

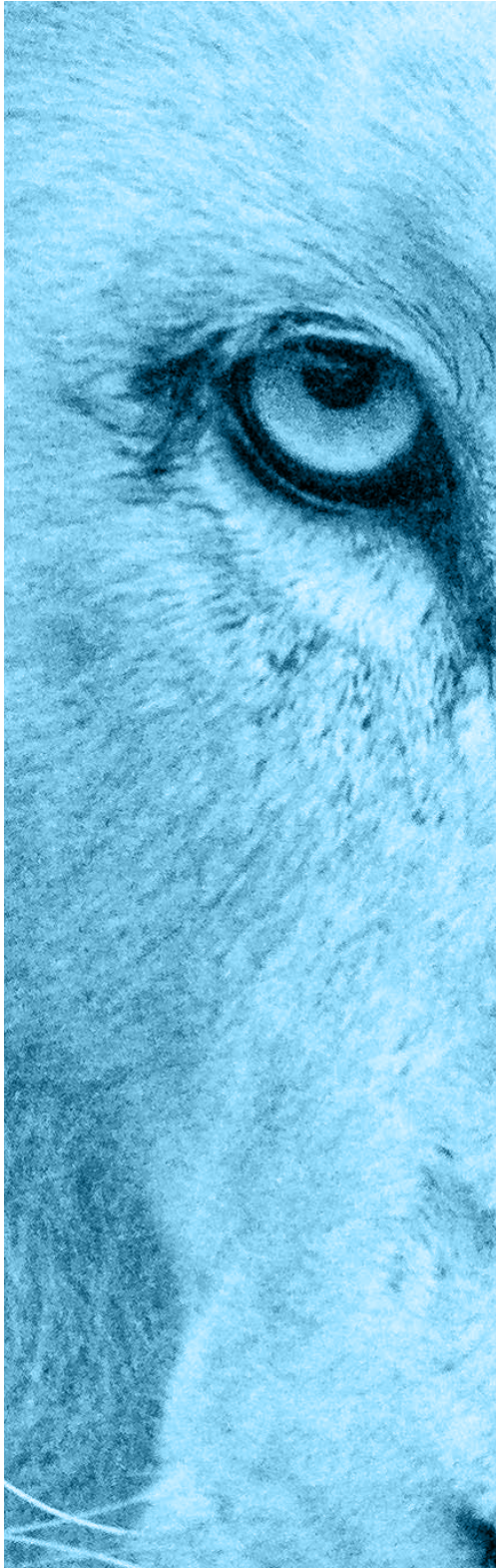


2025 INTEGRATED REPORT

ACCELERATING IMPACT



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Foreword

ICEA LION GROUP: BUILDING ON A LEGACY

The year 2025 stands as a testament to our enduring commitment to growth, innovation, and trust. Following the landmark celebration of ICEA LION @60, we have entered a new era focused on consolidating our legacy and aggressively pursuing future opportunities. Building on six decades of resilience, the past year has been defined by strategic execution, robust financial performance and a deepened commitment to our stakeholders across East Africa.

In a dynamic and often uncertain economic landscape, ICEA LION Group has remained a bedrock of protecting and creating wealth. We continue to empower individuals, families, and businesses to face the future with confidence, offering not just insurance and investment solutions, but a genuine partnership grounded in integrity and delightful customer experience.

THEME OF OUR REPORT

The theme of our 2025 Integrated Report is "ACCELERATING IMPACT." This report chronicles a year of purposeful advancement by accelerating our strategic initiatives, amplifying our positive impact on communities and the environment, and enhancing value for all our stakeholders. It reflects our journey from a position of strong legacy to one of dynamic future growth.

STRATEGIC LEADERSHIP & GOVERNANCE

Our governance structures continued to evolve, adapting to the complexities of a dynamic operating environment while remaining anchored in principles of transparency, accountability, and ethical conduct. The Board provided steadfast guidance, overseeing risk management and ensuring that our growth ambitions were balanced with prudence and long-term sustainability.

Together, the Board and Management fostered a culture of good governance that permeates every level of the organization reinforcing stakeholder confidence and providing a solid foundation for the accelerated impact we seek to achieve.

OUR 2025 PERFORMANCE HIGHLIGHTS

The Life Group delivered a strong financial performance in 2025, navigating market and economic complexities with strategic agility to record a Profit Before Tax (PBT) of Kshs 5.5 billion, a significant increase from Kshs 4.8 billion in 2024. At the Company level, performance was equally robust, with PBT rising to Kshs 4.6 billion from Kshs 3.8 billion the previous year, reflecting sustained operational strength and disciplined execution of our growth strategy. Our Group balance sheet also reached a significant milestone, surpassing Kshs 236 billion in total assets which is among the highest in the industry. This achievement reinforces our financial resilience, enhances our ability to meet long-term policyholder obligations, and positions us strongly to capitalize on future growth opportunities.

OUR PEOPLE: THE FORCE BEHIND OUR IMPACT

Guided by the core value that "Our People are Important to Us," We continued to prioritize the growth of our people and the enrichment of our organizational culture in 2025. Our annual "Your Voice Matters" Engagement Survey recorded an improved Group engagement score of 94%, while Kenyan businesses recorded a score of 85%. These results reflect an engaged and committed team whose energy and dedication continue to drive the successful execution of our strategic goals.

SUSTAINABILITY

2025 marked a defining shift in ICEA LION Group's sustainability journey, from intention to execution, from fragmented ESG initiatives to a fully integrated, strategy-led approach embedded across Life, General, Asset Management and Trust businesses. Guided by our 2025-2027 Group ESG Strategy, we strengthened governance, scaled ESG-aligned investments by over 700 percent, expanded climate-resilient insurance solutions and deepened internal capacity on IFRS S1 & S2 and TNFD. This year's performance demonstrates not only measurable progress, but a disciplined transition toward structured risk management, transparency and accountability aligned with the UNEP FI Principles for Sustainable Insurance, PRI, NDSI, TNFD, GRI and emerging global disclosure standards. While we acknowledge areas requiring further integration particularly embedding ESG within underwriting from 2026 our direction is clear. ICEA LION is positioning itself not merely to manage risk, but to actively de-risk Africa's future by mobilizing capital, innovation and partnerships toward a resilient, inclusive and nature-positive economy.

LOOKING AHEAD

As we look to the future, we are energized by the opportunities that lie ahead. The foundations built over 60 years provide a stable platform for innovation and growth. Our strategy for the coming years will focus on digital transformation, deepening customer relationships, and exploring new markets and products—all while steadfastly upholding our legacy of trust.

IN CONCLUSION

We extend our sincere gratitude to our clients, shareholders, partners, and our dedicated employees for their unwavering trust and collaboration. This report, titled "Accelerating Impact," is a testament to our collective achievements in 2025. We are confident that ICEA LION Group is strongly positioned to continue creating sustainable value, driving positive change, and securing a prosperous future 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 Life Assurance Company Limited and its subsidiary (together, the Group) to our stakeholders. This report is a concise, material and honest assessment, reviewed and authorized by our Board of Directors on how we create value in the short, medium and long-term.

The integrated report includes both the Company, ICEA LION Life Assurance Company Limited and its subsidiary, ICEA LION Life Assurance Company (Uganda) Limited together referred to as the 'Group' and unless otherwise stated, this report covers the financial period, 1 January 2025 to 31 December 2025.

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

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

OUR REPORTING FRAMEWORKS

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

This report is also aligned with the parameters of the Global Reporting Initiative (GRI), Kenya Companies Act, 2015, The Corporate Governance Code for the Private Sector, as well as guidance issued by the Insurance Regulatory Authority on Corporate Governance. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS®).

FORWARD-LOOKING STATEMENTS

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

ASSURANCE

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

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 13th March 2026.



J Wangai
Chairman



K Thuo
Director




Catherine Karimi
Chief Executive Officer and Principal Officer

Our Sustainability, Integrated Thinking & Reporting Journey

Year	Key Initiatives / Organizations	Key Events / Reports
2025	PRI	<ul style="list-style-type: none"> Joined The Principles for Responsible Investments (PRI) Formulated the Sustainability Strategy for 2025 to 2027. Commenced Sustainability screening for Investments. Commenced and Conducted Sustainability screening for all our suppliers in Kenya and released our 7th Integrated Report.
2024	TNFD	<ul style="list-style-type: none"> Joined TNFD early adopters (announced in Davos). Held 1st Group ESG Drive & ESG Day for awareness creation across the group. Secured ESG Technical Assistance from FSD Africa. Staff joined ANCA Nature Executive Fellowship. Released 6th Integrated Report.
2023	UN GLOBAL COMPACT	<ul style="list-style-type: none"> Joined UN Global Compact. Group CEO became NDSI Chair & UNEP-FI PSI Vice Chair. Spoke at Africa Climate Summit. Launched climate resilience & renewable energy solutions. Released 5th Integrated Report.
2022	THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE, MediGuide	<ul style="list-style-type: none"> Joined TNFD Africa pilot & ANCA. Co-hosted COP27 event with UN partners. Released 4th Integrated Report.
2021	TCFD	<ul style="list-style-type: none"> Co-curated 1st PSI Africa Market event. Launched Nairobi Declaration on Sustainable Insurance. Joined NZIA, GFANZ & PCAF. Released 3rd Integrated Report.
2019-2020	PCAF, SUSTAINABLE DEVELOPMENT GOALS	<ul style="list-style-type: none"> Joined TCFD pilot group. Aligned products with SDGs. Released 2nd Integrated Report. Integrated Thinking & 6 Capitals concept. Developed 1st Integrated Report. Implemented Environmental & Social Management System.
2017-2018	PSI, UNEP FINANCE INITIATIVE	<ul style="list-style-type: none"> Adopted sustainable practices (MULIKA GARAMA). Released 2nd Sustainability Report. Joined UNEP-FI's PSI, committed to 4 principles. Released 1st and 2nd Sustainability Reports.

How to Read our Report




1

Overview

Describes our history, staff complement, our Mission, Vision and Values and our Geographical Presence.

- KEY CONCEPTS**
- Sustainability and Financial Highlights
 - Who we are



2

Overview

Our Board Chairman, CEO's statements and CFO statements. Describes key highlights during the year

- KEY CONCEPTS**
- Board Chairman Statement
 - Group CEO Statement
 - Chief Executive Officer Statement
 - Chief Finance Officer Statement

- FRAMEWORKS APPLIED**
- The Corporate Governance Code (CGC)
 - IRA Corporate Governance Guidelines
 - 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.

- KEY CONCEPTS**
- 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

- KEY CONCEPTS**
- Our customers

- FRAMEWORKS APPLIED**
- 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.

- KEY CONCEPTS**
- Our social economic impact



6

Our Governance

This section presents a detailed view of the Group's corporate governance practices

- KEY CONCEPTS**
- Corporate Governance Statements
 - Statements from the Chairmen of the various Board Committees
 - Board attendance schedule
 - Governance on sustainability

- FRAMEWORKS APPLIED**
- 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

- KEY CONCEPTS**
- Governance risk and compliance
 - Managing sustainability related IROs



8

Natural Capital

The section describes how we create Natural Capital together with details of key activities and outcomes

- FRAMEWORKS APPLIED**
- King IV
 - GRI
 - IIRF
 - IFRS S1, IFRS S2
 - GRI

How to Read our Report



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 talent, develops talent and maintains high staff retention ratios.

KEY CONCEPTS

- › Culture
- › Diversity, Equity and Inclusion
- › Talent
- › Human Rights



10

Annual Financial Statements

This section sets out the Group's fully audited financial statements.

KEY CONCEPTS

- › Financial Statements

FRAMEWORKS APPLIED

- › IFRS
- › Companies Act
- › Income Tax Act
- › IRA guidelines

Judgements, Uncertainties and Errors

Significant Judgements

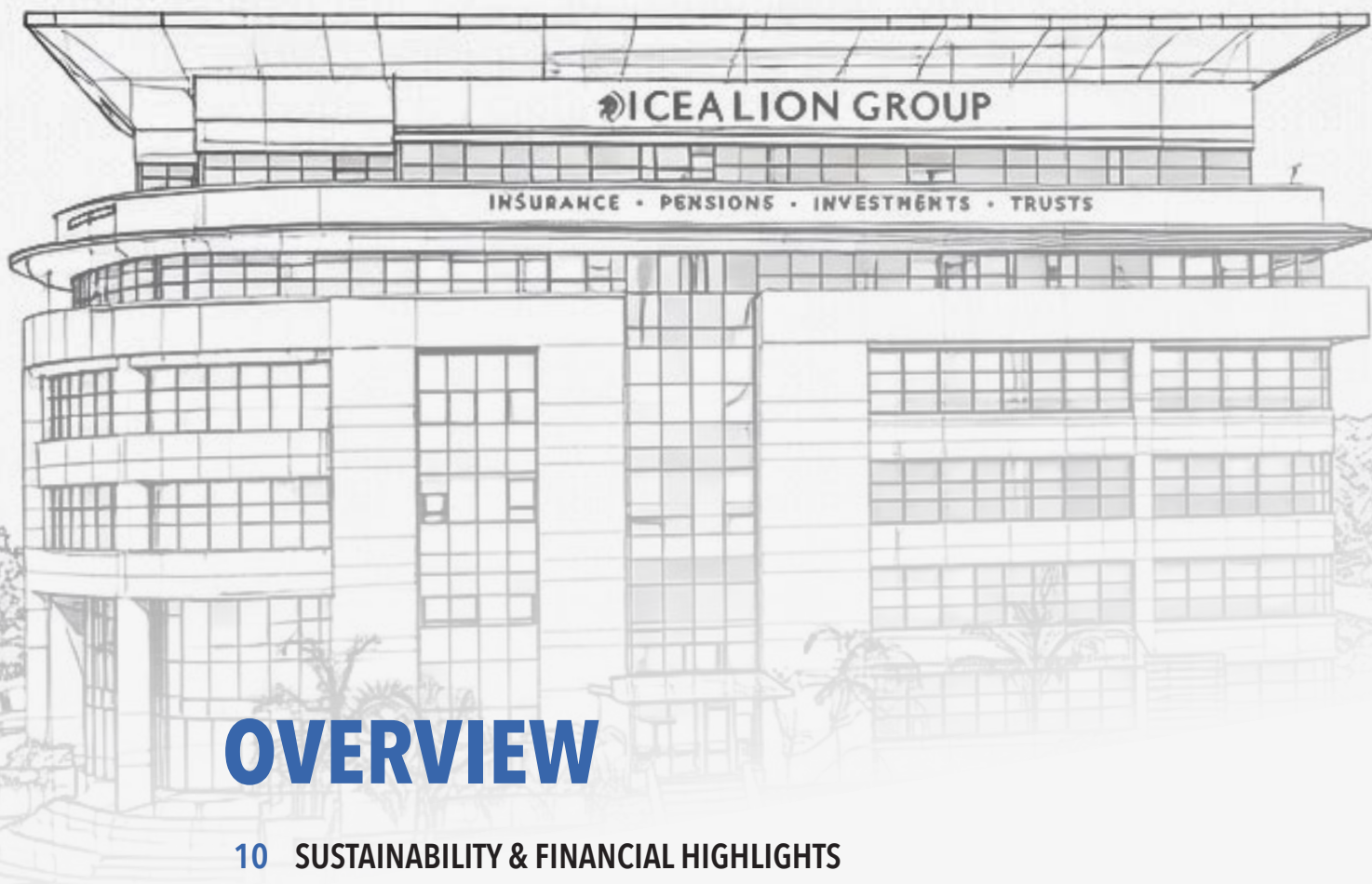
In preparing these disclosures, management must make judgements that affect the reported information. Actual outcomes may differ from outcomes disclosed. Revisions to estimates are recognized prospectively.

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.

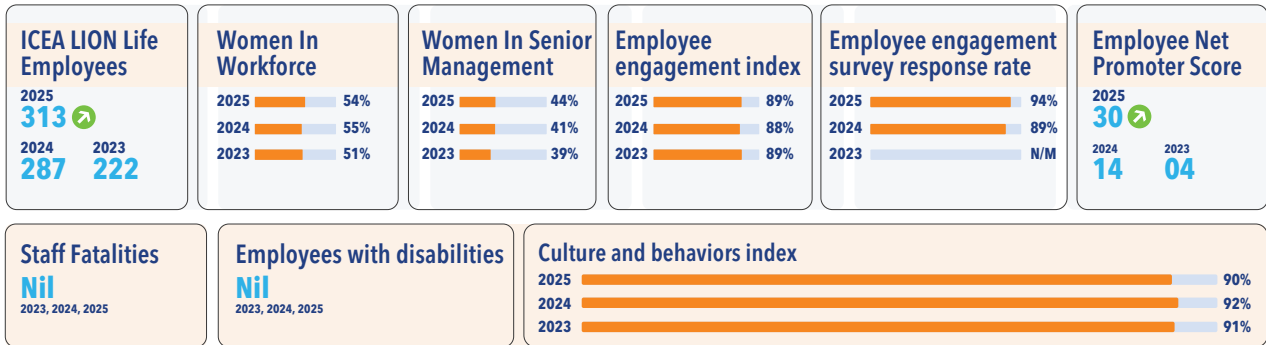


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- 30 GROUP & COMPANY 5 YEAR FINANCIAL HIGHLIGHTS**

Sustainability & Financial Highlights

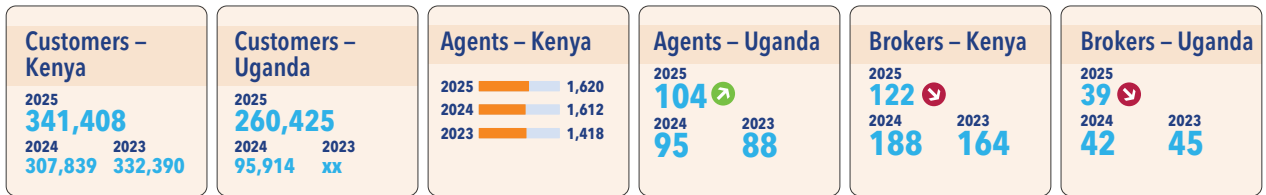
Human Capital



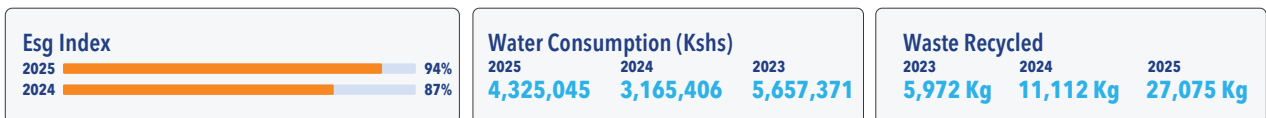
Intellectual Capital



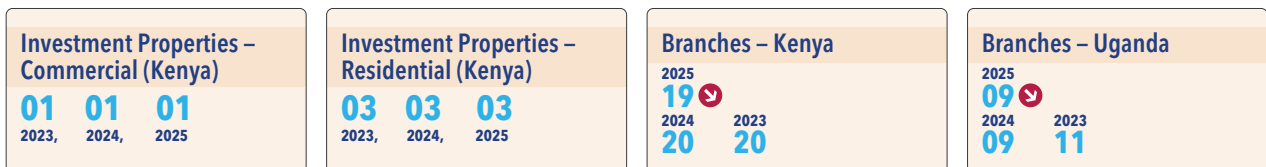
Social & Relationship



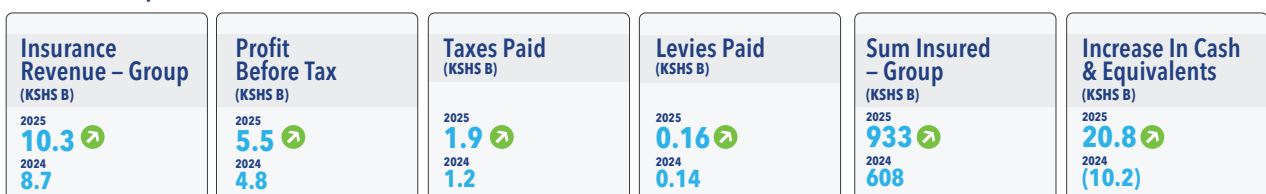
Natural Capital



Manufactured Capital



Financial Capital



About Us



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

ICEA LION Group is a one-stop financial services provider offering innovative products and services in insurance, pensions, investments, and trusts. The Group was formed as a result of a business reorganization involving the Insurance Company of East Africa Limited (ICEA) and LION of Kenya Insurance Company Limited (LOK) in January 2012.

We are one of the largest providers of insurance and financial services in East Africa with well-established operations in Kenya, Uganda, and Tanzania. True to our Group's mission To Protect and Create Wealth, we pride ourselves on having one of the strongest insurance group balance sheets in Eastern Africa, empowering all our stakeholders.

With roots dating back to 1895, ICEA LION was integral to the dawn of commercial progress and opportunity in East Africa, and we have continued to shape the region's financial landscape over the years.

As such, we have decades of experience in helping discerning individuals protect and create wealth.

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

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

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

The Life and Non-Life insurance and investment subsidiaries in Uganda and the Non-Life insurance subsidiary in Tanzania also form part of ICEA LION Group.

What Drives Us

To Protect and Create Wealth

MISSION

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

VISION



OUR CORE VALUES

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

OUR BRAND PROMISE

Through every life-changing moment,
We're Better Together

Our Regional Footprint



KENYA

KENYA HEAD OFFICE ICEA LION CENTRE

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

UPPER HILL BRANCH

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

KENYATTA AVENUE BRANCH

15TH 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

UNIVERSITY WAY BRANCH

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

CARDINAL OTUNGA BRANCH

CARDINAL OTUNGA PLAZA, 6TH FLOOR KAUNDA
ST, NAIROBI P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 27501553
MOBILE: +254 719 071553

WESTLANDS BRANCH

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

KAREN BRANCH

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

THIKA BRANCH

6TH FLOOR, ZURI CENTRE KENYATTA HIGHWAY
P.O. BOX 30190 - 00100 NAIROBI, KENYA
MOBILE: +254 719 071824

NAKURU BRANCH

3RD FLOOR, JENNIFER RIRIA HUB,
TOM MBOYA ST
P.O. BOX 3066 - 20100, NAKURU
MOBILE: +254 719 071600

ELDORET BRANCH

THE ANCHOR HOUSE 5TH FLOOR
KENYATTA STREET
P.O. BOX 4807 - 00100 ELDORET
MOBILE: +254 719 071551

KISUMU BRANCH

4TH FLOOR, AL IMRAN PLAZA,
OGINGA ODINGA STREET
P.O. BOX 3122 - 40100, KISUMU
MOBILE: +254 719 071512

KAKAMEGA BRANCH

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

NANYUKI BRANCH

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

NYERI BRANCH

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

MERU BRANCH

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

KERICHO BRANCH

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

KISII BRANCH

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

MOMBASA TOWN BRANCH

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

MOMBASA NYALI BRANCH

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



UGANDA

HEAD OFFICE

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

JINJA ROAD BRANCH

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

ARROW CENTRE BRANCH

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

GULU BRANCH

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

MBALE BRANCH

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

KAMPALA ROAD BRANCH

GROUND FLOOR, ZEBRA PLAZA
TEL: +256 392 000115

KABALE BRANCH

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

ARUA BRANCH

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

MBARARA BRANCH

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

Our History



> 1964-1966

The Insurance Company of East Africa (ICEA) was established in 1964 by Eagle Star Insurance Company, both of the UK, and the New Zealand Insurance Company. ICEA started writing: General Business in 1965 and Life Business in 1966.

> 1976

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

> 2000

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

> 2012

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

> 2023

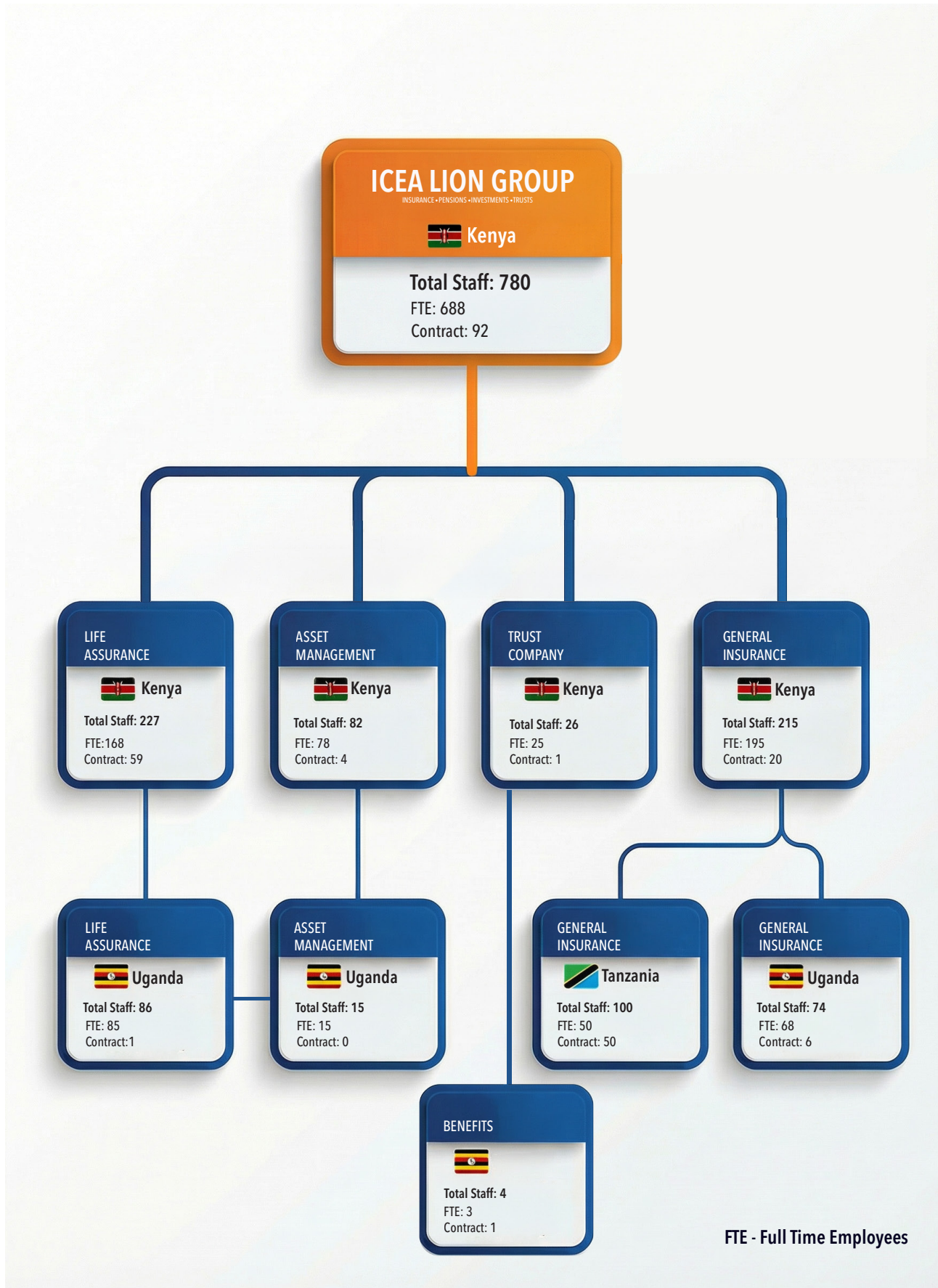
> 2024

ICEA LION Life celebrated 60 Years of Existence.

> 2025

ICEA LION Asset Management celebrated 40 Years of Existence.

Our People (Including Staff Complement)



Chairman's Statement

JOSEPH WANGAI
CHAIRMAN



“ As we mark 61 years of serving our customers and communities, we do so with a profound sense of pride and purpose. Our founding promise—to protect and create wealth—remains as relevant today as it was in 1964. ”

TO OUR ESTEEMED STAKEHOLDERS

It is my privilege to present our 2025 Integrated Report, which reflects continued resilience and strong performance in a dynamic and challenging operating environment. The results set out in this report are a testament to the carefully calibrated strategies we have continued to execute, led by our management team and delivered through our dedicated and hardworking staff across the organization.

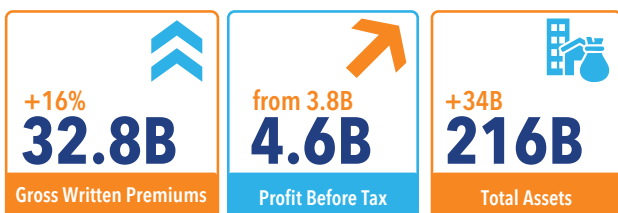
STRATEGY: 2025 - 2027 IN FOCUS

The year 2025 marked the first year of implementation of our current three-year strategic plan. This strategy is predicated on three foundational pillars; Profitable Growth, Business Transformation and Customer Focus. I am pleased to report significant progress across all three pillars during the year.

Under Profitable Growth, we have sharpened our underwriting discipline and strengthened the quality of our portfolio. Through Business Transformation, we have accelerated the digital agenda and streamlined our processes to serve customers more efficiently. With regard to Customer Focus, we have deepened our understanding of client needs and improved service delivery across all touchpoints. Further details of our strategic execution are set out on pages 35 of this report.

PERFORMANCE

The Company delivered another year of commendable financial performance in 2025. Gross written premiums and contributions topped Kshs 32.8 billion, representing a 16% growth over the prior year. Profit Before Tax stood at Kshs 4.6 billion from Kshs 3.8 billion in 2024, reflecting improved operational efficiency and business growth. As at 31 December 2025 total assets stood at Kshs 216 billion reflecting a growth of Kshs 34 billion from Kshs 182 billion as at 31 December 2024, further entrenching our position as the largest insurer in Eastern and Central Africa by asset base.



These results underscore the strength of our business model, the effectiveness of our strategy, unwavering commitment of our people and above all the continued patronage and trust by our clients.

A detailed analysis of our financial performance and key economic metrics is set out in the Chief Financial Officer's Statement on pages 27.

BRAND AND MARKET POSITION

After inspiring Kenyans on making insurance and investments part of their planning with the "What's Your Plan?" campaign, in 2025, the focus shifted to the next and most important chapter; sticking to it. "Sticking to My Plan" slogan celebrates the discipline, resilience and quiet victories that come from staying the course even when life gets unpredictable.

For the Company, it is a powerful message of consistency, encouraging customers to keep investing, staying insured and trusting the process rather than withdrawing or dropping off. For the brand, it humanizes financial commitment by showing real people who've faced challenges such as job losses and other emergencies and still held on to their plan because they believed in a better tomorrow. In a world that constantly tests our patience and financial discipline, ICEA LION stands for stability, helping customers stay focused on long-term goals, maintain confidence through uncertainty and remain committed to their financial plans.

Inaugural ICEA LION Signature Event: Walk of Life

During the year, one of our key brand focus areas was to create an inclusive, joyful lifestyle event that appeals to multiple generations and diverse audiences while reinforcing ICEA LION's brand promise: 'Through every life changing moment, we're better together' as well as reinforcing our brand message that, 'We have a plan for everyone'.

This was brought to life through "The Walk of Life" - an outdoor walking event that was held in Karura Forest. The event attracted over 300 participants, comprising staff, clients and business partners. 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. The positive reception and strong turnout demonstrated an appetite for more community-driven engagement initiatives.

Chairman's Statement



ICEA LION Walk of Life Signature Event flag off



We planted 1000 mangroves in partnership with Earth Lungs as part of our reforestation initiative

Building on this momentum, we intend to scale the event in 2026 by broadening participation, elevating the customer experience and further strengthening engagement while deepening long-term brand loyalty.

PEOPLE, CULTURE AND DIVERSITY

Our people remain our greatest asset. In 2025, we deepened our focus on driving transformation into a culture that is agile, inclusive and high-performing. The annual Culture Survey, now in its third year, recorded its highest participation rate at 94% demonstrating continued improvement across all key metrics. This feedback loop has been invaluable in shaping our employee engagement initiatives and ensuring that our workplace remains one where talented people thrive. Additionally, our succession planning approach remains a strategic priority, centered on both cultivating internal talent and building a sustainable leadership pipeline that supports long-term growth and organizational resilience.

SUSTAINABILITY AND GOVERNANCE

Championing professionalism, integrity and sound governance remains central to how we conduct our business. During the year, the Board continued to provide robust oversight, ensuring that our growth is both sustainable and ethically grounded. We have further embedded environmental, social, and governance (ESG) considerations into our decision-making processes, recognizing that long-term value creation is inseparable from responsible business practices.

LOOKING AHEAD

As we look ahead, we do so with confidence tempered by humility. We are acutely aware that our market leadership is constantly under threat and that the expectations of our stakeholders continue to rise. We will therefore remain resolute in our pursuit of customer obsession, digital leadership and financial discipline.

Our 2025-2027 strategy lays out a clear path forward, and we are already seeing the impact of strong early execution; positioning the business for sustained growth and long-term value creation. We will continue to drive forward on each of our three strategic pillars-deepening customer focus, accelerating business transformation, and delivering profitable growth that creates sustainable value for all our stakeholders.

APPRECIATION

I extend my sincere gratitude to our customers and intermediaries for their continued trust and partnership. To our staff, I offer my deepest appreciation for your professionalism, resilience and care in serving our clients. I thank the Management team for their relentless focus on delivering on our strategic objectives. To my fellow Board members, I am grateful for your wise counsel, steadfast support, and commitment to the highest standards of governance.

CONCLUSION

As we mark 61 years of serving our customers and communities, we do so with a profound sense of pride and purpose. Our founding promise-to *protect and create wealth*-remains as relevant today just as it was in 1964. We carry this legacy forward not as a relic of the past, but as a living commitment to the generations we serve today and those we will serve tomorrow. Here's to the journey ahead.

JOSEPH WANGAI
CHAIRMAN

Board of Directors



CHAIRMAN
JOSEPH WANGAI



DIRECTOR
JAMES NDEGWA



DIRECTOR
MARIAM ABDULLAHI



DIRECTOR
MUGWE MANGA



DIRECTOR
KAIRO THUO



DIRECTOR
PHILIP LOPOKEYIT



DIRECTOR
DOUG LACEY



DIRECTOR
ANDREW NDEGWA



ALTERNATE DIRECTOR
PATRICK MUGAMBI



DIRECTOR
DAVID HUTCHISON



DIRECTOR
ERNEST NDEGWA



DIRECTOR
NORMAN KELLY



CHIEF EXECUTIVE OFFICER
CATHERINE KARIMI



COMPANY SECRETARY
SALLY GITAU

COMMITTEE KEY

-  Main Board
-  Audit and Risk
-  Executive

-  Nomination and Remuneration
-  Investments
-  Innovation and ICT

Group CEO's Statement



PHILIP LOPOKOIYIT
GROUP CHIEF EXECUTIVE
OFFICER

“*Reflecting back on the year 2025, the ICEA LION Group reached remarkable milestones towards Accelerating Impactful Walks of Life 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

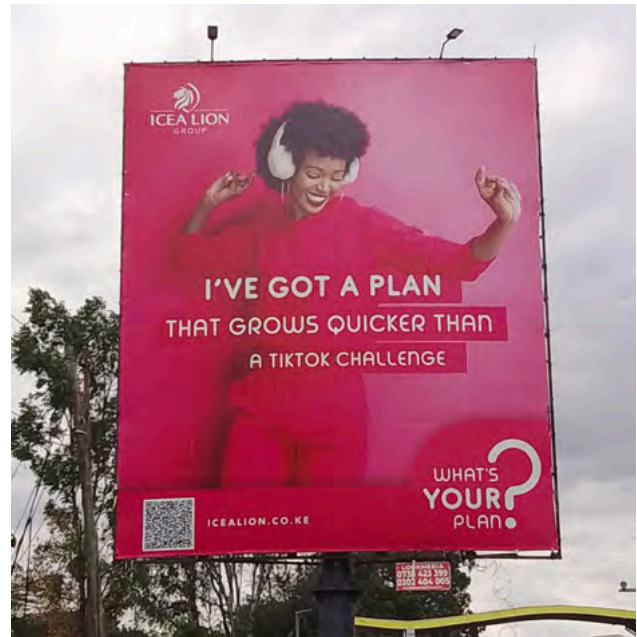
Our business is one year into its 3-year 2025 to 2027 strategic cycle. At the end of 2025, our business refreshed its strategy with the aim of reflecting on upcoming opportunities and changes in its operating environments. Strategically, ICEA LION Group's role remains to “drive a high-performance culture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

Group CEO's Statement



Customer Service Week Dress up

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 initiative 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 Celebration

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.

