601,373	686,819	566,785

9(c) IMPAIRMENT LOSS ON FINANCIAL ASSETS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Corporate bonds	(1,597)	66	(1,597)	66
Debt securities at amortised cost	1,344	(8,837)	(539)	(3,344)
Debt securities at fair value through other comprehensive income	(3,532)	-	(3,532)	-
Deposits held at amortised cost	(467)	(3,325)	(467)	(3,325)
Others	(147)	(19,298)	-	-
Total	(4,399)	(31,394)	(6,135)	(6,603)

10 INSURANCE FINANCE INCOME/(EXPENSE)

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Effect of changes in interest rates and other financial assumptions	(59,706)	(59,274)	(56,695)	(61,919)
Interest accreted	(354,437)	(451,615)	(281,915)	(399,652)
Insurance finance expenses from insurance contracts	(414,143)	(510,889)	(338,610)	(461,571)
Effect of changes in interest rates and other financial assumptions	14,347	10,154	13,125	12,116
Interest accreted	141,627	205,787	102,116	173,480
Reinsurance finance income from reinsurance contracts	155,974	215,941	115,241	185,596
Net insurance finance income/(expense)	(258,169)	(294,948)	(223,369)	(275,975)

11 OTHER INCOME

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Gain on disposal of discontinued lease	4,945	-	4,945	-
Gain on disposal of property and equipment	3,465	1,595	58	1,063
Other*	36,583	23,261	31,080	18,054
	44,993	24,856	36,083	19,117

*This includes share of income from Kenya Motor Pool and proceeds from sale of scrap.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

12 FOREIGN EXCHANGE (LOSS)/GAINS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Realized gains	8,407	(18,664)	10,482	(21,833)
Unrealized losses	(16,789)	(56,081)	(878)	(59,941)
Net foreign exchange (loss)/gains	(8,382)	(74,745)	9,604	(81,774)

13 FINANCE COST

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Interest on lease liabilities* (Note 47)	17,440	28,632	9,752	19,779
	17,440	28,632	9,752	19,779

*Amounts are included under insurance service expenses as attributable.

14(a) IMPAIRMENT OF FINANCIAL ASSETS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Net impairment charge on receivables	31,874	40,641	17,632	35,734
Impairment of investments	4,399	31,394	6,135	6,603
Impairment on other assets	6,309	-	4,044	-
	42,582	72,035	27,811	42,337

14(b) MOVEMENT IN EXPECTED CREDIT LOSSES

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	511,584	444,101	458,019	415,682
Charge for the year	42,582	72,035	27,811	42,337
Write-off on receivables from intermediaries	(154,315)	-	(154,315)	-
Write-off on reinsurance receivables	(44,154)	-	(44,154)	-
Exchange difference	731	(4,552)	-	-
Total	356,428	511,584	287,361	458,019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

15 OPERATING AND OTHER EXPENSES

GROUP

	Notes	2025				2024			
		Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Employee benefit expense	16	141,743	1,356,699	-	1,498,442	357,087	992,263	-	1,349,350
Investment expenses		-	-	54,823	54,823	-	-	52,244	52,244
Impairment charge on financial asset		-	-	4,399	4,399	-	-	6,749	6,749
Depreciation on property and equipment	21	-	40,181	-	40,181	-	37,155	-	37,155
Depreciation on right-of-use asset	23	-	59,660	-	59,660	-	61,493	-	61,493
Repairs and maintenance		-	50,953	-	50,953	-	76,385	-	76,385
Branding and marketing expenses		239,893	-	-	239,893	214,912	-	-	214,912
Professional and consultancy fees		-	95,872	-	95,872	-	74,232	-	74,232
Levies		-	95,868	-	95,868	-	114,870	-	114,870
Licenses and permits		-	8,702	-	8,702	-	2,760	-	2,760
Auditors' remuneration		-	16,855	-	16,855	-	14,274	-	14,274
Directors' emoluments:-									
- fees for services as directors		-	16,910	-	16,910	-	22,141	-	22,141
Amortisation of intangible assets	24	-	9,332	-	9,332	-	13,655	-	13,655
Recruitment fees		-	789	-	789	-	4,629	-	4,629
Training fee		-	11,237	-	11,237	-	9,056	-	9,056
Electricity and water		-	8,965	-	8,965	-	13,509	-	13,509
Entertainment		-	17,179	-	17,179	-	14,093	-	14,093
Motor vehicle expenses		-	6,884	-	6,884	-	9,243	-	9,243
Printing and stationery		-	15,754	-	15,754	-	61,759	-	61,759
Postage and telephone		-	40,028	-	40,028	-	35,658	-	35,658
Travelling		4,285	40,287	-	44,572	14,612	18,709	-	33,321
Bank charges		-	11,086	-	11,086	-	11,747	-	11,747
Subscriptions		-	7,451	-	7,451	-	6,275	-	6,275
Donations		-	872	-	872	-	725	-	725
Books, newspapers, magazines & periodicals		-	811	-	811	-	956	-	956
Business development marketing expenses		74,643	-	-	74,643	67,708	-	-	67,708
Software and IT expenses		-	92,308	-	92,308	-	89,638	-	89,638
Insurance		-	58,541	-	58,541	-	51,096	-	51,096
Security		-	4,292	-	4,292	-	8,238	-	8,238
Cleaning		-	7,544	-	7,544	-	5,594	-	5,594
Rent and parking	23	-	29,019	-	29,019	-	31,695	-	31,695
Interest expense-lease liabilities	47	-	17,440	-	17,440	-	28,632	-	28,632
Net impairment charge on receivables		-	31,874	-	31,874	-	40,641	-	40,641
Impairment charge on other assets		-	6,309	-	6,309	-	-	-	-
Other expenses		36,862	162,968	102,955	302,785	-	18,520	33,347	51,867
Total		497,426	2,322,670	162,177	2,982,273	654,319	1,869,641	92,340	2,616,300
Allocated as follows:									
Insurance Contracts	6	473,687	2,196,790	-	2,670,477	636,466	1,754,438	-	2,390,904
Reinsurance Contracts	7	23,739	125,880	-	149,619	17,853	115,203	-	133,056
Impairment charge on financial asset		-	-	4,399	4,399	-	-	6,749	6,749
Non attributable		-	-	157,778	157,778	-	-	85,591	85,591
Total		497,426	2,322,670	162,177	2,982,273	654,319	1,869,641	92,340	2,616,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

15 OPERATING AND OTHER EXPENSES (continued)

COMPANY

	Notes	2025				2024			
		Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Employee benefit expense	16	141,743	905,433	-	1,047,176	132,983	839,799	-	972,782
Investment expenses		-	-	42,293	42,293	-	-	40,728	40,728
Impairment charge on financial asset		-	-	6,135	6,135	-	-	6,603	6,603
Depreciation on property and equipment	21	-	25,302	-	25,302	-	25,677	-	25,677
Depreciation on right-of-use asset	23	-	31,613	-	31,613	-	33,351	-	33,351
Repairs and maintenance		-	41,740	-	41,740	-	50,023	-	50,023
Branding and marketing expenses		239,893	-	-	239,893	196,956	-	-	196,956
Professional and consultancy fees		-	95,872	-	95,872	-	59,760	-	59,760
Levies		-	76,184	-	76,184	-	75,387	-	75,387
Licenses and permits		-	1,043	-	1,043	-	702	-	702
Auditors' remuneration		-	6,699	-	6,699	-	6,154	-	6,154
Directors' emoluments:-									
- fees for services as directors		-	7,010	-	7,010	-	8,310	-	8,310
Amortisation of intangible assets	24	-	8,240	-	8,240	-	7,362	-	7,362
Recruitment fees		-	789	-	789	-	4,629	-	4,629
Training fee		-	11,237	-	11,237	-	9,056	-	9,056
Electricity and water		-	8,965	-	8,965	-	11,508	-	11,508
Entertainment		-	17,179	-	17,179	-	14,093	-	14,093
Motor vehicle expenses		-	6,884	-	6,884	-	9,243	-	9,243
Printing and stationery		-	10,064	-	10,064	-	15,987	-	15,987
Postage and telephone		-	19,562	-	19,562	-	27,913	-	27,913
Travelling		4,285	27,068	-	31,353	2,962	18,709	-	21,671
Bank charges		-	7,748	-	7,748	-	8,487	-	8,487
Subscriptions		-	7,451	-	7,451	-	6,275	-	6,275
Donations		-	872	-	872	-	725	-	725
Books, newspapers, magazines & periodicals		-	811	-	811	-	956	-	956
Business development marketing expenses		22,831	-	-	22,831	24,157	-	-	24,157
Software and IT expenses		-	92,308	-	92,308	-	74,617	-	74,617
Insurance		-	58,541	-	58,541	-	51,096	-	51,096
Security		-	4,292	-	4,292	-	8,238	-	8,238
Cleaning		-	7,544	-	7,544	-	5,594	-	5,594
Rent and parking	23	-	28,325	-	28,325	-	31,430	-	31,430
Interest expense-lease liabilities	47	-	9,752	-	9,752	-	19,779	-	19,779
Net impairment charge on receivables		-	17,632	-	17,632	-	35,734	-	35,734
Impairment charge on other assets		-	4,044	-	4,044	-	-	-	-
Other expenses		-	8,392	99,498	107,890	-	5,021	33,347	38,368
Total		408,752	1,548,596	147,926	2,105,274	357,058	1,465,615	80,678	1,903,351
Allocated as follows:									
Insurance Contracts	6	388,314	1,472,121	-	1,860,435	339,205	1,393,327	-	1,732,532
Reinsurance Contracts	7	20,438	76,475	-	96,913	17,853	72,288	-	90,141
Impairment charge on financial asset		-	-	6,135	6,135	-	-	6,603	6,603
Non attributable		-	-	141,791	141,791	-	-	74,075	74,075
Total		408,752	1,548,596	147,926	2,105,274	357,058	1,465,615	80,678	1,903,351

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

16 EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Employee costs				
Salaries and benefits	1,252,233	1,135,216	900,121	846,597
Defined contribution retirement schemes				
- Group pension fund	65,136	62,744	59,500	56,725
- National Social Security Fund	40,925	29,526	2,604	1,842
Medical	53,364	43,581	45,996	36,051
Staff welfare	86,784	78,283	38,955	31,567
	1,498,442	1,349,350	1,047,176	972,782
The average number of employees during the year was as follows:				
- Business Development and Operations	298	291	180	187
- Management	41	34	35	23
	339	325	215	210

17 INCOME TAX EXPENSE

a) Tax expense

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Current income tax expense	185,093	371,111	131,071	307,007
Prior year current tax under-provision	(605)	2,843	(605)	2,843
Total current year tax expense	184,488	373,954	130,466	309,850
Deferred income tax credit (Note 25(b))	112,775	(13,268)	90,620	(5,966)
Prior year deferred tax over provision (Note 25(b))	(7,364)	(374)	(6,837)	(374)
Total deferred tax expense	105,411	(13,642)	83,783	(6,340)
	289,899	360,312	214,249	303,510

b) Reconciliation of tax expense to expected tax based on accounting profit

The Group's income tax expense is computed in accordance with income tax rules applicable to general insurance companies. The tax rate is 30%.

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Profit before income tax	1,455,325	1,701,742	1,110,932	1,403,560
Tax calculated at a rate of 30% (2024 - 30%) for the Company and 30% at Subsidiaries (2024:30%)	436,598	510,523	333,280	421,068
Tax effect of:				
- Income not subject to tax	(270,425)	(229,471)	(208,207)	(166,108)
- Expenses not deductible for tax purposes	102,869	50,772	96,618	46,080
Deferred tax not recognised (Note 25 (d))	(962)	(2,511)	-	-
Tax on Government Securities at applicable rate of 20%	29,788	28,529	-	-
Prior year current tax under-provision	(605)	2,844	(605)	2,844
Prior year deferred tax over-provision	(7,364)	(374)	(6,837)	(374)
	289,899	360,312	214,249	303,510

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

17 INCOME TAX EXPENSE (continued)

c) Tax movement

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	(117,318)	74,291	(71,500)	124,727
Current taxation expense	184,488	373,954	130,466	309,850
Tax paid	(305,762)	(570,524)	(226,596)	(506,077)
Exchange difference on translation	(1,090)	4,961	-	-
At 31 December	(239,682)	(117,318)	(167,630)	(71,500)
d) Analysed as follows:				
Current tax recoverable	(239,682)	(117,318)	(167,630)	(71,500)
	(239,682)	(117,318)	(167,630)	(71,500)

18 PROFIT FOR THE YEAR

A profit of Ksh 896,683,000 (2024: Ksh 1,100,050,000) has been dealt with in the books of the company, ICEA LION General Insurance Company Limited.

19 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the year attributable to equity holders of the parent company by the number of ordinary shares in issue at the end of the reporting period.

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Profit attributable to ordinary shareholders (Ksh'000)	1,110,281	1,294,516	896,683	1,100,050
Number of ordinary shares ('000)	50,000	50,000	50,000	50,000
Basic and diluted earnings per share (Ksh)	22.21	25.89	17.93	22.00

There were no potentially dilutive shares outstanding at 31 December 2025 or 31 December 2024. Diluted earnings per share is therefore the same as basic earnings per share.