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 subordinates. 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. Employee engagement remains a crucial focus for us, and you’ll find a summary of our 2025 performance below. Additionally, we made an important leadership hire this year, which you’ll learn more about in the following section.

Group CEO's Statement

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 and ESG

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. As highlighted in our foreword, 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

Group CEO's Statement



Philip speaking at NDSI conference in Cape Town and at the China conference



UNEP F1 Regional Roundtable on Sustainable Finance



Mr. 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.

As we reflect on the year 2025, the ICEA LION Group reached remarkable milestones in our unwavering commitment to Accelerating Impactful Walks of Life 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

CATHERINE KARIMI
CHIEF EXECUTIVE OFFICER



“As we enter the second year of our 2025–2027 strategic cycle, our focus remains clear: consistent execution, disciplined investment and unwavering attention to our customers.”

I am pleased to present the Integrated Report of ICEA LION Life Assurance for the financial year 2025. This year was not merely a period of operational execution, but the first year of our ambitious **2025–2027 Strategic Plan**. Guided by our enduring mission of **Protecting and Creating Wealth**, we continued translating our vision into a tangible result for market leadership, sustainable value creation, and future-ready transformation.

STRATEGIC CONTEXT & PERFORMANCE OVERVIEW

The global and regional operating landscape in 2025 remained characterized by volatility in the form of geopolitical uncertainty, evolving regulatory dynamics and technological change. Despite these challenges, our 2025 performance (See page 108–109) is a testament to the resilience of our business model and the deliberate strategic choices that we have made.

STRATEGY 2025–2027

Our 2025 strategy execution was designed to advance the three interdependent pillars of our 2025–2027 strategic plan—Profitable Growth, Business Transformation, and Customer Focus.

In pursuit of **Profitable Growth**, we focused on expanding our footprint across priority market segments while maintaining a sharp focus on business quality and sustainability. During the year, we deepened strategic partnerships within the bancassurance segment, activating new distribution channels that expanded our reach into new markets. We also refreshed our product portfolio, with targeted enhancements to our retail, employee benefits and retirement planning solutions, resulting in increased uptake among both individual and corporate clients. Our disciplined approach to growth was evident in the quality of new business written, with particular strength in the retail segment where we recorded commendable growth.

Our agency network continued to evolve, with deliberate investments in enhancing the customer experience across our branch footprint. This was complemented by targeted recruitment of experienced Financial Advisors and enhanced training programs focused on needs-based selling and customer engagement. These initiatives strengthened our sales force capability and contributed to improved productivity across the retail business.

This commercial discipline was underpinned by **Business Transformation**, where our continued investment in digital capabilities and process re-engineering delivered tangible gains in efficiency and agility. We enhanced our online portals and mobile applications, streamlining quotations, policy servicing, and document uploads for both customers and Financial Advisors. These improvements reduced turnaround times and simplified client onboarding. Internally, we advanced our process re-engineering agenda, automating routine administrative workflows to accelerate response times and lower operational costs. The result is a more agile organization, better equipped to serve our customers and support our partners.

These efficiency outcomes, in turn, were reinvested into **Customer Focus**, with deliberate advances in how we understand, serve, and retain our customers. We refined our service delivery models across physical and digital touchpoints, deployed structured mechanisms to capture and act upon customer insights, and embedded experience metrics into our performance culture. This resulted in a more responsive, personalized, and consistent customer journey—one that strengthens loyalty and supports sustainable retention.

Chief Executive Officer's Statement



Q1 Strategy Review: Life Leadership Team

CULTURE AND OUR PEOPLE

Our people remain our greatest asset. In 2025, we continued to reinforce our culture of collaboration, accountability, and innovation. The culture transformation journey initiated in 2023 has strengthened desired behaviors across the organization, as reflected in improved employee engagement scores. We have also implemented a refined job evaluation structure, ensuring clarity, fairness, and alignment with our strategic goals.

NAVIGATING THE FUTURE

As we enter the second year of our 2025–2027 strategic cycle, our focus remains clear: consistent execution, disciplined investment and unwavering attention to our customers. The operating environment will undoubtedly present continued uncertainty, but we have strengthened our enterprise risk management framework to anticipate and respond to emerging challenges.

We will sustain investment in our brand, our digital capabilities, and our people. Our commitment to sustainable, inclusive growth is unchanged.

By deepening strategic partnerships, sharpening our customer focus, and leveraging the strength of our portfolio, we are well positioned to capture opportunities and deliver long-term value.

ACKNOWLEDGEMENTS

On behalf of the Management and staff, I extend my sincere gratitude to the Board of Directors for their steadfast guidance and for upholding the highest standards of corporate governance. I also thank our customers, partners, regulators, and suppliers for their continued trust and collaboration. To every member of the ICEA LION Life team—thank you for your dedication, innovation, and resilience. It is your commitment that drives our success and brings our mission to life. We move forward with confidence, focused on our purpose, and ready to build a future of shared prosperity.

CATHERINE KARIMI
CHIEF EXECUTIVE OFFICER

Our Leadership Team



CATHERINE KARIMI
CHIEF EXECUTIVE OFFICER



KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER



DAVID MUCHIRI
GENERAL MANAGER
RETAIL BUSINESS



CHRISTINE MUTAHI
GENERAL MANAGER
CORPORATE BUSINESS



PATRICIA KIHARA
ASSISTANT GENERAL
MANAGER - RETAIL BUSINESS



GLADYS MUSEMBI
ASSISTANT GENERAL
MANAGER - OPERATIONS



KENNEDY ODENYO
ASSISTANT GENERAL
MANAGER CORPORATE
BUSINESS



KENNETH MUCHIRI
MANAGER
CORPORATE BUSINESS



MARGARET NDUNGU
COMPANY ACTUARY



GEORGE ABUTO
MANAGER - EMPLOYEE
BENEFITS



DEBORAH KAMUNDI
MANAGER - ORDINARY
LIFE OPERATIONS



BETH MWIKALI
MANAGER CLAIMS



BENSON NZIMI
FINANCE MANAGER



JESSICA MURIITHI
MANAGER BUSINESS
PROCESS IMPROVEMENT



ENID OTIENO
MANAGER - INTERNAL AUDIT



JOSEPH NJUGUNA
MANAGER - CORPORATE
BUSINESS



THOMAS MUMINA
BUSINESS - MANAGER

Our Sub-Sidiaries Team



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



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

Group Shared Services Team



PHILIP LOPOKOIYT
CEO ICEA LION INSURANCE HOLDINGS



NAOMI MUNYI
GROUP HEAD OF FINANCE
ICEA LION INSURANCE HOLDINGS



GEOFF GAKUNDI
GROUP HEAD STRATEGY & BUSINESS DELIVERY



MOKAYA MOKAYA
GROUP CHIEF HUMAN RESOURCE OFFICER



ANTHONY MUTURI
GROUP ACTUARY



PAUL KIOI
GENERAL MANAGER
TECHNOLOGY AND TRANSFORMATION



KEVIN KOMBO
GROUP HEAD - INTERNAL AUDIT



ENOCH KEYA
GROUP HEAD - DATA AND ANALYTICS



CYNTHIA KANTAI
GROUP HEAD - MARKETING AND COMMUNICATIONS



CAROLINE MAINA
GROUP HEAD - ICT BUSINESS APPLICATIONS



DAVID TOO
GROUP HEAD - ICT INFRASTRUCTURE



JOHN WANJOGU
GROUP HEAD - DIGITAL CUSTOMER EXPERIENCE



DR. ABIUD MULONGO
GROUP HEAD - DIGITAL



BENSON WAKABA
GROUP HEAD RISK AND COMPLIANCE



LEONARD SHALAKHA
GROUP TAX COMPLIANCE MANAGER



ERIC MUTHENGI
GROUP HEAD CUSTOMER EXPERIENCE

Chief Financial Officer's Statement

KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER



“ For the fourth consecutive year, ICEA LION Life Assurance Company Limited retained its AAA (KE) financial strength rating with a stable outlook, as affirmed by Global Credit Rating (GCR), an affiliate of Moody's Ratings. ”

KENYAN ECONOMY

The Kenyan economy maintained a strong growth trajectory in 2025, supported by stable macroeconomic conditions, as well as a recovery in agriculture, sustained strength in the services sector and improved business activity. Inflation remained within the Central Bank's target range, reflecting effective monetary policy management, while foreign exchange reserves strengthened amid a relatively stable exchange rate regime. The Central Bank maintained an accommodative stance, progressively lowering the Central Bank Rate during the year to stimulate private sector credit growth and support economic expansion, while safeguarding price and exchange rate stability.

Notwithstanding this supportive environment, fiscal pressures persisted, with a rising budget deficit, driven by revenue constraints and high expenditure commitments. Additional risks, including climate change, elevated public debt levels and global trade & geopolitical disruptions continued to pose potential headwinds to economic stability, disposable income and demand for insurance products.

Against this macroeconomic backdrop, the Group delivered strong performance, underpinned by a disciplined strategy execution, sound financial management and a sustained commitment to operational excellence and long-term value creation.

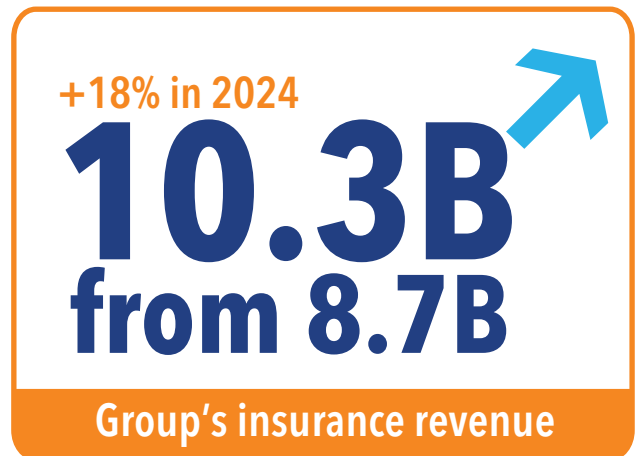
GROUP BUSINESS PERFORMANCE OVERVIEW

I am pleased to share our 2025 performance, which reflects the Group's continued resilience and strategic focus in the midst of a challenging economic environment. During the year, we achieved steady revenue growth and maintained strong profitability.

Our balance sheet remains one of the strongest in the industry, with healthy liquidity and capital adequacy levels that position us well to seize future opportunities. The good financial performance underscores our commitment to prudent financial stewardship and the creation of sustainable value for our stakeholders.

INSURANCE REVENUE

The Group's insurance revenue rose by 18% to Kshs 10.3 billion, up from Kshs 8.7 billion in 2024, driven by robust growth across all classes of business and supported by both higher new business inflows and strong retention of existing business. The performance reflects strong demand for our products in Kenya and Uganda, underpinned by an effective distribution network, targeted customer engagement and continued innovation in product offerings to meet evolving market needs.



Chief Financial Officer's Statement

INSURANCE SERVICE EXPENSES

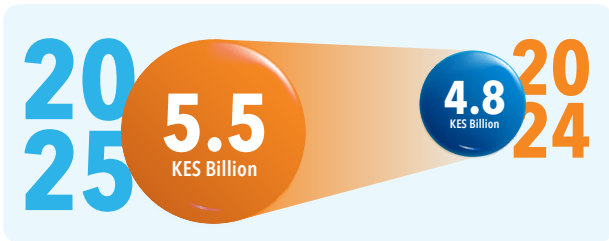
In 2025, the Group recorded total insurance service expenses of Kshs 7.7 billion, compared to Kshs 5.2 billion recorded in 2024. This cost was largely driven by claims and insurance related outgo which accounted for Kshs 5 billion (2024 Kshs 3.7 billion). The rise in costs was primarily due to the growth in the Group's business, as well as scheduled policy maturities and surrenders.

INVESTMENT INCOME

The Group's investment income grew by 13% to Kshs 32 billion in 2025, up from Kshs 28 billion in 2024. This growth was primarily driven by higher realized interest income arising from our increased investment portfolio, as well as revaluation gains on mark-to-market Government bonds and listed equities.

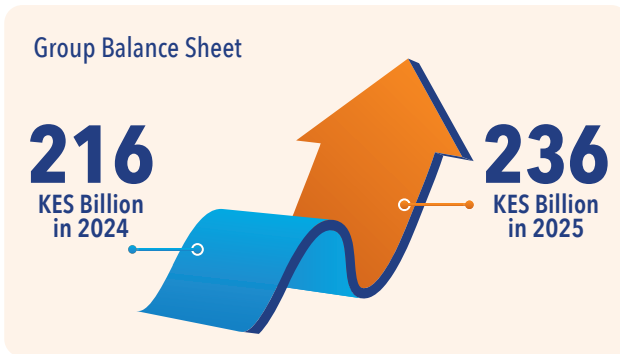
PROFITABILITY

The Group's Profit Before Tax rose by 16% to Kshs 5.5 billion in 2025, up from Kshs 4.8 billion in 2024. This growth was driven by strong performance in investment income as well as an expanding asset base resulting from business growth and revaluation gains on Government bonds, listed equities, and investment properties.



BALANCE SHEET STRENGTH & SHAREHOLDER MATTERS

During the year, the Company's asset base surpassed the KES 200 billion milestone to close at KES 216 billion, reflecting continued client confidence and steady business growth. The Group's asset base expanded by Kshs 39 billion to close the year at Kshs 236 billion, representing a 20% increase from 2024. Total equity grew to Kshs 28 billion, supported by the strong profitability achieved during the period, while the Company Capital Adequacy Ratio (CAR) remained robust at 258%, well above the statutory risk-based requirement of 200%. On the strength of the Company's strong performance, the Board approved a dividend of Kshs 1.47 billion for the year, up from Kshs 1.05 billion in 2024, reflecting a 40% increase.



OUR GLOBAL CREDIT RATING

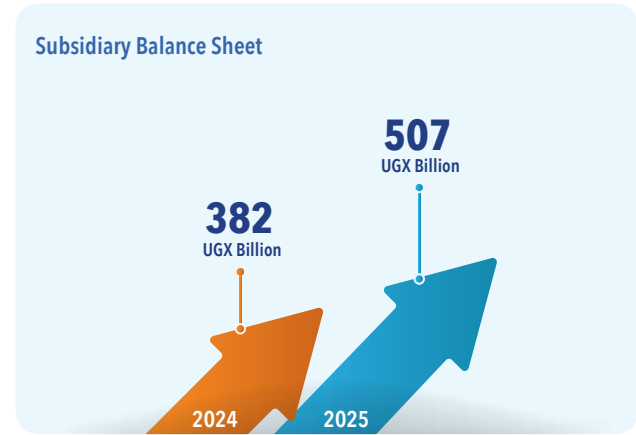
For the fourth consecutive year, ICEA LION Life Assurance Company Limited retained its AAA (KE) financial strength rating with a stable outlook, as affirmed by Global Credit Rating (GCR), an affiliate of Moody's Ratings. This rating is the highest awarded to a local insurance Company, and underscores the strong financial foundation of the parent company, ICEA LION Insurance Holdings. It reflects a robust risk-adjusted capitalization well above statutory requirements, strong liquidity, and the market leadership across all the regions in which the Group operates. The AAA (KE) rating is a clear affirmation of the Group's capacity to meet its contractual obligations and its continued commitment to creating value for all stakeholders.



OUR SUBSIDIARY PERFORMANCE

ICEA LION Life Assurance (Uganda) Limited

Total insurance revenue for ICEA LION Life Assurance (Uganda) Limited grew by 34% to UGX 66 billion in 2025, up from UGX 49 billion in 2024, reflecting strong growth across both individual and corporate insurance segments. This growth was supported by increased new business inflows, higher policy renewals, and the successful introduction of innovative products tailored to evolving customer needs. The subsidiary's asset base also expanded by 33% to UGX 507 billion, up from UGX 382 billion in 2024, on account of disciplined investment management and prudent risk-based capital allocation. As a leading insurer in Uganda, the subsidiary continues to demonstrate robust operational performance, high customer retention and strong distribution reach, positioning it well to consolidate its market position and capitalize on emerging growth opportunities in the long term.



Chief Financial Officer's Statement

ESG MATTERS

Sustainability is integral to how we manage risk, allocate capital and create long-term value. During the year, we strengthened the integration of Environmental, Social and Governance (ESG) principles into our strategy, governance structures and financial oversight processes. To deepen organizational ownership, we hosted our ESG Day for the second consecutive year. Beyond awareness, this initiative reinforced a culture of responsibility and measurable contribution, linking sustainability objectives to operational execution and performance management. Embedding ESG into everyday decision-making strengthens resilience and supports long-term financial stability.

We formally identified our material sustainability topics and established measurable KPIs to enhance monitoring, accountability and reporting discipline. ESG considerations are now more firmly embedded within our enterprise risk management framework and governance oversight structures, ensuring sustainability-related risks and opportunities are evaluated alongside financial performance.

Operationally, our digitization initiatives resulted in a reduction in paper consumption, improving efficiency while reducing environmental impact. Solarization of the ICEA LION Centre buildings led to a reduction in mains grid electricity usage, lowering our carbon footprint and generating long-term cost efficiencies. These efforts were supported by improved waste management practices, tree-planting initiatives, and continued investment in staff wellness, diversity and inclusion, and community engagement programs.



The Company won the Social Excellence and Financial Inclusion Award at the Kenya ESG Awards 2025

Importantly, we have made significant progress toward readiness for the International Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), specifically IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), effective 1 January 2026 in Uganda and 1 January 2027 in Kenya. Our approach goes beyond regulatory compliance. By embedding ESG into governance, risk management, and decision-making, we are strengthening the Group's resilience, transparency, and capacity to deliver sustainable financial performance over the long term.

Looking ahead

We remain confident in our strategic direction and the resilience of our business model. While the operating environment continues to present evolving risks including fiscal pressures, climate change, and global economic uncertainty, we are well positioned to navigate these dynamics by leveraging our strong capitalization, disciplined risk management, and a robust investment portfolio. Our focus will remain on deepening customer focus, business transformation and ensuring profitable and sustainable growth across the various businesses and regions.

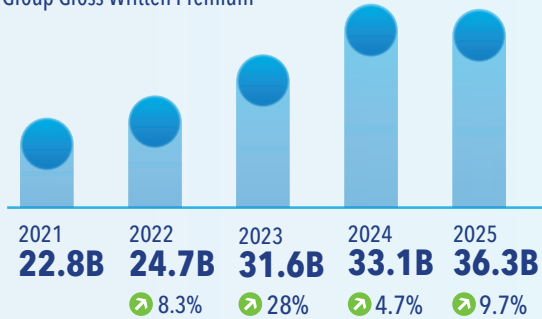
We will continue to embed ESG considerations at the core of our strategy, advance climate-related disclosures in line with emerging global standards, and expand inclusive insurance solutions that address the needs of underserved communities. With a strong balance sheet, a clear strategic roadmap, and the dedication of our people, we are confident in our ability to deliver long-term value to all stakeholders while contributing meaningfully to economic and social development across the markets in which we operate.

KEVIN NYAKERI, CFA
CHIEF FINANCIAL OFFICER

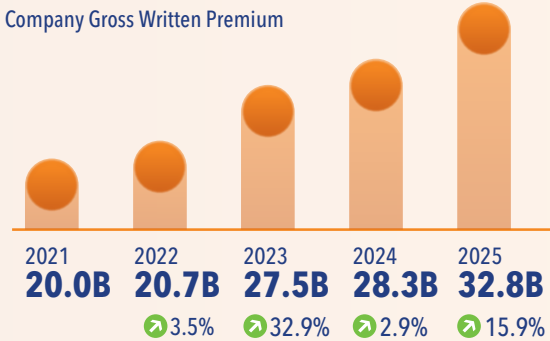
Group & Company Five Year Financial Highlights

5 Year highlights

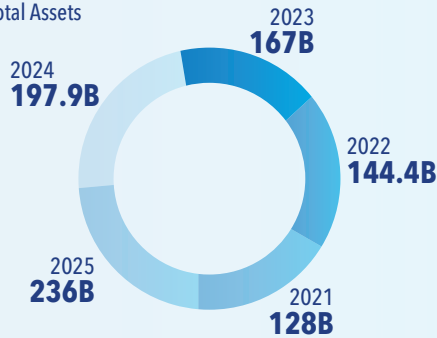
Group Gross Written Premium



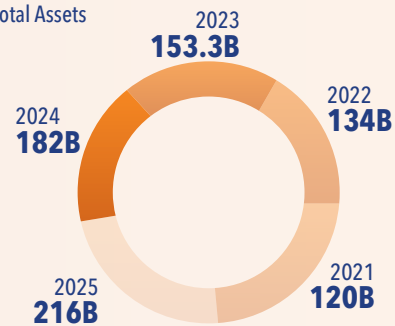
Company Gross Written Premium



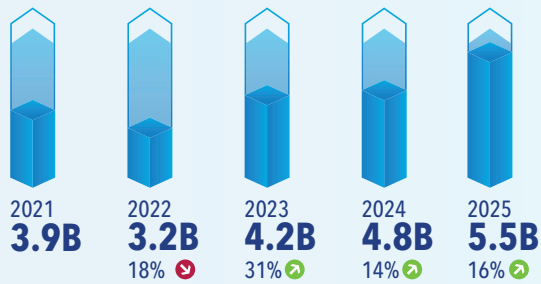
Group Total Assets



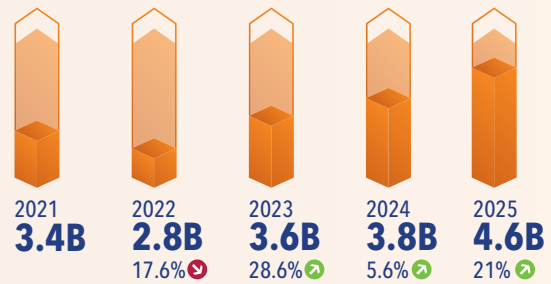
Company Total Assets



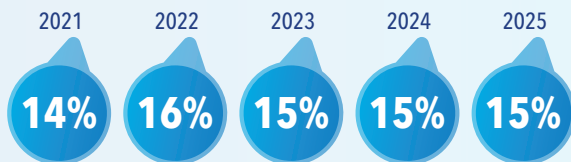
Group Profit Before Tax



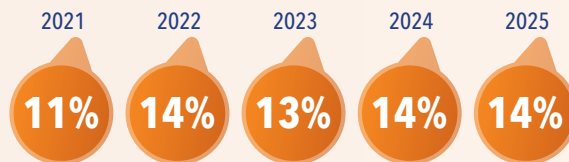
Company Profit Before Tax



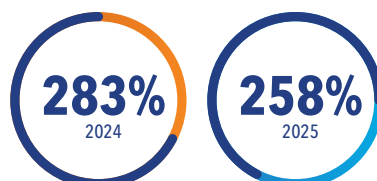
Group Total Expense Ratio



Company Total Expense Ratio



Capital Adequacy Ratio





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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'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 47-50%, 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.



KENYA

Kenya Key Economic statistics

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

Operating Context



UGANDA

According to IMF, Uganda recorded strong economic performance in 2025. Real GDP growth accelerated to 6.3 percent in FY2024/25 and the current account deficit narrowed to an estimated 6.1 percent 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 Bank of Uganda to maintain the Central Bank Rate 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.

Uganda Key Economic Statistics

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%	17.9	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/KES Exchange Rate	3,300*	3,619	3,670	3,695.00

Note: * denotes outlook or estimate.

FORECAST

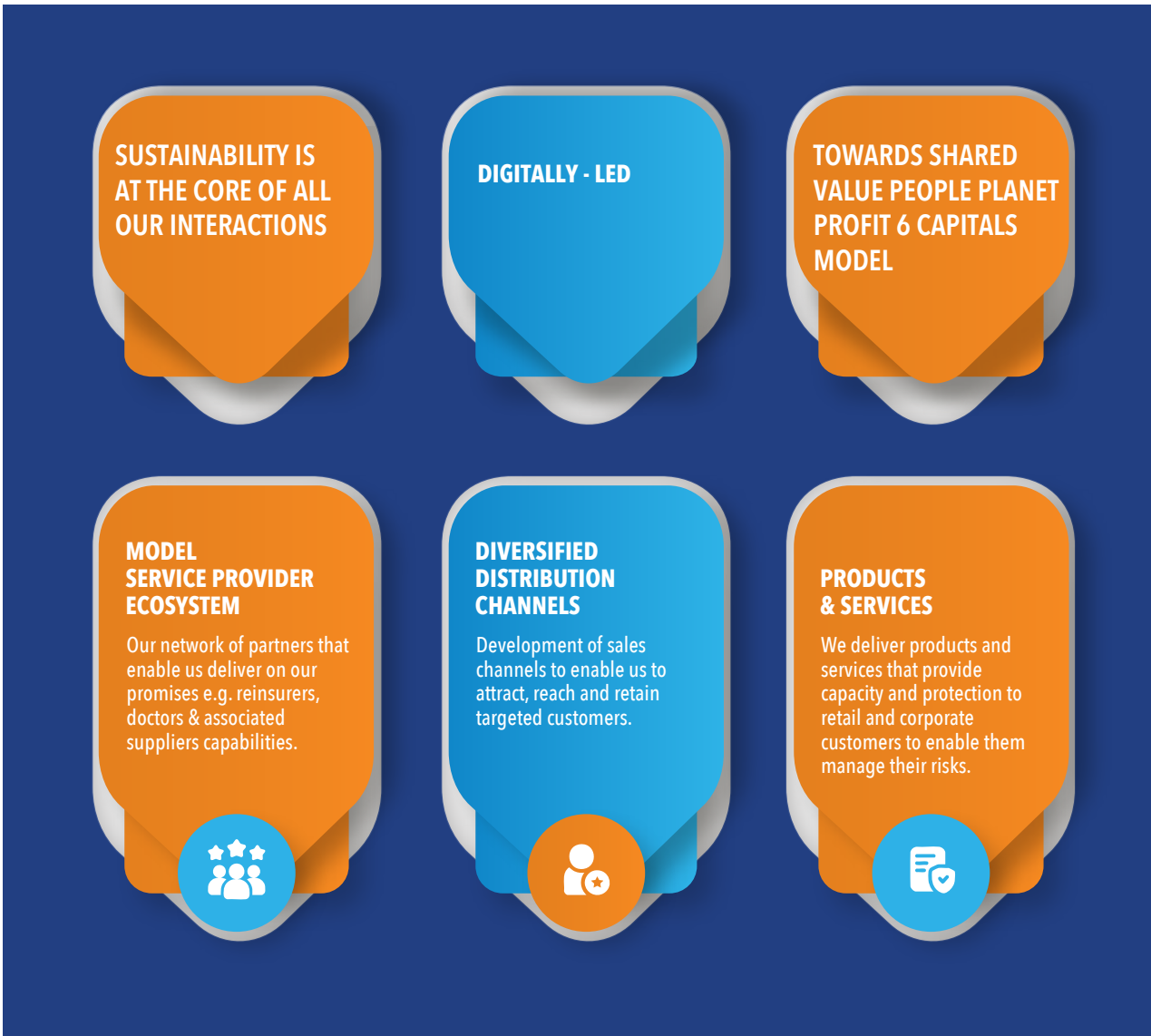
Global growth in 2026 is projected to remain steady but moderate, supported by easing inflation, technology investment (notably AI), and ongoing policy support, despite headwinds from trade tensions, geopolitical risks, and policy uncertainty. The IMF forecasts global GDP growth of 3.3%, unchanged from 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 6.4–7.0% 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 mobilization, and resilience to external shocks to support inclusive and sustainable growth.

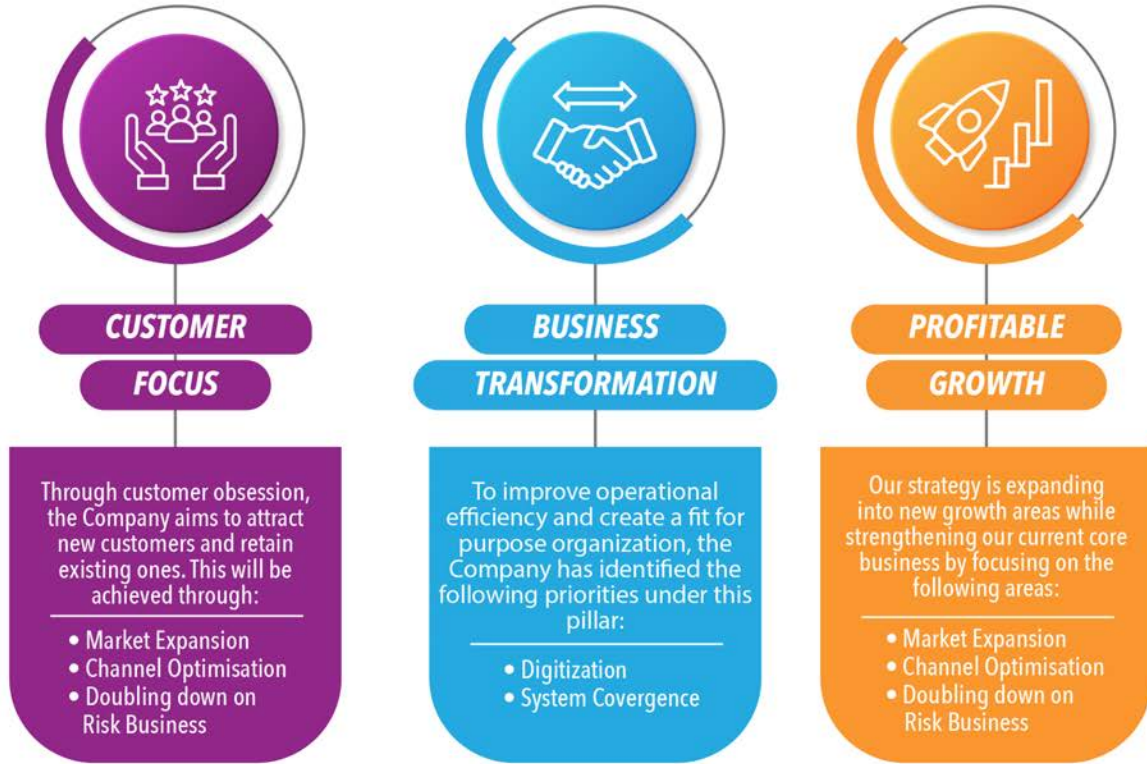
Our Business Model



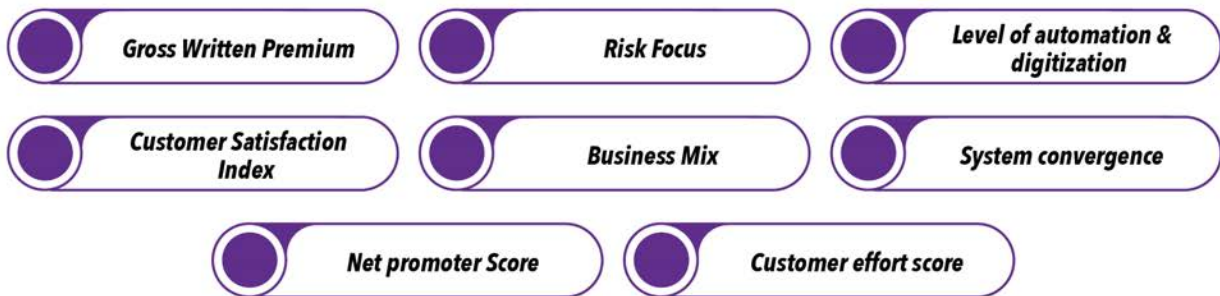
Our Business Growth Strategy

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

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



Our Target Outcomes



Our Success Measures



Our Stakeholders

OUR STAKEHOLDERS

At ICEA LION, we take immense pleasure in nurturing meaningful and transparent relationships with our diverse stakeholders. Our Stakeholder Mapping and Engagement strategy remains pivotal in bridging our stakeholders' expectations with the Group's objectives. Rooted in our Group Strategic Plan (2025-2027), this approach ensures that we remain adaptive and responsive to the industry's evolving dynamics while reinforcing our relevance and alignment with broader goals.

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

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

Stakeholders are considered key if they meet one or more of the following criteria:

Selection criterion	Explanation	ICEA LION Stakeholder
Impacted by ICEA LION's activities	Stakeholders who are directly or indirectly affected by the company's operations, products, or services.	Customers, general public, community groups
Influence on ICEA LION's operations	Stakeholders whose actions can positively or negatively affect business operations.	Regulators, suppliers, intermediaries (brokers & agents)
Ability to shape or influence business decisions	Stakeholders who can guide strategy, investment, or operational decisions.	Shareholders, employees, board members
Potential to impact ICEA LION's resources	Stakeholders who affect financial, human, or technical resources critical to the company.	Investors, employees, suppliers, service providers
Possession of unique skills or expertise	Stakeholders who provide specialized knowledge essential for success.	Industry experts, consultants, intermediaries
Potential to benefit from or resist initiatives	Stakeholders who may support or oppose projects and initiatives.	Customers, employees, shareholders, regulators
Stage and manner of influence	Stakeholders who exert influence at key stages of business operations or decision-making.	Regulators during compliance audits, shareholders during AGMs, intermediaries during product rollouts

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

- Customers - we recognize our customers as key stakeholders with a vested interest in the company's performance and long-term success. By integrating customers into our growth journey, the company strengthens trust, enhances engagement, and reinforces its commitment to delivering value to them.
- Employees - ICEA LION rewards its employees in accordance with their performance and Company Success. This structure aligns employee interests with organizational performance, motivates staff, and fosters a sense of ownership and accountability. By sharing in the company's growth and profits, employees are more engaged, committed, and invested in delivering long-term value.
- Regulators - our regulators help maintain compliance, build credibility, and sustain trust in the company's operations, contributing to a stable and transparent business environment.

Our Stakeholders

- Industry partners - our competitors closely monitor the Group's performance, governance and growth strategy as these factors influence market dynamics and competitive positioning.
- Bankers - they play the role of providers of financial services that enable us service our customers, suppliers and other stakeholders.
- Intermediaries - they bridge the gap between the company and clients, facilitating product distribution, providing market insights, and enhancing customer reach.
- Public - we view the general public as indirect stakeholders, whose trust and perception impact the company's reputation, credibility, and long-term growth.
- Shareholders - these are primary stakeholders who provide capital and have a vested interest in the company's performance. Their support and confidence drive strategic decisions, ensure financial stability, and influence long-term growth and value creation.
- Suppliers - they play a critical role in ensuring seamless operations by providing essential goods and services.

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.

Our Stakeholders

Customers

How We Engage

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

Our Stakeholders

Employees

How We Engage

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 opportunities 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

Regulators

How We Engage

We conduct workshop seminars with industry experts to stay updated on market trends and emerging economic risks

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

Our Stakeholders

Public

How We Engage

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.

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

Shareholders

How We Engage

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 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

Suppliers

How We Engage

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

- » Practice of fair tendering and engagement Business partnership and reciprocity
- » Compliance with laws and regulations

Our Response

- » Implement the Anti-Bribery Policy
- » Engage the Procurement Committee for projects over a specified amount Pursue the shared value approach
- » Embrace data protection best practice
- » Deliver on our promises and champion integrity

Our Stakeholders

Intermediaries

How We Engage

- » 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.

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.

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.

Our Value Chain and Partnerships

The value chain of ICEA LION Life Assurance 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. Our enabling digital portals include:

PRS PORTAL (PERSONAL RETIREMENT SCHEME)

The PRS digital portal serves as an integrated self-service platform, enabling members to conveniently manage and monitor their retirement savings in real time.

SELF SERVICE PORTAL

This is a customer-centric platform that empowers individual policyholders to access policy details, request services and download documents conveniently and independently.

PARTNERS PORTAL FOR CORPORATE AND INTERMEDIARIES

This portal supports corporate clients and intermediaries by facilitating efficient management of pension schemes, group risk covers, and motor insurance portfolios. It enhances reporting, policy administration, and collaboration between ICEA LION and its business partners.