20 DIVIDENDS

No interim dividend was paid in the year. At the annual general meeting, a final dividend in respect of 2025 of Kshs 12 (2024 - Kshs 8) per share amounting to Kshs 600,000,000 (2024: Ksh 400,000,000) will be proposed by the directors. The final proposed dividend for the year is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The total dividend for the year ended 31 December 2025 will therefore be Ksh 12 per share (2024: Ksh 8.00 per share) amounting to a total of Ksh 600,000,000 (2024: Ksh 400,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

21 PROPERTY AND EQUIPMENT

(a) GROUP	Motor vehicles Ksh'000	Computer equipment Ksh'000	Furniture fittings & office equipment Ksh'000	Total Ksh'000
Cost				
At 1 January 2024	77,304	183,511	398,827	659,642
Additions	-	23,727	23,161	46,888
Disposals	(9,534)	(3,454)	-	(12,988)
Exchange difference	(4,771)	(7,311)	(15,427)	(27,509)
At 31 December 2024	62,999	196,473	406,561	666,033
At 1 January 2025	62,999	196,473	406,561	666,033
Additions	24,240	15,983	33,778	74,001
Disposals	(9,915)	(2,025)	(295)	(12,235)
Exchange difference	90	418	795	1,303
At 31 December 2025	77,414	210,849	440,839	729,102
Depreciation				
At 1 January 2024	65,871	158,947	351,365	576,183
Charge for the year	5,595	14,016	17,544	37,155
Eliminated on disposals	(9,534)	(3,072)	-	(12,606)
Exchange differences	(3,850)	(6,269)	(12,067)	(22,186)
At 31 December 2024	58,082	163,622	356,842	578,546
At 1 January 2025	58,082	163,622	356,842	578,546
Charge for the year	5,734	15,361	19,086	40,181
Eliminated on disposals	(9,915)	(1,942)	(295)	(12,152)
Exchange differences	97	379	714	1,190
At 31 December 2025	53,998	177,420	376,347	607,765
Net book value				
At 31 December 2024	4,917	32,851	49,719	87,487
At 31 December 2025	23,416	33,429	64,492	121,337

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

21 PROPERTY AND EQUIPMENT (CONTINUED)

Fully depreciated assets at 31 December 2025 amounted to Ksh 436,566,628 (2024 – Ksh 430,466,967). The notional annual depreciation on these assets would have been Ksh 84,108,778 (2024 – Ksh 74,435,183).

None of the Group's property and equipment has been pledged as security for borrowings.

(b) COMPANY	Motor vehicles Ksh'000	Computer equipment Ksh'000	Furniture fittings & office equipment Ksh'000	Total Ksh'000
Cost				
At 1 January 2024	47,186	134,372	295,343	476,901
Additions	-	16,814	17,567	34,381
Disposals	(3,100)	(2,146)	-	(5,246)
At 31 December 2024	44,086	149,040	312,910	506,036
At 1 January 2025	44,086	149,040	312,910	506,036
Additions	6,840	10,758	27,576	45,174
Disposals	-	(1,016)	(295)	(1,311)
At 31 December 2025	50,926	158,782	340,191	549,899
Depreciation				
At 1 January 2024	41,475	116,870	270,515	428,860
Charge for the year	4,010	10,346	11,321	25,677
Eliminated on disposals	(3,100)	(2,100)	-	(5,200)
At 31 December 2024	42,385	125,116	281,836	449,337
At 1 January 2025	42,385	125,116	281,836	449,337
Charge for the year	2,003	9,597	13,702	25,302
Eliminated on disposals	-	(1,016)	(296)	(1,312)
At 31 December 2025	44,388	133,697	295,242	473,327
Net book value				
At 31 December 2024	1,701	23,924	31,074	56,699
At 31 December 2025	6,538	25,085	44,949	76,572

Fully depreciated assets at 31 December 2025 amounted to Ksh 406,529,055 (2024: Ksh 405,461,589). The notional annual depreciation on these assets would have been Ksh 77,834,309 (2024: Ksh 69,200,270).

None of the Company's assets has been pledged as security for borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

22 INVESTMENT PROPERTIES

	GROUP AND COMPANY	
	2025 Ksh'000	2024 Ksh'000
At 1 January	2,865,000	2,780,000
Fair value gains	20,000	85,000
At 31 December	2,885,000	2,865,000

The investment properties were valued on 31 December 2025 by Lloyd Masika Limited.

Rental income arising from investment properties during the year amounted to Ksh 223,808,000 (2024: Ksh 218,840,000). Expenses relating to investment property amounted to Ksh 42,293,000 (2024: Ksh 40,728,000).

Refer to note 4(d) on valuation technique, significant unobservable inputs and inter-relationship between key unobservable inputs and fair value measurement and note 3 for the sensitivity effects of changes in gross annual rental and the yield.

23 RIGHT-OF-USE ASSET

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Cost				
At 1 January	543,554	576,828	287,861	277,871
Additions	15,945	20,164	11,512	18,606
Lease modification	(3,290)	(8,616)	(4,279)	(8,616)
De-recognition of right of use asset	(12,814)	-	(12,814)	-
Exchange difference	2,109	(44,822)	-	-
At 31 December	545,504	543,554	282,280	287,861
Depreciation				
At 1 January	392,870	357,916	213,236	179,885
Charge for the year	59,660	61,493	31,613	33,351
Exchange differences	1,653	(26,539)	-	-
At 31 December	454,183	392,870	244,849	213,236
Net Book Value				
At 31 December	91,321	150,684	37,431	74,625

The Group and Company leases various office premises. The average lease term is five years.

The maturity analysis of the lease liabilities is presented in note 47.

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Expenses charged to profit or loss relating to right-of-use assets and lease liabilities				
Depreciation on right-of-use assets (Note 15)	59,660	61,493	31,613	33,351
Interest expense on lease liabilities (Note 15, 47)	17,440	28,632	9,752	19,779
Variable lease payment (Note 15)*	29,019	31,695	28,325	31,430

*This relates to rent and parking.

The Group and Company makes payments in relation to service charge on its leased properties. These amounts are not included in the calculation of the lease liability as the actual cost to the Group depends on the actual expenses incurred which varies from time to time. The Group and Company has no restrictions or covenants imposed by its leases, neither are there arranged sale and leaseback transactions.

The Company has determined the threshold for low values leases as Ksh 1,000,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

24 INTANGIBLE ASSETS - COMPUTER SOFTWARE

(a) GROUP	2025 Computer Software Ksh'000	2025 Work in progress Ksh'000	2025 Total Ksh'000	2024 Computer Software Ksh'000	2024 Work in progress Ksh'000	2024 Total Ksh'000
Cost						
At 1 January	186,661	49,175	235,836	181,698	47,742	229,440
Additions	8,944	41,263	50,207	10,008	1,433	11,441
Write off	-	(46,991)	(46,991)	-	-	-
Exchange difference	115	87	202	(5,045)	-	(5,045)
At 31 December	195,720	43,534	239,254	186,661	49,175	235,836
Amortisation						
At 1 January	168,832	-	168,832	158,992	-	158,992
Charge for the year	9,332	-	9,332	13,655	-	13,655
Exchange difference	163	-	163	(3,815)	-	(3,815)
At 31 December	178,327	-	178,327	168,832	-	168,832
Net book value						
At 31 December	17,393	43,534	60,927	17,829	49,175	67,004

Work in progress relates to the development of a Financial Management System. The write-off pertains to costs incurred during the development of operations software that has since been decommissioned.

(b) COMPANY	2025 Computer Software Ksh'000	2025 Work in progress Ksh'000	2025 Total Ksh'000	2024 Computer Software Ksh'000	2024 Work in progress Ksh'000	2024 Total Ksh'000
Cost						
At 1 January	156,873	49,175	206,048	148,032	47,742	195,774
Additions	4,148	35,374	39,522	8,841	1,433	10,274
Write off	-	(46,991)	(46,991)	-	-	-
At 31 December	161,021	37,558	198,579	156,873	49,175	206,048
Amortisation						
At 1 January	140,833	-	140,833	133,471	-	133,471
Charge for the year	8,240	-	8,240	7,362	-	7,362
At 31 December	149,073	-	149,073	140,833	-	140,833
Net book value						
At 31 December	11,948	37,558	49,506	16,040	49,175	65,215

Work in progress relates to the development of a Financial Management System. The write-off pertains to costs incurred during the development of operations software that has since been decommissioned..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

25 DEFERRED INCOME TAX ASSET/LIABILITY

Deferred taxation is calculated, on all temporary differences under the liability method using the income tax rates of 30% applicable in both Kenya and Tanzania.

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
(a) The deferred income tax liability/asset is attributable to the following items:				
Deferred tax liability:				
Revaluation surplus – Investment properties	572,735	566,735	572,736	566,736
Unrealised exchange gain	2,576	872	-	-
IFRS 17 adjustment	100,225	100,225	100,225	100,225
Fair value gains on OCI	38,953	23,155	-	-
Right of Use Assets	11,229	22,388	11,229	22,388
	725,718	713,375	684,190	689,349
Deferred tax assets:				
Excess depreciation over capital allowances	(10,202)	(12,769)	(10,064)	(12,467)
Provisions	(154,987)	(203,433)	(126,590)	(169,397)
Unrealised exchange losses	(263)	(17,982)	(263)	(17,982)
Lease liability and right-of-use asset	(14,387)	(39,705)	(14,387)	(40,400)
	(179,839)	(273,889)	(151,304)	(240,246)
Net deferred tax liability	545,879	439,486	532,886	449,103
(b) Deferred tax movement:				
At 1 January	439,486	455,533	449,103	455,443
Charge to P&L (Note 17)	112,775	(13,268)	90,620	(5,966)
Deferred tax credit prior year (Note 17)	(7,364)	(374)	(6,837)	(374)
Charge for the year	105,411	(13,642)	83,783	(6,340)
Charge to OCI, items that may not be subsequently classified to profit or loss	88	(2,108)	-	-
Exchange difference on Translation	894	(297)	-	-
At 31 December	545,879	439,486	532,886	449,103
(c) Analysis of the year-end balance is as follows:				
Deferred taxation assets	-	(9,617)	-	-
Deferred taxation liabilities	545,879	449,103	532,886	449,103
At 31 December	545,879	439,486	532,886	449,103

(d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom. These assets relate to the ICEA LION General Insurance Company (U) Limited subsidiary.

	1 January 2025 Ksh'000	Charge /credit not recognised (Note 17(b)) Ksh'000	31 December 2025 Ksh'000
Deductible temporary differences	(38,282)	(6,314)	(44,596)
Tax losses	(113,441)	5,352	(108,089)
Total	(151,723)	(962)	(152,685)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

26 EQUITY SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP	
	2025 Ksh'000	2024 Ksh'000
At 1 January	15,578	26,760
Additions	187	157
Fair value gains/(losses)	294	(7,027)
Exchange difference on translation	(15)	(4,312)
At 31 December	16,044	15,578

27 EQUITY SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	952,391	777,608	732,046	547,174
Additions	57,077	-	44,279	-
Disposals	(76,633)	(11,878)	(54,227)	(11,878)
Fair value losses	396,387	221,428	331,801	196,750
Exchange difference on translation	1,693	(34,767)	-	-
At 31 December	1,330,915	952,391	1,053,899	732,046

28 REAL ESTATE INVESTMENT TRUSTS

	GROUP AND COMPANY	
	2025 Ksh'000	2024 Ksh'000
At 1 January	36,282	35,560
Fair value gain	1,952	722
At 31 December	38,234	36,282

The dividend earned together with fair value gains during the year was Ksh 2,775,493 (2024 - Ksh 2,044,000). The effective rate of return was 7.3% (2024 - 5.6%).

29(a) DEBT SECURITIES AT AMORTISED COST

	2025	2024	2025	2024
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Treasury bills and bonds maturity				
- Within 4 to 12 months	1,477,185	712,011	1,119,707	541,069
- Within 1 to 5 years	3,025,603	3,596,637	2,017,594	2,965,974
- Over 5 years	1,937,958	1,625,947	1,676,720	1,022,375
	6,440,746	5,934,595	4,814,021	4,529,418

If the financial assets were measured at fair value, they would be disclosed at level 1 in the fair value measurement hierarchy. The fair value of these investments as at 31 December 2025 was Ksh 6,693,159,000 and Ksh 5,080,995,000 (2024: Ksh 5,579,394,446 and Ksh 4,174,217,958) at the Group and Company level respectively. Please refer to note 4(b) and note 14(a) for details of expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29(b) MOVEMENT IN DEBT SECURITIES AT AMORTISED COST

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	5,934,595	6,542,014	4,529,418	5,010,005
Additions				
- Beyond 3 months	1,216,069	365,289	818,905	-
Maturities				
- Beyond 3 months	(1,052,866)	(905,390)	(661,825)	(596,201)
Impairment	41	(9,575)	(539)	(8,313)
Accrued interest	347,939	184,027	147,262	137,582
Amortisation	(19,200)	(13,655)	(19,200)	(13,655)
Exchange difference	14,168	(228,115)	-	-
At 31 December	6,440,746	5,934,595	4,814,021	4,529,418

30 DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP AND COMPANY	
	2025 Ksh'000	2024 Ksh'000
At 1 January	1,274,232	1,170,997
Additions	581,018	-
Disposals	(204,402)	-
Fair value gains	142,642	103,235
Impairment	(3,532)	-
At 31 December	1,789,958	1,274,232

31(a) CORPORATE BONDS AT AMORTISED COST

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Corporate bonds maturing within:				
- 1 to 5 years	156,177	73,992	140,347	58,124
At 31 December	156,177	73,992	140,347	58,124

31(b) CORPORATE BONDS MOVEMENT

	2025	2024	2025	2024
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January	73,992	77,776	58,124	58,039
Additions	141,790	-	141,790	-
Maturities/Coupons	(59,057)	-	(59,057)	-
Accrued interest	1,105	(774)	1,087	19
Impairment	(1,618)	43	(1,597)	66
Translation	(35)	(3,053)	-	-
At 31 December	156,177	73,992	140,347	58,124

Please refer to note 4(b) for expected credit losses on corporate bonds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

32 RECEIVABLES FROM INTERMEDIARIES

The approved credit period with respect to the Company for corporate accounts is 60 days while for retail accounts is 30 days. One of the subsidiaries operates on a cash and carry basis. Before accepting any new customer, the Group assesses the customer's credit quality and defines credit limits for that specific customer. The concentration of credit risk arises from commercial lines business which contributes over 67% (2024 – over 67%) of the total gross written premium.

	Fully performing Ksh'000	Impaired Ksh'000	Total Ksh'000
GROUP			
31 December 2025			
Insurance contract assets	739,351	256,173	995,524
Provision for impairment	-	(256,173)	(256,173)
	739,351	-	739,351
31 December 2024			
Insurance contract assets	805,977	350,459	1,156,436
Provision for impairment	-	(350,459)	(350,459)
	805,977	-	805,977
COMPANY			
31 December 2025			
Insurance contract assets	511,551	191,511	703,062
Provision for impairment	-	(191,511)	(191,511)
	511,551	-	511,551
31 December 2024			
Insurance contract assets	691,276	306,182	997,458
Provision for impairment	-	(306,182)	(306,182)
	691,276	-	691,276

33 OPERATING LEASE INCOME

Maturity analysis of operating lease receipts:

	GROUP AND COMPANY	
	2025 Ksh'000	2024 Ksh'000
Year 1	253,692	241,612
Year 2	266,377	253,692
Year 3	279,696	266,377
Year 4	293,681	279,696
Year 5	308,365	293,681
Year 6	284,419	308,365
Year 7 and onwards	331,608	284,419
	2,017,838	1,927,842

The following table presents the amounts reported in profit or loss:

	2025 Ksh'000	2024 Ksh'000
Lease income on operating leases	223,808	218,840

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

34 REINSURERS' CONTRACT ASSETS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Asset for remaining coverage	1,993,469	2,027,038	1,322,518	1,380,680
Incurred claims recoverable	1,593,435	1,909,208	1,106,056	1,466,436
Reinsurance risk adjustment	302,195	267,892	171,361	183,593
Reinsurance contract assets	818,959	976,983	502,895	664,005
	4,708,058	5,181,121	3,102,830	3,694,714

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Insurance Contract Liabilities	(9,768,721)	(9,303,013)	(7,152,208)	(7,062,282)
Net insurance contract liabilities	(9,768,721)	(9,303,013)	(7,152,208)	(7,062,282)
Reinsurance contract assets	4,708,058	5,181,121	3,102,830	3,694,714
Reinsurance contracts held that are liabilities	(639,763)	(446,818)	(253,939)	(173,054)
Net reinsurance contract assets	4,068,295	4,734,303	2,848,891	3,521,660

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

GROUP 2025	Notes	Liability for remaining coverage			Liability for incurred claims			Insurance contract issued that are liabilities Kshs'000
		Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening liabilities		(4,356,103)	(65,245)	(4,421,348)	(4,396,577)	(485,088)	(4,881,665)	(9,303,013)
Insurance revenue	5	12,614,611	-	12,614,611	-	-	-	12,614,611
Total		12,614,611	-	12,614,611	-	-	-	12,614,611
Insurance service expenses								
Changes that related to Loss component	6	-	(80,763)	(80,763)	-	-	-	(80,763)
Incurred claims	6	-	-	-	(4,564,730)	(87,497)	(4,652,227)	(4,652,227)
Other directly attributable expenses	15	-	-	-	(2,670,477)	-	(2,670,477)	(2,670,477)
Amortisation of insurance acquisition costs	6	(1,631,997)	-	(1,631,997)	-	-	-	(1,631,997)
Net expenses from insurance contracts		(1,631,997)	(80,763)	(1,712,760)	(7,235,207)	(87,497)	(7,322,704)	(9,035,464)
Interest accreted	10	-	-	-	(351,959)	(2,478)	(354,437)	(354,437)
Effect of changes in interest rates	10	-	-	-	(59,706)	-	(59,706)	(59,706)
Net Insurance finance income/expense		-	-	-	(411,665)	(2,478)	(414,143)	(414,143)
Total changes in the statement of profit or loss and OCI		10,982,614	(80,763)	10,901,851	(7,646,872)	(89,975)	(7,736,847)	3,165,004
Exchange Difference on translation		(6,249)	-	(6,249)	(10,427)	-	(10,427)	(16,676)
Cash flows								
Premiums received for insurance contracts issued		(12,955,792)	-	(12,955,792)	-	-	-	(12,955,792)
Insurance acquisition cash flows		1,741,940	-	1,741,940	-	-	-	1,741,940
Claims paid		-	-	-	4,929,339	-	4,929,339	4,929,339
Other directly attributable expenses paid	15	-	-	-	2,670,477	-	2,670,477	2,670,477
Total cash flows		(11,213,852)	-	(11,213,852)	7,599,816	-	7,599,816	(3,614,036)
Closing Liabilities		(4,593,590)	(146,008)	(4,739,598)	(4,454,060)	(575,063)	(5,029,123)	(9,768,721)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation (continued)

GROUP 2024	Notes	Liability for remaining coverage			Liability for incurred claims			Insurance contract issued that are liabilities Kshs'000
		Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening liabilities		(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)
Insurance revenue	5	11,745,289	-	11,745,289	-	-	-	11,745,289
Total		11,745,289	-	11,745,289	-	-	-	11,745,289
Insurance service expenses								
Changes that related to Loss component	6	-	(39,469)	(39,469)	-	-	-	(39,469)
Incurred claims	6	-	-	-	(4,312,872)	420,201	(3,892,671)	(3,892,671)
Other directly attributable expenses	15	-	-	-	(2,390,904)	-	(2,390,904)	(2,390,904)
Amortisation of insurance acquisition costs	6	(1,498,054)	-	(1,498,054)	-	-	-	(1,498,054)
Net expenses from insurance contracts		(1,498,054)	(39,469)	(1,537,523)	(6,703,776)	420,201	(6,283,575)	(7,821,098)
Interest accreted	10	-	-	-	(392,462)	(59,153)	(451,615)	(451,615)
Effect of changes in interest rates	10	-	-	-	(59,274)	-	(59,274)	(59,274)
Net Insurance finance income/expense		-	-	-	(451,736)	(59,153)	(510,889)	(510,889)
Total changes in the statement of profit or loss and OCI		10,247,235	(39,469)	10,207,766	(7,155,512)	361,048	(6,794,464)	3,413,302
Other Movements		-	61,042	61,042	2	-	2	61,044
Cash flows								
Premiums received for insurance contracts issued		(12,374,036)	-	(12,374,036)	-	-	-	(12,374,036)
Insurance acquisition cash flows		1,607,639	-	1,607,639	-	-	-	1,607,639
Claims paid		-	-	-	4,660,577	-	4,660,577	4,660,577
Other directly attributable expenses paid	15	-	-	-	2,390,904	-	2,390,904	2,390,904
Total cash flows		(10,766,397)	-	(10,766,397)	7,051,481	-	7,051,481	(3,714,916)
Closing Liabilities		(4,356,103)	(65,245)	(4,421,348)	(4,396,577)	(485,088)	(4,881,665)	(9,303,013)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

COMPANY 2025	Notes	Liability for remaining coverage			Liability for incurred claims			Insurance contract issued that are liabilities Kshs'000
		Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening liabilities		(3,057,315)	(65,245)	(3,122,560)	(3,608,948)	(330,774)	(3,939,722)	(7,062,282)
Insurance revenue	5	8,897,725	-	8,897,725	-	-	-	8,897,725
Total		8,897,725	-	8,897,725	-	-	-	8,897,725
Insurance service expenses								
Changes that related to Loss component	6	-	(84,119)	(84,119)	-	-	-	(84,119)
Incurred claims	6	-	-	-	(3,175,502)	(2,006)	(3,177,508)	(3,177,508)
Other directly attributable expenses	15	-	-	-	(1,860,435)	-	(1,860,435)	(1,860,435)
Amortisation of insurance acquisition costs	6	(1,046,047)	-	(1,046,047)	-	-	-	(1,046,047)
Net expenses from insurance contracts		(1,046,047)	(84,119)	(1,130,166)	(5,035,937)	(2,006)	(5,037,943)	(6,168,109)
Interest accreted	10	-	-	-	(263,699)	(18,216)	(281,915)	(281,915)
Effect of changes in interest rates	10	-	-	-	(56,695)	-	(56,695)	(56,695)
Net insurance finance income/expense		-	-	-	(320,394)	(18,216)	(338,610)	(338,610)
Total changes in the statement of profit or loss and OCI		7,851,678	(84,119)	7,767,559	(5,356,331)	(20,222)	(5,376,553)	2,391,006
Other movements		(91)	-	(91)	1	-	1	(90)
Cash flows								
Premiums received for insurance contracts issued		(9,043,875)	-	(9,043,875)	-	-	-	(9,043,875)
Insurance acquisition cash flows		1,122,200	-	1,122,200	-	-	-	1,122,200
Claims paid		-	-	-	3,580,398	-	3,580,398	3,580,398
Other directly attributable expenses paid	15	-	-	-	1,860,435	-	1,860,435	1,860,435
Total cash flows		(7,921,675)	-	(7,921,675)	5,440,833	-	5,440,833	(2,480,842)
Closing Liabilities		(3,127,403)	(149,364)	(3,276,767)	(3,524,445)	(350,996)	(3,875,441)	(7,152,208)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconciliation (continued)

COMPANY 2024	Notes	Liability for remaining coverage			Liability for incurred claims			Insurance contract issued that are liabilities Kshs'000
		Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening liabilities		(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)
Insurance revenue	5	8,832,957	-	8,832,957	-	-	-	8,832,957
Total		8,832,957	-	8,832,957	-	-	-	8,832,957
Insurance service expenses								
Changes that related to Loss component	6	-	(16,607)	(16,607)	-	-	-	(16,607)
Incurred claims	6	-	-	-	(3,147,394)	358,034	(2,789,360)	(2,789,360)
Other directly attributable expenses	15	-	-	-	(1,732,532)	-	(1,732,532)	(1,732,532)
Amortisation of insurance acquisition costs	6	(1,025,190)	-	(1,025,190)	-	-	-	(1,025,190)
Net expenses from insurance contracts		(1,025,190)	(16,607)	(1,041,797)	(4,879,926)	358,034	(4,521,892)	(5,563,689)
Interest accreted	10	-	-	-	(350,111)	(49,541)	(399,652)	(399,652)
Effect of changes in interest rates	10	-	-	-	(61,919)	-	(61,919)	(61,919)
Net insurance finance income/expense		-	-	-	(412,030)	(49,541)	(461,571)	(461,571)
Total changes in the statement of profit or loss and OCI		7,807,767	(16,607)	7,791,160	(5,291,956)	308,493	(4,983,463)	2,807,697
Other movements		-	-	-	-	30	30	30
Cash flows								
Premiums received for insurance contracts issued		(9,143,199)	-	(9,143,199)	-	-	-	(9,143,199)
Insurance acquisition cash flows		1,058,137	-	1,058,137	-	-	-	1,058,137
Claims paid		-	-	-	3,241,776	-	3,241,776	3,241,776
Other directly attributable expenses paid	15	-	-	-	1,732,532	-	1,732,532	1,732,532
Total cash flows		(8,085,062)	-	(8,085,062)	4,974,308	-	4,974,308	(3,110,754)
Closing Liabilities		(3,057,315)	(65,245)	(3,122,560)	(3,608,948)	(330,774)	(3,939,722)	(7,062,282)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

GROUP 2025	Notes	Asset for remaining coverage				Asset for incurred claims				Total Reinsurance Contract held that are assets Kshs'000
		Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	
Opening Assets		2,024,456	2,582	2,027,038	976,983	3,004,021	1,909,208	267,892	2,177,100	5,181,121
Allocation of reinsurance premium Paid	7	(6,269,791)	-	(6,269,791)	-	(6,269,791)	-	-	-	(6,269,791)
Reinsurance amortize acquisition Cost	7	1,247,898	-	1,247,898	-	1,247,898	-	-	-	1,247,898
Total reinsurance premium paid		(5,021,893)	-	(5,021,893)	-	(5,021,893)	-	-	-	(5,021,893)
Other directly attributable expenses	15	-	-	-	-	-	(149,619)	-	(149,619)	(149,619)
Reinsurance expenses		(5,021,893)	-	(5,021,893)	-	(5,021,893)	(149,619)	-	(149,619)	(5,171,512)
Changes that related to Loss component	8	-	19,223	19,223	-	19,223	-	-	-	19,223
Recoveries for incurred claims	8	-	-	-	-	-	1,348,695	32,506	1,381,201	1,381,201
Change in risk of non-performance by issuer of reinsurance contracts held	8	-	-	-	-	-	12,750	-	12,750	12,750
Amounts recovered from reinsurance contracts		-	19,223	19,223	-	19,223	1,361,445	32,506	1,393,951	1,413,174
Interest accreted	10	-	-	-	-	-	139,830	1,797	141,627	141,627
Effect of changes in interest rates	10	-	-	-	-	-	14,347	-	14,347	14,347
Net insurance finance income/expense		-	-	-	-	-	154,177	1,797	155,974	155,974
Total changes in the statement of profit or loss		(5,021,893)	19,223	(5,002,670)	-	(5,002,670)	1,366,003	34,303	1,400,306	(3,602,364)
Changes that relate to other reinsurance contract assets		-	-	-	(158,024)	(158,024)	-	-	-	(158,024)
Exchange Difference on translation		(49,093)	-	(49,093)	-	(49,093)	(9,688)	-	(9,688)	(58,781)
Cash flows		-	-	-	-	-	-	-	-	-
Premiums paid for reinsurance contracts held		6,259,597	-	6,259,597	-	6,259,597	-	-	-	6,259,597
Reinsurance acquisition cash flows		(1,241,403)	-	(1,241,403)	-	(1,241,403)	-	-	-	(1,241,403)
Reinsurance recoveries		-	-	-	-	-	(1,821,707)	-	(1,821,707)	(1,821,707)
Other directly attributable expenses	15	-	-	-	-	-	149,619	-	149,619	149,619
Total cash flows		5,018,194	-	5,018,194	-	5,018,194	(1,672,088)	-	(1,672,088)	3,346,106
Closing assets		1,971,664	21,805	1,993,469	818,959	2,812,428	1,593,435	302,195	1,895,630	4,708,058