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

E-COMMERCE WEBSITE

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.

PARTNERSHIPS

ICEA LION Life'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 include:

NYERI WATER AND SANITATION CO. LTD (NYEWASCO)

ICEA LION Life partners with NYEWASCO in sponsoring WASCO Games held in Kisii County, Kenya. The initiative reflects the strength of the team across sports and cultural competitions. The last event's theme was "Combating Climate Change Through Sports," emphasizing unity, environmental awareness, and teamwork across the water sector.

VILLAGE HOPECORE INTERNATIONAL

ICEA LION Life sponsored Village Hopecore in a long-distance walk themed "Embrace Her Cycle: Walk for Dignity." The objective of the fundraiser was to generate funds for providing annual sanitary supplies to 300 girls in need. The proceeds from the walk help Village HopeCore extend health education and essential supplies to girls who otherwise may miss school due to lack of menstrual products.

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.

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 is a proud founding member of NDSI commencing with less than 10 founding members during the UNEP FI Principles for Sustainable Insurance (PSI). Our Group CEO, Mr. Philip Lopokoiyit is the NDSI chairman. Through collaborative effort, NDSI has run several summits aimed at stakeholder engagement in all sectors to drive sustainable goals. Some of the summits include Africa Sustainable Insurance Summit; UNEP FI Regional Roundtable; Africa Climate Summit; among others.

KASNEB FOUNDATION PARTNERSHIP FOR FINANCIAL LITERACY PROGRAMS

ICEA LION Group and KASNEB Foundation are in partnership to drive a CSI agenda within the Group dubbed "FutureSecure" with a vision of "Empowering Every Generation to Plan, Protect, and Prosper." The intervention aims to mitigate Kenya's most significant social risk: 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 provide information that create demand for products and services offered in ICEA LION Group.



Material Sustainability Matters

INTRODUCTION

At ICEA LION, cultivating meaningful and transparent relationships with our diverse stakeholders is a core commitment. Our Stakeholder Mapping and Engagement strategy is central to aligning stakeholder expectations with the Group's objectives. This approach is firmly embedded in our Group Strategic Plan (2025-2027), allowing us to adapt to evolving industry dynamics and maintain relevance with our broader goals.

Recognizing the dynamic nature of stakeholder relationships, we are dedicated to developing tailored engagement strategies that effectively address the unique needs of each group. This proactive approach strengthens connections, builds trust, and contributes to the Group's sustainable growth. To ensure ongoing relevance, we conduct annual reviews of our engagement strategies, aligning them with emerging priorities and the outcomes of our strategic planning framework.

Stakeholders are viewed as invaluable collaborators in driving our success. Therefore, effective communication and engagement are the cornerstones of our shared journey, essential for cultivating trust, fostering collaboration, and building enduring partnerships. By continuously refining our strategies, we aim to create long-term value, ensuring our actions positively impact all those we serve while championing sustainability and innovation.

A Strategic Approach to Stakeholder Engagement

ICEA LION's approach to stakeholder engagement is built on a robust framework that starts with accurately identifying each group and assessing their specific needs and expectations. Our engagement plans are designed to clearly articulate the roles, responsibilities, and interests of each key stakeholder, examining their influence, level of involvement, interdependencies, and potential impact on our strategic goals.

We are committed to actively managing the evolving nature of these relationships, ensuring we respond to emerging opportunities and challenges with agility and foresight. A critical part of this commitment is continuously identifying new stakeholders or shifts in existing influence, which ensures we remain adaptable and well-positioned. Even stakeholders with minimal impact are recognized, and engagement strategies are carefully tailored to reflect their specific level of influence.

Moving beyond mere identification, our stakeholder plans focus on delivering tangible, actionable strategies that drive meaningful outcomes. This involves harmonizing our actions with stakeholder expectations and effectively managing the interdependencies within our ecosystem. Strong collaboration and identifying mutual opportunities are vital for effective risk mitigation and sustained success through shared value creation.

Who Qualifies as an ICEA LION Stakeholder?

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



A Commitment to Stakeholder Collaboration

ICEA LION is committed to meaningful stakeholder engagement across Kenya, Uganda, and Tanzania, guided by our mission: To Protect and Create Wealth.

We utilize a structured framework, detailed in our Stakeholder Management Plan, to ensure clear, inclusive, and effective communication. This framework ensures appropriate engagement with every individual, group, or organization that influences or is influenced by our business activities.

We are committed to driving long-term success and sustainability by consistently creating value for all stakeholders. This is achieved through cultivating robust partnerships and fostering innovation, which are central to our strategies. These core strategies are built on proactive collaboration, transparency, and alignment, ensuring our stakeholders remain informed and empowered throughout their engagement with ICEA LION.

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 4 sustainability reporting standards namely:-

- Global Reporting Initiative (GRI) Standards,
- International Sustainability Standards Board (ISSB),
- Sustainability Accounting Standards Board (SASB),
- Taskforce on Nature-related Financial Disclosures (TNFD)

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.

- 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.
- 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 it's 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 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.

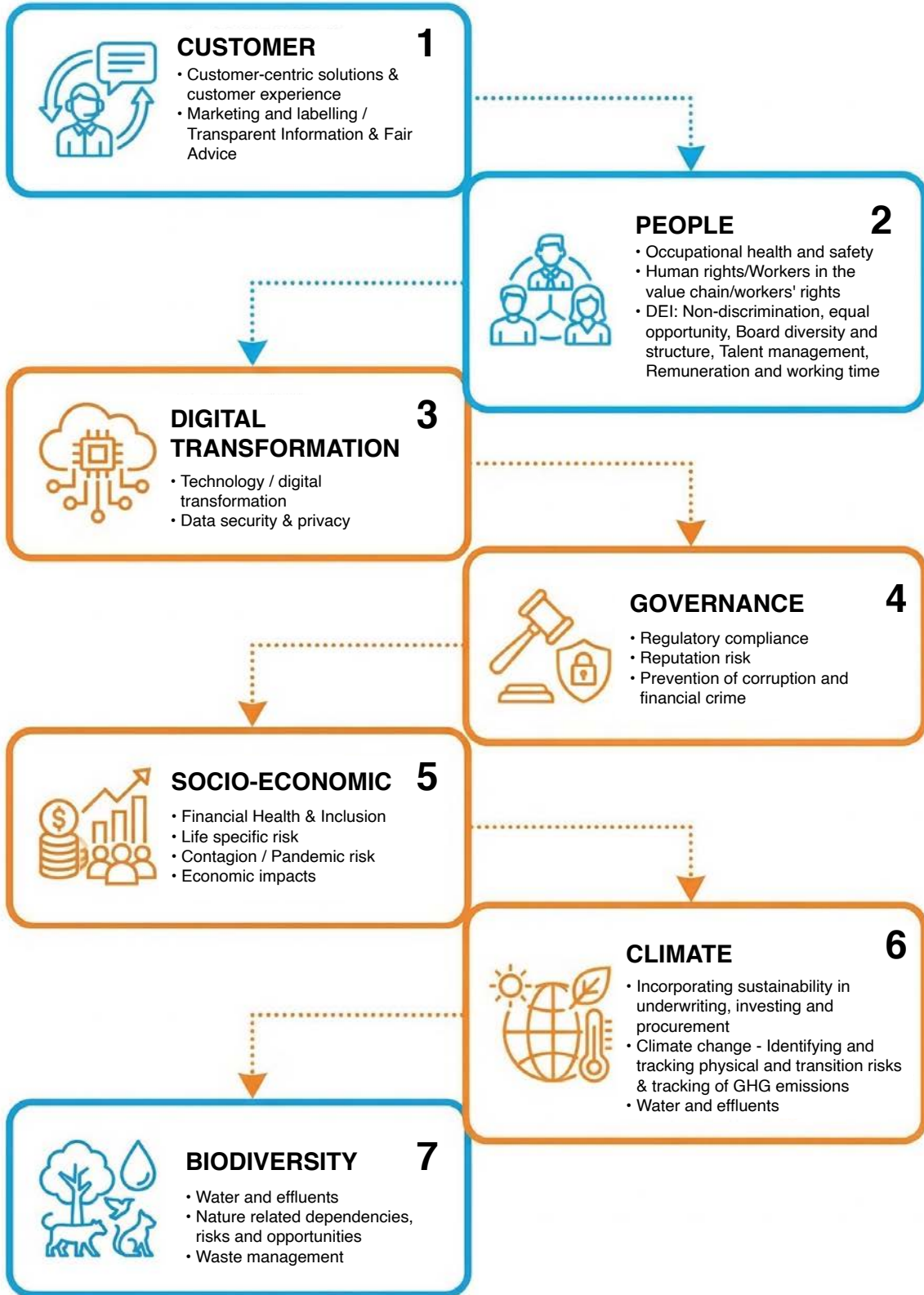
Judgments on materiality will be revisited at each reporting cycle to reflect evolving risks, stakeholder expectations, and improvements in data quality and measurement practices.

Outcome of the Process:

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

Material Topics

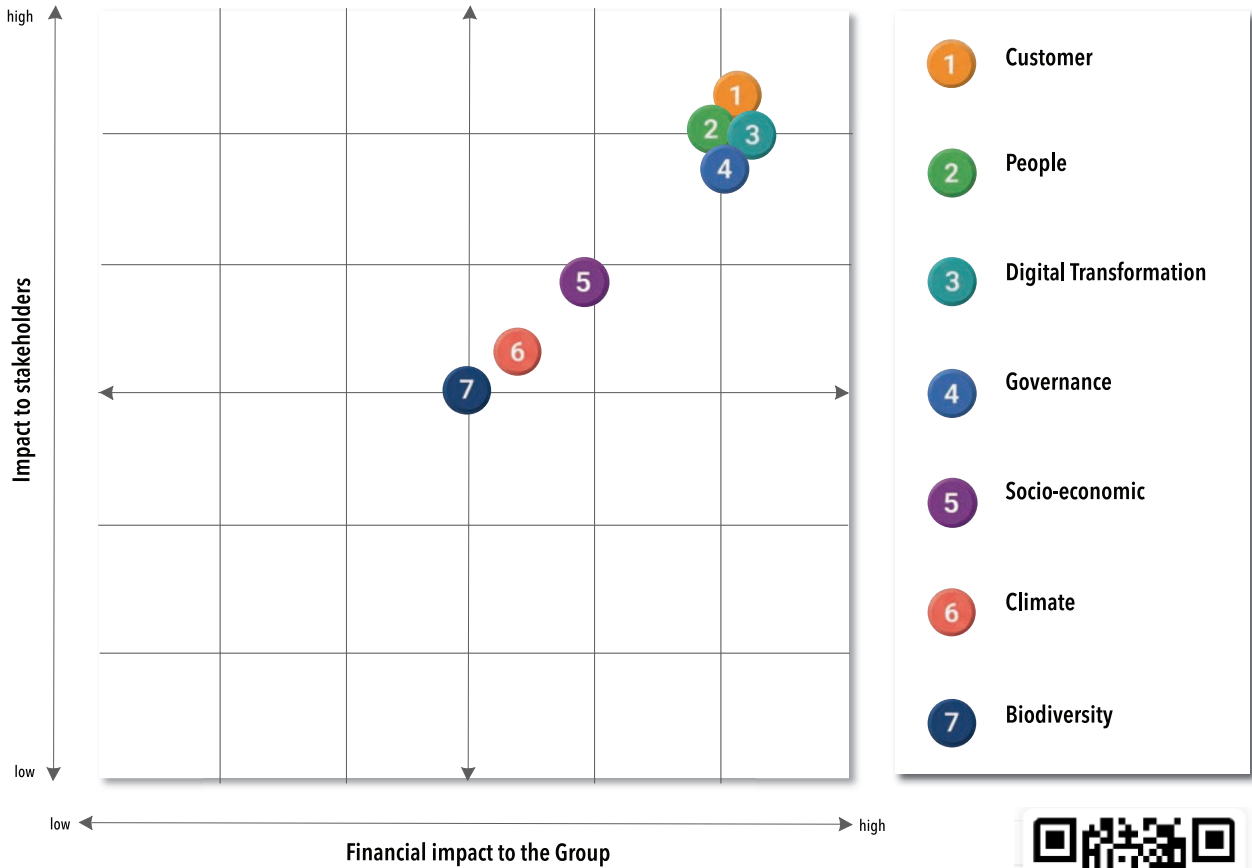
Below is a list of identified material topics that was subjected to key management ranking and approved by the Board of Directors.



Material Topics

LIST OF MATERIAL TOPICS AND MATERIALITY MATRIX

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



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, lenders, 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).

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 sections below outline how value was created across the six capitals in each of our identified material topics.

How We Create Value and Linkage to SDGs and other ESG Principles

HOW WE CREATE VALUE – 2025



OUR VALUE CREATION MODEL

ICEA LION Group applies the International Integrated Reporting Council (IIRC) Framework 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 2025 reporting year reflects a transition from baseline establishment (2024) to execution and scaling, supported by the Group ESG Strategy (2025–2027). The sections below outline how value was created across **Social Capital** and **Natural Capital**, with comparisons to 2024 performance and explanations for observed growth or change.

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.

SOCIAL CAPITAL INITIATIVES

Initiative Area	2024 Performance	2025 Performance	Change & Explanation	Alignment to SDGs	Alignment to Sustainability Principles
Strategic Investments (ILAM)	KES 84 million invested in Acorn Green Bond and REIT structures (D-REIT and I-REIT), supporting affordable housing and urban regeneration.	KES 705 million invested in the Safaricom Green Bond across Life and General portfolios, supporting climate-smart infrastructure and digital inclusion.	Significant growth driven by a strategic shift from project-based real estate instruments to scalable, liquid ESG-aligned capital market instruments following approval of the Group ESG Strategy.	SDGs 8, 9, 11, 13	PRI, PSI, NDSI
Social Protection – Trusts	109 orphans supported through the Milele Trust portfolio, generating estimated government welfare savings of KES 2.6 million annually.	Trust portfolio expanded to 2,200 Trust Funds with sustained orphan and vulnerable beneficiary support.	Growth reflects increased awareness of structured trusts as long-term social protection tools and stronger client confidence in fiduciary services.	SDGs 1, 3, 10	PSI, SDGs, GRI Social
Occupational Safety (WIBA)	8 Group WIBA policies issued, ensuring compliance with occupational health and safety regulations.	Continued issuance of WIBA policies across Group clients and sectors.	Stable performance reflects sustained regulatory compliance and consistent employer demand.	SDGs 3, 8	PSI
Senior Citizens’ Welfare (Annuities)	534 annuity policies issued, reducing estimated welfare dependency by KES 13 million annually.	368 retirement income policies issued.	Decline reflects product optimization and repricing to ensure long-term sustainability of guarantees in a changing interest rate environment.	SDGs 1, 8, 10	PSI, SDGs
Child Education Assurance	10,479 policies issued, representing 132% growth from 2023 and reducing estimated government bursary pressure by KES 629 million annually.	5,315 active policies sustained.	Portfolio normalised following exceptional growth in 2024 while remaining a core education continuity product.	SDGs 1, 4, 10	PSI, SDGs, GRI Social
DRIVE – Index-Based Livestock Insurance	Gross premium of KES 42.9 million with coverage in 12 counties, protecting pastoralist livelihoods against drought.	Gross premium of KES 91.3 million; coverage expanded to 22 counties; livestock covered increased to 337,361.	Strong growth driven by scaling partnerships, increased climate risk awareness, and expanded geographic reach.	SDGs 1, 2, 13, 15	PSI, NDSI, Climate Adaptation

VALUE CREATED – SOCIAL CAPITAL:

- Strengthened financial inclusion and social protection for vulnerable populations.
- Reduced pressure on public welfare, education and social assistance systems.
- Enhanced climate resilience and income stability for pastoralist communities.

LOOKING AHEAD – SOCIAL CAPITAL:

- Scale inclusive insurance and trust solutions.
- Deepen digital distribution to improve access and affordability.
- Integrate ESG considerations more explicitly into product design and underwriting.

How We Create Value and Linkage to SDGs and other ESG Principles

NATURAL CAPITAL INITIATIVES

Initiative Area	2024 Performance	2025 Performance	Change & Explanation	Alignment to SDGs	Alignment to Sustainability Principles
Nature Risk Integration (TNFD)	Exploratory engagement and awareness	Formal TNFD adoption journey commenced; disclosures planned from FY2025	Shift from awareness to structured implementation aligned with global best practice	SDGs 13, 14, 15	TNFD, PSI, NDSI
Global & Regional Engagements	Participation in UNEA, UN Global Compact, AIO/NDSI, ANCA forums	Continued leadership roles; Chairing TNFD Working Group (ANCA); PSI Nature Positive Working Group Phase II	Transition from participation to agenda-setting and leadership	SDGs 13, 15, 17	PSI, NDSI, UNGC
Sustainable Insurance Incentives	Reduced fire premium from 0.75% to 0.2% for ESG compliant hotel client	Continued application of ESGlinked risk pricing	Demonstrates monetization of good ESG performance through reduced risk	SDGs 9, 11, 13	PSI, NDSI
Renewable Energy Risk Solutions	Launch of Geothermal Well Output Insurance	Risk pool scaled from USD 2 million to USD 40 million		SDGs 7, 9, 13	PSI, Climate Mitigation
ESG Integration in Investments	ESG questionnaire developed by ILAM	ESG screening applied to multiple investment opportunities		SDGs 8, 13	PRI, PSI
Resource Consumption & Responsible Procurement	Resource efficiency initiatives largely focused on digitization and aggregate reporting of electricity, fuel and paper consumption, with limited department-level consolidation. Supplier ESG engagement was embedded within general responsible sourcing principles without formal screening coverage.	Procurement-led tracking of resource consumption costs across water, electricity, fuel and paper. 2025 costs recorded: Water – KES 4,169,805; Electricity – KES 10,818,092.27; Fuel – KES 4,914,660.94; Paper – Life KES 1,796,584.80; General KES 282,053.10. 100% of prequalified suppliers screened using an ESG questionnaire to establish baseline awareness and compliance.	Transition from high-level resource efficiency initiatives to structured, department-owned tracking and full supplier ESG screening. Strengthened data governance, financial visibility of natural capital use, and value-chain risk management. Established a baseline for targeted supplier ESG capacity building from 2026.	SDGs 6, 7, 12, 13	PSI, GRI, IFRS S1, TNFD

VALUE CREATED:

- Improved management of nature and biodiversity-related financial risks.
- Support for clean energy transition and climate mitigation.
- Incentivisation of sustainable business practices through insurance pricing.
- Improved visibility and management of natural resource use through procurement-led cost tracking for water, energy, fuel and paper.
- Reduced environmental footprint through sustained digitization and controlled paper usage across Life and General Insurance operations.
- Strengthened supply chain resilience through 100% ESG screening of prequalified suppliers, reducing exposure to environmental, social and governance risks.
- Established a foundation for extending nature-positive practices and ESG performance expectations across the value chain.

LOOKING AHEAD

- The 2025 performance demonstrates ICEA LION Group's ability to translate ESG commitments into measurable value creation outcomes. In 2026, focus will be placed on deepening underwriting integration, publishing TNFD-aligned disclosures, and scaling nature-positive and inclusive insurance solutions to reinforce long-term value creation for society and the environment.
- Transition from cost-based to consumption-based tracking of water, electricity, fuel and paper to strengthen performance indicators.
- Roll out targeted ESG, nature and climate training for suppliers based on 2025 ESG questionnaire ranking.
- Integrate ESG performance considerations into supplier selection, renewal and performance management processes to support nature-positive outcomes.

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 our core value 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 harmonization 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.

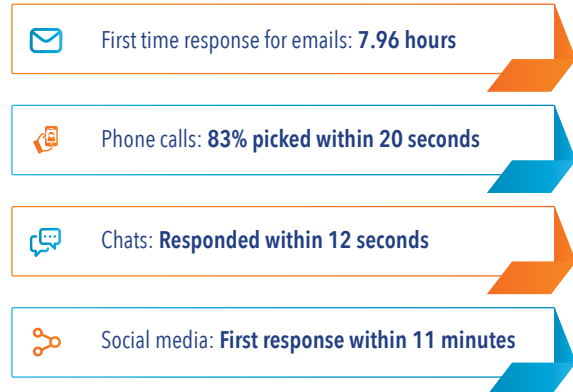
- Omnichannel contact centre

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



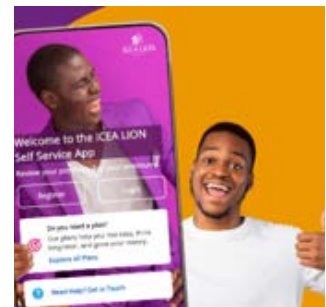
Our service standards remained competitive and consistent as below



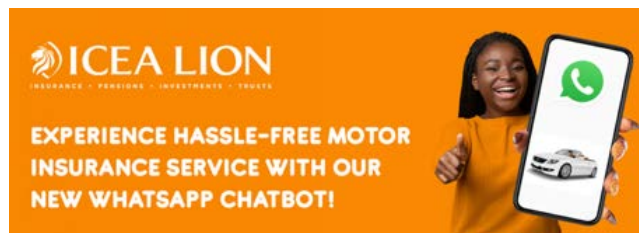
We continue to monitor our call handling efficiency and service quality in order to remain competitive and in line with customer expectations.

- CLIENT MOBILE APP

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, making product purchase more convenient.



- WHATSAPP AND WEBCHAT WITH AI FEATURES



Our WhatsApp platform is primarily utilized as a 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. During 2025, conversational AI intelligence was introduced to enhance bot assistance, improve intent recognition, and enable seamless escalation to human agents where required. Adding AI features has made service 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 Customers

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 metrics compared to 2024 is indicated below

	2024	2025
NPS	35.05	41.5
CSI	78.8%	79.8%

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:

- Customer complaints relating to advice quality, disclosure, or suitability
- Quality assurance reviews of advisory interactions
- Internal compliance and audit reviews

These mechanisms support the identification of potential risks to consumers and informed corrective actions where necessary.

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:

- The processing of information regarding children;
- The cross-border transfer of sensitive personal data; and
- The processing of personal data for direct marketing purposes.

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.



Staff cutting cake during customer service week

Safe Guarding the Promise Our Commitment to Data Privacy



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

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:** We believe customers should never be surprised by how their data is used. We provide clear, plain-language disclosures that empower users to make informed choices.
- **Proactive Protection:** We utilize industry-leading security protocols to safeguard information. Our "defense-in-depth" strategy ensures that privacy is baked into 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.



Our Social and Economic Impact

OUR SOCIAL ECONOMIC IMPACT

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.

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.

RESOURCE STEWARDSHIP & RESPONSIBLE PROCUREMENT

In 2025, ICEA LION institutionalized procurement-led tracking of resource consumption and embedded ESG oversight across its supply chain, enhancing operational efficiency, financial transparency, and responsible value-chain management.

Department led structuring improved cost management, strengthened financial visibility and reinforced environmental accountability. In addition, all prequalified suppliers underwent ESG screening, enhancing value chain oversight and creating a clear baseline to guide focused supplier ESG Capacity building initiatives.

SUPPLIERS, SERVICE PROVIDERS, CONSULTANTS & BUSINESS PARTNERS

ICEA LION drives social and economic impact through responsible procurement and strategic partnerships. By sourcing goods and services locally, the Group stimulates economic activity, supports enterprise growth, and sustains jobs across its value chain.

Through collaboration and long-term partnering opportunities, ICEA LION strengthens supplier capacity, promotes knowledge transfer, and fosters shared value creation contributing to inclusive economic development and resilient business ecosystems in the regions where it operates.

CSR INITIATIVES

In alignment with its ESG commitments, ICEA LION in partnership with Daystar University donated Ksh 220,000 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.



Our Strategy on Managing Sustainability Impacts Risks and Opportunities (IROs)

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. Climate- and nature-related risks will be prioritised in line with IFRS S2, TNFD and GRI recognising both physical and transition risks across underwriting and investment portfolios.

OUR STRATEGY ON MANAGING SUSTAINABILITY IMPACTS RISKS AND OPPORTUNITIES (IROS)

ICEA LION 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.

GOVERNANCE AND OVERSIGHT

Oversight of sustainability IROs is embedded at Board and senior management. The risk Committee of the Board shall double up as the ESG committee to provide oversight, strategic direction and accountability, while management and ESG Champions across subsidiaries support implementation. Going forward we shall have the various business boards adopt the same model to ensure sustainability is embedded in all the businesses (General, Life, Asset Management and Trust Business) 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 ESG 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, a process supported by the Investment Technical Assistance we received in 2025 by 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 more of creating 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 organizations 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



Our CEOs leading a tree planting exercise on ESG Day

Business Resilience on Sustainability IROs

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.

BUSINESS RESILIENCE ON SUSTAINABILITY IMPACTS RISKS AND OPPORTUNITIES IRO'S

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.

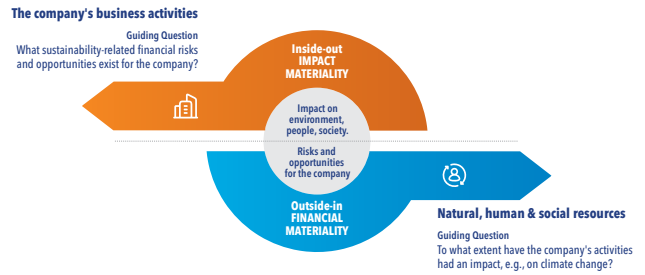
STRENGTHENING RESILIENCE THROUGH GOVERNANCE AND RISK MANAGEMENT

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 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 2026 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, 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.





GOVERNANCE STATEMENTS

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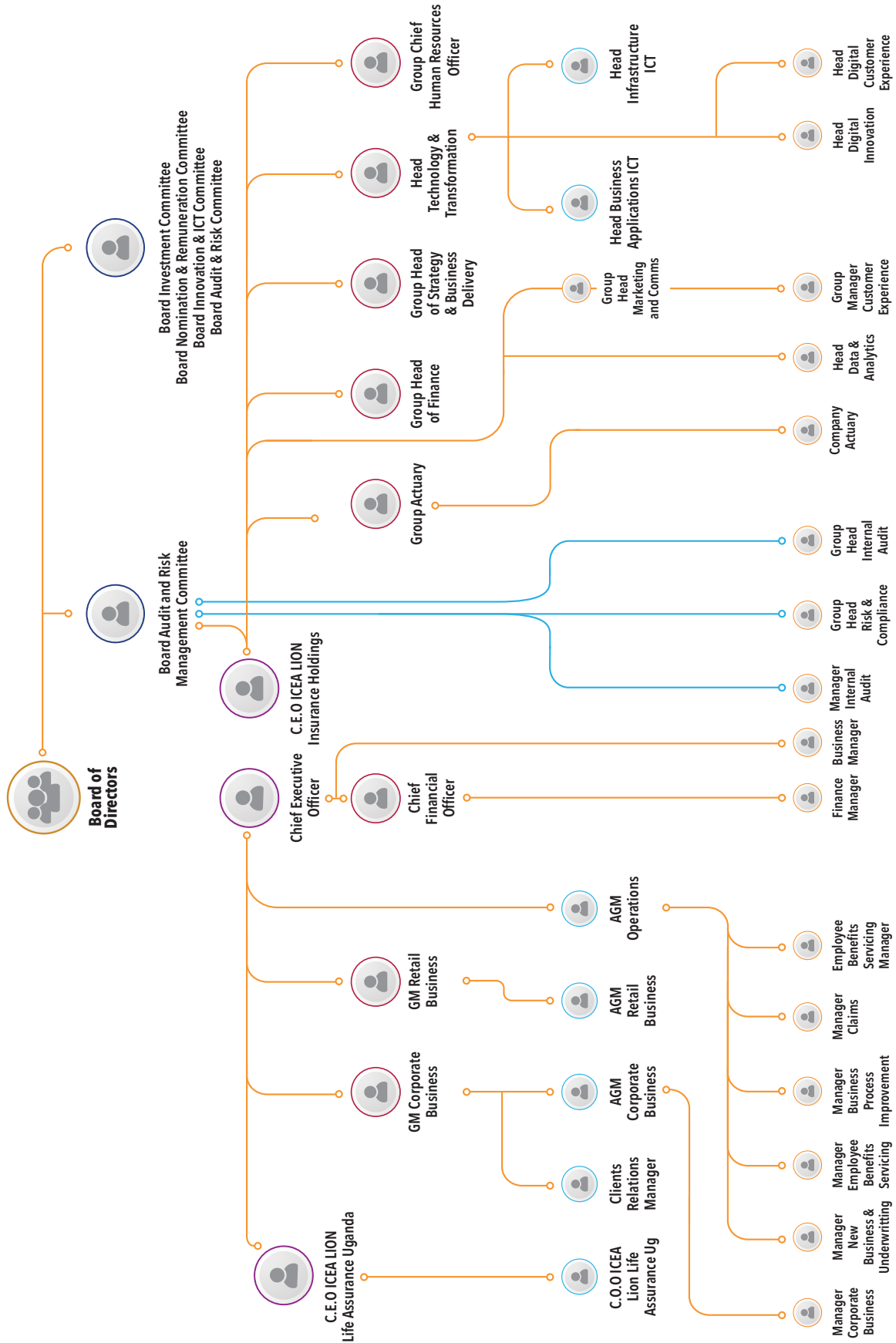
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Our Leadership Structure



Chairman's Governance Statement

JOSEPH WANGAI
CHAIRMAN



“

We acknowledge that achieving effective corporate governance is an ongoing journey, not a destination, and demands continuous focus and improvement.

”

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

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

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

BOARD OF DIRECTORS

The board plays a crucial role in shaping corporate governance, from setting the right 'tone from the top' and overseeing business controls, to rewarding desirable behaviours and ensuring open, transparent communication with stakeholders. These activities can sometimes become fragmented, which is why it's essential for the board to apply a clear risk perspective to every decision and action. Success in this area depends on having the right people on the board—individuals who are challenging, experienced, inquisitive, and dedicated to understanding both the risk environment and their legal and ethical duties.

The Company's Board is responsible for advancing corporate governance standards and ensuring they are upheld across the organization. This is accomplished through the use of Board Committees, the establishment of sound business principles, and the implementation of strong internal controls and risk management processes. These actions are designed to safeguard and enhance value for stakeholders.

BOARD COMPOSITION & APPOINTMENTS

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



Diversity

Board diversity is as much about the culture within the boardroom and acceptance of a diversity of views as it is about having diversity (of gender or otherwise) around the boardroom table. Our Board acknowledges the value of a diverse skill set across the Company and actively supports initiatives that promote diversity at all levels. While we have made progress in this area, we remain committed to further increasing female representation at the Board level.

Chairman's Governance Statement

OUR BOARD CHARTER

Key components in our Board charter include the following:

 <p>Size and composition of the Board in compliance with regulatory guidelines and best practice</p>	 <p>Board remuneration policies</p>
 <p>Performance evaluation of the Board and its committees</p>	 <p>Board induction processes</p>
 <p>Guidelines on appointment to the Board</p>	 <p>Board training</p>
 <p>Role / functions of the Board</p>	 <p>Board Tenure</p>

BOARD MEETINGS AND INFORMATION FOR DIRECTORS

In 2025, our Board met four times on scheduled dates to review and oversee the execution of strategic initiatives and business plans. The meetings also included discussions of quarterly financial results, approval of financial reports, and the exercise of effective oversight in strategic, financial, operational, and compliance matters. To ensure smooth day-to-day operations, the Board has delegated authority to the Chief Executive Officer. In line with the Company's Articles of Association, all directors receive prior notice of Board meetings, along with agendas and relevant documents, which include regular business progress reports and discussion papers on specific issues. The Company Secretary is always available to assist with matters related to the Board and its Committees.

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

ROLE OF THE CHAIRMAN & THE CHIEF EXECUTIVE OFFICER

The chairperson of the board of directors and the chief executive officer (CEO) exercise important roles in the corporate governance structure of a company. The Board is committed to a clear division of responsibilities between the Chairman and the CEO. The Chairman is responsible for managing the Board and providing strategic leadership to the Company. The CEO directs the implementation of Board decisions and instructions. Our CEO steers our organization to realize its strategic objectives in conjunction with the senior leadership team.

OUR BOARD COMMITTEES

Board committees are the backbone of effective corporate governance. These specialized sub-groups allow boards to delve deeper into critical areas, fostering informed decision-making and enhanced oversight. Our Board has established various committees to enhance the effectiveness of fulfilling our responsibilities and obligations.

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

(a) Board Audit & Risk Management Committee

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

In 2025, the committee convened four times. It is responsible for ensuring the establishment, monitoring, and reporting of the Company's systems, controls, procedures, policies, and risk management activities. The committee reviews the external auditors' plans and reports, internal audit findings, and any proposals or reports that impact ICEA LION's internal control environment. It also addresses matters related to ethics and policyholder protection.

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

(b) Board Finance & Investments Committee

The committee consists of two non-executive directors, one of whom is independent, and two other directors. The CEO, Chief Financial Officer, and CEO of ICEA LION Asset Management Limited attend by invitation.

The committee met four times during the year to review financial and investment strategies, approve or recommend investment projects to the Board in alignment with the Company's investment policy, and assess the performance of the investment portfolio while monitoring special projects.

Chairman's Governance Statement

(c) Board Growth, Innovation and ICT Committee

The committee is chaired by a non-executive director and includes two independent non-executive directors, along with two other directors. The CEO, Head of Transformation and Innovation, Head of Infrastructure, Head of Business Applications, Head of Data Analytics and Manager of Risk and Compliance attend by invitation. The committee convened four times in 2025.

The committee is responsible for reviewing the ICT Strategy, including ICT Security and Business Continuity Plans (BCP), and for recommending ICT projects for Board approval. It also assesses the annual budget proposals and monitors project implementation. Additionally, the committee evaluates the Company's innovation strategy and investments in innovation development before submission to the Board. It ensures compliance with the approved innovation strategy, overseeing the innovation portfolio and tracking the progress of its implementation.

(d) Board Nominations & Remuneration Committee

The committee comprises two non-executive directors, one of whom is independent, along with two additional directors. It is tasked with providing the Board with recommendations on executive remuneration and incentive policies, senior management recruitment, retention and termination policies, the remuneration framework, and succession planning.

PRINCIPAL OFFICER & SENIOR MANAGEMENT

We are fully committed to enhancing efficiency and execution capabilities through a strong, capable management team. Our senior leadership team constantly excels in managing risks and governance, demonstrating an unwavering dedication not only to executing tasks with precision but also to pursuing the right objectives. Each member of our team is highly qualified and experienced in their respective fields. We strictly adhere to the "fit and proper persons" criteria in line with the Insurance Regulatory Authority's "Guidelines on Suitability of Persons." All directors have undergone comprehensive induction on the Group's governance framework, decision-making processes, guiding principles, and the high standards of governance we are committed to maintaining.

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.

INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS

Effective internal control and risk management frameworks are fundamental pillars of corporate governance, enabling organizations to operate efficiently, make well-informed strategic decisions, and proactively address uncertainties. These systems play a pivotal role in safeguarding organizational assets, ensuring regulatory compliance, and fostering sustainable business resilience.

Our governance framework encompasses clearly defined internal protocols, structured reporting hierarchies, and continuous professional development initiatives. These training programs are meticulously designed to equip our personnel with a deep understanding of risk exposure, the consequences of ineffective risk management, and globally recognized best practices for mitigating operational, financial, and compliance risks.

To ensure rigorous oversight, we have established a dedicated Risk Management and Compliance function, led by the Group Head of Risk and Compliance. This function serves as the central authority for risk assessment, compliance monitoring, validation processes, and governance-related activities. The Board of Directors has set a clearly articulated risk appetite, which is systematically cascaded to senior management, ensuring alignment with strategic objectives. Furthermore, we maintain an independent Internal Audit function, overseen by a senior executive, tasked with evaluating the adequacy and effectiveness of our internal controls, governance practices, and adherence to policies, procedures, and regulatory standards.

Our internal control systems are meticulously designed to mitigate—rather than entirely eliminate—enterprise risks, ensuring reasonable assurance against material financial misstatements, operational inefficiencies, and potential financial losses.

By adopting a forward-looking risk management approach, we reinforce our commitment to organizational integrity, operational excellence, and long-term stakeholder value creation.

The Board of Directors upholds the integrity and effectiveness of the internal control framework through continuous monitoring, structured assessments, and comprehensive reporting mechanisms. A multi-faceted approach ensures that governance structures remain robust, adaptable, and aligned with the organization's strategic objectives.

Key oversight measures include:

- Regular management reports that provide critical insights into control effectiveness and risk exposure.
- Independent evaluations conducted by the Internal Audit function, ensuring objective assessments of control adequacy and compliance.
- External audit reviews performed during annual financial audits, reinforcing transparency and accountability.
- In-depth risk management reports, offering a proactive analysis of emerging risks and mitigation strategies.
- Performance monitoring, with a focus on key performance indicators (KPIs) linked to internal control effectiveness.
- Direct engagement with management, enabling the Board to gain deeper insights into operational challenges and control measures.
- Periodic assessments of the internal control framework, ensuring alignment with industry best practices and regulatory expectations.
- Ongoing governance training for Board members, equipping them with the latest developments in risk management, compliance, and internal controls.

Chairman's Governance Statement

BOARD OF DIRECTORS MEETING ATTENDANCE - 2025

BOARD INVESTMENT COMMITTEE

Date		10.03.2025	09.06.2025	22.09.2025
A S M Ndegwa	Chairman	◆	◆	◆
P K Mugambi	Alternate Director	◆	◆	◆
M Manga	Director	◆	◆	◆
Norman Kelly	Director	◆	◆	◆
Doug Lacey	Director	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆
Philip Lopokoiyit	Group 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	◆	◆	◆	◆
A S M Ndegwa	Director	◆	◆	◆	◆
D G M Hutchison	Director	◆	◆	◆	◆
P K Mugambi	Alternate Director	◆	◆	◆	◆
E M Ndegwa	Director	◆	◆	◆	◆
Norman Kelly	Director	◆	◆	◆	◆
Doug Lacey	Director	◆	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆	◆
Philip Lopokoiyit	Group 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	Director	◆	◆	◆	◆
P K Mugambi	Alternate Director	◆	◆	◆	◆
Mariam Abdullahi	Director	◆	◆	◆	◆
Norman Kelly	Director	◆	◆	◆	◆
Doug Lacey	Director	◆	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆	◆
Philip Lopokoiyit	Group Chief Executive Officer	◆	◆	◆	◆

REMUNERATION & NOMINATIONS COMMITTEE

Date		03.03.2025	18.11.2025
J P M Ndegwa	Chairman	◆	◆
A S M Ndegwa	Director	◆	◆
J Wangai	Director	◆	◆
Norman Kelly	Director	◆	◆
Doug Lacey	Director	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆
Philip Lopokoiyit	Group Chief Executive Officer	◆	◆

Chairman's Governance Statement

BOARD INVESTMENT COMMITTEE

Date		10.03.2025	09.06.2025	22.09.2025
A S M Ndegwa	Chairman	◆	◆	◆
Patrick Mugambi	Alternate Director	◆	◆	◆
Mugwe Manga	Director	◆	◆	◆
Norman Kelly	Director	◆	◆	◆
Doug Lacey	Director	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆
Philip Lopokoiyit	Group 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	◆	◆	◆	◆
A S M Ndegwa	Director	◆	◆	◆	◆
D G M Hutchison	Director	◆	◆	◆	◆
Patrick Mugambi	Alternate Director	◆	◆	◆	◆
E M Ndegwa	Director	◆	◆	◆	◆
Norman Kelly	Director	◆	◆	◆	◆
Doug Lacey	Director	◆	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆	◆
Philip Lopokoiyit	Group Chief Executive Officer	◆	◆	◆	◆

BOARD INNOVATION & ICT COMMITTEE MEETING

Date		07.03.2025	09.06.2025	22.09.2025	17.11.2025
Mugwe Manga	Chairman	◆	◆	◆	◆
A S M Ndegwa	Director	◆	◆	◆	◆
Patrick Mugambi	Alternate Director	◆	◆	◆	◆
Mariam Abdullahi	Director	◆	◆	◆	◆
Norman Kelly	Director	◆	◆	◆	◆
Doug Lacey	Director	◆	◆	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆	◆	◆
Philip Lopokoiyit	Group Chief Executive Officer	◆	◆	◆	◆

REMUNERATION & NOMINATIONS COMMITTEE

Date		03.03.2025	18.11.2025
J P M Ndegwa	Chairman	◆	◆
A S M Ndegwa	Director	◆	◆
J Wangai	Director	◆	◆
Norman Kelly	Director	◆	◆
Doug Lacey	Director	◆	◆
Catherine Karimi	Company Chief Executive Officer	◆	◆
Philip Lopokoiyit	Group Chief Executive Officer	◆	◆

◆ ATTENDED ◆ NOT ATTENDED

Chairman's Governance Statement

These structured oversight mechanisms collectively enhance the Board's ability to maintain a resilient, agile, and effective internal control environment, fostering robust risk mitigation and long-term organizational stability.

COMPLIANCE & ANTI-MONEY LAUNDERING PROGRAM

The continued success of ICEA LION is deeply rooted in a culture of trust, respect, and integrity-driven conduct across all levels of the organization. We uphold the highest ethical standards and regulatory compliance through a comprehensive Anti-Money Laundering (AML) program, ensuring adherence to both local and international frameworks that promote principled and law-abiding corporate leadership.

Our corporate governance and compliance framework is guided by globally recognized best practices, including:

- The Corporate Governance Code for Private Sector Organizations
- UNEP FI Principles of Sustainable Insurance
- Anti-Money Laundering Guidelines issued by the Insurance Regulatory Authority (IRA)
- The Proceeds of Crime and Anti-Money Laundering Act (POCAMLA)
- The Kenya Data Protection Act
- The Global Reporting Initiative (GRI) Standards
- International Financial Reporting Standards (IFRS)
- The UK Corporate Governance Code
- OECD Principles on Corporate Governance
- The King IV Report on Corporate Governance
- Financial Action Task Force (FATF) Recommendations, among others

ICEA LION remains steadfast in its commitment to integrating internationally recognized corporate governance principles into its operational framework. This approach not only mitigates legal and regulatory risks but also fosters a sustainable, socially responsible, and ethically conscious corporate environment that benefits both customers and stakeholders.

Code of Business Conduct and Ethical Leadership

To reinforce ethical corporate behavior, ICEA LION's Code of Business Conduct and Ethics sets clear expectations for all employees, aligning their conduct with our core values and governance principles. This Code provides structured guidance on:

- Values-aligned decision-making, ensuring ethical behavior in all business activities.
- Avoidance of conflicts of interest, fostering transparency and accountability.
- Fair and principled customer engagements, ensuring integrity in service delivery.

The Code is further supported by internal policies and interactive training programs designed to enhance awareness and understanding of corporate ethics and compliance requirements. These programs equip employees with the necessary knowledge to navigate complex regulatory landscapes and uphold the highest standards of professional conduct.

Robust Compliance and Whistleblower Protection

Our Compliance Team plays a critical role in:

- Advising business units on regulatory and legal requirements.
- Developing, implementing, and monitoring internal compliance guidelines.
- Conducting regular training sessions to reinforce awareness of evolving governance and compliance standards.

To further strengthen our governance ecosystem, ICEA LION has established an independently managed whistleblower system that enables employees to confidentially report any irregularities or unethical conduct. Employees who raise concerns in good faith are protected from retaliation, reinforcing a culture of transparency, accountability, and ethical responsibility.

By continuously enhancing our corporate governance structures and compliance mechanisms, ICEA LION remains committed to fostering an ethically driven, risk-conscious, and regulatory-compliant corporate environment, ensuring sustainable growth and long-term stakeholder trust.

ACTUARIAL FUNCTION

ICEA LION has instituted a dedicated internal actuarial function tasked with evaluating and advising management on key actuarial matters, ensuring compliance with both statutory and regulatory obligations. This function encompasses the assessment of technical provisions, premium adequacy, pricing strategies, and overall risk exposure to enhance financial sustainability and solvency.

To further strengthen actuarial oversight and compliance with Insurance Regulatory Authority (IRA) guidelines, ICEA LION has appointed an Appointed Actuary, who is a Fellow of The Actuarial Society of Kenya (TASK). This appointment aligns with global best practices in actuarial governance, ensuring adherence to prudential regulations and fostering data-driven decision-making within the company.

CONFLICT OF INTEREST

At ICEA LION, our governance framework mandates that directors, management, and employees act with unwavering integrity and in the best interests of the company. We uphold a zero-tolerance policy for conflicts of interest, ensuring that personal, financial, or external business relationships do not compromise corporate decision-making, transparency, or stakeholder trust.

To mitigate potential conflicts, the Board has enacted a comprehensive Conflict of Interest Policy, requiring:

- Full disclosure of any financial or business interests that could create a perceived or actual conflict.
- Arm's length transactions for any business dealings involving directors or their affiliated entities.
- Mandatory recusal from discussions or decisions where an individual has a conflict of interest.

Chairman's Governance Statement

This policy ensures that all transactions are ethical, transparent, and aligned with corporate governance best practices, reinforcing ICEA LION's commitment to accountability, regulatory compliance, and corporate integrity.

DIRECTORS' EMOLUMENTS

The aggregate number of emoluments paid to Directors for services rendered during the financial year is disclosed in Note 35 to the financial statements for the year ended 31 December 2025. (Page 192)

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or Management except those disclosed in Note 35 to the financial statements for the year ended 31 December 2025. (Page 192)

REGULATORY COMPLIANCE AND ETHICAL ASSURANCE

The Board of Directors is satisfied and confident that, to the best of its knowledge, ICEA LION has implemented robust governance mechanisms and internal controls to ensure full compliance with all applicable legal, regulatory, and statutory requirements.

Furthermore, based on the Board's oversight and due diligence, there is no record or indication of any director, employee, or agent of the company having engaged in any criminally indictable offense while conducting ICEA LION's business operations. Additionally, there is no evidence to suggest that any individual or entity associated with the company has been implicated in, or used as a conduit for, money laundering, financial misconduct, or any illicit activities that contravene relevant laws and regulations.

ICEA LION remains committed to upholding the highest standards of corporate integrity, ethical conduct, and regulatory compliance, ensuring a transparent, risk-conscious, and legally compliant operational framework.

CONDUCT OF BUSINESS & PERFORMANCE REPORTING

ICEA LION operates within a structured and strategically formulated framework, ensuring that all business activities align with clearly defined objectives, annual business plans, and meticulously crafted budgets. These frameworks serve as guiding instruments for corporate decision-making, resource allocation, and long-term value creation. To uphold operational efficiency and accountability, well-defined roles, responsibilities, and delegated authority levels have been established, with all approvals granted in accordance with corporate governance best practices. The management team conducts regular performance evaluations, systematically reviewing progress against key strategic objectives and financial targets.

Additionally, a comprehensive Quarterly Business Review Report is prepared by management and formally presented to the Board of Directors. This report facilitates an in-depth assessment of financial performance, emerging risks, operational efficiencies, and strategic alignment. The Board engages in rigorous discussions, ensuring that any arising issues are identified, addressed, and mitigated in a timely manner. A continuous performance monitoring framework is in place to evaluate trends, forecasts, and variances between actual performance and budgeted projections. This proactive approach enables agile decision-making, risk mitigation, and strategic adaptability, reinforcing ICEA LION's commitment to sustainable growth, financial prudence, and corporate excellence.

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

The Board of Directors recognizes its fiduciary duty to ensure a transparent, accurate, and objective assessment of ICEA LION's financial position and future outlook. In fulfilling this responsibility, the company's financial statements are prepared in strict compliance with the International Financial Reporting Standards (IFRS) and the Kenyan Companies Act, 2015, ensuring alignment with global financial reporting best practices and regulatory requirements. To uphold the highest standards of financial integrity and credibility, these financial statements undergo independent audits conducted in accordance with International Auditing Standards (ISA). This rigorous audit process reinforces stakeholder confidence in the company's financial disclosures and governance framework.

Furthermore, the Board of Directors unequivocally acknowledges and assumes full responsibility for the preparation, accuracy, and completeness of the financial statements. The Board is also committed to providing additional relevant disclosures within this integrated report, ensuring that shareholders and key stakeholders receive meaningful, transparent, and decision-useful financial and non-financial information. This commitment reflects ICEA LION's dedication to corporate accountability, financial transparency, and ethical stewardship, fostering trust, sustainability, and long-term value creation.

Chairman's Governance Statement

STAKEHOLDER-CENTRIC GROWTH AND COMMITMENT TO EXCELLENCE

We recognize that our long-term success is intrinsically linked to maintaining a strategic balance between the interests of our key stakeholders, including customers, employees, investors, and regulatory bodies. Our targeted operating model is designed to optimize both market leadership and customer value, with a strong emphasis on customer-centricity, innovation, and sustainable growth. To drive continuous improvement, we actively track customer satisfaction metrics and brand equity, ensuring that our products, services, and engagement strategies align with evolving consumer expectations and market dynamics.

Excellence in customer experience and market performance is fundamentally dependent on the dedicated contributions and unwavering commitment of our employees.

As such, we have prioritized significant investments in talent development, offering structured learning, leadership training, and career advancement opportunities. This approach fosters a culture of empowerment, professional growth, and institutional excellence.

With these key highlights, I am honored to present statements from the Chairpersons of our Board Committees, reflecting our ongoing commitment to governance excellence, strategic oversight, and stakeholder value creation.

JOSEPH WANGAI
CHAIRMAN

Board Investments Committee Statement

ANDREW NDEGWA
COMMITTEE CHAIRMAN



“ Our Company's investment portfolio grew by Kshs 34 billion, from Kshs 180 billion to Kshs 214 billion, marking a 19% increase. Portfolio growth was driven by new business inflows and net investment income. ”

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:

- 

Reviewing and recommending to the Board the Company's asset allocation policies and strategies including asset liability matching.
- 

Reviewing investment policies and strategies.
- 

Monitoring compliance with the approved investment strategy including investment mix.
- 

Monitoring the performance of the investment portfolio.
- 

Recommending investment proposals to the Board for approval and overseeing investment projects.
- 

Engaging and overseeing the performance of investment managers and consultants.

FOCUS AREAS IN 2025

The Committee reviewed various investment opportunities during the year, including corporate debt, credit linked notes, select private credit, infrastructure debt opportunities and offshore mutual funds to further enhance portfolio yield and support geographic diversification. In addition, the property portfolio continued to be reviewed for expansion and optimization of income generation. To enable timely execution of approved opportunities, management of investments transitioned from an advisory to a discretionary mandate with the Investment Manager.

Finally, Sovereign credit risk developments were monitored, with Fitch affirming Kenya's long-term foreign currency rating at B- (Stable) and Moody's upgrading Kenya's rating to B3 (Stable). The rating actions reflected improved external liquidity, successful liability management operations, and continued access to international capital markets.

Both agencies underscored persistent fiscal pressures, elevated debt servicing costs and constrained fiscal consolidation as key structural risks. These dynamics remain relevant for our portfolio positioning given their influence on domestic interest rates, currency stability and overall market risk.

INVESTMENT PERFORMANCE

Our Company's investment portfolio grew by Kshs 34 billion, from Kshs 180 billion to Kshs 214 billion, marking a 19% increase. Portfolio growth was driven by new business inflows and reinvested net investment income after settling claims and expenses. This was achieved in a declining interest rate environment and subdued inflation, alongside a stable Kenyan Shilling. These conditions supported a recovery in bond and equity markets, generating significant revaluation gains on listed securities.

Board Investments Committee Statement

In line with our liability profile, Government securities continued to constitute the primary asset class within the portfolio, representing 64% of total investments. Inflation remained well contained throughout 2025, averaging 4.0%–4.5% and staying within the Central Bank of Kenya's target range, supported by exchange rate stability, favorable food supply conditions and subdued demand pressures. In response, the Kenyan Monetary Policy Committee implemented a cumulative 225 basis point reduction in the Central Bank Rate during the year, leading to lower interbank and Treasury bill rates amid ample financial system liquidity. Against this backdrop, the portfolio recorded notable revaluation gains relative to 2024, as declining interest rates led to higher bond prices.

As part of our ongoing effort to optimize investment returns while managing risk and volatility, Cash and cash equivalents accounted for 24% of total investments, equivalent to Kshs 51 billion. This strong liquidity position provides strategic flexibility, enabling us to act decisively and deploy capital at scale when compelling investment opportunities arise. Combined with continued investment in our capabilities and a disciplined long-term investment horizon, we are well placed to allocate capital prudently and generate sustainable, meaningful returns over time.

Our equities portfolio, which accounts for roughly 6% of total investments, continued to drive strong performance. By adhering to a disciplined, fundamentals-based approach, it delivered a 50% return, surpassing the NSE-25 Share Index's 48% gain for the year. Finally, our real estate portfolio, comprising roughly 5% of total investments, delivered a revaluation gain, on the back of higher occupancy and increased rental income. Moreover, we remain committed to our strategic development plans, selectively increasing exposure to this asset class to diversify the overall portfolio and boost property yields.

LOOKING FORWARD

For the year 2026, we maintain a cautiously optimistic view on the macroeconomic outlook. Continued monetary accommodation, improving credit conditions and stable inflation provide a supportive environment, though risks persist from fiscal consolidation pressures, elevated domestic borrowing needs, commodity price volatility, potential election-related and broader geopolitical uncertainty.

ANDREW NDEGWA
COMMITTEE CHAIRMAN

Board Audit & Risk Management Committee Statement

KAIRO THUO
COMMITTEE CHAIRMAN



“ *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* **”**

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:

COMPANY CAPITAL ADEQUACY

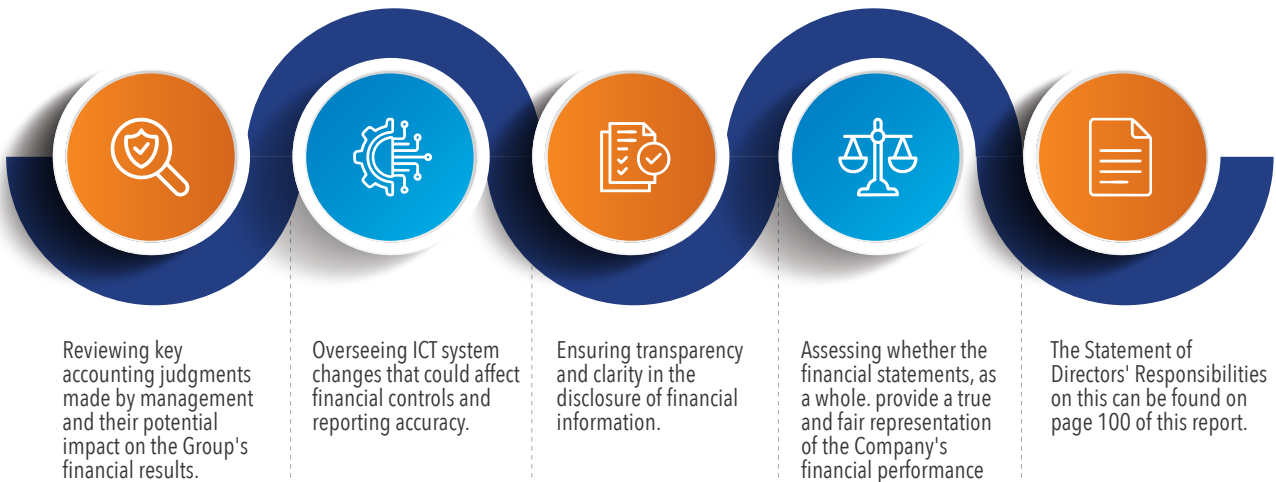
The Committee reviewed the Company’s capital adequacy and confirmed that it remains at an acceptable level. Additionally, the Company’s capital management strategy was deemed robust and well-aligned with its intended growth objectives.

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.



Board Audit & Risk Management Committee Statement

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 page 76 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 and non-financial information, and capital expenditure.
- A thorough period-end review process, including reviews and commentary from process owners.
- A tiered review process for external financial reports, involving internal stakeholders from relevant business areas.

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

INTERNAL AUDIT

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

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

The Committee approved the Company’s annual Internal Audit Plan, which was developed through a robust risk assessment of the Company’s auditable universe.

The Internal Audit function executed its mandate by issuing regular 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:

Information Technology ILMS System Audit (Claims and Reassurance) MEETING DATES 25 th March 2025	Operations Annuities and Income Draw Down MEETING DATES 25 th June 2025	Finance Bank Reconciliations MEETING DATES 25 th June 2025
Information Technology Digital Channels and Customer Experience MEETING DATES 25 th September 2025	Operations Branches and Retail Network MEETING DATES 25 th September 2025	Finance Investment Properties MEETING DATES 25 th September 2025
Business Development New Business Acquisition MEETING DATES 25 th September 2025	Information Technology Cyber Security MEETING DATES 25 th September 2025	Compliance & Regulatory Anti-Money Laundering MEETING DATES 25 th September 2025

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 Remuneration & Nominations Committee Statement

JAMES NDEGWA
COMMITTEE CHAIRMAN



“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.”

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 2025 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

Board Remuneration & Nominations Committee Statement

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.

Board Remuneration & Nominations Committee Statement



MS. SALLY GITAU
COMPANY SECRETARY,
ICEA LION GROUP

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.

IN CONCLUSION

The Committee is satisfied that, during 2025, 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 & ICT Committee

MUGWE MANGA
COMMITTEE CHAIRMAN



“*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.*”

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 execution time 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. 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 insight. 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, 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, 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.

Board Innovation & ICT Committee

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 toward 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 modernisation, 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 teams, Data and Analytics colleagues, 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
COMMITTEE CHAIRMAN



Governance on Sustainability (ISSB, GRI, TNFD)

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 Risk Committee of the Board will double as the ESG Committee, providing clear strategic direction, oversight and accountability for sustainability matters across the Group. 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 of General Insurance, Life Insurance, Asset Management and Trust businesses, embedding sustainability governance at subsidiary and business-line level. Management Roles and Implementation

Senior management is responsible for the execution of the sustainability strategy and for integrating sustainability IROs into underwriting, investment decisions, operations, product development and stakeholder engagement. Management is supported by a dedicated ESG function and a network of ESG Champions across subsidiaries and departments, who drive implementation, data collection, awareness and continuous improvement. This structure strengthens accountability and ensures sustainability considerations are embedded across functions and geographies.

INTEGRATION WITH RISK MANAGEMENT (ISSB S1 AND 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 oversight 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.



Ruiru tree planting



RISK LANDSCAPE

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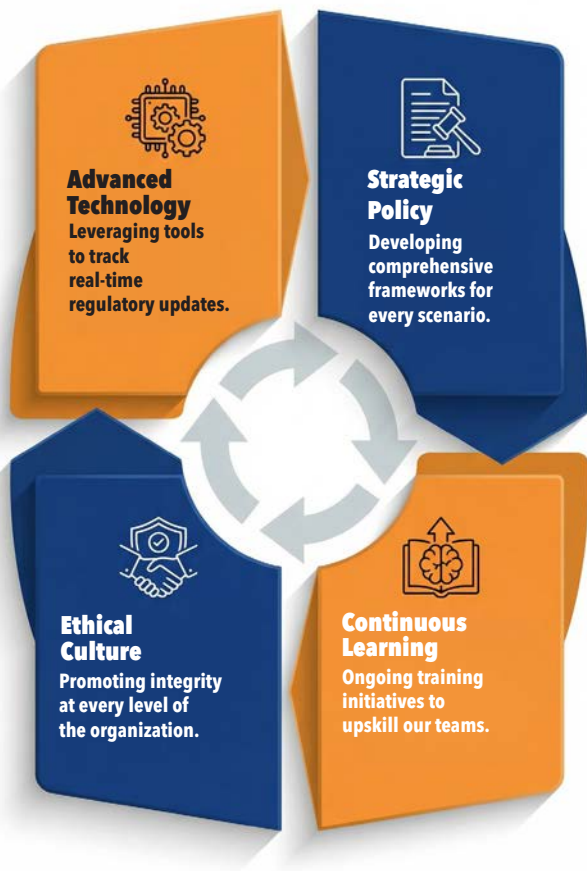
78 MANAGING SUSTAINABILITY RELATED IMPACTS, RISKS AND OPPORTUNITIES

Our Risk Landscape

OUR RISK LANDSCAPE

We recognize that Governance, Risk and Compliance (GRC) 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, ICEALION remains a steadfast protector against uncertainty.

THE THREE LINES OF DEFENSE

THE THREE LINES OF DEFENSE



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.

Our Risk Landscape

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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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:



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.

Managing Sustainability Related Impacts, Risks and Opportunities

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.

Managing Sustainability Related Impacts, Risks and Opportunities

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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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 Life, General, Asset Management, and Trust businesses, with performance tracked on a monthly basis. This enabled the Group to move beyond ad hoc reporting toward 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, deeper staff capacity on IFRS S1 & 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 (S1 and 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 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 & S2:** Transitioning from Integrated Reporting commenced, supported by targeted capacity building to ensure climate and sustainability-related financial disclosures are decision-useful.
- **TNFD:** ICEA LION maintained its early adopter status, preparing for TNFD-aligned disclosures covering Financial Year 2025.
- **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.

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 & 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 & 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 & S2, TNFD, GRI.

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

ESG Performance Report

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.

- **2025:** One ESG and climate-related investment amounting to KES 705 million was made through investment in the Safaricom Green Bond across Life and General Insurance portfolios.
- **2024:** In 2024, the Group invested KES 84 million in the Acorn Green Bond, which was redeemed early in October 2024.

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

ii. ESG Screening of Investments

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 KES 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.

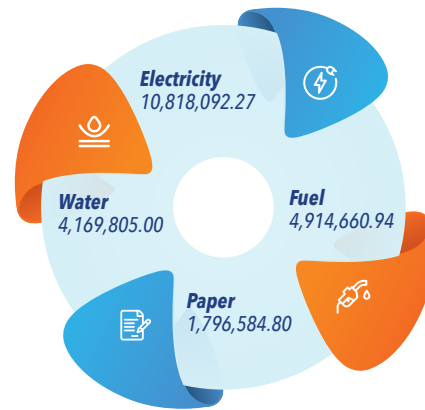
Alignment: PSI, NDSI, climate adaptation and mitigation objectives, TNFD.

iv. Procurement, Resource Consumption & Supplier ESG Management

Resource Consumption and Operational Efficiency (Procurement-Led Data)

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.

2025 Resource Consumption Costs (Procurement):



Comparison with 2024:

- In 2024, electricity costs totaled KES 12,604,051.37 and fuel costs amounted to KES 2,769,751.20, 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 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.

- **100 percent of 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.

ESG Performance Report

- 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 Group's 2026 priorities by:

- Enhancing tracking from **cost-based to consumption-based metrics** for water, electricity, fuel, and paper
- Deepening supplier ESG training and risk differentiation
- Integrating ESG performance considerations into supplier selection, renewal, and performance evaluation processes.

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:

- Agriculture
- Tourism and Hospitality
- Health
- Technology and Telecommunications

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:** KES 7.31 million via WhatsApp and KES 17.01 million via the Agent App.
- Environmental benefits include reduced paper use, improved efficiency and enhanced customer accessibility.

D. Customers

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.

E. Social Economic

i. Partnerships & 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 Key note 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.

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 & 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

ii. Insurance products

ICEA LION Life Retirement income policies and Child Education Assurance policies supported income security for senior citizens and continuity of education for children, reducing reliance on public welfare and bursary schemes.

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 35.

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.

The tables below highlight the Company's business activities with significant exposure to transition risk:

TRANSITION RISK

Changes in technology and consumer preference

RELEVANCE TO ICEA LION
The current insurance offerings may not be adequate to cater for shifting consumer preferences towards technology and assets that are environmentally friendly such as solar panels and electric vehicles.

BUSINESS LINE & VALUE CHAIN IMPACTED
Underwriting :
Adverse impact to premium income in the medium to long term. The need to align re-insurance treaties to incorporate risk sharing for new types of insurance cover.

TRANSITION RISK

Policy Changes

RELEVANCE TO ICEA LION
Changes in the policies aimed at supporting a low carbon economy such as environmental standards, fuel regulations and enhanced compliance requirement may affect the financial performance and existing risk profile of insured clients

BUSINESS LINE & VALUE CHAIN IMPACTED
Underwriting:
Across the value chain, policy changes impact underwriting and risk assessment, pricing decisions, reinsurance structuring, and investment management where exposure to carbon intensive sectors may require reassessment to protect capital and long-term portfolio 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 topic 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 the two 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:

TRANSITION RISK

Market Changes

RELEVANCE TO ICEA LION
Market shifts arise from changing consumer preference, investor expectations and industry competitiveness, this is relevant to the Motor line (transition to electric vehicles), Engineering (renewable energy projects), and property portfolios.

BUSINESS LINE & VALUE CHAIN IMPACTED
Product Development and Underwriting
Market changes influence product development, underwriting strategy, distribution channels, investment portfolio allocation requiring ongoing adaption to ensure competitiveness, risk adequacy and sustainable value creation.

TRANSITION RISK

Regulatory and Compliance Risk

RELEVANCE TO ICEA LION
If the regulator introduces climate related standards or stricter requirements for the high carbon exposures, the business may need to review and reduce underwriting appetite for high carbon sectors such as manufacturing industries

BUSINESS LINE & VALUE CHAIN IMPACTED
Underwriting, Risk and Compliance and Finance:
Additional Costs for the improvement of the systems and increase in the reporting and compliance requirements. Changes in the capital treatment for high carbon exposures may affect solvency ratios and underwriting appetite.

Climate Risk

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 it's 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 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.

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.

Climate Risk

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.

- a). Integrate climate hazards into underwriting guidelines by apply 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
- b). 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

For the year 2025 there has been no specific annual losses that are attributable to insurance payouts as well as incurred losses of insurance products from flood

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 underwriting profit.

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 (SOFP) 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 Risk

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 through



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 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.

Climate Risk

iii Other Cross Industry Metrics

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

Metric	Qualitative description
Assets or business activities vulnerable to transition risks	The Group has motor vehicles which are subject to regulatory changes, shifting fuel standards, and evolving market preference
Assets or business activities vulnerable to physical risks	The Group has primary asset that are vulnerable to physical climate risks.
Assets or business activities aligned to climate-related opportunities	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.
Capital expenditure, financing or investment deployed in climate-related risks and opportunities	ICEA LION Life Kenya as deployed KShs. 30.9 million in ESG aligned investments directly targeting climate related opportunities.
	At this stage, ICEA LION Life Uganda has not deployed specific capital expenditure, financing, or investments directly targeting climate-related risks or opportunities

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



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.

Nature and Biodiversity

Below is a summary of climate and nature related opportunities:

CLIMATE AND NATURE-RELATED OPPORTUNITIES

Opportunity	Product	Impact
Sustainable agriculture	DRIVE	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.
Climate adaptation solutions	Geothermal	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.
Nature positive solutions	MSO Environmental Impairment Liability	Environmental Impairment Liability and Medical Second Opinion: These products continued to support pollution risk management and sustainable healthcare outcomes respectively.
Investments aligned with ecosystem restoration and conservation.	ESG aligned investments	In 2025 , ICEA LION materially increased its allocation to ESG and climate-related investments. 2025: One ESG and climate-related investment amounting to KShs. 705 million was made through investment in the Safaricom Green Bond across Life and General Insurance portfolios. 2024 : In 2024, the Group invested KShs. 84 million in the Acorn Green Bond, which was redeemed early in October 2024. Growth: This represents a year-on-year increase of over 700 percent in ESG investment value, demonstrating a deliberate shift toward scaling sustainable finance.

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

- 91 HUMAN CAPITAL STRATEGIC PRIORITIES
- 91 CORPORATE CULTURE
- 93 TALENT ATTRACTION, DEVELOPMENT AND ATTRITION
- 94 EMPLOYEE ENGAGEMENT
- 94 DIVERSITY EQUITY AND INCLUSION
- 96 CREATING A HEALTHY, SAFE WORKPLACE AND HUMAN RIGHTS

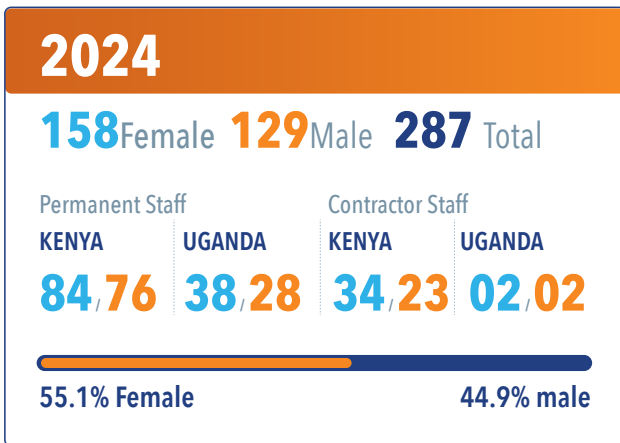
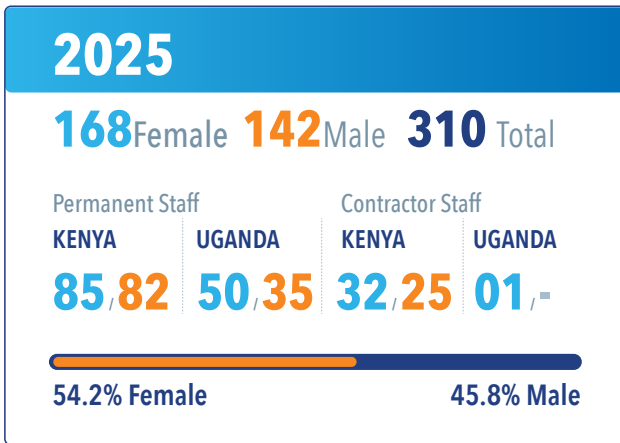
Human Capital

HUMAN CAPITAL STRATEGIC PRIORITIES

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 a great intention to serve our customers 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. This intent can be summarized across five strategic priorities;

- Corporate culture
- Talent attraction, development and attrition
- Employee engagement
- Diversity equity and inclusion
- Creating a healthy, safe workplace and human rights

OUR STAFF COMPLEMENT



● Females ● Males

CORPORATE CULTURE

ICEA LION Culture is anchored on our shared vision, values and behaviors 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 behaviors in executing our business strategy.

The leadership team is committed to continuously review our culture transformation journey since the launch of the culture TREEMS behaviors in 2023. In April 2025, we held out 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 behaviors. 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 behaviors 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 behaviors and demonstrate tangible business results. During the end of year staff party in December 2025, we celebrated and recognized the Top 10 awards where the Life Business was awarded four (4) 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).

Corporate culture



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 24x7 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 28.8 hours. Some of the development activities we undertook in the year under review are as follows;

During the year under review we have had nine (9) employees who were promoted and an attrition rate of 6% in Kenya.

It is the intent of ICEA LION to keep talented and high performers employees. Throughout the year under review have undertaken efforts to ensure that employees have a clear understanding of the 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.

2025

Technical and Professional Training Technical & Professional Training (headcount)	136
Africa Re Young Insurance Professionals Programme	01
Compliance and Regulatory Training AML/CFT & Data Privacy & Protection (compliance)	82%
UFAA Compliance	04
Data Literacy	75%

2024

Technical and Professional Training Technical & Professional Training (headcount)	89
Africa Re Young Insurance Professionals Programme	-
Compliance and Regulatory Training AML/CFT & Data Privacy & Protection (compliance)	88%
UFAA Compliance	-
Data Literacy	-

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 to equally attract diverse talents. 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 in diversity and inclusion, provide opportunities for growth, creativity, innovation and varied work assignments, provide competitive total rewards, and work/life balance.
- ICEA LION brand is a legacy of trust in all its interactions with the 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 in enhancing the employee experience. Some of the notable intents in the year under review are the following;

- 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 SuccessFactors 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.
- To assess and improve 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 organizational performance. This initiative is an enabler for expertise sharing and organizational learning and knowledge retention and reduction of knowledge loss in the event of employee attrition. The Simba iHub is to enhance social sharing of knowledge, deepen cross-functional collaboration, sparks ideas and conversations that spur innovation and drive a culture of continuous learning at ICEA LION.