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

GROUP 2024	Notes	Asset for remaining coverage					Asset for incurred claims			Total Reinsurance Contract held that are assets Kshs'000
		Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	
Opening Assets		1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,000	477,527	2,428,527	4,889,598
Allocation of reinsurance premium Paid	7	(5,971,905)	-	(5,971,905)	-	(5,971,905)	-	-	-	(5,971,905)
Reinsurance amortize acquisition Cost	7	1,158,148	-	1,158,148	-	1,158,148	-	-	-	1,158,148
Total reinsurance premium paid		(4,813,757)	-	(4,813,757)	-	(4,813,757)	-	-	-	(4,813,757)
Other directly attributable expenses	15	-	-	-	-	-	(133,056)	-	(133,056)	(133,056)
Reinsurance expenses		(4,813,757)	-	(4,813,757)	-	(4,813,757)	(133,056)	-	(133,056)	(4,946,813)
Changes that related to Loss component	8	-	12,480	12,480	-	12,480	-	-	-	12,480
Recoveries for incurred claims	8	-	-	-	-	-	1,618,311	(237,702)	1,380,609	1,380,609
Change in risk of non-performance by issuer of reinsurance contracts held	8	-	-	-	-	-	10,280	-	10,280	10,280
Amounts recovered from reinsurance contracts		-	12,480	12,480	-	12,480	1,628,591	(237,702)	1,390,889	1,403,369
Interest accreted	10	-	-	-	-	-	177,720	28,067	205,787	205,787
Effect of changes in interest rates	10	-	-	-	-	-	10,154	-	10,154	10,154
Net insurance finance income/expense		-	-	-	-	-	187,874	28,067	215,941	215,941
Total changes in the statement of profit or loss		(4,813,757)	12,480	(4,801,277)	-	(4,801,277)	1,683,409	(209,635)	1,473,774	(3,327,503)
Changes that relate to other reinsurance contract assets		-	-	-	297,015	297,015	-	-	-	297,015
Other movements		(12,613)	(32,790)	(45,403)	-	(45,403)	-	-	-	(45,403)
Cash flows										
Premiums paid for reinsurance contracts held		6,308,979	-	6,308,979	-	6,308,979	-	-	-	6,308,979
Reinsurance acquisition cash flows		(1,216,364)	-	(1,216,364)	-	(1,216,364)	-	-	-	(1,216,364)
Reinsurance recoveries		-	-	-	-	-	(1,858,257)	-	(1,858,257)	(1,858,257)
Other directly attributable expenses	15	-	-	-	-	-	133,056	-	133,056	133,056
Total cash flows		5,092,615	-	5,092,615	-	5,092,615	(1,725,201)	-	(1,725,201)	3,367,414
Closing assets		2,024,456	2,582	2,027,038	976,983	3,004,021	1,909,208	267,892	2,177,100	5,181,121

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

COMPANY 2025	Notes	Asset for remaining coverage				Asset for incurred claims				Total Reinsurance Contract held that are assets Kshs'000
		Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	
Opening Assets		1,378,098	2,582	1,380,680	664,005	2,044,685	1,466,436	183,593	1,650,029	3,694,714
Allocation of reinsurance premium Paid	7	(4,167,753)	-	(4,167,753)	-	(4,167,753)	-	-	-	(4,167,753)
Reinsurance amortize acquisition Cost	7	721,105	-	721,105	-	721,105	-	-	-	721,105
Total reinsurance premium paid		(3,446,648)	-	(3,446,648)	-	(3,446,648)	-	-	-	(3,446,648)
Other directly attributable expenses	15	-	-	-	-	-	(96,913)	-	(96,913)	(96,913)
Reinsurance expenses		(3,446,648)	-	(3,446,648)	-	(3,446,648)	(96,913)	-	(96,913)	(3,543,561)
Changes that related to Loss component	8	-	23,693	23,693	-	23,693	-	-	-	23,693
Recoveries for incurred claims	8	-	-	-	-	-	602,901	(22,340)	580,561	580,561
Change in risk of non-performance by issuer of reinsurance contracts held	8	-	-	-	-	-	14,435	-	14,435	14,435
Amounts recovered from reinsurance contracts		-	23,693	23,693	-	23,693	617,336	(22,340)	594,996	618,689
Interest accreted	10	-	-	-	-	-	92,008	10,108	102,116	102,116
Effect of changes in interest rates	10	-	-	-	-	-	13,125	-	13,125	13,125
Net insurance finance income/expense		-	-	-	-	-	105,133	10,108	115,241	115,241
Total changes in the statement of profit or loss		(3,446,648)	23,693	(3,422,955)	-	(3,422,955)	625,556	(12,232)	613,324	(2,809,631)
Changes that relate to other reinsurance contract assets		-	-	-	(161,110)	(161,110)	-	-	-	(161,110)
Other movements		1	-	1	-	1	-	-	-	1
Cash flows		-	-	-	-	-	-	-	-	-
Premiums paid for reinsurance contracts held		4,154,611	-	4,154,611	-	4,154,611	-	-	-	4,154,611
Reinsurance acquisition cash flows		(789,819)	-	(789,819)	-	(789,819)	-	-	-	(789,819)
Reinsurance recoveries		-	-	-	-	-	(1,082,849)	-	(1,082,849)	(1,082,849)
Other directly attributable expenses	15	-	-	-	-	-	96,913	-	96,913	96,913
Total cash flows		3,364,792	-	3,364,792	-	3,364,792	(985,936)	-	(985,936)	2,378,856
Closing Assets		1,296,243	26,275	1,322,518	502,895	1,825,413	1,106,056	171,361	1,277,417	3,102,830

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

35(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

COMPANY 2024	Notes	Asset for remaining coverage					Asset for incurred claims			
		Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC Kshs'000	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contact held that are assets Kshs'000
Opening Assets		1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554
Allocation of reinsurance premium Paid	7	(4,353,235)	-	(4,353,235)	-	(4,353,235)	-	-	-	(4,353,235)
Reinsurance amortize acquisition Cost	7	720,783	-	720,783	-	720,783	-	-	-	720,783
Total reinsurance premium paid		(3,632,452)	-	(3,632,452)	-	(3,632,452)	-	-	-	(3,632,452)
Other directly attributable expenses	15	-	-	-	-	-	(90,141)	-	(90,141)	(90,141)
Reinsurance expenses		(3,632,452)	-	(3,632,452)	-	(3,632,452)	(90,141)	-	(90,141)	(3,722,593)
Changes that related to Loss component	8	-	(1,028)	(1,028)	-	(1,028)	-	-	-	(1,028)
Recoveries for incurred claims	8	-	-	-	-	-	958,218	(179,322)	778,896	778,896
Change in risk of non-performance by issuer of reinsurance contracts held	8	-	-	-	-	-	(588)	-	(588)	(588)
Amounts recovered from reinsurance contracts		-	(1,028)	(1,028)	-	(1,028)	957,630	(179,322)	778,308	777,280
Interest accreted	10	-	-	-	-	-	157,235	16,245	173,480	173,480
Effect of changes in interest rates	10	-	-	-	-	-	12,116	-	12,116	12,116
Net insurance finance income/expense		-	-	-	-	-	169,351	16,245	185,596	185,596
Total changes in the statement of profit or loss		(3,632,452)	(1,028)	(3,633,480)	-	(3,633,480)	1,036,840	(163,077)	873,763	(2,759,717)
Changes that relate to other reinsurance contract assets		-	-	-	266,575	266,575	-	-	-	266,575
Cash flows										
Premiums paid for reinsurance contracts held		4,423,992	-	4,423,992	-	4,423,992	-	-	-	4,423,992
Reinsurance acquisition cash flows		(721,004)	-	(721,004)	-	(721,004)	-	-	-	(721,004)
Reinsurance recoveries		-	-	-	-	-	(1,010,827)	-	(1,010,827)	(1,010,827)
Other directly attributable expenses	15	-	-	-	-	-	90,141	-	90,141	90,141
Total cash flows		3,702,988	-	3,702,988	-	3,702,988	(920,686)	-	(920,686)	2,782,302
Closing Assets		1,378,098	2,582	1,380,680	664,005	2,044,685	1,466,436	183,593	1,650,029	3,694,714

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

36 OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Staff receivables	82,935	77,158	46,143	47,531
Sundry receivables	266,856	233,448	120,728	91,313
Prepayments	28,420	39,285	20,511	30,877
Due from related parties (Note 53(d))	33,909	2,098	33,909	2,098
At 31 December	412,120	351,989	221,291	171,819

Please refer to note 4(b) for expected credit losses on other receivables.

37 KENYA MOTOR INSURANCE POOL

This represents the Group's share of the net assets of the pool. This balance is recoverable from the pool through a refund of the amount due upon discontinuation of the pool as well as a share of investment income generated by the pool's investments annually. The movement in the amount due is shown below;

	GROUP AND COMPANY	
	2025 Ksh'000	2024 Ksh'000
At 1 January	56,360	49,846
Net increase in the Group's share of net assets of the pool	25,520	6,514
Share of surplus distribution	(41,727)	-
At 31 December	40,153	56,360

38 INVESTMENT IN SUBSIDIARIES

	Beneficial ownership	Country of incorporation	2025 Ksh'000	2024 Ksh'000
At cost				
ICEA LION General Insurance Company (Tanzania) Limited	53%	Tanzania	50,147	50,147
ICEA LION General Insurance Company (U) Limited	100%	Uganda	514,097	514,097
			564,244	564,244

The principal activity of ICEA LION General Insurance Company (Tanzania) Limited and ICEA LION General Insurance Company (U) Limited is the underwriting of the general insurance business. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

SIGNIFICANT RESTRICTIONS

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within Tanzania. The supervisory frameworks require the subsidiary to keep certain solvency levels and comply with other ratios.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

38 INVESTMENT IN SUBSIDIARIES (continued)

Set out below is the summarised financial information for the subsidiary.

	Tanzania		Uganda	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
a) Summarised statement of financial position				
Total assets	2,295,165	1,987,341	2,853,339	2,482,310
Total liabilities	(1,680,044)	(1,465,996)	(1,923,739)	(1,726,363)
Net assets	615,121	521,345	929,600	755,947
b) Summarised statement of comprehensive income				
Insurance revenue	1,718,892	1,374,037	1,997,994	1,538,295
Insurance service result	42,572	32,911	(31,355)	23,880
Profit/(loss) before income tax	163,073	128,086	195,190	173,828
Income tax (charge)/credit	(45,862)	(28,272)	(29,788)	(28,529)
Other comprehensive (loss)/income	206	(4,919)	-	-
Total comprehensive income	117,417	94,895	165,402	145,299
Summarised cash flows				
Net cash generated from operating activities	142,327	56,899	62,724	60,160
Net cash used in investing activities	(97,394)	(16,149)	(79,209)	(53,212)
Net cash used in financing activities	(38,099)	(26,055)	(17,096)	(17,391)
Net increase/(decrease) in cash and cash equivalents	6,834	14,695	(33,581)	(10,443)
Cash and cash equivalents at beginning of year	87,685	71,057	46,236	58,325
Effect of exchange rate changes on translation of cash and cash equivalent	3,799	2,992	(244)	(1,923)
Cash and cash equivalents at end of year	98,318	88,744	12,411	45,959

39 DUE FROM SUBSIDIARY COMPANY

	2025 Ksh'000	2024 Ksh'000
Due from ICEA LION Tanzania Limited (Note 53(c))	12,027	12,371
Due from ICEA LION General Insurance Company (U) Limited (Note 53(c))	1,800	1,202
At 31 December	13,827	13,573

The balance due from the subsidiary company is non-interest bearing and is repayable within 3 months.

40 (a) DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Deposits maturing:				
- Within 3 months	2,165,355	1,989,928	2,065,621	1,923,377
- Provision for impairment	(4,591)	(4,506)	(4,591)	(4,506)
Total (Note 51(b))	2,160,764	1,985,422	2,061,030	1,918,871
- Beyond 3 months	888,762	664,916	90,710	-
- Provision for impairment	(3,639)	(4,630)	-	-
Total	3,045,887	2,645,708	2,151,740	1,918,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

40 (b) MOVEMENT IN DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	2,645,708	1,857,447	1,918,871	1,133,177
Additions:				
– Beyond 3 months	1,102,329	974,749	40,955	–
– Within 3 months	5,094,452	4,352,143	4,959,548	4,250,960
Maturities				
– Beyond 3 months	(942,728)	(983,492)	–	–
– Within 3 months	(4,896,569)	(3,442,741)	(4,788,604)	(3,459,092)
Provision for impairment				
– Beyond 3 months	(746)	(3,102)	–	–
– Within 3 months	(84)	(3,690)	(84)	(3,690)
Accrued interest	46,823	68,745	21,935	57,457
– Beyond 3 months Exchange difference	864	(105,275)	–	–
– Within 3 months Exchange difference	(4,162)	(69,076)	(881)	(59,941)
At 31 December	3,045,887	2,645,708	2,151,740	1,918,871

41 CASH AND BANK BALANCES

There were no restrictions on the bank and cash balances and hence these have been disclosed as cash and cash equivalents.