Annual Simba Excellence Awards, December 2025



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" conducted that garnered the highest ever participation at an average rate of 97%, the highlights of the results are as follows;

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

Employee Engagement Index			Net Promoter Score Index			Retention Index		
Country	2025	2024	Country	2025	2024	Country	2025	2024
Kenya	85%	88%	Kenya	16	9	Kenya	51	52
Uganda	92%	87%	Uganda	43	19	Uganda	75	59
On average, 89% of our employees feel connected and are committed to ICEA LION Life Assurance Co.			Employees are happy to recommend ICEA LION Life Assurance Co. to others			Level of willingness to continue working for ICEA LION		
2025 average EEI of 89%			2025 average NPS of 30:			2025 Retention average of 63:		
FY2024: 88% ↗			FY2024: 14 ↗			FY2024: 56 ↗		



DIVERSITY EQUITY AND INCLUSION (DEI)

ICEA LION has a diverse staffing complement that is multigenerational and multitalented presenting a valuable asset for the organization. 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 organization 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;

- ICEA LION Engagement Council**

ICEA LION being a multigenerational, there has been a notable increase of young employees specifically the Gen Z generation who are joining the organization. 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.

Diversity and Inclusion Index

Country	2025	2024
Kenya	81%	76%
Uganda	99%	86%

The extent to which employees feel they are treated with dignity and respect

D&I of an average of 90%:

FY2024: 81% ↗

Diversity Equity and Inclusion (DEI)

- 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 recognized and celebrated the role and contribution of our female employees in society and towards the success of our organization, 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.



We celebrated our female staff during women's month, 25th March 2025



Engaged our male staff during the mens' month, November 2025

Creating a Healthy, Safe Workplace and Human Rights

ICEA LION strives to ensure to maintain 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 are now opened up for internal candidates and filled competitively.

ICEA LION strives to uphold an ethical working environment through our organization values. The values are codified in the organization's codes of conduct and in the organization'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 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;

- **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.

- **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 enhance visibility and reduce the risk of slips, trips, and errors associated with poor illumination.

- **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.

- **Gym and Wellness Facilities**

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

- **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 rating and collaboration.



- **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 DOSH and appropriate and external Audits completed in 2025. They contribute to a safer, healthier, and more productive workplace for all occupants of ICEA LION Centre in addition to compliance with statutory guidelines.





AUDITED FINANCIAL STATEMENTS AND RELATED NOTES

- 98 REPORT OF THE DIRECTORS**
- 100 STATEMENT OF DIRECTORS' RESPONSIBILITIES**
- 101 REPORT OF PARENT COMPANY CONSULTING ACTUARY**
- 102 INDEPENDENT AUDITOR'S REPORT**

Report of The Directors

The directors have the pleasure of presenting their report together with the audited financial statements of ICEA LION Life Assurance Company Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2025.

BUSINESS REVIEW

The principal activities of the Group are the transaction of life insurance business and pension schemes administration in Kenya. The Group is also involved in the transaction of life, pension scheme administration and asset management businesses in Uganda. The Group and Company's 5 year financial highlights including ratios are summarised on page 30.

The Group's activities expose it to a variety of financial risks, including underwriting risk, credit risk, the effects of changes in debt and equity market prices, and interest rates. The Group's overall risk management programme focuses on the identification and management of risks and the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. These policies include the use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place, which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk. Further, the internal audit and risk and compliance functions help to ensure that these policies are adhered to. The Group's risk management objectives and policies are detailed out in Note 4 and on page 133.

RESULTS

	Long-term business	Short-term business	2025 Total	2024 Total
	Kshs' 000	Kshs' 000	Kshs' 000	Kshs' 000
Profit before income tax	4,880,851	635,402	5,516,253	4,770,383
Income tax expense	(1,775,018)	(78,876)	(1,853,894)	(1,176,663)
Profit for the year	3,105,833	556,526	3,662,359	3,593,720

DIVIDENDS

Net profit for the year of Kshs 3,662,359,000 (2024: Net Profit of Kshs 3,593,720,000) has been added to retained earnings. The Directors recommend a final dividend of Kshs 26.13 per share amounting to Kshs 1,470 million (2024: Kshs 18.67 per share amounting to Kshs 1,050 million).

DIRECTORS

The directors who held office during the year and to the date of this report are as set out on page 18.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

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

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

Report of The Directors

TERMS OF APPOINTMENT OF AUDITORS

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

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

PROFESSIONAL INDEMNITY COVER

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

APPROVAL OF FINANCIAL STATEMENTS

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

By Order of the Board



SECRETARY

Date: 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 Life Assurance Company Limited (the "Group and Company") set out on pages 108 to 199 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 as an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with IFRS® Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

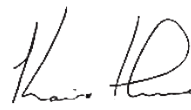
The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not be a going concern for at least the next twelve months from the date of this statement.

APPROVAL OF THE FINANCIAL STATEMENTS

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



Chairman



Director

Date: 13 March 2026

Report of The Parent Company Consulting Actuary

I have conducted an actuarial valuation of the long term business of ICEA LION Life Assurance Company Limited and ICEA LION Life Assurance Company (Uganda) Limited as at 31 December 2025.

The valuations were conducted in accordance with the requirements of IFRS 17, generally accepted actuarial principles and the requirements of the Kenyan and Ugandan Insurance Acts. Those principles require prudent provision for future outgo under contracts, generally based upon the assumptions that current conditions will continue. Provision is therefore not made for all possible contingencies.

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

In my opinion, the long term business of the Group and Company were financially sound and the actuarial value of the liabilities in respect of all classes of long term insurance business did not exceed the amount of funds of the long term business at 31 December 2025.



Timothy Machira - Fellow of the Actuarial Society of Kenya and Fellow of the Institute and Faculty of Actuaries, U.K.

Date: March 2026



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Independent Auditor's Report To The Members of ICEA LION Life Assurance Company Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of ICEA LION Life Assurance Company Limited ("the Group and Company") set out on pages 98 to 199, 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 financial statements, including summary of material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of ICEA Lion Life Assurance Company Limited as at 31 December 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 Standard 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
BM Ndung'u
BO Amukah
GM Kasimu
JI Kariuki
JM Gathecha
JM Ndunyu

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



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

Key audit matters (Continued)

Valuation of insurance contract liabilities and reinsurance contract assets

See below reference notes

- 2 (b) Insurance, reinsurance and investment contracts,
- 3 Critical accounting estimates & judgement in applying accounting policies,
- 4.1 Insurance risk,
- 23 Reinsurance contract assets
- 29 Insurance and reinsurance contracts.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>As at 31 December 2025, the Group and the Company recognized insurance contract liabilities, as well as reinsurance contract assets, arising from their insurance operations. The Group and Company applies IFRS 17 Insurance contracts to insurance contracts and reinsurance contracts it holds (together the "insurance contract liability balances").</p> <p>As at 31 December 2025, the value of re-insurance contract assets for the group amounted to KShs 536.2 million and KShs 148.8 million for Company, The insurance contract liabilities balance was KShs 200.4 billion for the Group and KShs 184.5 billion for the Company.</p> <p>The group applied Premium Allocation Approach (PAA) on group risks(Group life, group credit, group mortgage), Deposit Administration, Personal benefit schemes, Income drawdown fund and ordinary life reinsurance. Other contracts were accounted for under the General measurement model (GMM) for annuities and variable fee approach (VFA) for Unit Linked Product (ULP).</p> <p>The insurance contract liability balance reflects, within the liability for remaining coverage component, the premiums received for which insurance cover should still be provided and outstanding premiums for which cover has already been 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>As at 31 December 2025, the value of re-insurance contract assets for the group amounted to KShs 536.2 million and KShs 148.8 million for Company, The insurance contract liabilities balance was KShs 200.4 billion for the Group and KShs 184.5 billion for the Company.</p> <p>The group applied Premium Allocation Approach (PAA) on group risks(Group life, group credit, group mortgage), Deposit Administration, Personal benefit schemes, Income drawdown fund and ordinary life reinsurance.</p>	<p>Our audit procedures in this area included:</p> <p>Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and Group accounting policy in accordance with IFRS 17.</p> <p>We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data (market data) and our assessment of the Group's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the following assumptions:</p> <ul style="list-style-type: none"> - The confidence levels applied in the determination of the risk - adjustment for non-financial risk, non-financial assumptions (mortality, longevity, lapses/withdrawal, initial and renewal expenses, acquisition costs, maintenance expenses, premium collection rate), economic assumptions (inflation, discount rate and associated illiquidity premium) by comparing to historical claims experience and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors. - We tested the effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management. <p>Our audit procedures in this area included:</p> <p>Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and Group accounting policy in accordance with IFRS 17.</p> <p>We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data (market data) and our assessment of the Group's analysis of experience to date and allowance for future uncertainty.</p>



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

Key audit matters (Continued)

Report on the audit of the financial statements (Continued)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>Other contracts were accounted for under the General measurement model (GMM) for annuities and variable fee approach (VFA) for Unit Linked Product (ULP).</p> <p>The insurance contract liability balance reflects, within the liability for remaining coverage component, the premiums received for which insurance cover should still be provided and outstanding premiums for which cover has already been 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 insurance contract liability and reinsurance asset balances, management applies significant judgment. Various assumptions are made including probability-weighted estimate assumptions regarding the expected claims and lapses, expected premiums on insurance contracts, expected directly attributable expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.</p> <p>The most significant assumptions made in the valuation of insurance contract liability balances arising from the Group's insurance contracts relate to:</p> <ul style="list-style-type: none"> – Future mortality, longevity, morbidity and policyholder behavior; – Persistency assumptions with regard to lapse, surrender and paid-up rates; – Future maintenance expenses; – Discount rates; – Inflation; and – Risk adjustment for non-financial risk. <p>We considered the valuation of insurance contract liability balances to be a key audit matter in our audit of the financial statements because of the following:</p> <p>(i) The significant judgements and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; The use of complex actuarial methods, together with significant judgements and assumptions; and</p> <p>The material nature of the insurance contract liability balances and the related disclosures in the consolidated financial statements as at 31 December 2025</p>	<p>Our challenge focused on the following assumptions:</p> <ul style="list-style-type: none"> – The confidence levels applied in the determination of the risk – adjustment for non-financial risk, non-financial assumptions (mortality, longevity, lapses/withdrawal, initial and renewal expenses, acquisition costs, maintenance expenses, premium collection rate), economic assumptions (inflation, discount rate and associated illiquidity premium) by comparing to historical claims experience and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors. – We tested the effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management. – We evaluated the accuracy of the risk adjustment for non-financial risk, including calculation method, and its related release by conducting – walkthroughs of the risk adjustment models and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors. – We evaluated the reasonability of the build-up and changes in the probability-weighted best estimate liabilities (BEL), risk adjustment (RA) and contractual service margin (CSM), comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management / governance structures – We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17. – Where management applied the premium allocation approach (PAA) to measure a group of contracts, we also assessed compliance of these groups with the eligibility criteria in IFRS 17. – For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to actual historical trend and key ratios; and – We assessed the adequacy of the insurance contract balances disclosures in the consolidated financial statements in accordance with IFRS 17 requirements.



Other information

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

Director's 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 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. 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.

Report on the audit of the financial statements (Continued)

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

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

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015, we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion, the information in the report of the directors on pages 98 to 99 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 on behalf of

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

Date: ³¹..... March 2026



UNIQUE CODE: 76075260331



FINANCIAL STATEMENTS

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2025

	Notes	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance revenue	5(a)	10,335,531	-	10,335,531	8,721,465	-	8,721,465
Insurance service expenses	5(b)	(7,695,527)	-	(7,695,527)	(5,214,646)	-	(5,214,646)
Net expenses from reinsurance contracts	5(c)	(121,270)	-	(121,270)	(240,083)	-	(240,083)
Insurance service result		2,518,734	-	2,518,734	3,266,736	-	3,266,736
Interest revenue calculated using the effective interest method	6	31,296,994	358,060	31,655,054	28,023,427	573,639	28,597,066
Other investment income							
Net impairment loss on financial assets	6(b)	223,942	1,815	225,757	(358,457)	-	(358,457)
Foreign exchange gain		2,790	-	2,790	828	-	828
Total Investment return		31,523,726	359,875	31,883,601	27,665,798	573,639	28,239,437
Net finance (expenses) / income from insurance contracts	7	(10,709,901)	-	(10,709,901)	(11,102,929)	-	(11,102,929)
Movement in investment contract liabilities	8	(17,900,677)	-	(17,900,677)	(14,931,962)	-	(14,931,962)
Net financial result		2,913,148	359,875	3,273,023	1,630,907	573,639	2,204,546
Other finance (loss) / income	9(a)	(17,192)	8,482	(8,710)	145,738	3,431	149,169
Other operating expenses	9(b)	(551,691)	(17)	(551,708)	(1,109,805)	(30)	(1,109,835)
Total expenses		(568,883)	8,465	(560,418)	(964,067)	3,401	(960,666)
Share of profit of equity-accounted investees (EARe) net of tax		-	267,062	267,062	-	248,536	248,536
Share of profit of equity-accounted investees (ILAM Uganda) net of tax		17,852	-	17,852	11,231	-	11,231
Profit before tax		4,880,851	635,402	5,516,253	3,944,807	825,576	4,770,383
Income tax expense	10(a)	(1,775,018)	(78,876)	(1,853,894)	(1,063,797)	(112,866)	(1,176,663)
Profit for the year attributable to shareholders		3,105,833	556,526	3,662,359	2,881,010	712,710	3,593,720
Other comprehensive income, net of tax: Items that may subsequently be reclassified to profit or loss							
Exchange differences in translating foreign operations		14,032	-	14,032	(200,687)	-	(200,687)
Total comprehensive income for the year		3,119,865	556,526	3,676,391	2,680,323	712,710	3,393,033
Change in associate profit		-	(61,817)	(61,817)	-	(81,334)	(81,334)
Total comprehensive income for the year		3,119,865	494,709	3,614,574	2,680,323	631,376	3,311,699
Attributable to:							
Equity holders of the parent		3,119,865	494,709	3,614,574	2,680,323	631,376	3,311,699
Non-controlling interest					-	-	-
Earnings per share (Basic and Diluted)	11(a)			65.11			63.89

The notes on pages 115 to 199 are an integral part of the financial statements

Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance revenue	5(a)	7,984,976	-	7,984,976	6,980,322	-	6,980,322
Insurance service expenses	5(b)	(5,825,293)	-	(5,825,293)	(4,036,521)	-	(4,036,521)
Net expenses from reinsurance contracts	5(c)	(15,704)	-	(15,704)	(166,684)	-	(166,684)
Insurance service result		2,143,979	-	2,143,979	2,777,117	-	2,777,117
Interest revenue calculated using the effective interest method	6	29,049,045	358,060	29,407,105	26,341,083	573,639	26,914,722
Net impairment loss / write back on financial assets	6(b)	236,194	1,815	238,009	(345,060)	-	(345,060)
Total Investment return		29,285,239	359,875	29,645,114	25,996,023	573,639	26,569,662
Net finance (expenses) / income from insurance contracts	7	(9,852,278)	-	(9,852,278)	(10,443,987)	-	(10,443,987)
Movement in investment contract liabilities	8	(16,866,978)	-	(16,866,978)	(14,206,654)	-	(14,206,654)
Net financial result		2,565,983	359,875	2,925,858	1,345,382	573,639	1,919,021
Other finance income	9(a)	35,372	8,482	43,854	81,847	3,431	85,278
Other operating expenses	9(b)	(468,265)	(17)	(468,282)	(953,927)	(30)	(953,957)
Total expenses		(432,893)	8,465	(424,428)	(872,080)	3,401	(868,679)
Profit before tax		4,277,069	368,340	4,645,409	3,250,419	577,040	3,827,459
Income tax expense	10(a)	(1,536,846)	(78,876)	(1,615,722)	(888,991)	(112,866)	(1,001,857)
Profit for the year attributable to shareholders		2,740,223	289,464	3,029,687	2,361,428	464,174	2,825,602
Total comprehensive income for the year		2,740,223	289,464	3,029,687	2,361,428	464,174	2,825,602
Earnings per share (Basic and Diluted)	11(a)			53.86			50.23

The notes on pages 115 to 199 are an integral part of the financial statements

Consolidated Statement of Financial Position

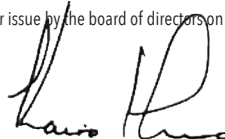
As At 31 December 2025

Notes	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
ASSETS							
Investment properties	17	9,168,000	1,523,000	10,691,000	8,799,000	1,489,000	10,288,000
Motor vehicle and equipment	14	313,577	-	313,577	329,730	-	329,730
Intangible assets	15	80,890	-	80,890	70,805	-	70,805
Right-of-use assets	16	256,320	-	256,320	309,795	-	309,795
Investment in associate (ILAM Uganda and EARE)	20	49,960	2,517,110	2,567,070	31,835	2,285,997	2,317,832
Deferred income tax	31	46,306	50,982	97,288	46,306	50,982	97,288
Mortgage loans	22(a)	621,085	-	621,085	581,173	-	581,173
Government securities:							
-at amortised cost	26	104,509,230	346,430	104,855,660	81,582,717	-	81,582,717
-held at fair value through profit or loss	26	50,503,067	318,211	50,821,278	36,942,912	50,098	36,993,010
Corporate bonds at amortised cost	25	1,111,343	44,534	1,155,877	224,793	-	224,793
Kenya motor pool balance	21	-	25,066	25,066	-	27,024	27,024
Equities securities:							
-at fair value through profit or loss	18(a)	12,271,379	-	12,271,379	8,034,195	-	8,034,195
Statutory deposit	27	92,290	-	92,290	78,418	-	78,418
Subordinated loan	19(d)	-	64,516	64,516	-	129,033	129,033
Reinsurance contract assets	23	536,243	-	536,243	486,321	-	486,321
Current income tax	10(b)	-	71,995	71,995	85,549	-	85,549
Other receivables	24	1,139,127	229,550	1,368,677	1,080,916	118,301	1,199,217
Due from long term business	24(b)	(1,369,957)	1,369,957	-	(941,698)	941,698	-
REIT Investment	(b)18	286,754	248,837	535,591	272,114	260,901	533,015
Deposits with financial institutions	27	47,121,072	961,824	48,082,896	52,116,936	1,449,317	53,566,253
Cash and bank balances	32(b)	1,334,815	73,909	1,408,724	135,338	3,391	138,729
Total assets		228,071,501	7,845,921	235,917,422	190,267,155	6,805,742	197,072,897
Equity							
Ordinary shares	28	150,000	975,000	1,125,000	150,000	975,000	1,125,000
Share premium	11(b)	-	1,125,000	1,125,000	-	1,125,000	1,125,000
Statutory reserve	12	20,503,299	-	20,503,299	18,867,466	-	18,867,466
Translation reserve	12	-	(358,606)	(358,606)	-	(372,638)	(372,638)
Revaluation reserve	12	-	(4,786)	(4,786)	-	(4,787)	(4,787)
Retained earnings		-	3,888,511	3,888,511	-	3,393,802	3,393,802
Proposed dividend	28(c)	-	1,470,000	1,470,000	-	1,050,000	1,050,000
Total equity		20,653,299	7,095,119	27,748,418	19,017,466	6,166,377	25,183,843
Liabilities							
Current income tax	10(b)	112,786	-	112,786	66,016	21,233	87,249
Lease liabilities	34	338,602	-	338,602	442,145	-	442,145
Other payables	30	1,899,904	488,460	2,388,364	1,612,381	371,292	1,983,673
Life Insurance contract liabilities	29	200,429,344	-	200,429,344	165,386,445	-	165,386,445
Deferred income tax	31	4,637,566	262,342	4,899,908	3,742,702	246,840	3,989,542
Total liabilities		207,418,202	750,802	208,169,004	171,249,689	639,365	171,889,054
Total equity and liabilities		228,071,501	7,845,921	235,917,422	190,267,155	6,805,742	197,072,897

The financial statements on pages 108 to 199 were approved and authorised for issue by the board of directors on 13 March 2026 and were signed on its behalf by:



Joseph Wangai - Chairman



Kairo Thuo - Director



Catherine Karimi - Chief Executive Officer and Principal Officer

The notes on pages 115 to 199 are an integral part of the financial statement

Company Statement of Financial Position

As at 31 December 2025

	Notes	Long term business	Short term business	Total	Long term business	Short term business	Total
		2025	2025		2024	2024	
		Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
ASSETS							
Investment properties	17	9,168,000	1,523,000	10,691,000	8,799,000	1,489,000	10,288,000
Motor vehicle and Equipment	14	259,950	-	259,950	265,014	-	265,014
Intangible assets	15	70,188	-	70,188	54,763	-	54,763
Right-of-use assets	16	109,547	-	109,547	149,192	-	149,192
Investment in subsidiaries	19	-	193,192	193,192	-	193,192	193,192
Investment in associate	20	-	553,922	553,922	-	553,922	553,922
Deferred taxation	31	46,306	50,982	97,288	46,306	50,982	97,288
Mortgage loans	22(a)	621,085	-	621,085	581,173	-	581,173
Government securities held at fair value through profit or loss	26	50,503,067	318,211	50,821,278	36,942,912	50,098	36,993,010
Government securities held at amortised cost	26	91,071,021	346,430	91,417,451	71,167,368	-	71,167,368
Corporate bonds held at amortised cost	25	1,111,343	44,534	1,155,877	224,793	-	224,793
Kenya motor pool balances		-	25,066	25,066	-	27,024	27,024
Equity investments at fair value (through profit or loss - quoted)	18(a)	11,781,288	-	11,781,288	7,656,223	-	7,656,223
Subordinated Loan	19(d)	-	64,516	64,516	-	129,033	129,033
Reinsurance contract assets	23	148,768	-	148,768	155,120	-	155,120
Tax recoverable	10(b)	-	71,995	71,995	-	-	-
Other receivables	24	1,127,436	166,265	1,293,701	1,103,975	43,181	1,147,156
Due from Long term business	24(b)	(1,369,957)	1,369,957	-	(941,698)	941,698	-
REIT Investment	18(b)	286,754	248,837	535,591	272,114	260,901	533,015
Deposits with financial institutions	27	43,989,140	961,824	44,950,964	50,369,262	1,449,317	51,818,579
Cash and bank balances	32(b)	1,235,387	73,909	1,309,296	47,503	3,391	50,894
Total assets		210,159,323	6,012,640	216,171,963	176,893,020	5,191,739	182,084,759
Equity							
Ordinary shares	28	150,000	975,000	1,125,000	150,000	975,000	1,125,000
Share premium	11(b)	-	1,125,000	1,125,000	-	1,125,000	1,125,000
Statutory reserve	12	18,765,362	-	18,765,362	17,495,139	-	17,495,139
Retained earnings		-	1,694,668	1,694,668	-	1,405,204	1,405,204
Proposed dividends	28	-	1,470,000	1,470,000	-	1,050,000	1,050,000
Total equity		18,915,362	5,264,668	24,180,030	17,645,139	4,555,204	22,200,343
Liabilities							
Current income tax	10(b)	187,342	-	187,342	66,016	21,233	87,249
Lease Liabilities	34	182,937	-	182,937	245,362	-	245,362
Other payables	30	1,706,740	485,630	2,192,370	1,431,928	368,462	1,800,390
Life Insurance contract liabilities	29	184,529,376	-	184,529,376	153,761,873	-	153,761,873
Deferred income tax	31	4,637,566	262,342	4,899,908	3,742,702	246,840	3,989,542
Total liabilities		191,243,961	747,972	191,991,933	159,247,881	636,535	159,884,416
Total equity and liabilities		210,159,323	6,012,640	216,171,963	176,893,020	5,191,739	182,084,759

The financial statements on pages 108 to 199 were approved and authorised for issue by the board of directors on 13 March 2026 and were signed on its behalf by:



Joseph Wangai - Chairman



Kairo Thuo - Director



Catherine Karimi - Principal Officer

The notes on pages 115 to 199 are an integral part of the financial statement

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

2024	Notes	Share Capital	Share Premium	Statutory Reserves	Revaluation Reserve	Translation Reserve	Retained earnings	Proposed dividends	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January 2024		1,125,000	1,125,000	17,036,456	(4,786)	(171,951)	2,762,425	840,000	22,712,144
Total comprehensive income									
Profit for the year		-	-	2,881,010	-	-	712,710	-	3,593,720
Net movement in share of net assets of associate	20	-	-	-	-	-	(81,333)	-	(81,333)
Other comprehensive income-translation		-	-	-	-	(200,687)	-	-	(200,687)
Others		-	-	-	(1)	-	-	-	(1)
Total comprehensive income for the year		-	-	2,881,010	(1)	(200,687)	631,377	-	3,311,699
Transfer from statutory reserve to retained earnings	13	-	-	(1,050,000)	-	-	1,050,000	-	-
Transaction with owners:									
- 2023 final dividends	13	-	-	-	-	-	-	(840,000)	(840,000)
- 2024 proposed dividend	13	-	-	-	-	-	(1,050,000)	1,050,000	-
Balance as at 31 December 2024		1,125,000	1,125,000	18,867,466	(4,787)	(372,638)	3,393,802	1,050,000	25,183,843
2025		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
At 1 January 2025		1,125,000	1,125,000	18,867,466	(4,787)	(372,638)	3,393,802	1,050,000	25,183,843
Total comprehensive income									
Profit for the year		-	-	3,105,833	-	-	556,526	-	3,662,359
Net movement in share of net assets of associate		-	-	-	-	-	-	-	-
Dividends received from associate	20	-	-	-	-	-	(61,817)	-	(61,817)
Other comprehensive income-translation		-	-	-	-	14,032	-	-	14,032
Others		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	3,105,833	-	14,032	494,709	-	3,614,574
Transfer from statutory reserve to retained earnings	13	-	-	(1,470,000)	-	-	1,470,000	-	-
Transaction with owners:									
- 2024 final dividends	13	-	-	-	-	-	-	(1,050,000)	(1,050,000)
- 2025 proposed dividend	13	-	-	-	-	-	(1,470,000)	1,470,000	-
Balance as at 31 December 2025		1,125,000	1,125,000	20,503,299	(4,787)	(358,606)	3,888,511	1,470,000	27,748,417

The notes on pages 115 to 199 are an integral part of these financial statements.

Company Statement of Changes in Equity

As at 31 December 2025

	Notes	Share Capital	Share Premium	Statutory Reserves	Retained earnings	Proposed dividends	Total
		Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000	Ksh'000
2024							
At 1 January 2024		1,125,000	1,125,000	16,183,711	941,030	840,000	20,214,741
Total comprehensive income							
Profit for the year		-	-	2,361,428	464,174	-	2,825,602
Transfer from statutory reserve to retained earnings	13	-	-	(1,050,000)	-	1,050,000	-
Transaction with owners:							
- 2023 final dividend		-	-	-	-	(840,000)	(840,000)
Balance as at 31 December 2024		1,125,000	1,125,000	17,495,139	1,405,204	1,050,000	22,200,343
2025							
At 1 January 2025		1,125,000	1,125,000	17,495,139	1,405,204	1,050,000	22,200,343
Total comprehensive income							
Profit for the year		-	-	2,740,223	289,464	-	3,029,687
Transfer from statutory reserve to retained earnings		-	-	(1,470,000)	1,470,000	-	-
Transaction with owners:							
-2024 final dividend paid	13	-	-	-	-	(1,050,000)	(1,050,000)
-2025 proposed final dividend	13	-	-	-	(1,470,000)	1,470,000	-
Balance as at 31 December 2025		1,125,000	1,125,000	18,765,362	1,694,668	1,470,000	24,180,030

The notes on pages 115 to 199 are an integral part of these financial statements.

Consolidated & Company Statement of Cash Flows

For the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		Ksh '000	Ksh '000	Ksh '000	Ksh '000
Cash flows generated from operating activities					
Cash generated from operations	32(a)	7,092,028	2,677,946	4,664,108	3,778,047
Income tax paid	10	(895,633)	(624,473)	(669,599)	(429,350)
Interest paid on lease liability	34	-	(55,890)	-	(33,668)
Net cash generated from operating activities		6,196,395	1,997,583	3,994,509	3,315,029
Cash flows from investing activities					
Interest income	6	22,613,433	21,440,469	20,575,089	19,933,202
Interest income on policy loans	6	261,647	339,866	228,667	339,866
Interest income mortgage loans	6	60,700	92,339	60,700	92,339
Purchase of property and equipment	14	(132,102)	(210,558)	(129,777)	(160,303)
Proceeds from repayment of subordinated loan	19(d)	70,609	-	70,609	-
Purchase of intangible assets	15	(34,525)	(83,001)	(31,946)	(58,196)
Refurbishment of investment property	17	(253,407)	(129,052)	(253,407)	(129,052)
Dividend received from Associate Company	20	61,817	61,817	61,817	61,817
Purchase of quoted shares	18(a)	(507,715)	(308,039)	(507,729)	(246,399)
Purchase of government securities held at amortised cost	26	(24,935,479)	(6,077,069)	(21,299,700)	(2,181,288)
Purchase of government securities at held fair value through other comprehensive income	26	(22,090,341)	(3,269,129)	(22,090,341)	(3,269,129)
Proceeds from sale of property and equipment	14	15,169	16,622	14,248	13,658
Proceeds from disposal of corporate bonds	25	226,930	989	226,930	989
Proceeds from disposal of debt securities held at fair value through other comprehensive income	26	11,585,273	205,950	11,585,273	205,950
Proceeds from maturities of debt held at amortised cost	26	2,566,113	6,595,921	1,700,313	4,116,150
Purchase of REIT	18(b)	-	(1,551)	-	(1,551)
Purchase of corporate bonds	25	(1,163,530)	(329)	(1,163,530)	(329)
Mortgage loans advanced	22	(119,767)	(43,481)	(119,767)	(43,481)
Mortgage loans recovered	22	118,079	135,651	118,079	135,651
Placement of deposit with financial institutions	27	(76,824,552)	(31,767,665)	(74,414,317)	(31,461,737)
Proceeds from maturities of deposits	27	93,880,769	-	91,351,025	-
Proceeds from disposal of quoted Shares	18(a)	286,519	497,940	286,519	497,940
REIT income	6	12,962	26,524	12,962	26,524
Disposal of REIT	18(b)	12,064	-	12,064	-
Dividend income on equity investments	6	887,945	641,524	837,832	609,029
Addition of statutory deposit		(17,266)	(10,910)	-	-
Rental income	6	627,678	595,235	627,678	595,235
Net cash (used in)/generated from investing activities		7,209,023	(11,249,937)	7,759,291	(10,923,115)
Cash flows from financing activities					
Dividends paid to shareholders of parent company	17	(1,050,000)	(840,000)	(1,050,000)	(840,000)
Repayment of principal lease payment	34	(169,243)	(128,438)	(112,274)	(70,445)
Net cash used in financing activities		(1,219,243)	(968,438)	(1,162,274)	(910,445)
Net (decrease)/increase in cash and cash equivalents		12,186,175	(10,220,792)	10,591,526	(8,518,531)
Cash and cash equivalents at beginning of year	32(b)	19,912,498	28,583,417	18,338,619	26,857,150
Effect of exchange rate changes on translation of cash and cash equivalents		(155,149)	1,549,873	-	-
Cash and cash equivalents at year end	32(b)	31,943,524	19,912,498	28,930,145	18,338,619

The notes on pages 115 to 199 are an integral part of these financial statements.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

1. GENERAL INFORMATION

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(A) BASIS OF PREPARATION

(i) Statement of compliance

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

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

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

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

(iv) Use of estimates and judgements

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

Information about assumptions made in measuring insurance and reinsurance contracts is included in Note 3. Significant changes in the following key assumptions can change the fulfilment cash flows materially during 2025: assumptions about future cash flows relating to mortality, morbidity, policyholder behaviour, participation percentages and crediting rates; assumptions about discount rates, including any illiquidity premiums.

Adoption of new and revised IFRS accounting standards

(i) New and amended standards adopted by the Company

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2025:

Amendments to IAS 21 Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 21 Lack of Exchangeability (continued)

A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. However, the Company does not anticipate any impact to its financial statements.

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

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

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

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

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

IFRS 18, 'Presentation and Disclosure in Financial Statements'

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

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

IFRS 19, 'Subsidiaries without Public Accountability'

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

IAS 21, 'The Effects of Changes in Foreign Exchange Rates'

For annual reporting periods beginning on or after 1 January 2027, where an entity translates financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency, all amounts are translated at the closing exchange rate at the date of the most recent statement of financial position.

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

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

IFRS S2 Climate-related Disclosures

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

(iii) Early adoption of standards

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

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(B) INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS

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

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

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

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

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

IFRS 17 Insurance Contracts

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

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

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

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

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

Identifying contracts in the scope of IFRS 17

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

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

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

Insurance contracts without direct participation features

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

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

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

IFRS 17 Insurance Contracts (continued)

ii. Level of Aggregation (continued)

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

Insurance contracts with direct participation features

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

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

Investment contracts

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

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

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

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

ii. Level of Aggregation

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

Contracts invested in DPF funds at the recognition date create a significant probability of discretionary returns and are therefore classified as investment contracts with DPF. Contracts not invested in DPF funds at the recognition date will also be classified as investment contracts with DPF if there is documented evidence that a significant proportion of contracts switch their initial funds into DPF funds or choose to invest subsequent payments into DPF funds. Such contracts can also be classified as investment contracts with DPF from its inception if, at inception, the amounts that are subject to the discretion of the entity are expected to be a significant portion of the total contractual benefit.

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

The Group manages insurance contracts issued within product lines. Insurance contracts within each product line are allocated to portfolios of insurance contracts that are managed together and subject to similar risks. Profitability assessment is carried out at contract level. Contracts are divided into groups of insurance contracts, based on whether:

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

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

These groups represent the level of aggregation at which insurance revenue is measured. The group in which a policy belongs is not subsequently reconsidered.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

IFRS 17 Insurance Contracts (continued)

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to determine these groups of contracts.

If the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same group, then it measures that set of contracts (i.e. at a level higher than the individual contracts) to determine whether the contracts are onerous on initial recognition. If the Group cannot support such a conclusion, then it determines the group by considering individual contracts.

iii. Contracts Boundaries

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

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

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

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

iv. Fulfilment cash flows

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

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

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

For the Variable Fee Approach, the fulfilment cash flows for insurance contracts with direct participation features can also be determined as the obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for future services.

The variable fee comprises the Group's share of the fair value of the underlying items less the fulfilment cash flows that do not vary based on the returns on underlying items. The variable fee is akin to the expected shareholder entitlements based on the present value of expected fees charged less expected claims and expenses incurred, less the risk adjustment for non-financial risk and the effect of financial guarantees.

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

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

v. Best estimate of future experience

The best estimate of future experience is determined as follows:

- Future investment return assumptions for cash flows which vary with the underlying items are consistent with the expected long-term investment returns on the assets backing the insurance contracts, derived from market yields of fixed interest securities on the valuation date, with adjustments for the other asset classes.
- The appropriate asset composition of the various asset portfolios is considered. The allowance for investment management expenses, taxation at current tax rates and charges for investment guarantees is determined separately from the future investment returns and discount rates for measurement purposes.
- Future expense assumptions are based on the 2025 actual expenses and escalated at estimated expense inflation rates per annum, with a higher rate assumed for legacy business. The allocation of initial and maintenance expenses is based on functional cost analyses and reflects actual expenses incurred during 2025. The future expense assumptions do not include any costs that are not directly attributable to the fulfilment of the insurance contracts.
- Assumptions regarding future mortality, disability and disability payment termination rates are consistent with the Group's recent experience or expected future experience if this would result in a more accurate liability

Financial Statements For the year ended 31 December 2025

Notes to the Financial Statements (continued)

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

IFRS 17 Insurance Contracts (continued)

- Persistency assumptions regarding lapse, surrender and paid-up rates are consistent with the Company's recent experience or expected future experience if this would result in a more accurate liability.

vi. Risk adjustment (RA)

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

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

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

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

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

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

The margins applied to the Best Estimate Liability are calibrated at a confidence interval of between 88.3% and 96.3%.

vii. Contractual service margin (CSM)

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

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

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

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

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

viii. Coverage units

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

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

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

ix. Loss component

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

x. Discount rates

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks related to those cash flows.

The table below sets out the yield curve used to discount the cash flows of insurance contracts.

Year	1 Year	5 Years	10 Years	15 Years	20 Years
2025	9.2	10.6	12.6	12.9	13.5
2024	11.41	14.14	13.60	13.72	14.78

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

IFRS 17 Insurance Contracts (continued)

x. Discount rates (continued)

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

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

Cash flows are categorized into those that vary based on the returns on underlying items and those that do not. For cash flows that vary based on these returns, the discount rates applied reflect that specific variability and are consistent with future investment return assumptions.

For cash flows that do not vary based on the returns on underlying items, for example short term contracts, discounting is not applied.

While IFRS17 standard allows for both Top-Down and Bottom-Up approaches to determine discount rates for Fulfillment Cash Flows (FCFs), ICEA LION Life Assurance has adopted the Bottom-Up approach for all product groups. This approach was selected because risk-free rates are readily available, requiring only an additional adjustment for the illiquidity premium. The risk-free rate used is the NSE yield curve as of the valuation date, converted to forward rates.

xi. Asset portfolios

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

xii. Subsequent measurement (excluding PAA)

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

- the liability for remaining coverage (LRC), comprising:
 - a) the fulfilment cash flows related to future service allocated to the group at that date; and
 - b) the contractual service margin of the group at that date.
- the liability for incurred claims (LIC), comprising the fulfilment cash flows for past service allocated to the group at that date.

This measurement approach reflects the separation of obligations for future and past service and ensures that the contractual service margin is recognized systematically over the coverage period, while incurred claims are recognized as they arise.

xiii. Presentation and disclosure

a) Insurance revenue

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

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

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

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

b) Insurance service expenses

The following amounts are recognized in insurance service expenses:

- the expected claims and administration expenses incurred (excluding amounts allocated to the loss component and excluding investment components payable in the period);
- experience adjustments relating to claims and administration expenses incurred;
- the initial loss on onerous groups of contracts recognized during the period;

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

IFRS 17 Insurance Contracts (continued)

- the increases and reversals of losses on onerous contracts;
- the changes in liability for incurred claims relating to past service; and
- the amortization of insurance acquisition cash flows.

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

c) Income or expenses from reinsurance contracts

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

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

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

d) Insurance finance income and expense

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

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

xiv. Amortization of insurance acquisition cash flows

Insurance acquisition cash flows are those cash flows arising from the costs of selling, underwriting, and initiating a portfolio of insurance contracts (whether issued or expected to be issued). In accordance with IFRS 17, such cash flows are directly attributable to the related portfolio of insurance contracts and may include amounts that cannot be specifically allocated to individual contracts or groups of contracts within that portfolio.

The Group recognizes acquisition cash flows as an expense in the period in which they are incurred. As a result, no Deferred Acquisition Cost (DAC) asset is recognized in the financial statements.

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

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

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

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

xv. Separating Investment components

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

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

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

(C) KENYA MOTOR POOL

The Kenya Motor Insurance Pool balances represent the group's share of the surplus and net assets of the pool.

Results of the Group's share of the two Kenya Motor Insurance Pools are accounted for in profit or loss in accordance with the Pool's accounting year which runs from October of the previous year to September of the current year. As a result, the Pool's results for the 4th quarter of the group's accounting year are accounted for in the subsequent year.

(D) INVESTMENT INCOME RENTAL INCOME

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

(E) DIVIDEND INCOME

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

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(F) INTEREST INCOME

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(G) ACCRUED LEAVE BENEFITS

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

(H) MOTOR VEHICLE AND EQUIPMENT

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

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

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

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

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

(I) INTANGIBLE ASSETS

Intangible assets comprise of computer software costs which are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated to write off the cost of computer software on a straight line basis over its estimated useful life of 3 years.

(J) INVESTMENT PROPERTIES

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

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

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

(K) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS

a) Classification

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

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

There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

c) Measurement (continued)

Equity instruments (continued)

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments on major exchanges Nairobi Securities Exchange (NSE), Uganda Securities Exchange (USE). The quoted market price used for financial assets held by the Group is the current bid price.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

d) Impairment of financial instruments

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

IFRS 9 replaced the previous 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. The new impairment model applies to the following financial instruments that are not measured at FVPL:

- Debt securities measured at amortised cost
- Corporate bonds;
- Deposits with financial institutions;
- Cash and bank balances;
- Mortgage loans

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The Group will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date. The Group will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
- Other financial instruments (other than trade receivables) for which credit risk has not increased significantly since initial recognition.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

d) Impairment of financial instruments (continued)

Loss allowances for premium receivables will always be measured at an amount equal to lifetime ECLs. The impairment requirements of IFRS 9 require management judgement, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

e) Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses and will be measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset. The following are examples of such events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract - e.g. a default or past-due event;
- a lender having granted a concession to the borrower - for economic or contractual reasons relating to the borrower's financial difficulty - that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Expected credit losses

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD}$$

In applying the IFRS 9 impairment requirements, the Group follows the general approach.

The General Approach

Under the general approach, at each reporting date, the Group determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- Stage 1 - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Group will recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- Stage 2 - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Group will recognise lifetime ECL but interest income will continue to be recognised on a gross basis.
- Stage 3 - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Group will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The Group will consider a financial asset to be in default when:

- the counterparty or borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the counterparty or borrower is more than 90 days past due on any material credit obligation to the Group. This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Group; or

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

- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Significant increase in credit risk (SIICR)

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

e) Measurement of expected credit losses (continued)

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

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

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

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

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

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

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

Measurement of ECL

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

- Probability of Default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

To determine lifetime and 12-month PDs, the Group uses the PD tables supplied by Standard & Poors based on the default history of obligors with the same credit rating. The Group adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings (see (i)). The PDs are recalibrated based on current bond yields and CDS prices, and adjusted to reflect forward-looking information as described above. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, loan-to-value ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which include:

- instrument type;
- credit risk grading;
- collateral type;
- date of initial recognition;
- remaining term to maturity; industry; and
- geographic location of the borrower.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(K) FINANCIAL INSTRUMENTS & FINANCIAL ASSETS (CONTINUED)

Measurement of ECL (continued)

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios. This includes the PDs provided in the S&P default study and the LGDs provided in the Rating recovery studies.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Financial liabilities

Two measurement categories exist for financial liabilities; FVTPL and amortised cost. Financial liabilities that are held for trading are measured at FVTPL and all other financial liabilities are measured at amortised cost unless the fair value option is applied. IFRS 9, contains an option to designate a financial liability as measured at FVTPL when:-

- (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.

A financial liability is removed from the statement of financial position when and only when it is extinguished, i.e. when the obligation in the contract is either discharged or cancelled or it expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as extinguishment of the original financial liability and the recognition of a new financial liability.

A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

(L) CASH AND CASH EQUIVALENTS

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

(M) TRANSLATION OF FOREIGN CURRENCIES AND OPERATIONS

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in Kenya Shillings rounded to the nearest thousand ("Kshs"), which is the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of individual entities in the Group, transactions in foreign currencies during the year are recorded at rates ruling at the transaction dates. Assets and liabilities at the end of each reporting period which are expressed in foreign currencies are translated at rates ruling at that date. The resulting differences are dealt with in the statement of comprehensive income come in the year in which they arise. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to Kenya shillings using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in other comprehensive income and accumulated in equity under the Groups' currency translation reserve. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(N) LEASES

a) The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Financial Statements For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(N) LEASES (CONTINUED)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Motor vehicle and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(N) LEASES (CONTINUED)

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(O) INCOME TAX EXPENSE

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

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

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

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

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

(P) RETIREMENT CONTRIBUTION OBLIGATIONS

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

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

(Q) SHARE CAPITAL

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Financial Statements

For the year ended 31 December 2025

Notes to the Financial Statements (continued)

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period. Judgements made by management that could have a significant effect on the amounts recognized in the financial statements include:

a) Short-term insurance contract liabilities

For the Group Risk portfolios measured under the Premium Allocation Approach (PAA), the Liability for Remaining Coverage (LRC) has been determined as the Unearned Premium Reserve (UPR). The Liability for Incurred Claims (LIC) comprises the Incurred but Not Reported (IBNR) reserve and the Outstanding Claims Reserve (OCR), together with a Risk Adjustment for non-financial risk (RA) applied to the IBNR component.

The IBNR has been estimated using actuarial techniques, specifically the Chain Ladder (CL) and Bornhuetter-Ferguson (BF) methods. The BF approach has been applied to periods with limited claims development, while the CL method has been used for more mature periods with sufficient data credibility.

b) Long term insurance contract liabilities

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

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

b) Long term insurance contract liabilities (continued)

The most significant valuation assumptions are as summarized below;

- i) Annuities Mortality Assumption - The group used KE 2007-2010 as base table of standard mortality 60% KE-2007-2010 plus 40% a(55) for annuitant life.
- ii) Ordinary Life Mortality Assumption - The group used KE 2007-2010 as base table of standard mortality for ordinary life.
- iii) Withdrawals - The withdrawal rates used in the valuation were set as per the experience observed in the Company's data.
- iv) The discount rate assumptions used are based on unadjusted term dependent treasury bond gross redemption yields as at 31st December 2024 published in the Nairobi Securities Exchange (NSE).
- v) Expense and inflation - The level of renewal expenses were taken based on the current expense experience of the Company. The expense inflation has been assumed to be 5% for the year ended 31st December 2025.

SENSITIVITY ANALYSIS

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

	% change	2025	2024
		Kshs'000	Kshs'000
Mortality	+10	41,181	32,933
Longevity	+10	284,068	221,399
Expense inflation	+10	49,820	32,677
Withdrawals	+10	(51,854)	(132,744)
Mortality	-10	(42,264)	(32,975)
Longevity	-10	(265,889)	(208,204)
Expense inflation	-10	(48,601)	(31,908)
Withdrawals	-10	54,678	175,110

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

Financial Statements For the year ended 31 December 2025

Notes to the Financial Statements (continued)

3. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

SENSITIVITY ANALYSIS (CONTINUED)

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

	Risk Margins Applied	
	31st December 2025	31st December 2024
Mortality	10% increase in mortality for death assurances	10% increase in mortality for death assurances
Longevity	10% decrease in mortality for annuities	10% decrease in mortality for annuities
Morbidity/ Disability	10% increase in inception rates 5% decrease in recovery rates	10% increase in inception rates 5% decrease in recovery rates
Lapses	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)
Expenses	10% Increase	10% Increase
Surrender	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)

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

	% change	2025	2024
		Kshs'000	Kshs'000
Mortality	+10	41,181	32,933
Longevity	+10	284,068	221,399
Expense inflation	+10	49,820	32,677
Withdrawals	+10	(51,854)	(132,744)
Mortality	-10	(42,264)	(32,975)
Longevity	-10	(265,889)	208,204
Expense inflation	-10	(48,601)	31,908
Withdrawals	-10	54,678	175,110

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

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

	Risk Margins Applied	
	31st December 2025	31st December 2024
Mortality	10% increase in mortality for death assurances	10% increase in mortality for death assurances
Longevity	10% decrease in mortality for annuities	10% decrease in mortality for annuities
Morbidity/ Disability	10% increase in inception rates 5% decrease in recovery rates	10% increase in inception rates 5% decrease in recovery rates
Lapses	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned)
Expenses	10% Increase	10% Increase
Surrender	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)	25% (increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy)

Interest rate margins Sensitivity

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

Financial Statements For the year ended 31 December 2025

Notes to the Financial Statements (continued)

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

SENSITIVITY ANALYSIS (CONTINUED)

c) Income Tax

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

d) Valuation of Investment property

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

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

	% change	2025 Kshs'000	2024 Kshs'000
Gross annual rental income	+10	1,052,934	859,157
Gross annual rental income	-10	861,492	703,947
Yield	+0.5	7.3%	7.2%
Yield	-0.5	6.3%	6.4%

e) Calculation of loss allowance

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

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default (PD) constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

f) Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms.

g) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 2). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK

The Group's activities expose it to a variety of financial and insurance risks. The Group's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place, which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

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

4.1 Insurance risk

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

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

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

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

Long-term business

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

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

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

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

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

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

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

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

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

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

Sources of uncertainty in the estimation of future claim payments

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

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

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

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

Concentration of insurance risks

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

GROUP		Year ended 31 December 2025			
Long term Business		Maximum Insured loss			Total
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	Gross	92,876,582	7,571,107	-	100,447,689
	Sum Reassured	5,936,209	5,518,769	-	11,454,978
	Office Premium	9,351,063	335,136	-	9,686,199
	Net	77,589,310	1,717,202	-	79,306,512
Group life	Gross	1,780,926	26,816,123	283,087,433	311,684,482
	Sum Reassured	258,562	4,088,968	92,901,176	97,248,706
	Office Premium	5,516	65,465	664,913	735,894
	Net	1,516,848	22,661,690	189,521,344	213,699,882
Total	Gross	94,657,508	34,387,230	283,087,433	412,132,171
Total	Net	79,106,158	24,378,892	189,521,344	293,006,394

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.1 Insurance risk (Continued)

Concentration of insurance risks (Continued)

COMPANY		Year ended 31 December 2025			
Long term Business		Maximum Insured loss			Total
Class of business		Kshs 0 m-Kshs 15 m	Kshs 15 m-Kshs 250 m	Kshs 250 m and above	
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	Gross	92,876,582	7,571,108	-	100,447,690
	Net	77,589,310	1,717,202	-	79,306,512
Group life	Gross	1,780,926	26,816,123	283,087,433	311,684,482
	Net	79,106,158	24,378,892	189,521,344	293,006,394
Total	Gross	94,657,508	34,387,231	283,087,433	412,132,172
Total	Net	156,695,468	26,096,094	189,521,344	372,312,906

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk

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

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

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

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

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

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

a) Liquidity risk

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of short-term business as of 31 December 2025

GROUP	Contractual cash flows (undiscounted)						
	Total amount 31.12.2025	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets							
<i>Measured at amortised cost</i>							
- Government securities	370,000	-	370,000	-	-	-	-
- Corporate bonds	68,499	-	4,806	9,612	54,081	-	-
- Fixed deposits	1,059,211	-	955,751	-	820	102,640	-
Cash and cash equivalents	71,549	-	71,549	-	-	-	-
<i>Measured at fair value</i>							
- Debt securities at FVTPL	842,799	-	40,597	127,757	67,444	171,736	435,265
- Equity securities at FVTPL	1,506,198	1,506,198	-	-	-	-	-
Subordinated loan	64,516	64,516	-	-	-	-	-
Kenya Motor pool	20,734	20,734	-	-	-	-	-
Other receivables	397,256	-	361,910	35,346	-	-	-
Total	4,400,762	1,591,448	1,804,613	172,715	122,345	274,376	435,265
Short-term insurance liabilities							
Financial liabilities							
Other payables	497,072	-	497,072	-	-	-	-
Total	497,072	-	497,072	-	-	-	-
Difference in contractual cash flows	3,903,690	1,591,448	1,307,541	172,715	122,345	274,376	435,265

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of short-term business as of 31 December 2025.

COMPANY	Contractual cash flows (undiscounted)						
	Total amount 31.12.2025	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
Financial assets	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Measured at amortised cost							
- Government securities	370,000	-	370,000	-	-	-	-
- Corporate bonds	68,499	-	4,806	9,612	54,081	-	-
- Fixed deposits	1,059,211	-	955,751	-	820	102,640	-
Cash and cash equivalents	71,549	-	71,549	-	-	-	-
Measured at fair value							
- Debt securities at FVTPL	842,799	-	40,597	127,757	67,444	171,736	435,265
- Equity securities at FVTPL	1,460,746	1,460,746	-	-	-	-	-
Subordinated loan	64,516	64,516	-	-	-	-	-
Kenya Motor pool	20,734	20,734	-	-	-	-	-
Other receivables	166,265	-	166,265	-	-	-	-
Total	4,124,319	1,545,996	1,608,968	137,369	122,345	274,376	435,265
Short-term insurance liabilities							
Financial liabilities							
Other payables	485,628	-	485,628	-	-	-	-
Total	485,628	-	485,628	-	-	-	-
Difference in contractual cash flows	3,638,691	1,545,996	1,123,340	137,369	122,345	274,376	435,265

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Group's Assets and Liabilities Management (ALM) framework for management of long term business as of 31 December 2025.

GROUP	Contractual cash flows (undiscounted)						
	Total amount 31.12.2025	No stated Maturity	0-1 yr	1-2 yrs	2-3 yrs	3-4 yrs	> 5 yrs
Financial assets	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Measured at amortised cost							
- Government securities at amortised cost	240,285,633	-	20,286,529	36,282,680	27,290,387	63,103,569	93,322,468
- Corporate bonds at amortised cost	1,779,398	-	128,937	257,873	1,392,588	-	-
- Fixed deposits	47,224,271	-	45,820,217	494,654	578,619	330,781	-
- Cash and cash equivalents	1,970,170	-	1,970,170	-	-	-	-
Measured at fair value							
- Debt Securities at FVTPL	147,377,804	-	7,412,504	17,599,702	13,793,252	35,744,313	72,828,033
- Equity securities at FVTPL	13,814,752	13,814,752	-	-	-	-	-
Mortgage Loans	867,140	-	118,079	236,159	236,159	276,743	-
Other receivables	1,658,588	-	1,415,263	243,325	-	-	-
Total	454,977,756	13,814,752	77,151,699	55,114,393	43,291,005	99,455,406	166,150,501
Long term insurance liabilities:							
Financial Liabilities							
Insurance Contracts-Long term	104,175,440	-	7,066,096	13,903,570	15,655,216	31,200,720	36,349,838
Payables under Unit Linked Policies	583,401	583,401	-	-	-	-	-
Payables under deposit administration contracts	166,684,379	-	13,277,208	24,306,745	21,675,357	44,913,751	62,511,318
Lease Liability	446,090	-	42,342	81,551	118,331	119,816	84,050
Other Payables	1,976,833	-	1,976,833	-	-	-	-
Total	273,866,143	583,401	22,362,479	38,291,866	37,448,904	76,234,287	98,945,206
Difference in contractual cash flows	181,111,613	13,231,351	54,789,220	16,822,527	5,842,101	23,221,119	67,205,295

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

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

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

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

a) Liquidity risk (Continued)

The table below shows the contractual timing of cash flows and expected maturities arising from assets and liabilities included in the Company's Assets and Liabilities Management (ALM) framework for management of long-term business as of 31 December 2025.

COMPANY	Contractual cash flows (undiscounted)						
	Total amount 31.12.2025	No stated Maturity	0-1 yr	1-2 yrs	2-3yrs	3-4 yrs	> 5 yrs
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets							
Measured at amortised cost							
- Government securities	202,106,548	-	17,086,376	32,151,505	22,525,732	53,022,471	77,320,464
- Corporate bonds	1,779,398	-	128,937	257,873	1,392,588	-	-
- Fixed deposits	43,785,426	-	43,190,648	263,132	865	330,781	-
Cash and cash equivalents	1,480,256	-	1,480,256	-	-	-	-
Measured at fair value							
- Government securities held at FVTPL	147,377,804	-	7,412,504	17,599,702	13,793,252	35,744,313	72,828,033
- Equity securities held at FVTPL	13,123,634	13,123,634	-	-	-	-	-
Mortgage Loans	867,140	-	118,079	236,159	236,159	276,743	-
Other Receivables	1,232,544	-	1,232,544	-	-	-	-
Total	411,752,750	13,123,634	70,649,344	50,508,371	37,948,596	89,374,308	150,148,497
Long term insurance liabilities							
Insurance contracts- long term	93,261,982	-	7,171,041	13,168,559	11,963,990	25,338,502	35,619,890
Payables under Unit Linked Policies	583,401	583,401	-	-	-	-	-
Payables under deposit administration contracts	150,877,515	-	11,455,254	21,326,173	19,375,401	41,035,111	57,685,576
Lease Liabilities	290,590	-	11,242	50,451	87,231	88,716	52,950
Other Payables	1,228,447	-	1,228,447	-	-	-	-
Total	246,241,935	583,401	19,865,984	34,545,183	31,426,622	66,462,329	93,358,416
Difference in contractual cash flows	165,310,815	12,540,233	50,783,360	15,963,188	6,321,974	22,911,979	56,790,081

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

b) Market risk

(i) Interest rate risk

Sensitivity impact on Profit or Loss

Group

An increase/decrease of one percentage point in interest yields would result in additional profit or loss for the year of Kshs 2,700,534 (2024: Kshs 2,492,430) investment income in long- term business and Kshs 36,701 (2024: Kshs 43,448) in short-term business.

Company

An increase/decrease of one percentage point in interest yields would result in additional profit or loss for the year of Kshs 2,232,458 (2024: Kshs 1,910,914) investment income in long- term business and Kshs 26,346 (2024: Kshs 28,338) in short-term business.

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

GROUP							
Effective Interest Rate	Long term business	Short term business and Investment Activities	Total 2025	Long term business	Short term business and Investment Activities	Total 2024	
	2025	2025		2024	2024		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
Assets							
Government securities held at FVTPL	13.13%	50,503,052	327,945	50,830,997	36,993,010	50,098	37,043,108
Deposits with financial institutions	14.5%	44,333,037	968,584	45,301,621	52,448,041	1,452,859	53,900,900
Total interest bearing assets		94,836,089	1,296,529	96,132,618	89,441,051	1,502,957	90,944,008
COMPANY							
Assets							
Government securities held at FVTPL	13.13%	50,503,052	317,945	50,820,997	36,942,912	50,098	36,993,010
Deposits with financial institutions	9.3%	44,139,731	968,584	45,108,315	50,699,466	1,452,959	52,152,425
Total interest bearing assets		94,642,783	1,286,529	95,929,312	87,642,378	1,503,057	89,145,435

Sensitivity impact before tax (impact on equity)

Group

A sensitivity analysis indicates that a five-percentage point increase in interest yields would result in an increase in profit before tax of Kshs 13,502,671 (2024: Kshs 12,462,148) in investment income for the long-term business, and Kshs 183,504 (2024: Kshs 217,242) in the short-term business. A corresponding decrease of 5 percentage points would result in an equivalent reduction in profit before tax.

Company

An increase/decrease of five percentage point in interest yields would result in an increase in profit before tax of Kshs 11,162,292 (2024: Kshs 9,554,572) for investment income in the long-term business, and Kshs 131,729 (2024: Kshs 141,688) in the short-term business. A corresponding decrease of 5 percentage points would result in an equivalent reduction in profit before tax.

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.

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

b) Market risk (Continued)

(ii) Currency risk

Foreign exchange risk refers to the potential for fluctuations in the fair value of future cash flows arising from changes in currency exchange rates. Such fluctuations may result in gains or losses recognised in the statement of profit or loss, particularly from the retranslation of foreign currency-denominated monetary assets and liabilities, as well as from the settlement of foreign currency transactions.

The Group consolidates the financial results of subsidiaries domiciled in jurisdictions with different functional currencies and maintains deposits with financial institutions denominated in various foreign currencies. Exposure to foreign exchange movements may therefore give rise to volatility in reported earnings.

Currency risk is effectively managed by aligning the currency denomination of financial assets with that of insurance contract liabilities, and by ensuring that transactions between the Group and external parties are conducted in the respective functional currencies of each individual Group entity, thereby reducing the impact of exchange rate movements on profit or loss.

(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.

(iv) Foreign exchange currency risk

Foreign exchange currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities, which mitigate the foreign currency exchange rate risk.

The currency risk is also effectively managed by ensuring that the transactions between the Group and other parties are designated in the functional currencies of the individual group companies. Balances denominated in foreign currency at period end is as follows:

Exposure to equity

Exposure to equity price risk	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Bank Balances	7,155	9,580	1,182	5,617
Deposits with Financial Institutions	7,986,859	7,173,442	6,720,569	6,465,934
Total	7,994,014	7,183,022	6,721,751	6,471,551

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 399,700 (2024: Ksh 359,151) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Uganda.

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 336,087 (2024: Ksh 323,577) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Uganda.

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.

c) Credit risk

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

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

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

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

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

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the directors include details of provisions for impairment on receivables and subsequent write offs.

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

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4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

Expected Credit Loss (ECL) Policy for Financial Assets

The Company applies a 12 month Expected Credit Loss (ECL) model in accordance with applicable financial reporting standards to measure and recognize impairment on financial assets carried at amortized cost or fair value through profit or loss (FVTPL), as well as contract assets and certain loan commitments and financial guarantees.

The disclosures in financial statements regarding the assumptions and inputs used in ECL calculations, changes in credit risk and reconciliation of loss allowances are provided annually as detailed below.

GROUP						
	Notes	External Credit Rating 2025	Internal Credit Rating 2025	12-Months ECL	2025	2024
Assets		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Government Securities Held at Amortised Cost	26	S&P	B	12	104,855,660	81,582,717
Government Securities Held at FVTPL	26	S&P	B	12	50,821,278	36,993,010
Corporate Bonds Held at Amortised Cost	25	S&P	B	12	1,155,877	224,793
Mortgages	22	-	Internal	12	621,085	581,173
Deposits held with Financial Institutions	27	Fitch and S&P	-	12	48,083,398	53,469,300
Cash at Bank	32(b)	Fitch and S&P	-	12	1,406,774	138,810
Reinsurance Contracts	23	Fitch and S&P	-	12	536,243	486,321
Total			-	-	207,480,315	173,476,124

COMPANY						
	Notes	External Credit Rating 2025	Internal Credit Rating 2025	12-Months ECL	2025	2024
Assets		Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Government Securities Held at Amortised Cost	26	S&P	B	12	91,417,451	71,167,368
Government Securities Held at FVTPL	26	S&P	B	12	50,821,278	36,993,010
Corporate Bonds Held at Amortised Cost	25	S&P	B	12	1,155,877	224,793
Mortgages	22	-	Internal	12	621,085	581,173
Deposits held with Financial Institutions	27	Fitch and S&P	-	12	44,950,964	51,818,579
Cash at Bank	32(b)	Fitch and S&P	-	12	1,309,297	50,972
Reinsurance Contracts	23	Fitch and S&P	-	12	148,768	155,120
Total			-	-	190,424,720	160,991,015

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

Maximum exposure to credit risk

The Company's life insurance contract assets have a maximum exposure to credit risk equal to the carrying amounts recognised in the statement of financial position. This is because no financial guarantees have been provided to external parties and no loan commitments exist that are irrevocable over the life of the facility (or revocable only under adverse circumstances). The Company's assessment of the credit quality for each class of financial asset that is neither past due nor impaired indicates acceptability within the parameters used to measure and monitor credit risk, as described above. The Company has no assets that would have been past due or impaired if their terms had not been renegotiated.

Collateral is held on mortgages for past due or impaired receivables in the form of legal charges over title. Management actively continues to follow up on past due and impaired receivables.

The tables below represent the maximum credit risk exposure to the Group financial asset as at 31st December 2025.

GROUP			
31 December 2025	Gross	Impairment	Carrying
	amounts	allowances	amounts
	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	104,956,372	(100,712)	104,855,660
Government securities held at FVTPL	50,821,278	-	50,821,278
Mortgage loans	622,979	(1,894)	621,085
Corporate bonds held at amortised cost	1,176,299	(20,423)	1,155,876
Deposits with financial institutions	45,285,362	(242,108)	45,043,254
Cash and bank balances	1,412,762	(5,950)	1,406,812
Reinsurance contract	382,869	-	382,869
	204,657,921	(371,087)	204,286,834

The tables below represent the maximum credit risk exposure to the Group financial asset as at 31st December 2024.

GROUP			
31 December 2024	Gross	Impairment	Carrying
	amounts	allowances	amounts
	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	81,731,072	(148,355)	81,582,717
Government securities held at FVTPL	36,993,010	-	36,993,010
Mortgage loans	583,067	(1,894)	581,173
Corporate bonds held at amortised cost	232,065	(7,272)	224,793
Deposits with financial institutions	53,938,512	(469,212)	53,469,300
Cash and bank balances	210,709	(3,171)	207,538
Reinsurance contract	486,321	-	486,321
	174,174,756	(629,904)	173,544,852

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4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

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

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

Management makes regular reviews to assess the degree of compliance with the Group's procedures on credit. Exposures to individual policyholders and Groups of policyholders are tracked within the on-going monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous Groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the management for 12 months period.

COMPANY			
31 December 2025	Gross	Impairment	Carrying
	amounts	allowances	
	Kshs'000	Kshs'000	Kshs'000
Government securities at amortised cost	91,504,711	(87,260)	91,417,451
Government securities held at FVTPL	50,821,278	-	50,821,278
Mortgage loans	622,979	(1,894)	621,085
Corporate bonds held at amortised cost	1,176,299	(20,423)	1,155,876
Deposits with financial institutions	45,192,980	(242,016)	44,950,964
Cash and bank balances	1,310,638	(1,342)	1,309,296
Reinsurance contract	148,768	-	148,768
	190,777,653	(352,935)	190,424,718

COMPANY			
31 December 2024	Gross	Impairment	Carrying
	amounts	allowances	
	Kshs'000	Kshs'000	Kshs'000
Government securities at amortised cost	71,305,140	(137,772)	71,167,368
Government securities held at FVTPL	36,993,010	-	36,993,010
Mortgage loans	583,067	(1,894)	581,173
Corporate bonds held at amortised cost	232,065	(7,272)	224,793
Deposits with financial institutions	52,256,402	(437,823)	51,818,579
Cash and bank balances	50,968	(89)	50,879
Reinsurance contract	155,120	-	155,120
	161,575,772	(584,850)	160,990,922

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

c) Credit risk (Continued)

GROUP				
31 December 2025	Opening ECL	Additional	Reversal	Closing ECL
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	148,355	2,786	(50,512)	100,629
Deposits with financial institutions	469,212	-	(227,103)	242,109
Corporate bonds held at amortised cost	7,272	13,151	-	20,423
Cash and bank balances	3,172	2,750	-	5,922
Mortgage loans	1,894	-	-	1,894
Total	629,905	18,687	(277,615)	370,977

COMPANY				
31 December 2025	Opening ECL	Additional	Reversal	Closing ECL
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Government securities held at amortised cost	137,772	-	(50,212)	87,560
Deposits with financial institutions	437,823	-	(195,806)	242,017
Corporate bonds held at amortised cost	7,272	13,151	-	20,423
Mortgage loans	1,894	-	-	1,894
Cash and bank balances	89	1,253	-	1,342
Total	584,850	14,404	(246,018)	353,236

(d) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

d) Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities measured at fair value at 31 December 2025 and 31 December 2024

GROUP				
31 December 2025	Level 1	Level 2	Level 3	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Financial assets held at fair value through profit or loss				
- Equity securities	11,781,288	-	-	11,781,288
- REIT investment	535,591	-	-	535,591
- Government securities	50,821,278	-	-	50,821,278
Total financial assets	63,148,157	-	-	63,148,157

31 December 2024

Financial assets held at fair value through profit or loss				
- Equity securities	6,287,932	-	-	6,287,932
- REIT investment	415,241	-	-	415,241
- Government securities	30,299,142	-	-	30,299,142
Total financial assets	37,002,315	-	-	37,002,315

There were no transfers between levels 1, 2 and 3 in the period (2024: None).

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

The following table presents the Company's financial assets and liabilities measured at fair value at 31 December 2025 and 31 December 2024.