	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Bank balances	372,200	154,967	258,464	17,092
Cash balances	160	213	135	120
Provision for impairment	(1,330)	(1,235)	(325)	(31)
	371,030	153,945	258,274	17,181

42 WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

The following table summarises the weighted average effective interest rates realised during the year on interest-bearing investments:

	GROUP		COMPANY	
	2025 %	2024 %	2025 %	2024 %
Government securities	12.99	12.69	12.25	12.63
Corporate bonds	7.35	11.39	7.00	12.25
Deposits with financial institutions	9.07	10.00	8.73	10.95

43 SHARE CAPITAL

	Number of shares Ksh'000	Ordinary shares Ksh'000
Balance at 1 January 2024, 31 December 2024 and 31 December 2025	50,000	1,000,000

The total authorised number of ordinary shares is 50,000,000 with a par value of Ksh 20 per share. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

44 RESERVES

(a) Other reserve

The reserve represents the surplus on the revaluation of financial instruments held at fair value through other comprehensive income net of deferred tax. This reserve is not distributable.

(b) Contingency reserve

The contingency reserve relates to the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited. According to Tanzania Insurance Act 2009, a contingency reserve is required to be maintained. This reserve shall not be less than 3% of the net premium written or 20% of net profit, whichever is the greater. The reserve shall accumulate until it reaches the minimum paid up share capital of the company or 50% of the net earned premiums, whichever is greater. This reserve is not distributable.

(c) Currency translation reserve

The statement of financial position of the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited, is translated into Kenya Shillings at year end rate of exchange, while the statement of comprehensive income is translated into Kenya Shillings at the average rate of exchange for the year. The resulting translation differences are dealt with through other comprehensive income and accumulated in equity under the Group's currency translation reserve. This reserve is not distributable.

(d) Retained earnings

Retained earnings represent earnings not paid out as dividends, but retained by the Group to be reinvested in its core business activities.

45 NON-CONTROLLING INTERESTS (NCI)

	GROUP	
	2025 Ksh'000	2024 Ksh'000
At 1 January	244,976	240,385
Share of profit for the year	55,145	46,914
Share of other comprehensive income	1,285	(37,995)
Total comprehensive income	56,430	8,919
Share of dividend paid	(12,299)	(4,328)
Total at end of year	289,107	244,976
NCI percentage	47%	47%
Total assets	2,295,165	1,987,222
Total liabilities	(1,680,044)	(1,465,996)
Net assets	615,121	521,226
Net assets attributable to NCI	289,107	244,976
Insurance revenue	1,718,892	1,374,037
Insurance service result	42,572	32,911
Profit/(loss) for the year	117,211	99,814
OCI	206	(4,919)
Total Other comprehensive income	117,417	94,895
Net cash generated from operating activities	142,327	56,899
Net cash used in investing activities	(97,394)	(16,149)
Net cash used in financing activities	(38,099)	(26,055)
Net increase in cash and cash equivalents	6,834	14,695

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

46 LONG-TERM LOAN

	GROUP	
	2025 Ksh'000	2024 Ksh'000
At 1 January	140,803	165,347
Repayment	(71,771)	-
Exchange difference on translation	2,244	(24,544)
At 31 December	71,276	140,803

The loan is denominated in Uganda Shillings (UGX 4 Billion) and was issued to ICEA LION General Insurance Company (U) Limited (subsidiary), by ICEA LION Life Assurance Company Limited (related company). The loan is subordinated at zero interest rate and is repayable when the subsidiary business generates sufficient cash flows for its repayment. During the year, UGX 2 Billion (KShs 71.8 Million) was repaid.

If the loan was measured at fair value, it would be disclosed at level 3 in the fair value measurement hierarchy. The fair value of the loans as at 31 December 2025 was KShs. 61,445,000 (2024: KShs.113,011,000) Please refer to note 4(d) for the fair value disclosures.

47 LEASE LIABILITY

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
At 1 January	208,582	310,420	134,666	190,406
Additions	15,945	20,164	11,512	18,606
Interest charge for the year (Note 15)	17,440	28,632	9,752	19,779
Interest charge payments during the year	(17,440)	(28,632)	(9,752)	(19,779)
Principal lease payments during the year	(98,453)	(94,744)	(76,181)	(65,265)
Lease modification	(289)	(9,081)	(1,278)	(9,081)
Lease de-recognition**	(20,761)	-	(20,761)	-
Exchange difference on translation	720	(18,177)	-	-
At 31 December	105,744	208,582	47,958	134,666

Maturity analysis of operating lease payments:

	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Year 1	24,759	111,416	20,092	85,467
Year 2	20,482	70,740	19,145	22,773
Year 3	15,876	22,358	12,161	22,358
Year 4	20,219	15,042	4,783	15,042
Year 5 and onwards	37,686	12,859	3,986	12,859
	119,022	232,415	60,167	158,499

** De-recognition during the current and prior year represents surrendered leases.

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Amounts recognized in statement of cash flows				
Interest charge payments during the year	17,440	28,632	9,752	19,779
Principal lease payments during the year	98,453	94,744	76,181	65,265

Refer to note 23 for amounts recognized in profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

48 OTHER PAYABLES

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Accrued expenses	749,169	695,022	565,874	562,274
Due to related parties (Note 53(e))	18,245	53,502	18,245	53,502
Insurance Contract Issued that are liability	169,366	125,159	51,024	-
Other liabilities	455,370	300,625	312,472	113,721
	1,392,150	1,174,308	947,615	729,497

Other liabilities mainly comprises of bonus provision.

49 CLAIMS DEVELOPMENT

The table below illustrates how the Group's estimates of total claims outstanding for each accident year has changed at successive year ends.

	Accident Year					Total
	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	2024 Kshs'000	2025 Kshs'000	
Group 2025 – Gross of Reinsurance						
Accident Year	2,462,909	724,303	3,727,763	3,938,125	4,405,352	
One year later	2,990,904	5,161,513	4,596,654	4,670,010	-	
Two years later	3,086,783	5,257,732	4,088,267	-	-	
Three years later	3,103,666	5,266,271	-	-	-	
Four years later	3,027,527	-	-	-	-	
Current Estimate of Cumulative Claims	3,027,527	5,266,271	4,088,267	4,670,010	4,405,352	21,457,427
Cumulative Payments to Date	(2,862,725)	(4,787,827)	(3,654,366)	(3,991,333)	(2,631,938)	(17,928,189)
Reserve in Respect of Prior Years	825,535	-	-	-	-	825,535
LIC BEL Adjustment	-	-	-	-	723,206	723,206
ULAE	-	-	-	-	244,802	244,802
Risk Adjustment	-	-	-	-	656,393	656,393
Discounting	-	-	-	-	(950,051)	(950,051)
Total Gross Liability as per the Balance Sheet	990,337	478,444	433,901	678,677	2,447,764	5,029,123

	Accident Year					Total
	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	2024 Kshs'000	
Group 2024 – Gross of Reinsurance						
Accident Year	2,744,969	2,444,810	4,462,084	3,724,688	4,063,033	
One year later	3,102,569	2,986,025	5,155,495	4,590,513	-	
Two years later	3,089,304	3,082,208	5,252,048	-	-	
Three years later	3,118,167	3,099,040	-	-	-	
Four years later	3,069,497	-	-	-	-	
Current Estimate of Cumulative Claims	3,069,497	3,099,040	5,252,048	4,590,513	4,063,033	20,074,131
Cumulative Payments to Date	(2,931,904)	(2,802,940)	(4,648,391)	(3,252,572)	(2,303,901)	(15,939,708)
Reserve in Respect of Prior Years	826,316	-	-	-	-	826,316
LIC BEL Adjustment	-	-	-	-	(73,976)	(73,976)
ULAE	-	-	-	-	236,680	236,680
Risk Adjustment	-	-	-	-	563,259	563,259
Discounting	-	-	-	-	(805,037)	(805,037)
Total Gross Liability as per the Balance Sheet	963,909	296,100	603,657	1,337,941	1,680,058	4,881,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

49 CLAIMS DEVELOPMENT (Continued)

Company 2025 – Gross of Reinsurance	Accident Year					Total
	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	2024 Kshs'000	2025 Kshs'000	
Accident Year	1,832,256	3,749	2,666,311	2,734,981	2,976,131	
One year later	2,241,756	4,294,552	3,347,417	3,375,634	-	
Two years later	2,384,512	4,408,939	2,843,281	-	-	
Three years later	2,401,348	4,428,542	-	-	-	
Four years later	2,329,158	-	-	-	-	
Current Estimate of Cumulative Claims	2,329,158	4,428,542	2,843,281	3,375,634	2,976,131	15,952,746
Cumulative Payments to Date	(2,226,202)	(4,004,362)	(2,526,489)	(2,886,726)	(1,769,899)	(13,413,678)
Reserve in Respect of Prior Years	710,938	-	-	-	-	710,938
LIC BEL Adjustment	-	-	-	-	854,441	854,441
ULAE	-	-	-	-	187,221	187,221
Risk Adjustment	-	-	-	-	410,778	410,778
Discounting	-	-	-	-	(827,005)	(827,005)
Total Gross Liability as per the Balance Sheet	813,894	424,180	316,792	488,908	1,831,667	3,875,441

Company 2024 – Gross of Reinsurance	Accident Year					Total
	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	2024 Kshs'000	
Accident Year	2,038,790	1,832,268	3,749,212	2,667,715	2,870,120	
One year later	2,339,235	2,241,756	4,294,552	3,347,417	-	
Two years later	2,348,787	2,384,512	4,408,939	-	-	
Three years later	2,383,528	2,401,348	-	-	-	
Four years later	2,331,558	-	-	-	-	
Current Estimate of Cumulative Claims	2,331,558	2,401,348	4,408,939	3,347,417	2,870,120	15,359,382
Cumulative Payments to Date	(2,203,046)	(2,181,681)	(3,879,436)	(2,202,661)	(1,623,057)	(12,089,881)
Reserve in Respect of Prior Years	749,238	-	-	-	-	749,238
LIC BEL Adjustment	-	-	-	-	49,699	49,699
ULAE	-	-	-	-	184,023	184,023
Risk Adjustment	-	-	-	-	390,913	390,913
Discounting	-	-	-	-	(703,652)	(703,652)
Total Gross Liability as per the Balance Sheet	877,750	219,667	529,503	1,144,756	1,168,046	3,939,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

50 CONTINGENT LIABILITIES

a) Legal proceedings

The Group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final result of all pending or threatened legal proceedings, management does not believe that such proceedings (including outstanding litigations) will have a material effect on its results and financial position of the Group. However provisions for claims have been made as far as management believe the claim will be paid. The information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds it can be expected to prejudice the outcome of the petition.

b) Solvency regulations

The Group is also subject to insurance solvency regulations in the three territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

c) Kenya Revenue Authority (KRA) Audit

In 2021, the Kenya Revenue Authority (KRA) issued a tax assessment against the company following an audit of its Corporate Income Tax (CIT) and Value Added Tax (VAT) obligations. The company formally objected to this assessment. For the CIT-related issues, the parties entered into an Alternative Dispute Resolution (ADR) process, which concluded with a signed agreement on 26 November 2021. For the VAT assessments, the company escalated the matter to the Tax Appeals Tribunal, which ruled in its favor. Unsatisfied with this outcome, the KRA appealed the case to the High Court. On 23 October 2025, the High Court also ruled in favor of the company. Nevertheless, the KRA has since filed a notice of intention to appeal the High Court's ruling to the Court of Appeal. The company believes the probability of the assessment ultimately becoming a liability is remote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

51 NOTES TO THE CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

	Notes	GROUP		COMPANY	
		2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
(a) Cash generated from operations					
Reconciliation of profit before tax to cash used in operations;					
Profit before income tax		1,455,325	1,701,742	1,110,932	1,403,560
Adjustments for:					
Depreciation on property and equipment	21	40,181	37,155	25,302	25,677
Depreciation on right of use asset	23	59,660	61,493	31,613	33,351
Intangible asset write off		46,991	-	46,991	-
Gain on disposal of equity instruments at fair value through profit or loss		(27,029)	(3,903)	(15,989)	(3,903)
Gain on disposal of treasury bonds		(171)	-	(171)	-
Gain on sale of property and equipment		(3,465)	(1,595)	(58)	(1,063)
Impairment on treasury bonds beyond 3 months		(41)	9,575	539	8,313
Impairment on treasury bonds at FVOCI		3,532	-	3,532	-
Impairment on deposits		746	3,102	-	3,690
Impairment on corporate bond		1,618	(43)	1,597	(66)
Exchange difference on debt securities at amortised cost		(14,168)	228,115	-	-
Exchange difference on corporate bond		35	3,053	-	-
Interest on lease liabilities		17,440	28,632	9,752	19,779
Amortisation of intangible assets	24	9,332	13,655	8,240	7,362
REIT revaluation	28	(1,952)	(722)	(1,952)	(722)
Fair value gains on Equity revaluation	27	(396,387)	(221,428)	(331,801)	(196,750)
Fair value gains on investment properties	22	(20,000)	(85,000)	(20,000)	(85,000)
Rental income	9(b)	(223,808)	(218,840)	(223,808)	(218,840)
Dividend income	9(b)	(98,826)	(70,158)	(81,044)	(56,515)
Dividend income from subsidiary	9(b)	-	-	(11,231)	(3,733)
REIT income	9(b)	(823)	(1,322)	(823)	(1,322)
Interest income	9(a)	(1,249,255)	(1,181,444)	(944,977)	(932,130)
Gain on discontinued lease		(4,945)	-	(4,945)	-
Changes in working capital:					
- Kenya motor insurance pool receivable		16,207	(6,514)	16,207	(6,514)
- receivables from intermediaries		66,626	(45,348)	179,725	17,046
- assets from reinsurance contracts		473,063	(291,523)	591,884	(289,160)
- other receivables		(57,886)	(44,635)	(49,472)	(16,156)
- due from subsidiary company		-	-	(254)	2,339
- liability from insurance contracts		465,708	240,570	89,926	303,027
- payables arising from direct and reinsurance arrangements		192,945	(238,940)	80,885	(178,571)
- other payables		217,842	166,451	218,118	123,824
Cash generated from /(used in) operations		968,495	82,128	728,718	(42,477)
(b) Analysis of cash and cash equivalents					
Cash and bank balances (Note 41)		371,030	153,945	258,274	17,181
Deposits with financial institutions maturing within 3 months (Note 40(a))		2,160,764	1,985,422	2,061,030	1,918,871
		2,531,794	2,139,367	2,319,304	1,936,052

52 CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
Approved Capital Expenditure	402,891	435,788	295,002	373,649

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

53 RELATED PARTIES

The ultimate holding company is Asset Managers Limited while the immediate parent company is ICEA LION Insurance Holdings Limited. There are several other companies, which are related to ICEA LION General Insurance Company Limited through common shareholdings or common directorships. In the normal course of business, insurance policies are sold to related parties. All transactions with related parties are held at arm's length. Transactions with related parties during the year and related outstanding balances are disclosed below:

	Nature of relationship	GROUP		COMPANY	
		2025 Ksh'000	2024 Ksh'000	2025 Ksh'000	2024 Ksh'000
a) Transactions with related parties					
Premiums received net of commissions	Common shareholding	541,580	532,686	505,599	453,688
Premiums paid	Common shareholding	34,834	25,161	34,834	25,161
Pension paid	Common shareholding	112,004	113,116	112,004	113,116
Management fees – earned	Subsidiary	–	–	7,757	7,977
– expense	Common shareholding	14,466	19,419	13,613	10,902
Reinsurance premiums	Common shareholding	389,914	711,705	389,914	589,392
b) Balances with related parties					
i) Deposits with financial institutions	Common directorship	891,047	932,397	891,047	560,266
ii) Bank balances	Common directorship	257,281	11,879	257,281	11,879
iii) Interest receivable	Staff and Common directorship	3,544	29,218	3,544	13,525
iv) Premiums receivable from related parties	Common shareholding	11,727	49,203	11,727	49,203
v) Impairment on deposits with NCBA Bank Kenya PLC	Common directorship	(856)	(1,126)	(856)	(1,126)
vi) Loans to staff	Staff	36,171	37,622	36,171	35,819
c) Amounts due from a subsidiary					
ICEA LION General Insurance Company (Tanzania) Limited	Subsidiary	–	–	12,027	12,371
ICEA LION General Insurance Company (U) Limited	Subsidiary	–	–	1,800	1,202
		–	–	13,827	13,573
d) Due from related company*:					
ICEA LION Asset Management	Common shareholding	2,237	1,570	2,237	1,570
ICEA LION Trustee Services Ltd	Common shareholding	319	489	319	489
ICEA LION Life Uganda	Common shareholding	1,268	–	1,268	–
Kahuho Holdings Ltd	Immediate Parent Company	–	39	–	39
ICEA LION Life Assurance Ltd	Common shareholding	30,085	–	30,085	–
At 31 December		33,909	2,098	33,909	2,098
e) Due to related company:					
ICEA LION Life Assurance Ltd	Common shareholding	–	46,745	–	46,745
Williamson Development Ltd	Common shareholding	410	410	410	410
ICEA LION Insurance Holdings Ltd	Immediate Parent Company	17,642	6,347	17,642	6,347
Knight Frank (K)		193	–	193	–
		18,245	53,502	18,245	53,502
f) Key management and directors' remuneration					
Director's remuneration (fees)		16,910	22,141	7,010	8,310
Key management remuneration					
Short-term employee benefits		363,439	363,199	291,922	249,416
Post employment benefits		22,357	21,699	18,781	19,314
Total		385,796	384,898	310,703	268,730

*No provision for bad debts were held with respect to amounts due from related parties.

54 EVENTS AFTER THE REPORTING DATE

There were no significant subsequent events after the year and that would necessitate disclosure or adjusting the financial statements.

APPENDIX I - CONSOLIDATED REVENUE ACCOUNT

SUPPLEMENTARY INFORMATION

for the year ended 31 December 2025

Class of Insurance Business	Aviation		Fire Domestic		Fire Industrial		Liability		Marine		Motor Private		Motor Comm		Personal Accident		Theft		Workmen's Comp		Medical		Miscellaneous		2025 Total		2024 Total						
	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000					
Insurance Revenue	1,268,137	168,326	2,168,362	440,590	416,299	2,906,958	1,316,128	682,222	518,200	906,455	965,579	363,468	12,614,611	11,745,289																			
Insurance Service Expense																																	
Incurred claims	(56,546)	(22,151)	(492,318)	(5,571)	(359,126)	(1,823,164)	(609,368)	(354,915)	(219,874)	(197,564)	(721,254)	(115,791)	(4,652,227)	(3,892,671)																			
Other directly attributable Expense	(36,960)	(47,393)	(288,545)	(87,602)	(113,573)	(920,614)	(406,457)	(117,482)	(155,266)	(220,874)	(141,012)	(39,707)	(2,670,477)	(2,390,904)																			
Changes that related to Loss component	-	13,721	-	(80)	-	(39,292)	(1,293)	853	(8,325)	(875)	(41,859)	(3,613)	(80,763)	(39,469)																			
Insurance acquisition cash flows amortisation	(12,033)	(90,118)	(418,842)	(59,844)	(61,434)	(288,070)	(154,015)	(128,507)	(71,414)	(196,835)	(91,977)	(30,488)	(1,631,997)	(1,498,054)																			
Total Insurance Service expenses	(105,539)	(97,964)	(1,199,705)	(153,097)	(534,133)	(3,071,140)	(1,171,133)	(600,051)	(454,879)	(616,148)	(996,102)	(189,599)	(9,035,464)	(7,821,098)																			
Net expenses from reinsurance contracts held																																	
Reinsurance expenses	(1,211,032)	(48,944)	(1,333,073)	(265,109)	(189,430)	(180,264)	(156,987)	(285,433)	(208,266)	(68,332)	(509,810)	(264,321)	(5,021,893)	(4,813,757)																			
Directly attributable expenses	(1,250)	(2,718)	(13,974)	(3,904)	(6,104)	(58,272)	(18,994)	(6,921)	(9,417)	(11,817)	(9,532)	(2,060)	(149,619)	(133,056)																			
Reinsurance expenses	(1,212,282)	(51,662)	(1,347,047)	(269,013)	(195,534)	(238,536)	(175,981)	(292,354)	(217,683)	(80,149)	(519,342)	(266,381)	(5,171,512)	(4,946,813)																			
Amounts recoverable for incurred claims	48,781	(341,795)	8,308	338,508	270,055	112,855	70,958	228,450	51,489	49,579	465,786	88,824	1,381,201	1,380,609																			
Changes in the risk adjustment recognized for the risk expired	182	14,733	762	334	(4,558)	131	634	1,462	(46)	(509)	78	(230)	12,750	10,280																			
Effect of changes in the risk of reinsurers non performance	-	(11,621)	-	41	-	1,396	29	(557)	1,669	735	24,623	2,908	19,223	12,480																			
Total net expenses from reinsurance contracts held	(1,163,319)	(644,231)	(1,007,777)	(279,235)	69,963	(124,154)	(104,360)	(62,999)	(164,571)	(30,344)	(28,855)	(174,879)	(3,758,338)	1,403,369																			
Insurance service result	(721)	3,682	(39,120)	8,258	(47,871)	(288,336)	40,635	19,172	(101,250)	259,963	(59,378)	(1,010)	(179,191)	380,747																			
Ratios																																	
Retention	1%	21%	68%	15%	22%	40%	86%	40%	47%	88%	36%	11%	50%	49%																			
Net Loss Ratio	81%	2%	12%	47%	16%	56%	47%	45%	69%	19%	73%	69%	51%	43%																			
Total Expenses	3%	20%	30%	14%	21%	34%	32%	18%	32%	26%	16%	11%	22%	21%																			
Net Commission	(383%)	1%	21%	(27%)	(18%)	9%	11%	3%	2%	19%	(4%)	(74%)	6%	6%																			
Insurance service result margin	(8%)	4%	23%	(12%)	8%	(29%)	4%	7%	(41%)	33%	(17%)	(3%)	(3%)	7%																			

APPENDIX II – COMPANY REVENUE ACCOUNT SUPPLEMENTARY INFORMATION for the year ended 31 December 2025

Class of Insurance Business	Aviation		Engineering		Fire Domestic		Fire Industrial		Liability		Marine		Motor Private		Motor Comm		Personal Accident		Theft		Workmen's Comp		Medical		Miscellaneous		2025 Total		2024 Total				
	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000				
Insurance Revenue	1,186,646	274,749	159,843	1,665,095	249,828	257,374	2,380,485	613,953	358,996	219,142	836,523	453,225	241,866	8,897,725	8,832,957																		
Insurance Service Expense																																	
Incurred claims	(57,476)	389,761	(18,221)	(323,911)	26,403	(281,739)	(1,624,987)	(295,935)	(290,263)	(165,772)	(152,962)	(392,280)	9,874	(3,177,508)	(2,789,360)																		
Other directly attributable Expense	(23,390)	(52,159)	(45,530)	(154,897)	(55,328)	(89,724)	(745,213)	(247,883)	(58,337)	(115,908)	(206,310)	(61,285)	(4,471)	(1,860,435)	(1,732,532)																		
Changes that related to Loss component	-	-	-	-	-	-	(38,377)	(1,293)	853	(8,325)	-	(36,977)	-	(84,119)	(16,607)																		
Insurance acquisition cash flows amortisation	(8,110)	(43,866)	(26,843)	(297,916)	(34,102)	(33,502)	(220,416)	(56,824)	(65,480)	(27,457)	(174,518)	(44,379)	(12,634)	(1,046,047)	(1,025,190)																		
Total Insurance Service expenses	(88,976)	293,736	(90,594)	(776,724)	(63,027)	(404,965)	(2,628,993)	(601,935)	(413,227)	(317,462)	(533,790)	(534,921)	(7,231)	(6,168,109)	(5,563,689)																		
Net expenses from reinsurance contracts held																																	
Reinsurance expenses	(1,136,937)	(171,992)	(46,532)	(1,066,274)	(141,703)	(101,261)	(88,287)	(11,589)	(167,187)	(46,170)	(40,675)	(241,787)	(186,254)	(3,446,648)	(3,632,452)																		
Directly attributable expenses	(1,218)	(2,717)	(2,372)	(8,069)	(2,882)	(4,674)	(38,819)	(12,913)	(3,039)	(6,038)	(10,747)	(3,192)	(233)	(96,913)	(90,141)																		
Reinsurance expenses	(1,138,155)	(174,709)	(48,904)	(1,074,343)	(144,585)	(105,935)	(127,106)	(24,502)	(170,226)	(52,208)	(51,422)	(244,979)	(186,487)	(3,543,561)	(3,722,593)																		
Amounts recoverable for incurred claims	49,683	(393,655)	8,093	225,777	(35,327)	219,858	51,289	(33,231)	194,373	47,499	23,212	234,946	(11,956)	580,561	778,896																		
Changes in the risk adjustment recognized for the risk expired	166	15,033	(225)	591	581	(4,258)	211	1,255	1,020	(388)	(325)	(161)	935	14,435	(588)																		
Effect of changes in the risk of reinsurers non performance	-	-	-	-	-	-	1,062	29	(557)	1,669	-	21,490	-	23,693	(1,028)																		
Total net expenses from reinsurance contracts held	(1,088,306)	(553,331)	(41,036)	(847,975)	(179,331)	109,665	(74,544)	(56,449)	24,610	(3,428)	(28,535)	11,296	(197,508)	(2,924,872)	777,280																		
Insurance service result	9,364	15,154	28,213	40,396	7,470	(37,926)	(323,052)	(44,431)	(29,621)	(101,748)	274,198	(70,400)	37,127	(195,256)	323,955																		
Ratios																																	
Retention	1%	25%	68%	13%	22%	49%	95%	98%	38%	73%	94%	38%	10%	53%	51%																		
Net Loss Ratio	88%	(16%)	9%	45%	15%	53%	69%	55%	70%	75%	17%	92%	5%	55%	45%																		
Total Expenses	2%	20%	30%	10%	23%	37%	42%	42%	17%	56%	26%	14%	2%	22%	21%																		
Net Commission	(377%)	14%	21%	(38%)	(32%)	3%	9%	9%	7%	8%	21%	3%	(71%)	7%	7%																		
Insurance service result margin	107%	22%	26%	19%	13%	(30%)	(14%)	(7%)	(22%)	(64%)	35%	(41%)	148%	(4%)	7%																		



APPENDICES

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GRI, IFRS S1, SASB INSURANCE SECTOR, TNFD DISCLOSURE INDICES

APPENDIX 1A: GRI UNIVERSAL STANDARDS INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
GRI 2: General Disclosures 2021	2-1 Organizational details	3-4
	2-2 Entities included in the organization's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	6
	2-4 Restatements of information	Not applicable
	2-5 External assurance	6
	2-6 Activities, value chain and other business relationships	47
	2-7 Employees	111
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	72-74
	2-10 Nomination and selection of the highest governance body	72-74
	2-11 Chair of the highest governance body	75
	2-12 Role of the highest governance body in overseeing the management of impacts	72-74
	2-13 Delegation of responsibility for managing impacts	72-74
	2-14 Role of the highest governance body in sustainability reporting	72-74
	2-15 Conflicts of interest	68
	2-16 Communication of critical concerns	73
	2-17 Collective knowledge of the highest governance body	73
	2-18 Evaluation of the performance of the highest governance body	73
	2-19 Remuneration policies	73
	2-20 Process to determine remuneration	73
	2-21 Annual total compensation ratio	73
	2-22 Statement on sustainable development strategy	67
	2-23 Policy commitments	53
	2-24 Embedding policy commitments	72-74
	2-25 Processes to remediate negative impacts	Not adopted
	2-26 Mechanisms for seeking advice and raising concerns	86
	2-27 Compliance with laws and regulations	96
	2-28 Membership associations	7
	2-29 Approach to stakeholder engagement	42
2-30 Collective bargaining agreements	Not applicable	
2-30 Collective bargaining agreements	Not applicable	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50-52
	3-2 List of material topics	53-58
	3-3 Management of material topics	50