COMPANY				
31 December 2025	Level 1	Level 2	Level 3	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Financial assets held at fair value through profit or loss				
- Equity securities	11,781,288	-	-	11,781,288
- REIT investment	535,591	-	-	535,591
- Government securities	50,821,278	-	-	50,821,278
Total financial assets	63,148,157	-	-	63,148,157

31 December 2024

Financial assets held at fair value through profit or loss				
- Equity securities	7,656,223	-	-	7,656,223
- REIT investment	533,015	-	-	533,015
- Government securities	36,993,010	-	-	36,993,010
Total financial assets	45,182,248	-	-	45,182,248

Financial Statements For the year ended 31 December 2025

4. MANAGEMENT OF INSURANCE & FINANCIAL RISK (CONTINUED)

4.2 Financial risk (Continued)

(f) Capital management

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

The Group's objectives in managing its capital are:

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

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

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

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

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

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

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

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

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

	2025	2024
	Kshs'000	Kshs'000
Available Capital	23,858,044	21,795,446
Required Capital	9,245,146	7,695,874
Capital Adequacy ratio	258%	283%
Required Capital Adequacy ratio	200%	200%

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

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

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

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

Financial Statements For the year ended 31 December 2025

5(a). INSURANCE REVENUE

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

2025	GROUP			COMPANY		
	2025 Long Term	2025 Short Term	2025 Total	2025 Long Term	2025 Short Term	2025 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Contracts not measured under the PAA						
Amounts relating to changes in liabilities for remaining coverage						
CSM recognised for services provided	1,850,462	-	1,850,462	1,227,388	-	1,227,388
Changes in risk adjustment for non-financial risk for risk expired	178,688	-	178,688	110,803	-	110,803
Expected incurred claims and other insurance service expenses	2,580,859	-	2,580,859	1,954,004	-	1,954,004
Recovery of insurance acquisition cashflows	1,853,026	-	1,853,026	1,380,187	-	1,380,187
Total Contracts not measured under the PAA	6,463,035	-	6,463,035	4,672,382	-	4,672,382
Contracts measured under the PAA	3,872,496	-	3,872,496	3,312,594	-	3,312,594
Total insurance revenue	10,335,531	-	10,335,531	7,984,976	-	7,984,976

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

Financial Statements For the year ended 31 December 2025

5(b). INSURANCE SERVICE EXPENSES

2025	GROUP			COMPANY		
	2025 Long Term	2025 Short Term	2025 Total	2025 Long Term	2025 Short Term	2025 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Actual claims and expenses excl inv comp over the period	5,006,558	-	5,006,558	4,040,906	-	4,040,906
Actual acquisition expenses recognised as expenses for PAA	179,053	-	179,053	79,427	-	79,427
Expected release of incurred claims over the period	(8,256,864)	-	(8,256,864)	(7,182,615)	-	(7,182,615)
Expected release of risk adjustments for incurred claims	83,981	-	83,981	72,443	-	72,443
New Incurred Claims over the period	8,944,416	-	8,944,416	7,582,840	-	7,582,840
Release of deferred acquisition cost	1,853,027	-	1,853,027	1,380,187	-	1,380,187
Increase in losses on onerous contracts	193,701	-	193,701	11,369	-	11,369
Expected claims and expenses excl inv comp over the period for loss component	(281,359)	-	(281,359)	(143,127)	-	(143,127)
Expected release of risk adjustment over the period to loss component	(26,986)	-	(26,986)	(16,137)	-	(16,137)
Total Insurance service expense	7,695,527	-	7,695,527	5,825,293	-	5,825,293

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

5(c). NET EXPENSES FROM REINSURANCE CONTRACTS HELD

2025	GROUP			COMPANY		
	2025 Long Term	2025 Short Term	2025 Total	2025 Long Term	2025 Short Term	2025 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reinsurance recoveries	619,070	-	619,070	348,022	-	348,022
Reinsurance premiums allocation	(740,340)	-	(740,340)	(363,726)	-	(363,726)
	(121,270)	-	(121,270)	(15,704)	-	(15,704)

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

Financial Statements For the year ended 31 December 2025

6. INVESTMENT INCOME

GROUP	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Investments held to maturity						
Interest from government securities	17,351,866	16,323	17,368,189	15,510,419	6,875	15,517,294
Interest from corporate bonds	35,079	355	35,434	88,398	-	88,398
Bank deposit interest	5,073,277	136,533	5,209,810	5,620,770	214,007	5,834,777
	22,460,222	153,211	22,613,433	21,219,587	220,882	21,440,469
Investments at fair value through profit or loss						
Fair value gain on equity investments (Note 18(a))	3,953,744	-	3,953,744	1,891,372	-	1,891,372
Dividends receivable from equity investments	887,945	61,817	949,762	641,524	61,817	703,341
Gain on disposal of equity investments	58,451	(169)	58,282	80,451	-	80,451
Gain on disposal of bonds	56,191	-	56,191	-	-	-
Fair value gain on treasury bonds	2,675,024	16,016	2,691,040	3,624,795	5,894	3,630,689
Fair value gain on unit trust investments	194,530	9,254	203,784	281,265	6,355	287,620
Fair value gain on REIT investment (Note 18(b))	14,640	-	14,640	5,410	110,813	116,223
Foreign exchange loss on translation of dollar deposits	(4,770)	-	(4,770)	(718,629)	-	(718,629)
REIT income	6,176	6,786	12,962	9,921	16,603	26,524
Interest income on unit trusts	213,437	-	213,437	12,834	-	12,834
	8,055,368	93,704	8,149,072	5,828,943	201,482	6,030,425
Loans and receivables						
Loan interest-mortgages	98,924	-	98,924	92,339	-	92,339
Loan interest-policy loans	261,647	-	261,647	339,866	-	339,866
	360,571	-	360,571	432,205	-	432,205
Investment properties						
Fair value gain on investment properties (Note 17)	119,317	30,276	149,593	185,465	87,483	272,948
Rental income from investment properties	544,248	83,430	627,678	529,086	66,149	595,235
	663,565	113,706	777,271	714,551	153,632	868,183
Miscellaneous income	-	-	-	40	-	40
Total investment income	31,539,726	360,621	31,900,347	28,195,326	575,996	28,771,322
Investment expenses	(242,732)	(2,561)	(245,293)	(171,899)	(2,524)	(174,423)
Net impairment losses on other financial assets	-	-	-	-	167	167
Net investment income	31,296,994	358,060	31,655,054	28,023,427	573,639	28,597,066

Financial Statements For the year ended 31 December 2025

6. INVESTMENT INCOME (CONTINUED)

COMPANY	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Interest from government securities	15,572,524	16,323	15,588,847	14,194,631	6,875	14,201,506
Interest from corporate bonds	35,079	355	35,434	28,020	-	28,020
Interest from bank deposits	4,814,275	136,533	4,950,808	5,489,669	214,007	5,703,676
	20,421,878	153,211	20,575,089	19,712,320	220,882	19,933,202
Investments at fair value through profit or loss						
Fair value gain on equity investments (Note 18(a))	3,845,574	-	3,845,574	1,761,664	-	1,761,664
Dividends receivable from equity investments	837,832	61,817	899,649	609,029	61,817	670,846
Gain on disposal of equity investments	58,451	(169)	58,282	80,451	-	80,451
Gain on disposal of treasury bonds	56,191	-	56,191	-	-	-
Fair value gain on treasury bonds	2,675,024	16,016	2,691,040	3,624,795	5,894	3,630,689
Fair value gain on unit trust investments	194,530	9,254	203,784	281,265	6,355	287,620
Fair value gain on REIT investment (Note 18(b))	14,640	-	14,640	5,410	110,813	116,223
Foreign exchange loss on translation of dollar deposits	(4,770)	-	(4,770)	(718,629)	-	(718,629)
REIT income	6,176	6,786	12,962	9,921	16,603	26,524
Gain on disposal of unit linked deposit trusts	195,095	-	195,095	-	-	-
	7,878,743	93,704	7,972,447	5,653,906	201,482	5,855,388
Loan interest-mortgages	98,924	-	98,924	92,339	-	92,339
Loan interest-policy loans	228,667	-	228,667	339,866	-	339,866
	327,591	-	327,591	432,205	-	432,205
Investment properties						
Fair value gain on investment properties (Note 17)	119,317	30,276	149,593	185,465	87,483	272,948
Rental income from investment properties (Note 17)	544,248	83,430	627,678	529,086	66,149	595,235
	663,565	113,706	777,271	714,551	153,632	868,183
Total investment income	29,291,777	360,621	29,652,398	26,512,982	575,996	27,088,978
Investment expenses	(242,732)	(2,561)	(245,293)	(171,899)	(2,524)	(174,423)
Net impairment losses on other financial assets	-	-	-	-	167	167
Net investment income	29,049,045	358,060	29,407,105	26,341,083	573,639	26,914,722

6.(b)

GROUP	ECL Movement			ECL Movement		
	2025			2024		
	Longterm	Short term	Total	Longterm	Short term	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Assets						
Corporate bonds	(12,330)	(821)	(13,151)	(6,947)	-	(6,947)
Deposit with banks	186,695	(3,139)	183,556	(289,270)	-	(289,270)
Treasury bonds	50,757	(245)	50,512	(76,860)	-	(76,860)
Mortgages	-	-	-	-	-	-
Cash at bank	(1,180)	(73)	(1,253)	4,016	-	4,016
Policy loans	-	-	-	10,604	-	10,604
Total	223,942	(4,278)	219,664	(358,457)	-	(358,457)
Exchange difference	-	(6,093)	(6,093)	-	-	-
Total	223,942	1,815	225,757	(358,457)	-	(358,457)

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6.(b) INVESTMENT INCOME (CONTINUED)

COMPANY	ECL Movement			ECL Movement		
	2025			2024		
	Longterm	Short term	Total	Longterm	Short term	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Assets						
Corporate bonds	(12,330)	(821)	(13,151)	(6,947)	-	(6,947)
Deposit with banks	198,946	(3,139)	195,807	(289,270)	158,616	(130,654)
Treasury bonds	50,757	(245)	50,512	(63,463)	-	(63,463)
Mortgages	-	-	-	-	-	-
Cash at bank	(1,180)	(73)	(1,253)	4,016	9	4,025
Policy loans	-	-	-	10,604	-	10,604
Total	236,193	(4,278)	231,915	(345,060)	158,625	(186,435)
Exchange difference	-	(6,094)	(6,094)	-	-	-
Total	236,193	1,816	238,009	(345,060)	158,625	(186,435)

7. INSURANCE FINANCE EXPENSE

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Finance effect for remaining coverage to Profit or Loss excluding loss component	(9,325,436)	(10,149,338)	(8,863,593)	(9,757,769)
Interest accreted to CSM	(466,933)	(369,081)	(693,106)	(442,156)
Finance effect for remaining coverage to Profit or Loss loss component	(917,532)	(584,510)	(295,579)	(244,062)
Total	(10,709,901)	(11,102,929)	(9,852,278)	(10,443,987)

8. MOVEMENT IN INVESTMENT CONTRACT LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Interest accretion on PAA liability for remaining coverage	(15,533,244)	(12,902,440)	(14,499,683)	(12,177,132)
Deposit administration PAA Income	(2,367,433)	(2,029,522)	(2,367,295)	(2,029,522)
Total	(17,900,677)	(14,931,962)	(16,866,978)	(14,206,654)

9 (a). OTHER INCOME / (EXPENSES)

GROUP	Long term business	Short term business	2025	2024
	2025	2025		
	Kshs'000	Kshs'000		
Gain on disposal of property and equipment	392	-	392	3,535
Others*	8,463	8,482	16,945	(5,873)
Bad debts	-	-	-	-
Income residue excluded from IFRS 17	(26,047)	-	(26,047)	151,507
Total	(17,192)	8,482	(8,710)	149,169

COMPANY	Long term business	Short term business	2025	2024
	2025	2025		
	Kshs'000	Kshs'000		
Gain on disposal of property and equipment	88	-	88	3,271
Others*	8,463	8,482	16,945	9,871
Income residue excluded from IFRS 17	26,821	-	26,821	72,136
Total	35,372	8,482	43,854	85,278

*Includes income received not allocated to policies

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9(b). OTHER OPERATING EXPENSES

GROUP	Long term business 2025	Short term business 2025	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Other Expenses	-	(17)	(17)	(30)
Claims residue and commission-excluded from IFRS 17	(172,603)	-	(172,603)	(537,501)
Non-attributable expenses	(379,088)	-	(379,088)	(572,304)
	(551,691)	(17)	(551,708)	(1,109,835)

COMPANY	Long term business 2025	Short term business 2025	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Other Expenses	-	(17)	(17)	(30)
Claims residue and commission-excluded from IFRS 17	(172,603)	-	(172,603)	(537,501)
Non -attributable expenses	(295,662)	-	(295,662)	(416,426)
	(468,265)	(17)	(468,282)	(953,957)

	GROUP		COMPANY	
	2025 Total	2024 Total	2025 Total	2024 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Staff Expenses	1,427,283	1,228,023	1,111,911	950,652
Advertising, Branding & Business promotions	518,976	368,962	486,369	354,204
Rent & Related Expenses	195,266	172,388	159,430	169,590
Printing and Stationery	21,483	21,800	10,236	17,950
Audit Fees*	17,506	7,644	10,870	2,864
Professional fees**	116,617	81,338	77,390	71,955
ICT Expenses	194,487	197,201	178,470	187,626
Repairs & maintenance	10,212	5,353	4,365	4,196
Travelling expenses	46,527	36,425	27,402	17,231
Motor Vehicle Expenses	5,099	4,407	5,099	4,366
Bank Charges	68,791	62,439	47,964	42,947
Depreciation	175,985	197,758	149,521	132,166
Insurance Expenses	75,319	42,088	56,705	42,088
Stamp Duty	28,959	18,734	28,959	18,734
Telephones, Fax & Postage	25,813	27,806	17,273	17,700
Medical underwriting expenses	9,276	9,722	6,816	6,813
Directors Fees	12,538	11,994	7,270	7,210
Newspapers and Magazines	2,285	259	2,179	259
Office Cleaning	14,873	13,084	13,044	11,495
Insurance/Trade Licences Fees	24,066	8,373	2,478	1,924
Corporate trustee/Admin fees	129,179	139,137	129,179	134,181
Premium Tax	99,409	76,163	99,409	76,163
Policy Holder protection fund	23,429	16,018	23,429	16,018
Other Expenses	249,948	179,562	88,692	28,976
Attributable expenses	(3,114,238)	(2,354,374)	(2,448,798)	(1,900,882)
Non attributable Expenses	379,088	572,304	295,662	416,426

* This amount relates to the financial statements audit fee.

** Included in the professional fees is the fee of other services from KPMG in respect to corporate income tax review for the year ended 31 December, 2025 and ad hoc tax advisory services amounting to Kshs. 744,685.

Financial Statements For the year ended 31 December 2025

10(a). INCOME TAX EXPENSE

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current income tax	943,527	711,377	705,355	536,571
Deferred income tax (credit) / charge (Note 31)	910,369	453,302	910,369	453,302
Under provision of current tax in prior years	-	13,973	-	13,973
Under provision of deferred tax in prior years	(2)	(1,989)	(2)	(1,989)
Income tax expense	1,853,894	1,176,663	1,615,722	1,001,857

During the year the Group and Company's tax rate was 30% (2024: 30%). The income tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit before income tax	5,516,253	4,770,383	4,645,409	3,827,459
Tax calculated at 30%	1,654,876	1,431,115	1,393,623	1,148,238
Tax effects of:				
- Income not subject to tax*	(1,581,681)	(541,692)	(1,320,427)	(408,013)
- Expenses not deductible for tax purposes**	870,332	289,229	632,159	261,632
Deferred tax charge for the year	910,369	-	910,369	-
Under / (over) provision of deferred tax in prior years	(2)	(1,989)	(2)	-
Income tax expense/(credit)	1,853,894	1,176,663	1,615,722	1,001,857

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

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

Financial Statements For the year ended 31 December 2025

10. (b) INCOME TAX MOVEMENT

	GROUP			COMPANY		
	2025 Long Term	2025 Short Term	2025 Total	2025 Long Term	2025 Short Term	2025 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January 2024	(19,533)	21,233	1,700	66,016	21,233	87,249
Current year taxation charge	868,172	75,355	943,527	630,000	75,355	705,355
Withholding tax recovered	(7,658)	-	(7,658)	(7,658)	-	(7,658)
Tax paid	(727,050)	(168,583)	(895,633)	(501,016)	(168,583)	(669,599)
Exchange difference	(1,145)	-	(1,145)	-	-	-
At 31 December 2025	112,786	(71,995)	40,791	187,342	(71,995)	115,347

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

	GROUP			COMPANY		
	2025 Long Term	2025 Short Term	2025 Total	2025 Long Term	2025 Short Term	2025 Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current Tax recoverable (Asset)	(112,786)	71,995	(40,791)	-	71,995	71,995
Current tax payable (Liability)	-	-	-	(187,342)	-	(187,342)
Net Tax Asset / (Liability)	(112,786)	71,995	(40,791)	(187,342)	71,995	(115,347)

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

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11. (a) EARNINGS PER SHARE

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit for the year (Kshs' 000)	3,662,359	3,593,720	3,029,687	2,825,620
Number of ordinary shares	56,250	56,250	56,250	56,250
Basic earnings per share (Kshs)	65.11	63.89	53.86	50.23

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

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

11. (b) SHARE PREMIUM

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

12. RESERVES

Statutory reserves

The statutory reserve relates to;

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

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

In the year 2025 Kshs 1,470,000 has been transferred from statutory reserve to retained earnings (2024 : Kshs 1,050,000,000)

Currency translation reserve

Currency translation reserve relates to translation gains and losses arising as a result of translating opening balances using exchange rates at the close of the period rather than exchange rates at the beginning of the period on consolidation of the subsidiaries. In the year 2025 the translation was Kshs 358,606 while the revaluation reserve was Kshs 4,786.

Revaluation reserve

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

13. DIVIDENDS

The directors recommend a final dividend of Kshs 26.13 per share amounting to Kshs 1,470,000,000 (2024: Kshs 18.67 per share amounting to Kshs 1,050,000,000).

Financial Statements For the year ended 31 December 2025

14. MOTOR VEHICLE & EQUIPMENT

GROUP	Motor vehicles	Computers	Fittings and equipment	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
COST				
Balance as at 1 January 2024	100,218	398,161	451,062	949,441
Additions	17,420	56,245	136,893	210,558
Disposals	(9,003)	(1,384)	(2,700)	(13,087)
Exchange difference	(21,443)	(7,396)	(14,442)	(43,281)
At 31 December 2024	87,192	445,626	570,813	1,103,631
Balance as at 1 January 2025	87,192	445,626	570,813	1,103,631
Additions	5,552	76,444	50,106	132,102
Disposals	(12,600)	(683)	(1,494)	(14,777)
Exchange difference	18,277	(302)	(1,795)	16,180
At 31 December 2025	98,421	521,085	617,630	1,237,136
DEPRECIATION				
Balance as at 1 January 2024	58,290	302,749	322,944	683,983
Depreciation for the year	14,568	84,221	32,757	131,546
Eliminated on disposals	(9,003)	(1,636)	(2,669)	(13,308)
Exchange differences	(7,867)	(11,037)	(9,415)	(28,319)
At 31 December 2024	55,988	374,297	343,617	773,902
CARRYING AMOUNT				
Balance as at 1 January 2025	55,988	374,297	343,617	773,902
Depreciation for the year	14,370	93,575	39,191	147,136
Eliminated on disposals	(10,750)	(991)	(1,031)	(12,772)
Exchange differences	6,666	7,076	1,551	15,293
At 31 December 2025	66,274	473,957	383,328	923,559
CARRYING AMOUNT				
At 31 December 2025	32,147	47,128	234,302	313,577
At 31 December 2024	31,204	71,330	227,196	329,730

Fully depreciated assets at 31 December 2025 amounted to Kshs 543,236,848 (2024 - Kshs 523,905,389). The notional annual depreciation on these assets would have been Kshs 127,506,553 (2024 - Kshs 118,856,450). None of the Group's property and equipment has been pledged as security for borrowings.

Financial Statements For the year ended 31 December 2025

14. MOTOR VEHICLE AND EQUIPMENT (CONTINUED)

COMPANY	Motor vehicles	Computers	Fittings and equipment	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
COST				
Balance as at 1 January 2024	66,973	350,688	357,633	775,294
Additions	17,420	49,847	93,036	160,303
Disposals	(9,003)	(1,384)	-	(10,387)
At 31 December 2024	75,390	399,151	450,669	925,210
Balance as at 1 January 2025	75,390	399,151	450,669	925,210
Additions	5,552	75,525	48,700	129,777
Disposals	(12,600)	(547)	(1,013)	(14,160)
At 31 December 2025	68,342	474,129	498,356	1,040,827
DEPRECIATION				
Balance as at 1 January 2024	47,670	258,747	238,444	544,861
Depreciation for the year	11,576	79,011	35,135	125,722
Eliminated on disposals	(9,003)	(1,384)	-	(10,387)
At 31 December 2024	50,243	336,374	273,579	660,196
CARRYING AMOUNT				
As at 1 January 2025	50,243	336,374	273,579	660,196
Depreciation for the year	11,364	82,480	39,147	132,991
Eliminated on disposals	(10,750)	(547)	(1,013)	(12,310)
At 31 December 2025	50,857	418,307	311,713	780,877
CARRYING AMOUNT				
At 31 December 2025	17,485	55,822	186,643	259,950
At 31 December 2024	25,147	62,777	177,090	265,014

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15. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost				
Balance as at 1 January 2024	241,768	158,767	207,982	149,787
Additions during the year	34,525	83,001	31,946	58,197
Exchange difference	(17,549)	-	-	-
At 31 December 2024	258,744	241,768	239,928	207,984
Depreciation				
Balance as at 1 January 2025	170,963	153,286	153,219	146,775
Charge for the year	24,692	16,464	16,521	6,444
Exchange difference	(17,801)	1,213	-	-
At 31 December 2025	177,854	170,963	169,740	153,219
Carrying amount	80,890	70,805	70,188	54,763

Fully depreciated assets at 31 December 2025 amounted to Kshs 152,319,497 (2024: Kshs 100,127,119). The notional annual depreciation on these assets would have been Kshs 50,722,392 (2024: Kshs 12,515,890). None of the Company's assets has been pledged as security for borrowings.

16. RIGHT-OF-USE ASSETS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cost				
At 1 January	675,512	789,470	465,634	465,634
Additions during the year	80,188	3,833	-	-
* De-recognition	(52,990)	(19,159)	17,472	-
Lease modification	12,734	-	-	-
Exchange difference	1,824	-	-	-
At 31 December	717,268	774,144	483,106	465,634
Depreciation				
At 1 January	365,716	378,458	316,442	279,825
Charge for the year	96,894	77,802	57,117	36,617
Exchange difference	(1,662)	8,089	-	-
At 31 December 2024	460,948	464,349	373,559	316,442
Carrying amount	256,320	309,795	109,547	149,192

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Depreciation expense on right-of-use assets	99,050	101,578	57,117	60,392
Interest expense on lease liabilities	46,086	68,623	28,019	46,401

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

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

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

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

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17. INVESTMENT PROPERTIES - GROUP AND COMPANY

	Long term business	Short term business	Total 2025	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At start of year	8,799,000	1,489,000	10,288,000	9,886,000
Additions	249,684	3,723	253,407	129,052
Fair value gain (Note 6)	119,316	30,277	149,593	272,948
At year end	9,168,000	1,523,000	10,691,000	10,288,000

The investment properties were last revalued on 31st December 2025 by Kiragu & Mwangi Limited, independent valuers, on an open market basis using the highest and best use principle. The properties are managed by Knight Frank Kenya Limited. The rental income received from the investment properties for the Group and Company was Kshs 627,678 (2024:Kshs 595,235,000) (Note 6). The total property management expenses wa 2025: Kshs 329,535,000 (2024: Kshs 308,288,513).

The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 31 December 2025				
Investment property	-	-	10,691,000	10,691,000
At 31 December 2024				
Investment property	-	-	10,288,000	10,288,000
At 31 December 2023				
Investment property	-	-	9,886,000	9,886,000

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

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

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18(a). EQUITY INVESTMENTS

GROUP						
	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Quoted investments - at fair value through profit or loss						
At 1 January	8,034,195	-	8,034,195	6,287,932	-	6,287,932
Additions	507,715	-	507,715	308,039	-	308,039
Disposals	(228,222)	-	(228,222)	(417,489)	-	(417,489)
Fair value gain (Note 6)	3,953,744	-	3,953,744	1,891,372	-	1,891,372
Exchange differences	3,947	-	3,947	(35,659)	-	(35,659)
At 31 December	12,271,379	-	12,271,379	8,034,195	-	8,034,195

COMPANY						
	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	7,656,223	-	7,656,223	6,065,649	-	6,065,649
Additions	507,713	-	507,713	246,399	-	246,399
Disposals	(228,222)	-	(228,222)	(417,489)	-	(417,489)
Fair value gain (Note 6)	3,845,574	-	3,845,574	1,761,664	-	1,761,664
At 31 December	11,781,288	-	11,781,288	7,656,223	-	7,656,223

18(b). REIT INVESTMENTS

GROUP AND COMPANY						
	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	272,114	260,901	533,015	266,704	148,537	415,241
Disposals	-	(12,064)	(12,064)	-	1,551	1,551
Fair value gain (Note 6)	14,640	-	14,640	5,410	110,813	116,223
At 31 December	286,754	248,837	535,591	272,114	260,901	533,015

19(a) INVESTMENT IN SUBSIDIARY - AT COST

COMPANY	2025	2024
	Kshs'000	Kshs'000
ICEA LION Life Assurance Company (Uganda) Limited	193,172	193,192
	193,172	193,192

19 (b) MOVEMENT IN INVESTMENT IN SUBSIDIARY

	Total 2025	Total 2024
	Kshs'000	Kshs'000
Movement in subsidiaries		
Opening balances	193,192	193,192
Disposal at cost	-	-
Movement	-	20
	193,192	193,192

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

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

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

(c) Summary of Subsidiary Performance

A summary of financial information for the subsidiary as of 31 December 2025 and 31 December 2024 is set out below:

	ICEA LION Life Assurance Company (Uganda) Limited	
	2025	2024
	Kshs'000	Kshs'000
Total assets	18,077,777	13,469,396
Total liabilities	16,225,583	12,226,555
Net assets	1,852,194	1,242,841
Net earned premiums and other incomes	2,922,584	1,552,595
Profit before income tax	617,256	477,987
Income tax expense	(226,330)	(174,806)
Profit for the year	390,926	303,181
Total comprehensive income for the year	390,926	477,987

(d) Subordinated Loan

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

	2025	2024
	Kshs'000	Kshs'000
At 1 January 2025	129,033	129,033
Loan repayment	(70,609)	-
Gain on loan repayment	6,093	-
	64,516	129,033

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20. INVESTMENT IN ASSOCIATE - ILAM UGANDA

GROUP – LONG TERM BUSINESS	2025	2024
	Kshs'000	Kshs'000
Company's share of net assets;		
At 1 January	31,835	24,379
Share of profit	17,069	11,231
Exchange loss on translation	1,056	(3,775)
At 31 December	49,960	31,835

Further information on the associate company is shown below:

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

A summary of financial information as of 31 December 2025 and for the year then ended in respect of the associate company is set out below:

	2025	2024
	Kshs'000	Kshs'000
Total assets	254,142	155,525
Total liabilities	(74,733)	(27,971)
Net assets	179,409	127,554
Group's share of the net assets	44,852	31,889
Income	276,711	197,834
Profit before income tax	98,127	62,977
Income tax expense	(26,718)	(18,347)
Profit for the year	71,409	44,630
Total comprehensive income for the year	71,409	44,630

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20. INVESTMENT IN ASSOCIATES - EAre (CONTINUED)

GROUP – SHORT TERM BUSINESS	2025	2024
	Kshs'000	Kshs'000
Company's share of net assets;		
At 1 January	2,285,997	2,149,666
Share of profit	267,062	248,536
Adjustment and dividends received	(61,817)	(81,333)
Share of OCI	(1,390)	(30,941)
Changes in ownership interest	27,258	-
Understatement of associate profit	-	69
Net movement	231,113	136,331
At 31 December	2,517,110	2,285,997

Further information on the associate company is shown below:

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

A summary of financial information as of 31 December 2025 and for the year then ended in respect of the associate company is set out below:

	2025	2024
	Kshs'000	Kshs'000
Total assets	15,346,372	13,752,002
Total liabilities	(7,202,616)	(6,355,980)
Net assets	8,143,756	7,396,022
Group's share of the net assets	2,517,110	2,285,997
Net earned premiums	422,402	378,793
Profit before income tax	1,186,287	957,209
Income tax expense	(322,244)	(152,884)
Profit for the year	864,043	804,325
Total comprehensive income for the year	864,043	704,219

COMPANY	2025	2024
	Kshs'000	Kshs'000
At cost		
At 1st January	553,922	553,922
Additions	-	-
At 31 December	553,922	553,922

21. KENYA MOTOR INSURANCE POOL- GROUP AND COMPANY

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

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

Name	Country of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held by the company	
			2025	2024
Kenya Motor Insurance Pool	Kenya	Sharing of pool business and risks by underwriting and investments.	5.35%	5.34%

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

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

	2025	2024
	Kshs'000	Kshs'000
At 1 January	27,024	23,593
Partial distribution	-	-
Net (decrease)/increase in Group share of net assets of the pool	(1,958)	3,431
	25,066	27,024

22. LOANS RECEIVABLE

Mortgage loans - GROUP AND COMPANY

	2025	2024
	Kshs'000	Kshs'000
At 1 January	581,173	638,712
Loans advanced	119,767	43,481
Interest charged	38,224	36,525
Loan repayments	(118,079)	(135,651)
Gross	621,085	583,067
Allowance for expected credit losses	-	(1,894)
At 31 December	621,085	581,173

Maturity profile of mortgage loans:

Loans maturing:		
Within 1 year	6,160	20,481
1 to 5 years	127,151	160,883
Over 5 years	487,774	399,809
	621,085	581,173

23. REINSURANCE CONTRACT - ASSETS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reinsurance contract assets	536,243	486,321	148,768	155,120

24. OTHER RECEIVABLES

GROUP	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Due from related companies (Note 35)	274,699	40,759	315,458	312,617	40,841	353,458
Staff advances	54,207	302	54,509	35,791	381	36,172
Others	810,221	188,489	998,710	732,508	77,079	809,587
	1,139,127	229,550	1,368,677	1,080,916	118,301	1,199,217
COMPANY						
Due from related companies (Note 35)	274,699	40,759	315,458	312,620	40,838	353,458
Staff advances	40,192	302	40,494	29,622	381	30,003
Others	812,545	125,204	937,749	761,733	1,962	763,695
	1,127,436	166,265	1,293,701	1,103,975	43,181	1,147,156

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24.(b). OTHER RECEIVABLES (CONTINUED)

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

	Long term business 2025	Short term business 2025	Long term business 2024	Short term business 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
1st Jan 2025	(941,698)	941,698	(363,770)	363,770
Interfund indebtedness	1,041,741	(1,041,741)	472,072	(472,072)
Transfer to share holder(Net of tax)	(1,470,000)	1,470,000	(1,050,000)	1,050,000
Total	(1,369,957)	1,369,957	(941,698)	941,698

25. CORPORATE BONDS

GROUP & COMPANY	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Corporate bonds maturing:						
- 1 to 5 years	1,123,673	45,355	1,169,028	231,740	-	231,740
- Allowance for expected credit losses	(12,330)	(821)	(13,151)	(6,947)	-	(6,947)
	1,111,343	44,534	1,155,877	224,793	-	224,793

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

GROUP & COMPANY	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	224,793	-	224,793	232,259	-	232,259
Additions	1,118,530	45,000	1,163,530	329	-	329
Disposals	(226,930)	-	(226,930)	(989)	-	(989)
Amortization	7,280	355	7,635	141	-	141
Impairment	(12,330)	(821)	(13,151)	(6,947)	-	(6,947)
At 31 December	1,111,343	44,534	1,155,877	224,793	-	224,793

26. GOVERNMENT SECURITIES

GROUP	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Treasury bills and bonds maturing:						
- within one year	6,669,372	346,675	7,016,047	2,457,389	-	2,457,389
- 1 to 5 years	18,358,794	-	18,358,794	18,897,352	-	18,897,352
- After 5 years	79,523,555	-	79,523,555	60,301,429	-	60,301,429
Gross	104,551,721	346,675	104,898,396	81,656,170	-	81,656,170
- Allowance for expected credit losses	50,757	(245)	50,512	(73,453)	-	(73,453)
Exchange difference	(93,248)	-	(93,248)	-	-	-
At 31 December	104,509,230	346,430	104,855,660	81,582,717	-	81,582,717

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26. GOVERNMENT SECURITIES (CONTINUED)

COMPANY	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Treasury bills and bonds maturing:						
- within one year	5,517,601	346,675	5,864,276	1,601,069	-	1,601,069
- 1 to 5 years	17,440,014	-	17,440,014	17,901,436	-	17,901,436
- After 5 years	68,062,649	-	68,062,649	51,728,326	-	51,728,326
Gross	91,020,264	346,675	91,366,939	71,230,831	-	71,230,831
- Allowance for expected credit losses	50,757	(245)	50,512	(63,463)	-	(63,463)
	91,071,021	346,430	91,417,451	71,167,368	-	71,167,368

COMPANY AND GROUP	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at FVTPL						
Treasury bills and bonds maturing:						
- within one year	640,932	50,000	690,932	150,088	-	150,088
- 1 to 5 years	6,881,988	-	6,881,988	6,822,845	-	6,822,845
- After 5 years	42,980,147	268,211	43,248,358	29,969,979	50,098	30,020,077
	50,503,067	318,211	50,821,278	36,942,912	50,098	36,993,010

Treasury bonds amounting to Kshs 12 Billion (2024: Kshs 9 Billion) are held under lien with the Central Bank of Kenya.

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

	Long term business 2025	Short term business 2025	Total 2025	Long term business 2025	Short term business 2025	Total 2025
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Movement						
At 1 January	81,582,717	-	81,582,717	71,167,368	-	71,167,368
Acquisition	24,565,479	370,000	24,935,479	20,929,700	370,000	21,299,700
Amortization	616,393	8,738	625,131	459,283	8,738	468,021
Deferred Income	164,225	(32,063)	132,162	164,225	(32,063)	132,162
Disposal	(2,566,113)	-	(2,566,113)	(1,700,313)	-	(1,700,313)
Impairment	37,212	(245)	36,967	50,758	(245)	50,513
Exchange difference	109,317	-	109,317	-	-	-
At 31 December	104,509,230	346,430	104,855,660	91,071,021	346,430	91,417,451

Held at FVTPL

Movement

At 1 January	36,942,912	50,098	36,993,010	36,942,912	50,098	36,993,010
Acquisition	21,845,341	245,000	22,090,341	21,845,341	245,000	22,090,341
Disposal	(11,529,082)	-	(11,529,082)	(11,529,082)	-	(11,529,082)
Revaluation	3,243,896	23,113	3,267,009	3,243,896	23,113	3,267,009
At 31 December	50,503,067	318,211	50,821,278	50,503,067	318,211	50,821,278

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26. GOVERNMENT SECURITIES (CONTINUED)

	GROUP			COMPANY		
	Long term business 2024	Short term business 2024	Total 2024	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Held at amortised cost						
Movement						
At 1 January	82,586,213	-	82,586,213	73,400,663	-	73,400,663
Acquisition	6,077,069	-	6,077,069	2,181,288	-	2,181,288
Amortization	1,170,451	-	1,170,451	(64,150)	-	(64,150)
Deferred income	(170,820)	-	(170,820)	(170,820)	-	(170,820)
Disposal	(6,595,921)	-	(6,595,921)	(4,116,150)	-	(4,116,150)
Impairment	(74,046)	-	(74,046)	(63,463)	-	(63,463)
Exchange difference	(1,410,229)	-	((1,410,229))	-	-	-
At 31 December	81,582,717	-	81,582,717	71,167,368	-	71,167,368
Held at FVTPL						
Movement						
At 1 January	30,254,938	44,204	30,299,142	30,254,938	44,204	30,299,142
Acquisition	3,269,129	-	3,269,129	3,269,129	-	3,269,129
Disposal	(205,950)	-	(205,950)	(205,950)	-	(205,950)
Revaluation	3,624,795	5,894	3,630,689	3,624,795	5,894	3,630,689
At 31 December	36,942,912	50,098	36,993,010	36,942,912	50,098	36,993,010

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

GROUP	Long term business 2025	Short term business 2025	Total 2025	Long term business 2024	Short term business 2024	Total 2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Maturing within 90 days	28,565,355	559,999	29,125,354	18,768,321	1,005,367	19,773,688
Maturing after 90 days	18,820,370	412,426	19,232,796	33,811,830	450,412	34,262,242
Allowance for expected credit losses	(264,653)	(9,601)	(274,254)	(463,215)	(6,462)	(469,677)
	47,121,072	962,824	48,083,896	52,116,936	1,449,317	53,566,253
COMPANY						
Maturing within 90 days	27,060,850	559,999	27,620,849	17,282,280	1,005,367	18,287,647
Maturing after 90 days	17,160,706	412,426	17,573,132	33,518,344	450,412	33,968,756
Allowance for expected credit losses	(232,416)	(9,601)	(242,017)	(431,362)	(6,462)	(437,824)
	43,989,140	962,824	44,951,964	50,369,262	1,449,317	51,818,579

Weighted average effective rates – GROUP AND COMPANY

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

	2025	2024
Mortgage loans	15%	15%
Policy loans	16%	16%
Government securities	13%	13%
Corporate bonds	11%	12.25%
Deposits with financial institution	9.5%	14.5%

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27. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The tables below summarize the movements in deposits with financial institutions

	GROUP			COMPANY		
	Long term business 2025	Short term business 2025	Total 2025	Long term business 2025	Short term business 2025	Total 2025
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Movement						
At 1 January	52,116,936	1,449,317	53,566,253	50,369,262	1,449,317	51,818,579
Acquisition	105,303,118	2,056,235	107,359,353	99,978,930	2,056,235	102,035,165
Disposal	(110,913,539)	(2,527,481)	(113,441,020)	(106,916,096)	(2,527,481)	(109,443,577)
Revaluation	594,331	-	594,331	594,331	-	594,331
Impairment	142,590	159	142,749	195,649	159	195,808
Amortization	(134,599)	(16,406)	(151,005)	(232,936)	(16,406)	(249,342)
Revaluation - Unit Trusts	-	-	-	-	-	-
Loss on translation	12,236	-	12,236	-	-	-
At 31 December	47,121,073	961,824	48,082,897	43,989,140	961,824	44,950,964

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

	GROUP	GROUP
	2025	2024
	Kshs'000	Kshs'000
b) Statutory deposit at amortised cost		
As at 1 January	79,392	65,554
Purchases	17,147	22,285
Maturities	(5,073)	(10,421)
Accrued interest	916	1,155
Provision for impairment	(92)	(154)
	92,290	78,419
Statutory deposit maturing:		
Within 1 year	8,368	5,228
1 to 5 years	7,394	4,160
After 5 years	76,528	69,031
	92,290	78,419

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28. SHARE CAPITAL

GROUP AND COMPANY	Ordinary shares			
	Number of shares	Long term Kshs'000	Short term Kshs'000	Total Kshs'000
Balance at 31 December 2024 and 31 December 2025	56,250,000	150,000	975,000	1,125,000

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

(a) Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regards to the Company's residual assets..