APPENDIX 1B: GRI TOPIC STANDARDS INDEX

GRI STANDARD	PAGE REFERENCE
GRI 101: Biodiversity 2024	Not Applicable, effective 2026
GRI 102: Climate Change 2025	Not Applicable, effective 2027
GRI 103: Energy 2025	Not Applicable, effective 2027
GRI 201: Economic Performance 2016	34,39
GRI 202: Market Presence 2016	215
GRI 203: Indirect Economic Impacts 2016	61, 216
GRI 204: Procurement Practices 2016	92-93
GRI 205: Anti-corruption 2016	55
GRI 206: Anti-competitive Behavior 2016	Not Applicable
GRI 207: Tax 2019	Not Applicable
GRI 301: Materials 2016	Not Applicable
GRI 302: Energy 2016	92
GRI 303: Water and Effluents 2018	92
GRI 304: Biodiversity 2016	100
GRI 305: Emissions 2016	99
GRI 306: Waste 2020	Not Adopted
GRI 308: Supplier Environmental Assessment 2016	92
GRI 401: Employment 2016	103
GRI 402: Labor/Management Relations 2016	Not Adopted
GRI 403: Occupational Health and Safety 2018	109-110
GRI 404: Training and Education 2016	105-106
GRI 405: Diversity and Equal Opportunity 2016	108
GRI 406: Non-discrimination 2016	108
GRI 407: Freedom of Association and Collective Bargaining 2016	Not Applicable
GRI 408: Child Labor 2016	Not Applicable
GRI 409: Forced or Compulsory Labor 2016	Not Applicable
GRI 410: Security Practices 2016	Not Applicable
GRI 411: Rights of Indigenous Peoples 2016	Not Applicable
GRI 413: Local Communities 2016	216
GRI 414: Supplier Social Assessment 2016	92
GRI 415: Public Policy 2016	Not Applicable
GRI 416: Customer Health and Safety 2016	Not Applicable
GRI 417: Marketing and Labeling 2016	Not Adopted
GRI 418: Customer Privacy 2016	59-60

APPENDIX 2A: ISSB STANDARDS IFRS S1 GENERAL REQUIREMENTS DISCLOSURE INDEX

DISCLOSURE REQUIREMENT	PAGE REFERENCE
Materiality	6
Reporting entity	6
Connected information	Across the document
Sources of Guidance	7
Location of disclosures	Appendices
Timing of reporting	7
Comparative information	37-39
Statement of compliance	6
Judgements	9
Measurement uncertainty	9
Errors	Not Applicable

APPENDIX 2B: ISSB STANDARDS CORE CONTENT DISCLOSURE INDEX

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE	
		IFRS S1	IFRS S2
Governance	Disclose the role of the governance body(s) or individual(s) responsible for oversight of sustainability related / climate related risks and opportunities (Sr/CrRO)	72-73	72-73
	Disclose the role of management in the governance processes, controls and procedures used to monitor, manage and oversee (Sr/CrRO)	72-73	72-73
Strategy	Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	63-65	96-97
	Categorise each identified climate related risk as either a physical risk or transition risk.	Not Applicable	94-97
	Specify the time horizons—short, medium or long term—over which the effects of each of those Sr/CrRO could reasonably be expected to occur. Explain how the time horizons link to the planning horizons used for the entity's strategic decision making.	7	7
	Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.	63	96-97
	Describe how the entity responded to, and plans to respond to Sr/CrRO in its strategy and decision-making	63	96-97
	Disclose details on any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.	Not Applicable	Not disclosed
	Disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage Sr/CrRO.	63	98
	Disclose information that explains the entity's capacity to adjust to the uncertainties arising from Sr/CrRO i.e. the resilience of the entity's strategy and its business model to those Sr/CrRO	63	98
Risk Management	For climate-related risks and opportunities, disclose how and when the organisation did its climate-related scenario analysis, including how many and what type of scenarios the organisation used and why Include the time horizons and scope of operations to which the analysis applied.	Not Applicable	Not adopted
	How does the entity identify, assess, prioritize and monitor sustainability/ climate-related risks?	87-88	86-88
	How does the entity identify, assess, prioritize and monitor sustainability/ climate-related opportunities relative to other types of opportunities?	87-88	86-88
	What processes does the entity have in place to manage Sr/CrROs?	87-88	86-88
	To what extent and how is the processes for identifying, assessing, prioritising and monitoring Sr/CrROs integrated into and inform the entity's overall risk management process.	87-88	86-88

APPENDIX 2B: ISSB STANDARDS CORE CONTENT DISCLOSURE INDEX CONTINUED

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE	
		IFRS S1	IFRS S2
Metrics and targets	For each Sr/CrRO, what metrics are required by an applicable IFRS Sustainability Disclosure Standard.	39	99
	For each Sr/CrRO, what metrics does the entity use to measure and monitor that SrRO and its performance in relation to that SrRO, including progress towards any targets the organisation has set, and any targets it is required to meet by law or regulation.	Not adopted	99
	For metrics taken from another source other than IFRS Sustainability Disclosure Standard / internally developed metrics, explain: How the metric is defined; Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure; Whether the metric is validated by a third party and, if so, which party The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	39	99
	Disclose the approach used while setting each target. Has the approach been validated by a third party?	Not adopted	99
	Disclose absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent	Not Applicable	99
	Disclose its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class.	Not Applicable	99
	Does the entity apply a carbon price in decision-making? If so, how?	Not Applicable	99
	Does the entity factor climate related considerations into executive remuneration? If so, how?	Not Applicable	Not adopted
	Disclose the amount and percentage of assets or business activities vulnerable to transition risks?	Not Applicable	95-97
	Disclose the amount and percentage of assets or business activities vulnerable to physical risks?	Not Applicable	95-97
	Disclose the amount and percentage of assets or business activities aligned to climate-related opportunities?	Not Applicable	95-97
	Disclose the amount of capital expenditure, financing or investment deployed in climate-related risks and opportunities?	Not Applicable	95-97

APPENDIX 3: SASB INSURANCE SECTOR (FN-IN) DISCLOSURE INDEX

TOPIC	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers 1	Not disclosed
	Complaints-to-claims ratio	Not disclosed
	Customer retention rate	39,57-60
	Description of approach to informing customers about products	57-60
Incorporation of ESG Factors in Investment Management	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	91,100
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	Not disclosed
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	100
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	99
	Gross exposure for each industry by asset class	99
	Percentage of gross exposure included in the financed emissions calculation	99
	Description of the methodology used to calculate financed emissions	99

APPENDIX 3: SASB INSURANCE SECTOR (FN-IN) DISCLOSURE INDEX CONTINUED

TOPIC	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes 2	95-97
	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance) 3	95-97
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	95-97
Systemic Risk Management	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	Not adopted
	Total fair value of securities lending collateral assets	Not adopted
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Not adopted

APPENDIX 4: TNFD DISCLOSURE INDEX

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	72-82
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	72-82
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	63
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	100-101
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	100-101
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	100-101
	Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	100-101
Risk management	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	100-101
	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	100-101
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	100-101
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	100-101
Metrics and targets	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	100-101
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	100-101
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	100-101

DEFINITIONS AND ABBREVIATIONS APPENDIX

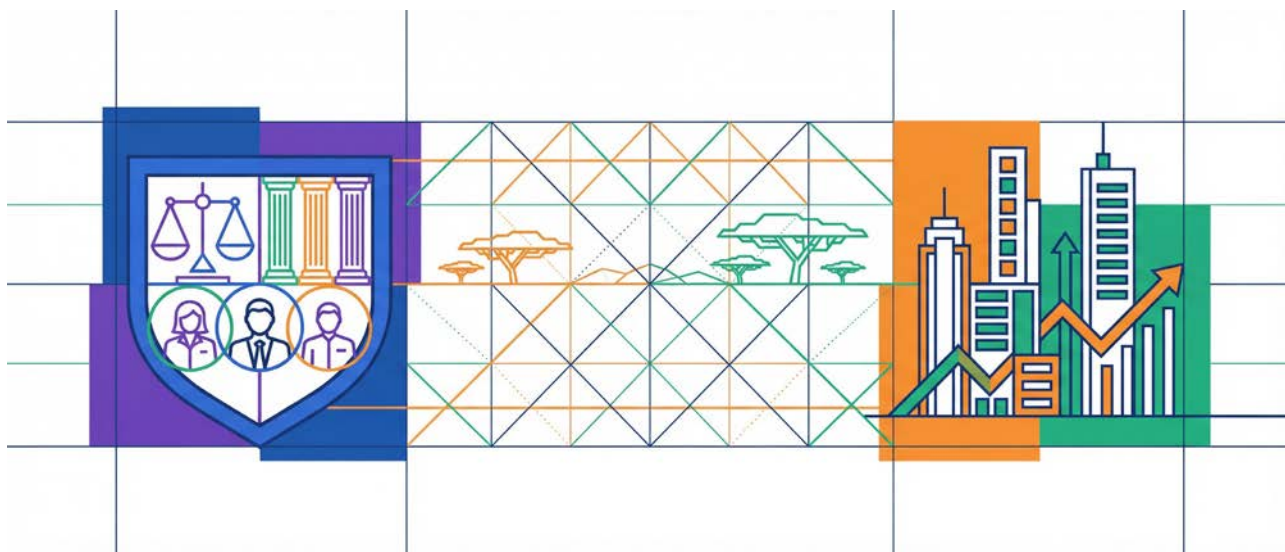
ABBREVIATION	FULL NAME
ANCA	Africa Natural Capital Alliance
AFDB	African Development Bank
AIO	African Insurance Organisation
AML	Anti-money Laundering
API	Application Programming Interfaces
AI	Artificial Intelligence
ALM	Asset & Liability Management
ASIS	Africa Sustainable Insurance Summit
AUM	Assets Under Management
BARC	Board Audit and Risk Committee
BoU	Bank Of Uganda
BCP	Business Continuity Plans
CAR	Capital Adequacy Ratio
CBR	Central Bank Rate
CGC	Corporate Governance Code
CSR	Corporate Social Responsibility
DEI	Diversity Equity and Inclusion
DRIVE	De-Risking Inclusion and Value Enhancement
DOSH	Department of Occupational Safety and Health Services
DUASA	Daystar University Actuarial Students Association
DSE	Dar-es-Salaam Stock Exchange
EAD	Exposure at Default
EAN	East Africa Norm
ECL	Expected Credit Losses
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
EVs	Electric Vehicles
FAs	Financial Advisors
FiRe	Financial Reporting
FCF	Fulfilment Cash Flows
FCS	First Chartered Securities
FSD	Financial Sector Deepening
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GHG	GreenHouse Gas
GIN	Global Insurance Norm
GFANZ	Glasgow Financial Alliance on Net Zero

ABBREVIATION	FULL NAME
GCR	Global Credit Rating
GEP	Global Economic Prospects
GRI	Global Reporting Initiative
GRC	Governance, Risk and Compliance
GDP	Gross Domestic Product
GWP	Gross Written Premium
HPN	High Performance Norm
HR	Human Resources
IAs	Independent Agents
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IROs	Impacts, Risks and Opportunities
IEA	International Energy Agency
ICEA	Insurance Company of East Africa Limited
IRA	Insurance Regulatory Authority
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IIRF	International Integrated Reporting Framework
ILAM	ICEA LION Asset Management
IMF	International Monetary Fund
ISSB	International Sustainability Standards Board
KPIs	Key Performance Indicators
KYC	Know Your Customer
LGD	Loss Given Default
LIC	Liability for Incurred Claims
LSAI	Leapfrog Strategic Africa Investments
LOK	Lion of Kenya Insurance Company Limited
LRC	Liability for Remaining Coverage
ML	Machine Learning
MI	Manager Index
MPM	Management-defined performance measure
MNPS	Manager Net Promoter Score
MSI	Mitsui Sumitomo Insurance
MSO	Medical Second Opinion
NDSI	Nairobi Declaration on Sustainable Insurance
NSE	Nairobi Securities Exchange
NASI	Nairobi Securities Exchange Ltd All Share Index
NBS	Nature Based Solutions
NSSF	National Social Security Fund
NZIA	Net Zero Insurance Alliance
OSHA	Occupational Safety and Health Administration

ABBREVIATION	FULL NAME
OTIF	On Time in Full
OCI	Other Comprehensive Income
OCOG	One Customer One Group
PA	Personal Accident
PAA	Premium Allocation Approach
PCAF	Partnership for Carbon Accounting Financials
PRI	Principles for Responsible Investment
PSI	Principles for Sustainable Insurance
PBT	Profit Before Tax
PD	Probability of Default
PRS	Personal Retirement Scheme
PMI	Purchasing Managers' Index
RA	Risk Adjustment
REIT	Real Estate Investment and Trust
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SIICR	Significant increase in credit risk
SOFP	Statement of Financial Position
TA	Technical Assistance
TCFD	Taskforce For Climate Related Financial Disclosures
TNFD	Taskforce on Nature Related Disclosures
TZS	Tanzanian Shilling
UGX	Ugandan Shilling
UNGC	The United Nations Global Compact
USE	Uganda Securities Exchange
YIPP	Young Insurance Professionals Programme

OTHERS

CPA-K	Certified Public Accountant of Kenya
CPS-K	Certified Public Secretary of Kenya
LSK	Law Society of Kenya
LL.M	Master of Laws
ICS	Institute of Certified Secretaries



CORPORATE INFORMATION

REGISTERED OFFICE

ICEA LION Centre
 Riverside Park, Chiromo Road, Westlands
 P.O. Box 30190 - 00100 Nairobi
 Tel: +254 (0) 20 2750000
 Mobile: +254 719 071000 | +254 730 151000
 Contact Centre: +254 719 071999 | +254 730 151999
 +254 (0) 20 2750999
 Email: info@icealion.com

SECRETARY

Ms. Sally Gitau
 First Chartered Securities Limited
 ICEA LION Centre,
 Chiromo Road
 P.O. Box 30345 - 00100
 Nairobi

ADVOCATES

Kaplan and Stratton Advocates Williamson House
 4th Ngong Avenue
 P.O. Box 40111 - 00100 Nairobi

CONSULTING ACTUARIES

Deloitte Kenya
 Deloitte Place
 Waiyaki Way, Muthangari
 P.O. Box 40092 - 00100 Nairobi

BANKERS

NCBA Bank Kenya PLC NCBA House
 P.O. Box 44599 - 00100 Nairobi
 Standard Chartered Bank Kenya Limited Kenyatta
 Avenue Branch
 P.O. Box 30003 - 00100 Nairobi

AUDITOR

Company: KPMG Kenya
 Designation: Certified Public Accountants
 Building: ABC Towers
 Location: Waiyaki Way
 P.O. Box: 40612 - 00100 Nairobi, Kenya

SUBSIDIARIES

ICEA LION General Insurance Company Limited (Tanzania)
 Plot No. 331
 Address: Kambarage Road, Mikocheni "A"
 P.O. Box: 1948 Dar-es-Salaam, Tanzania
 ICEA LION General Insurance Company Uganda Limited
 Building: Rwenzori Courts Building
 Floor: 1st Floor
 Location: Plot 2 & 4a - Nakasero Road
 P.O. Box: 37834, Kampala

OUR REGIONAL FOOTPRINT

KENYA

KENYA HEAD OFFICE

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

UPPER HILL BRANCH

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

NYERI BRANCH

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

KENYATTA AVENUE BRANCH

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

MOMBASA ROAD BRANCH

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

THIKA BRANCH

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

UNIVERSITY WAY BRANCH

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

KISUMU BRANCH

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

MERU BRANCH

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

WESTLANDS BRANCH

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

ELDORET BRANCH

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

MOMBASA TOWN BRANCH

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

KAREN BRANCH

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

NAKURU BRANCH

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

MOMBASA NYALI BRANCH

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

KAKAMEGA BRANCH

P.O. BOX 3122 - 40100
MOBILE: +254 719 071226
1ST FLOOR MEGA MALL,
KAKAMEGA - WEBUYE ROAD

NANYUKI BRANCH

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

KERICHO

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

KISII BRANCH

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

UGANDA

HEAD OFFICE

RWENZORI COURTS BUILDING,
GROUND, 1ST & 2ND FLOORS
PLOT 2 & 4A - NAKASERO ROAD
P. O. BOX 33953, KAMPALA
TEL: +256 414 232337 / 341 495
TOLL FREE: 0800 300 411 / 412
EMAIL: INFO@ICEA.CO.UG
WEBSITE: WWW.ICEA.CO.UG

JINJA ROAD BRANCH

3RD FLOOR, PRIME PLAZA
TEL: +256 200432728

INDUSTRIAL AREA BRANCH

1ST FLOOR, ARROW CENTER
TEL: +256 200423834

GULU BRANCH

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

MBALE BRANCH

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

KABALE BRANCH

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

MBARARA BRANCH

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

FOREST MALL

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

TANZANIA

HEAD OFFICE

3RD FLOOR TANHOUSE,
NEW BAGAMOYO ROAD-VICTORIA AREA,
P. O. BOX 1948, DAR ES SALAAM
TEL: +255 22 277 4999/277 5039
EMAIL: INSURANCE@ICEALION.CO.TZ

DODOMA

CUSTOMER SERVICE OFFICE PSSSF BUILDING
STREET/AVENUE: VIWANDANI (UHINDINI), MTENDENI
/MWANZA ROAD
P. O. BOX 2895, DODOMA
TELEPHONE +255 252 503372
EMAIL: INSURANCE@ICEALION.CO.TZ

ARUSHA BRANCH

PLOT NO. 58E, JACARANDA STREET
P. O. BOX 10117, ARUSHA
TEL: +255 27 2548762;
FAX: +255 272548767
EMAIL: ARUSHA@ICEALION.CO.TZ

MWANZA

NSSF BUILDING, KENYATA ROAD
P.O. BOX 855, MWANZA
TEL: +255 28 2502492;
FAX: +255 282502623
EMAIL: MWANZA@ICEALION.CO.TZ

MBEYA

NEW KISANGANI BUILDING
P. O. BOX 1926, MBEYA
TEL: +255 25 2503372;
FAX: +255 252503373
EMAIL: MBEYA@ICEALION.CO.TZ

MOROGORO

NHC COMMERCIAL BUILDING, PLOT 2, BLOCK D,
OFFICE NO 104,
1ST FLOOR, OLD DAR ES SALAAM ROAD
TELEPHONE: +255 282 502492
FAX: +255 252503373
EMAIL: INSURANCE@ICEALION.CO.TZ

ZANZIBAR

MUZZAMIL CENTRE 1
GROUND FLOOR, OFFICE NO. 05A
TELEPHONE: +255 272 548762
FAX: +255 25 250
EMAIL: INSURANCE@ICEALION.CO.TZ

CORPORATE SOCIAL RESPONSIBILITY

Mangrove tree planting

As part of our commitment and focus on ESG, we have identified creating and restoring green cover for sustained environmental conservation restoration of mangrove cover as a key CSI/ESG initiative for the Group. To this end, we undertook a journey to Majaoni village, Mombasa County for our first mangrove growing day.

In partnership with Earth Lungs, we planted 1000 mangroves as part of our coastal reforestation initiative to restore Kenya's mangrove forests.

The Group has committed to planting and maintaining 20,000 mangrove trees.



Our First Mangrove Planting Day, Majaoni Village, Mombasa County

Mogra Children's home visit

We visited Mogra Children's Home as part of our ESG month initiatives, planting fruit trees to support their future and strengthen our commitment to sustainable communities.



Our Visit to Mogra Children's Home

Annual event dedicated to raising funds for causes that uplift vulnerable communities and protect wildlife and the environment.



We Sponsored The Annual Karen Charity Golf Day

Muhimbili Hospital Visit

ICEA LION Tanzania visited children suffering from cancer at Muhimbili Hospital.



ICEA LION Tanzania at Muhimbili Hospital

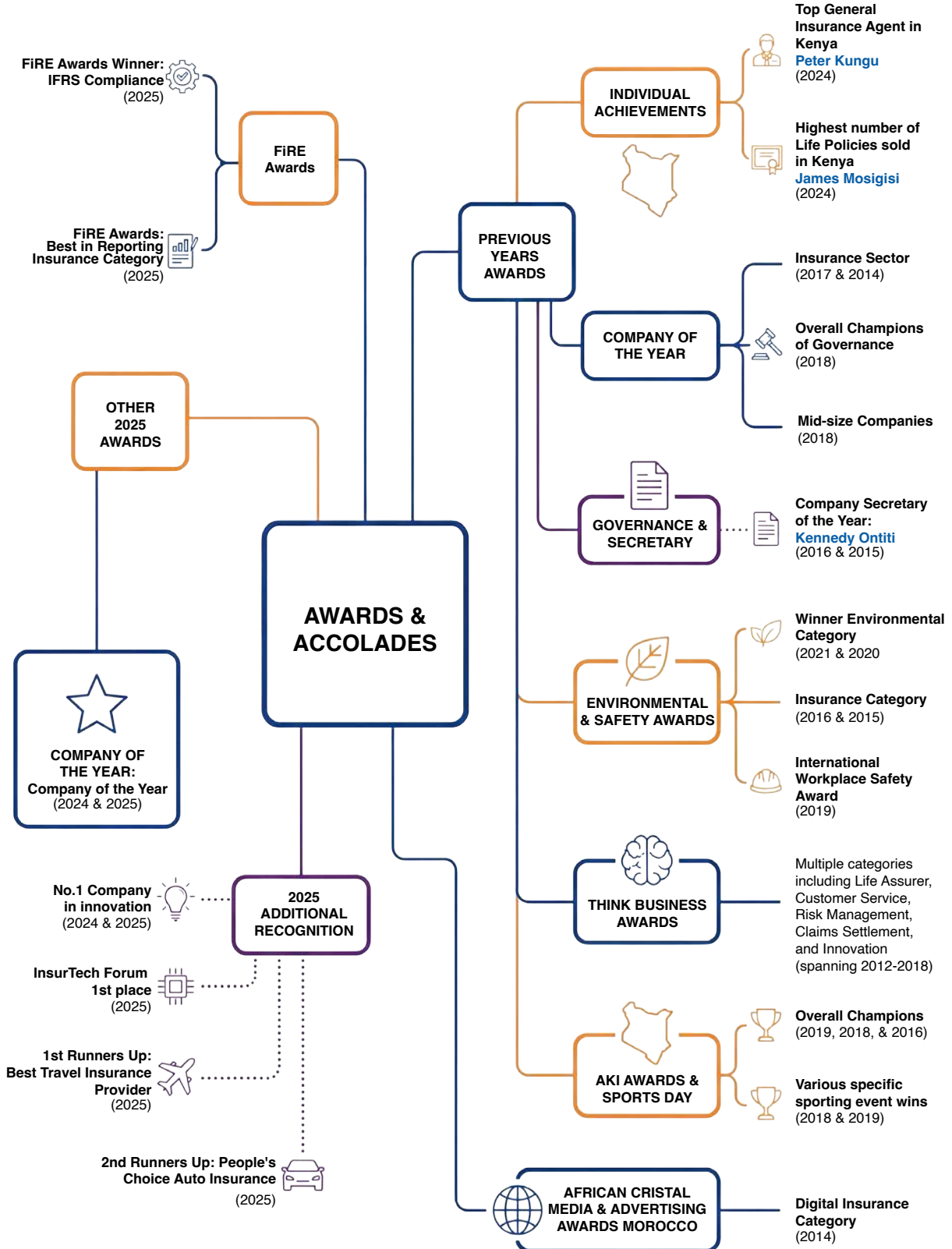
Tree Planting

ICEA LION Uganda partnered with KCB Uganda to plant over 1,000 trees at Padre Pio Primary School and Exodus College School. Beyond the tree planting, students were empowered with practical lessons in financial literacy and environmental conservation—helping nurture a greener, financially smarter future.



Tree Planting At Padre Pio Primary School, Uganda

AWARDS AND ACCOLADES 2012 - 2025



ICEA LION TEAMS PICTORIAL

ICEA LION INTEGRATED LAB

Meet our team that spearheaded and continues to champion Integrated Thinking and delivered the 2025 Integrated Report that was developed and designed in consultation with The Digital Monkeys and Signature Image Solutions.



Standing from left to right: Jacqueline Ochieng': Head of Research and Partnerships, Eric Muthengi :Group Head, Customer Experience, Benson Wakaba: Group Head, Risk and Compliance, Thomas Mumina :Business Manager, Joseph Kimani : Financial Analyst, Sarah Kinyanjui : HR Business Partner, Benson Nzimi : Finance Manager, Lucy Otieno: Marketing and Communications Assistant
Sitting from left to right: Kevin Kombo: Group Internal Auditor, Cynthia Kantai:Group Head, Marketing and Communications, Kevin Nyakeri:Chief Finance Officer, Life Assurance, Zipporah Chege: Chief Finance Officer,General Insurance, Denis Odoyo:Design Lead-Brand and Marketing, Paul Mutua : Finance Manager,General Insurance

ICEA LION GENERAL INSURANCE FINANCE & ACTUARIAL TEAM



Standing from left to right: Paul Kariuki, Felistas Wainaina, Victor Kabaki, Angelica Songok, Cosmus Mwiti, David Irungu, Musa Asman, Sheila Mwiti, Magdalene Busuru, Carolyn Chakava, Caroline Wanjiru, Magdaline Muchiri, Jessica Mghoi, Patrick Sammy, Shelmith Muthaiga
Middle Sitting from left to right: Zipporah Chege, Joy Mutheu, Anthony Muturi, Titus Magua, John Mbote,
Front Sitting from left to right: Jeremiah Ng'ethe, Theresiah Kasive, Elisha Muruga, Joy Omondi, Paul Mutua, Mildred Ngavala, Dickson Gathuku, Patience Wangare

ICEA LION GENERAL LEADERSHIP TEAM



Standing from left to right: Caroline Maina, Anthony Murage, Paul Mutua, Anthony Muturi, Radcliffe Nyamai, Cynthia Kantai, David Too, Leonard Shalakh, Sarah Kinyanjui, Benson Wakaba, Lucy Karanja, Charles Kagima, Eric Muthengi
Middle Sitting from left to right: Mokaya Mokaya, Zipporah Chege, Austin Githinji, Jennifer Kamotho, Andrew Muturi, Joy Omondi,
Front Sitting from left to right: Enock Keya, Evelyn Musunzar, Geoff Gakundi, Godfrey Kioi, Jacqueline Ochieng', Adora Sisulu, Kevin Kombo

ICEA LION GROUP SHARED SERVICES TEAM



Standing from left to right: Enock Keya, John Wanjogu, Cynthia Kantai, Eric Muthengi, Kevin Kombo, Benson Wakaba, David Too, Caroline Maina, Paul Kioi
Sitting from left to right: Mokaya Mokaya, Jacqueline Ochieng', Philip Lopokoiyit, Andrew Muturi, Geoff Gakundi, Naomi Munyi