(b) Dividends

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

	2025	2024
Kshs 20.53 per qualified ordinary share (2024: Kshs18.67)	1,470,000	1,050,000

(c) Dividends

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

	2025	2024
Kshs 20.53 per qualified ordinary share (2024: Kshs18.67)	1,470,000	1,050,000

29. INSURANCE AND REINSURANCE CONTRACTS

31st December 2025	GROUP				COMPANY			
	GMM	PAA	VFA	Total	GMM	PAA	VFA	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Insurance Contracts								
Insurance Contracts Liabilities	55,251,067	145,179,841	(1,564)	200,429,344	48,950,422	135,580,518	(1,564)	184,529,376
Reinsurance Contracts								
Reinsurance Contracts Assets	-	(536,243)	-	(536,243)	-	(148,768)	-	(148,768)
31st December 2024								
Insurance Contracts								
Insurance Contracts Liabilities	41,873,398	123,527,374	(14,327)	165,386,445	37,197,244	116,578,956	(14,327)	153,761,873
Reinsurance Contracts								
Reinsurance Contracts Assets	-	(486,321)	-	(486,321)	-	(155,120)	-	(155,120)

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29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a). Movements in insurance and reinsurance contract balances

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

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

GROUP 2025	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	37,963,913	3,427,272	482,213	41,873,398
Insurance Revenue				
Insurance Revenue	(6,461,541)	-	-	(6,461,541)
TOTAL	(6,461,541)	-	-	(6,461,541)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	(308,346)	8,941,671	8,633,325
Acquisition Expenses	1,853,027	-	-	1,853,027
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(5,558,288)	-5,558,288
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	185,054	-	185,054
TOTAL	1,853,027	(123,292)	3,383,383	5,113,118
Investment Components				
Investment Components	(6,274,391)	-	6,274,391	-
TOTAL	(6,274,391)	-	6,274,391	-
Insurance Finance Expenses				
Insurance Finance Expenses	10,240,367	466,932	-	10,707,299
TOTAL	10,240,367	466,932	-	10,707,299
Cash flows				
Premiums Received	15,221,925	-	(65,344)	15,156,581
Claims and Other Expenses Paid	-	-	(8,876,328)	(8,876,328)
Acquisition Cash Flows Paid	(2,042,634)	-	-	(2,042,634)
Policy loan adjustment	(481,386)	-	-	(481,386)
TOTAL	12,697,905	-	(8,941,672)	3,756,233
Closing Insurance Contract Liabilities	50,019,280	3,770,912	1,198,315	54,988,507
Translation gain/loss	249,936	13,222	(598)	262,560
Closing Balance	50,269,216	3,784,134	1,197,717	55,251,067

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29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

COMPANY 2025	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	34,574,962	2,249,206	373,076	37,197,244
Insurance Revenue				
Insurance Revenue	(4,670,888)	-	-	(4,670,888)
TOTAL	(4,670,888)	-	-	(4,670,888)
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	(159,265)	7,580,095	7,420,830
Acquisition Expenses	1,380,189	-	-	1,380,189
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	(5,036,490)	(5,036,490)
Changes that relate to future services: losses on onerous contracts and reversals (including reinsurer's non-performance risk)	-	2,720	-	2,720
TOTAL	1,380,189	-156,545	2,543,605	3,767,249
Investment Components				
Investment Components	(5,469,449)	-	5,469,449	-
TOTAL	(5,469,449)	-	5,469,449	-
Insurance Finance Expenses				
Insurance Finance Expenses	9,554,097	295,579	-	9,849,676
TOTAL	9,554,097	295,579	-	9,849,676
Cash flows				
Premiums Received	12,218,869	-	(65,344)	12,153,525
Claims and Other Expenses Paid	-	-	(7,514,751)	(7,514,751)
Acquisition Cash Flows Paid	(1,573,644)	-	-	(1,573,644)
Policy loan adjustment	(257,989)	-	-	(257,989)
TOTAL	10,387,236	-	(7,580,095)	2,807,141
Closing Balance	45,756,147	2,388,240	806,035	48,950,422

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29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a). Movements in insurance and reinsurance contract balances

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

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(i) Insurance Contracts

Insurance contracts not measured under PAA - GMM

Analysis by remaining coverage and incurred claims

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(i) *Insurance Contracts (Continued)*

Insurance contracts not measured under PAA - VFA

Analysis by remaining coverage and incurred claims

GROUP 2025	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(12,943)	(171)	(1,213)	(14,327)
Insurance Revenue				
Insurance Revenue	(1,494)	-	-	(1,494)
TOTAL	(1,494)	-	-	(1,494)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	2,745	2,745
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	2,863	2,863
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	8,649	-	8,649
TOTAL	-	8,649	5,608	14,257
Investment Components				
TOTAL	-	-	-	-
Insurance Finance Expenses				
Insurance Finance Expenses	2,602	-	-	2,602
TOTAL	2,602	-	-	2,602
Cash flows				
Premiums Received	143	-	(2,745)	(2,602)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	143	-	(2,745)	(2,602)
Closing Balance	(11,692)	8,478	1,650	(1,564)

COMPANY 2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(12,943)	(171)	(1,213)	(14,327)
Insurance Revenue				
Insurance Revenue	(1,494)	-	-	(1,494)
TOTAL	(1,494)	-	-	(1,494)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	2,745	2,745
Changes that relate to past services: changes to liabilities for incurred claims (resulting from underlying GoC for reins)	-	-	2,863	2,863
Changes that relate to future services: losses on onerous contracts and reversals (incl reinsurer's non-performance risk)	-	8,649	-	8,649
TOTAL	-	8,649	5,608	14,257
Investment Components				
TOTAL	-	-	-	-
Insurance Finance Expenses				
Insurance Finance Expenses	2,602	-	-	2,602
TOTAL	2,602	-	-	2,602
Cash flows				
Premiums Received	143	-	(2,745)	(2,602)
Acquisition Cash Flows Paid	-	-	-	-
TOTAL	143	-	(2,745)	(2,602)
Closing Balance	(11,692)	8,478	1,650	(1,564)

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(i) *Insurance Contracts (Continued)*

Insurance contracts not measured under PAA - VFA

Analysis by remaining coverage and incurred claims

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

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	35,998,321	755,634	5,119,443	41,873,398
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(1,850,462)	(1,850,462)
Risk Adjustments	-	(205,366)	-	(205,366)
Experience Adjustments	(193,752)	-	-	(193,752)
TOTAL	(193,752)	(205,366)	(1,850,462)	(2,249,580)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(2,194,418)	360,139	2,254,725	420,446
Experience Adjustments	(99,696)	(124,802)	(11,446)	(235,944)
Changes in Estimates Reflected in the CSM	(380,918)	137,755	244,267	1,104
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(187,048)	188,922	-	1,874
TOTAL	(2,862,080)	562,014	2,487,546	187,480
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	716,103	-	-	716,103
TOTAL	716,103	-	-	716,103
Insurance Finance Expenses				
Net Finance Expenses	9,494,327	295,440	917,532	10,707,299
TOTAL	9,494,327	295,440	917,532	10,707,299
Cash Flows				
Cash Flows	4,237,620	-	-	4,237,620
Policy loan adjustment	(481,387)	-	-	(481,387)
TOTAL	3,756,233	-	-	3,756,233
Closing Insurance Contracts Liabilities	46,909,152	1,407,722	6,674,059	54,990,933
Translation gain / (Loss)	247,544	3,024	9,566	260,134
Closing Balance	47,156,696	1,410,746	6,683,625	55,251,067

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

COMPANY	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	32,699,652	462,979	4,034,613	37,197,244
Changes that Relate to Current Service				
Contractual Service Margin	-	-	(1,227,388)	(1,227,388)
Risk Adjustments	-	(126,632)	-	(126,632)
Experience Adjustments	14,701	-	-	14,701
TOTAL	14,701	(126,632)	(1,227,388)	(1,339,319)
Changes that Relate to Future Service				
Contracts Initially Recognized in the Period	(1,438,536)	223,899	1,454,123	239,486
Experience Adjustments	(424,144)	(82,976)	137,004	(370,116)
Changes in Estimates Reflected in the CSM	(222,077)	141,920	80,157	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(84,791)	218,141	-	133,350
TOTAL	(2,169,548)	500,984	1,671,284	2,720
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	432,959	-	-	432,959
TOTAL	432,959	-	-	432,959
Insurance Finance Expenses				
Net Finance Expenses	8,925,777	230,792	693,106	9,849,675
TOTAL	8,925,777	230,792	693,106	9,849,675
Cash Flows				
Cash Flows	3,065,132	-	-	3,065,132
Policy loan adjustment	(257,989)	-	-	(257,989)
TOTAL	2,807,143	-	-	2,807,143
Closing Balance	42,710,684	1,068,123	5,171,615	48,950,422

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

GROUP	Estimates of the Present Value of Future Cash Flows	Risk Adjustment	Contractual Service Margin	Total
2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(46,016)	1,395	30,294	(14,327)
Changes that Relate to Current Service				
Risk Adjustments	-	(309)	-	(309)
Experience Adjustments	1,561	-	-	1,561
TOTAL	1,561	(309)	-	1,252
Changes that Relate to Future Service				
Experience Adjustments	39,892	(1,028)	(30,233)	8,631
Changes in Estimates Reflected in the CSM	(54)	115	(61)	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(15)	32	-	17
TOTAL	39,823	(881)	(30,294)	8,648
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	2,863	-	-	2,863
TOTAL	2,863	-	-	2,863
Insurance Finance Expenses				
Net Finance Expenses	2,602	-	-	2,602
TOTAL	2,602	-	-	2,602
Cash Flows				
Cash Flows	(2,602)	-	-	(2,602)
TOTAL	(2,602)	-	-	(2,602)
Closing Balance	(1,769)	205	-	(1,564)
COMPANY	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(46,016)	1,395	30,294	(14,327)
Changes that Relate to Current Service				
Risk Adjustments	-	(309)	-	(309)
Experience Adjustments	1,561	-	-	1,561
TOTAL	1,561	(309)	-	1,252
Changes that Relate to Future Service				
Experience Adjustments	39,892	(1,028)	(30,233)	8,631
Changes in Estimates Reflected in the CSM	(54)	115	(61)	-
Changes in Estimates that Result in Losses and Reversal of Losses Onerous Contracts (incl reinsurer's non-performnc risk)	(15)	32	-	17
TOTAL	39,823	(881)	(30,294)	8,648
Changes that Relate to Past Service				
Adjustments to Liabilities for Incurred Claims	2,863	-	-	2,863
TOTAL	2,863	-	-	2,863
Insurance Finance Expenses				
Net Finance Expenses	2,602	-	-	2,602
TOTAL	2,602	-	-	2,602
Cash Flows				
Cash Flows	(2,602)	-	-	(2,602)
TOTAL	(2,602)	-	-	(2,602)
Closing Balance	(1,769)	205	-	(1,564)

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

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

Analysis by measurement component

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(ii) Insurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

GROUP	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
2025				
Opening Balance	122,946,386	-	580,988	123,527,374
Insurance Revenue				
Insurance Revenue	(3,872,496)	-	-	(3,872,496)
TOTAL	(3,872,496)	-	-	(3,872,496)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	83,980	83,980
Changes that relate to past services: changes to liabilities for incurred claims	-	-	2,484,172	2,484,172
TOTAL	-	-	2,568,152	2,568,152
Insurance Finance Expenses				
Insurance Finance Expenses	17,900,677	-	-	17,900,677
TOTAL	17,900,677	-	-	17,900,677
Cash flows				
Premiums Received	7,503,229	-	-	7,503,229
Claims and Other Expenses Paid	-	-	(2,336,533)	(2,336,533)
Acquisition Cash Flows Paid	-	-	(179,052)	(179,052)
TOTAL	7,503,229	-	(2,515,585)	4,987,644
Closing Insurance Contract Liabilities	144,477,796	-	633,555	145,111,351
Translation Gain/(loss)	66,071	-	2,419	68,490
Closing Balance	144,543,867	-	635,974	145,179,841

COMPANY	Liability for Remaining Coverage		Liability for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
2025				
Opening Balance	116,201,327	-	377,629	116,578,956
Insurance Revenue				
Insurance Revenue	(3,312,593)	-	-	(3,312,593)
TOTAL	(3,312,593)	-	-	(3,312,593)
Insurance Service Expenses				
Incurred Claims and Other Expenses	-	-	72,443	72,443
Changes that relate to past services: changes to liabilities for incurred claims	-	-	1,971,344	1,971,344
TOTAL	-	-	2,043,787	2,043,787
Insurance Finance Expenses				
Insurance Finance Expenses	16,866,978	-	-	16,866,978
TOTAL	16,866,978	-	-	16,866,978
Cash flows				
Premiums Received	5,410,331	-	-	5,410,331
Claims and Other Expenses Paid	-	-	(1,927,514)	(1,927,514)
Acquisition Cash Flows Paid	-	-	(79,427)	(79,427)
TOTAL	5,410,331	-	(2,006,941)	3,403,390
Closing Balance	135,166,043	-	414,475	135,580,518

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(ii) Insurance contracts measured under PAA

Analysis by remaining coverage and incurred claims

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

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(iii) Reinsurance Contracts

Analysis by remaining coverage and incurred claims

GROUP	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(244,386)	-	(241,935)	(486,321)
Insurance Revenue				
Insurance Revenue	857,437	-	-	857,437
TOTAL	857,437	-	-	857,437
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	(25,872)	(25,872)
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(666,802)	(666,802)
TOTAL	-	-	(692,674)	(692,674)
Insurance Finance Expenses				
TOTAL	-	-	-	-
Cash flows				
Premiums Received	(872,134)	-	-	(872,134)
Claims and Other Expenses Paid	-	-	471,501	471,501
Acquisition cash flows paid	-	-	189,700	189,700
TOTAL	(872,134)	-	661,201	(210,933)
Closing Insurance Contract Assets	(259,083)	-	(273,408)	(532,491)
Translation Gain/(Loss)	(2,003)	-	(1,749)	(3,752)
Closing Balance	(261,086)	-	(275,157)	(536,243)

COMPANY	Asset for Remaining Coverage		Asset for Incurred Claims	Total
	Excluding Loss Component	Loss Component		
2025	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balance	(61,574)	-	(93,546)	(155,120)
Insurance Revenue				
Insurance Revenue	363,726	-	-	363,726
TOTAL	363,726	-	-	363,726
Insurance Service Expenses				
Incurring Claims and Other Expenses	-	-	(17,904)	(17,904)
Changes that relate to past services: changes to liabilities for incurred claims	-	-	(330,118)	(330,118)
TOTAL	-	-	(348,022)	(348,022)
Insurance Finance Expenses				
TOTAL	-	-	-	-
Cash flows				
Premiums Received	(339,507)	-	-	(339,507)
Claims and Other Expenses Paid	-	-	140,455	140,455
Acquisition Cash Flows Paid	-	-	189,700	189,700
TOTAL	(339,507)	-	330,155	(9,352)
Closing Balance	(37,355)	-	(111,413)	(148,768)

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

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

(iii) Reinsurance Contracts

Analysis by remaining coverage and incurred claims

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

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

Financial Statements For the year ended 31 December 2025

29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b). Contractual Service Margin

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

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

GROUP - 2025											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CSM Remaining	6,683,624,459	5,148,359,592	4,015,547,087	3,151,724,455	2,460,191,439	1,922,649,941	1,485,789,639	1,136,169,631	871,303,878	674,088,768	551,309,678
CSM Recognised	-	1,535,264,867	1,132,812,505	863,822,633	691,533,016	537,541,498	436,860,302	349,620,008	264,865,753	197,215,110	122,779,090
CSM IN FORCE	6,683,624,459	-	-	-	-	-	-	-	-	-	-

COMPANY - 2025											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CSM Remaining	5,187,072,485	4,133,966,199	3,344,277,655	2,721,166,964	2,201,465,500	1,759,471,561	1,387,545,416	1,075,880,602	836,459,665	654,759,467	537,403,643
CSM Recognised	-	1,053,106,286	789,688,544	623,110,691	519,701,464	441,993,939	371,926,146	311,664,814	239,420,937	181,700,198	117,355,824
CSM IN FORCE	5,187,072,485	-	-	-	-	-	-	-	-	-	-

GROUP - 2024											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CSM Remaining	5,186,188	4,010,745	3,165,493	2,512,332	2,001,840	1,600,904	1,269,936	1,003,688	787,988	628,896	519,384
CSM Recognised	-	1,138,990	845,252	653,161	510,492	400,936	330,968	266,248	215,700	159,092	109,512
CSM IN FORCE	5,186,188	-	-	-	-	-	-	-	-	-	-

COMPANY - 2024											
Time	Month 0	Month 12	Month 24	Month 36	Month 48	Month 60	Month 72	Month 84	Month 96	Month 108	Month 120
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CSM Remaining	4,064,907	3,283,503	2,688,192	2,211,986	1,817,150	1,482,561	1,196,042	956,989	759,325	611,459	507,008
CSM Recognised	-	781,404	595,311	476,207	394,836	334,589	286,519	239,053	197,664	147,866	104,451
CSM IN FORCE	4,064,907	-	-	-	-	-	-	-	-	-	-

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

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Opening Balances	5,186,188	3,196,246	4,064,907	2,362,628
Adjustments in the period	3,347,898	3,412,318	2,349,553	2,706,747
Recognised in the period(PL) (Note 5(a))	(1,850,462)	(1,422,376)	(1,227,388)	(1,004,468)
Closing balance	6,683,624	5,186,188	5,187,072	4,064,907

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29. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Effect of contracts initially recognised in the year

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profitable Contracts Issued				
Estimate of Present Value of Future Income	8,421,779	7,497,071	5,751,896	5,563,996
Claims and Other Insurance Service Expenses	(4,328,405)	(3,832,672)	(2,967,654)	(2,776,699)
Insurance Acquisition Cash Flows	(1,572,901)	(1,303,294)	(1,146,379)	(1,016,418)
Risk Adjustment for Non-financial Risk	(265,748)	(224,274)	(183,739)	(159,736)
Contractual Service Margin	(2,254,725)	(2,136,831)	(1,454,124)	(1,611,143)
Total Losses on Profitable Contracts	-	-	-	-
Onerous Contracts Issued				
Estimate of Present Value of Future Income	1,788,344	1,827,030	1,306,972	1,252,354
Claims and Other Insurance Service Expenses	(1,483,450)	(1,613,471)	(1,020,780)	(1,023,694)
Insurance Acquisition Cash Flows	(630,948)	(618,163)	(485,518)	(470,247)
Risk Adjustment for Non-financial Risk	(94,391)	(105,409)	(40,160)	(42,093)
Total Losses on Onerous Contracts	(420,445)	(510,013)	(239,486)	(283,680)
Total Contracts Issued				
Estimate of Present Value of Future Income	10,210,123	9,324,101	7,058,867	6,816,350
Claims and Other Insurance Service Expenses	(5,811,855)	(5,446,144)	(3,988,433)	(3,800,393)
Insurance Acquisition Cash Flows	(2,203,850)	(1,921,458)	(1,631,897)	(1,486,665)
TVOM Diff on Current and Locked in Rates	-	-	-	-
Risk Adjustment for Non-financial Risk	(360,139)	(329,683)	(223,899)	(201,830)
Diff Risk Adj on Current and Locked in Rates	-	-	-	-
Contractual Service Margin	(2,254,725)	(2,136,831)	(1,454,124)	(1,611,142)
Total Losses on Contracts Issued	(420,446)	(510,015)	(239,486)	(283,680)

(d) Claims Development Disclosure

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

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30. OTHER PAYABLES

GROUP	Long term business	Short term business	Total	Long term business	Short term business	Total
	2025	2025		2024	2024	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Amounts due to related companies (Note 35)	85,134	260,002	345,136	1,132	258,018	259,150
Withholding tax payable	18,344	-	18,344	18,344	-	18,344
Accrued expenses	729,942	-	729,942	638,713	-	638,713
Statutory deductions payable	263	-	263	1,443	-	1,443
Rent deposits	61,941	3,696	65,637	45,827	3,696	49,523
Amounts payable to reinsurance companies	93,615	3,981	97,596	72,075	3,981	76,056
Amounts payable to insurance brokers	-	163,893	163,893	-	-	-
Annuity certain policy holders fund	373,551	-	373,551	372,140	-	372,140
Residual premium non-IFRS 17	131,689	-	131,689	67,204	-	67,204
Other liabilities*	405,425	54,058	459,483	395,503	105,597	501,100
Exchange difference	-	2,830	2,830	-	-	-
	1,899,904	488,460	2,388,364	1,612,381	371,292	1,983,673

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

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

COMPANY	Long term business	Short term business	Total	Long term business	Short term business	Total
	2025	2025		2024	2024	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Amounts due to related companies (Note 35)	92,731	260,002	352,733	1,132	258,018	259,150
Withholding tax payable	18,344	-	18,344	18,344	-	18,344
Accrued expenses	729,942	-	729,942	638,713	-	638,713
Statutory deductions payable	263	-	263	1,443	-	1,443
Rent deposits	61,941	3,696	65,637	45,827	3,696	49,523
Amounts payable to reinsurance companies	17,284	3,981	21,265	72,075	3,981	76,056
Amounts payable to insurance brokers	-	163,893	163,893	-	-	-
Annuity certain policy holders fund	373,551	-	373,551	372,140	-	372,140
Residual premium non-IFRS 17	131,689	-	131,689	67,204	-	67,204
Other liabilities*	280,995	54,058	335,053	215,050	102,767	317,817
	1,706,740	485,630	2,192,370	1,431,928	368,462	1,800,390

31. DEFERRED INCOME TAX

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

GROUP AND COMPANY	Long term business	Short term business	Total	Long term business	Short term business	Total
	2025	2025		2024	2024	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Deferred tax asset						
Provision for liabilities and charges	(46,306)	(50,982)	(97,288)	(46,306)	(50,982)	(97,288)
Total	(46,306)	(50,982)	(97,288)	(46,306)	(50,982)	(97,288)
Deferred tax liability						
Actuarial reserve	4,637,566	-	4,637,566	3,742,702	-	3,742,702
Fair value gains on investment property	-	265,568	265,568	-	246,840	246,840
Provisions	-	(3,226)	(3,226)	-	-	-
Total	4,637,566	262,342	4,899,908	3,742,702	246,840	3,989,542

Financial Statements For the year ended 31 December 2025

32. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before taxation to cash generated from operations

	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
		Kshs'000	Kshs'000	Kshs'000	Kshs'000
Profit before tax		5,516,253	4,770,383	4,645,409	3,827,459
Adjustments for:					
Depreciation on PPE	14	147,136	131,546	132,991	125,722
Amortization on intangible assets	14	24,692	16,464	16,521	6,444
Depreciation on ROUA	16	96,894	77,802	57,117	36,617
Derecognition of Lease	34	(80,401)	-	(17,472)	-
Derecognition of ROUA	16	52,990	-	-	-
Additions to ROUA	16	-	-	-	-
Interest paid on lease liability	34	46,086	55,890	28,019	33,668
Accrued interest - statutory deposit		(922)	(1,171)	-	-
Net movement in share of associate profits	20	(284,131)	-	-	-
Gain on sale of shares	6	(58,282)	(80,451)	(58,282)	(80,451)
Gain from repayment of subordinated loan	19(d)	(6,093)	-	(6,093)	-
Fair value gain on investment properties	17	(149,594)	(272,948)	(149,594)	(272,948)
Fair value gain on treasury bonds	26	(3,267,009)	(3,630,689)	(3,267,009)	(3,630,689)
Fair value gains of quoted shares	18(a)	(3,953,744)	(1,891,372)	(3,845,574)	(1,761,663)
Gain on disposal of treasury bonds	6	(56,191)	(259,767)	(56,191)	-
Gain On Disposal Unit Trusts	6	(213,437)	(287,620)	(195,095)	(287,620)
Fair value gain on REIT	6	(14,640)	(116,223)	(14,640)	(116,223)
Rental income	6	(627,678)	(595,235)	(627,678)	(595,235)
Gain on disposal of equipment	9(a)	(392)	(3,535)	(88)	(3,271)
Accorn REIT income	6	(12,962)	(26,524)	(12,962)	(26,524)
Dividend income	6	(949,762)	(703,341)	(899,649)	(670,846)
Interest income on policy loans	6	(261,647)	(339,866)	(228,667)	(339,866)
Interest income mortgage loans	6	(98,924)	(92,339)	(98,924)	(92,339)
Interest income	6	(22,613,433)	(21,440,469)	(20,575,089)	(19,933,202)
Receivables arising out of reinsurance arrangements		(49,922)	(78,897)	6,352	(29,628)
Receivables arising out of direct insurance arrangements		35,040,126	28,532,032	30,771,250	27,485,790
Other receivables		(274,572)	(119,697)	(251,653)	(129,928)
Trade and other payables		509,801	330,464	497,086	274,421
Impairment on government securities	26	(36,967)	244,866	(50,513)	234,283
Impairment on corporate bond	25	13,151	6,947	13,151	6,947
Impairment on deposits	27	(142,750)	319,906	(195,807)	291,322
Revaluation gain/loss - fixed deposits	27	(594,331)	718,629	(594,331)	718,629
Lease modification	34	(12,734)	(25,589)	-	-
Lease adjustment	34	19,248	-	-	-
Bond amortisation	26	(625,131)	(1,170,451)	(468,021)	64,150
Deferred income on bonds	26	(132,162)	-	(132,162)	-
Amortisation of Fixed deposits	27	151,004	(1,401,508)	249,341	(1,356,831)
Amortisation of Corporate bonds	25	(7,635)	141	(7,635)	(141)
Disposal of Statutory deposits		93	10,568	-	-
Cash generated from operations		7,092,028	2,677,946	4,664,108	3,778,047

Financial Statements For the year ended 31 December 2025

32. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) Cash and cash equivalents

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Cash and bank balances	1,406,774	138,810	1,309,257	50,972
Deposits with financial institutions (Note 27)	39,171,545	19,773,688	27,126,861	18,287,647
	40,578,319	19,912,498	28,436,118	18,338,619

(b) Effect of translation

	2025	2024
	Kshs'000	Kshs'000
Exchange differences in translating foreign operations	133,250	197,837
Exchange differences in translating Property Plant and Equipment	15,291	(13,512)
Exchange differences in translating Right of use asset	(1,662)	8,089
Exchange differences in translating Equity investments	3,947	(32,995)
Exchange differences in translating intangible assets	798	1,213
	151,624	160,632

33. CAPITAL COMMITMENTS

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Property and equipment	27,603	31,985	27,603	31,985

Financial Statements For the year ended 31 December 2025

34. LEASE LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 January	442,145	511,239	245,362	282,139
Derecognition of lease liabilities	(80,401)	(25,589)	-	-
Additions during the year	80,188	24,553	-	-
Adjustments	19,248	3,780	21,830	-
Interest charge for the year	46,086	55,890	28,019	33,668
Repayment during the year	(169,244)	(128,438)	(112,274)	(70,445)
Exchange difference	580	710	-	-
At 31 December	338,602	442,145	182,937	245,362

Maturity analysis of operating lease payments:

	2025		2024	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current	104,623	106,887	48,504	48,384
Non-current	341,467	371,566	242,086	230,509
	446,090	478,453	290,590	278,893

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

Financial Statements For the year ended 31 December 2025

35. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	2025	2024
	Kshs'000	Kshs'000
i) Transactions with related parties		
Management fees - ICEA LION Asset Management Limited	233,848	174,423
Trustee fees - ICEA LION Trust Company Limited	70,015	65,750
Deposits held with other related institutions	6,761	14,793
ii) Outstanding balances with related parties		
Due to related parties		
GROUP		
ICEA LION General Insurance Company (Uganda) Limited	100,213	101,808
ICEA LION General Insurance Company Limited	68,997	-
ICEA LION Asset Management Limited	102,586	100,540
First Chartered Securities Limited	15,467	13,933
ICEA LION LIFE Assurance Company (Uganda) Limited	41,729	41,729
ICEA LION Asset Management (Uganda) Limited	1,097	1,132
ICEA LION Trust Company Limited	8	8
ICEA LION Holdings Ltd	22,636	-
	352,733	259,150
COMPANY		
ICEA LION General Insurance Company (Uganda) Limited	100,213	101,808
ICEA LION General Insurance Company Limited	68,997	-
ICEA LION Asset Management Limited	102,586	100,540
First Chartered Securities Limited	15,467	13,933
ICEA LION LIFE Assurance Company (Uganda) Limited	41,729	41,729
ICEA LION Asset Management (Uganda) Limited	1,097	1,132
ICEA LION Trust Company Limited	8	8
ICEA LION Holdings Ltd	22,636	-
	352,733	259,150

Financial Statements For the year ended 31 December 2025

35. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

	2025	2024
	Kshs'000	Kshs'000
Due from related parties		
GROUP		
ICEA LION General Insurance Company Limited	39,009	46,344
ICEA LION General Insurance Company (Uganda) Limited	101,337	101,552
ICEA LION Life Assurance Company (Uganda) Limited	46,780	47,058
ICEA LION Asset Management Limited	108,544	127,392
First Chartered Securities Limited	16,626	14,549
ICEA LION Trust Company Limited	1,139	14,365
Knight Frank Kenya Limited	208	107
ICEA LION General Insurance Company (Tanzania) Limited	65	341
ICEA LION Asset Management (Uganda) Limited	1,750	1,750
	315,458	353,458
COMPANY		
ICEA LION General Insurance Company Limited	39,009	46,344
ICEA LION General Insurance Company (Uganda) Limited	101,337	101,552
ICEA LION Life Assurance Company (Uganda) Limited	46,780	47,058
ICEA LION Asset Management Limited	108,544	127,392
First Chartered Securities Limited	16,626	14,549
ICEA LION Trust Company Limited	1,139	14,365
Knight Frank Kenya Limited	208	107
ICEA LION General Insurance Company (Tanzania) Limited	65	341
ICEA LION Asset Management (Uganda) Limited	1,750	1,750
	315,458	353,458

iii) Key management and directors' remuneration

GROUP		
Directors' emoluments - fees	12,538	11,994
Key management remuneration	558,125	470,381
	570,663	482,375
COMPANY		
Directors' emoluments - fees	7,270	7,210
Key management remuneration	473,582	378,048
	480,852	385,258



APPENDICIES

- 201** GRI Universal Standards Index
- 210** Corporate Information
- 211** CSR Activities 2025
- 213** Awards & Accolades 2012 - 2025
- 214** ICEA Lion Integrated Lab
- 214** ICEA Lion Life Assurance Finance & Actuarial Team
- 215** ICEA Lion Life Assurance Leadership Team
- 215** ICEA Lion Shared Services Team

Appendix 1A: GRI UNIVERSAL STANDARDS INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
GRI 2: General Disclosures 2021	2-1 Organizational details	208
	2-2 Entities included in the organization's sustainability reporting	11
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	N/a
	2-5 External assurance	5
	2-6 Activities, value chain and other business relationships	42
	2-7 Employees	15
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	56 & 57
	2-10 Nomination and selection of the highest governance body	57, 69
	2-11 Chair of the highest governance body	57
	2-12 Role of the highest governance body in overseeing the management of impacts	69
	2-13 Delegation of responsibility for managing impacts	69
	2-14 Role of the highest governance body in sustainability reporting	69
	2-15 Conflicts of interest	62
	2-16 Communication of critical concerns	45
	2-17 Collective knowledge of the highest governance body	69
	2-18 Evaluation of the performance of the highest governance body	69
	2-19 Remuneration policies	69
	2-20 Process to determine remuneration	69
	2-21 Annual total compensation ratio	69
	2-22 Statement on sustainable development strategy	46
	2-23 Policy commitments	N/a
	2-24 Embedding policy commitments	N/a
	2-25 Processes to remediate negative impacts	76
	2-26 Mechanisms for seeking advice and raising concerns	62
	2-27 Compliance with laws and regulations	38
	2-28 Membership associations	6
	2-29 Approach to stakeholder engagement	36
2-30 Collective bargaining agreements	N/a	
2-30 Collective bargaining agreements	N/a	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	44
	3-2 List of material topics	45
	3-3 Management of material topics	44

Appendix 1A: GRI UNIVERSAL STANDARDS INDEX

GRI, IFRS S1, SASB INSURANCE SECTOR, TNFD DISCLOSURE INDEX

APPENDIX 1B: GRI TOPIC STANDARDS INDEX

GRI STANDARD	PAGE REFERENCE
GRI 101: Biodiversity 2024	N/a, effective 2026
GRI 102: Climate Change 2025	N/a, effective 2027
GRI 103: Energy 2025	N/a, effective 2027
GRI 201: Economic Performance 2016	
GRI 202: Market Presence 2016	N/a
GRI 203: Indirect Economic Impacts 2016	
GRI 204: Procurement Practices 2016	
GRI 205: Anti-corruption 2016	
GRI 206: Anti-competitive Behavior 2016	N/a
GRI 207: Tax 2019	N/a
GRI 301: Materials 2016	N/a
GRI 302: Energy 2016	N/a
GRI 303: Water and Effluents 2018	
GRI 304: Biodiversity 2016	88
GRI 305: Emissions 2016	87
GRI 306: Waste 2020	
GRI 308: Supplier Environmental Assessment 2016	
GRI 401: Employment 2016	
GRI 402: Labor/Management Relations 2016	
GRI 403: Occupational Health and Safety 2018	
GRI 404: Training and Education 2016	
GRI 405: Diversity and Equal Opportunity 2016	
GRI 406: Non-discrimination 2016	
GRI 407: Freedom of Association and Collective Bargaining 2016	N/a
GRI 408: Child Labor 2016	N/a
GRI 409: Forced or Compulsory Labor 2016	N/a
GRI 410: Security Practices 2016	N/a
GRI 411: Rights of Indigenous Peoples 2016	N/a
GRI 413: Local Communities 2016	
GRI 414: Supplier Social Assessment 2016	
GRI 415: Public Policy 2016	N/a
GRI 416: Customer Health and Safety 2016	N/a
GRI 417: Marketing and Labeling 2016	
GRI 418: Customer Privacy 2016	

The detailed GRI Topic Standards Index can be found on our website [\[inset link\]](#)

APPENDIX 2A: ISSB STANDARDS IFRS S1 GENERAL REQUIREMENTS DISCLOSURE INDEX

DISCLOSURE REQUIREMENT	PAGE REFERENCE
Materiality	5
Reporting entity	5
Connected information	
Sources of Guidance	5
Location of disclosures	Appendices
Timing of reporting	5
Comparative information	
Statement of compliance	5
Judgements	8
Measurement uncertainty	8
Errors	N/a

The detailed IFRS S1 General Requirements Index can be found on our website

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)	67	
	Disclose the role of management in the governance processes, controls and procedures used to monitor, manage and oversee (Sr/ CrRO)	67	
Strategy	Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	84	
	Categorise each identified climate related risk as either a physical risk or transition risk.	N/a	
	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.	5	
	Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.	84	
	Describe how the entity responded to, and plans to respond to Sr/ CrRO in its strategy and decision-making	84	
	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.	N/a	
	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.	84	
	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	84	
	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.	N/a	
Risk Management	How does the entity identify, assess, prioritize and monitor sustainability/ climate-related risks?	84	
	How does the entity identify, assess, prioritize and monitor sustainability/ climate-related opportunities relative to other types of opportunities?	84	
	What processes does the entity have in place to manage Sr/CrROs?	84	
	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.	84	

Appendix 1a: GRI Universal Standards Index...

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.	87	
	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.	87	
	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	87	
	Disclose the approach used while setting each target. Has the approach been validated by a third party?	87	
	Disclose absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent	N/a	
	Disclose its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class.	N/a	
	Does the entity apply a carbon price in decision-making? If so, how?	N/a	
	Does the entity factor climate related considerations into executive remuneration? If so, how?	N/a	
	Disclose the amount and percentage of assets or business activities vulnerable to transition risks?	N/a	
	Disclose the amount and percentage of assets or business activities vulnerable to physical risks?	N/a	
	Disclose the amount and percentage of assets or business activities aligned to climate-related opportunities?	N/a	
	Disclose the amount of capital expenditure, financing or investment deployed in climate-related risks and opportunities?	N/a	

The detailed ISSB Standards Core Content Index can be found on our website [inset link].

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	N/A
	Complaints-to-claims ratio	N/A
	Customer retention rate	49
	Description of approach to informing customers about products	49
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	82
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	N/A
	Gross exposure for each industry by asset class	N/A
	Percentage of gross exposure included in the financed emissions calculation	N/A
	Description of the methodology used to calculate financed emissions	N/A
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes 2	N/A
	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	N/A
	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	87 - 88
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	N/A
	Total fair value of securities lending collateral assets	N/A
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	N/A

Appendix 4: TNFD DISCLOSURE INDEX

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	74
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	74
	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.	96
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	88
	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.	88
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	88
	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.	88
Risk management	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	88
	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).	88
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	88
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	88
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.	88
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	88
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	88

Appendix 4: TNFD DISCLOSURE INDEX (continued)

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Core global disclosure metrics (Mandatory): Impacts and dependencies	Total spatial footprint (km2)	N/A
	Extent of land/freshwater/ocean ecosystem use change (km2) by Type of ecosystem; and Type of business activity.	N/A
	Extent of land/freshwater/ocean ecosystem conserved or restored (km2), split into Voluntary; and Required by statutes or regulations.	N/A
	Extent of land/freshwater/ocean ecosystem that is sustainably managed (km2) by Type of ecosystem; and Type of business activity.	N/A
	Pollutants released to soil (tonnes) by type, referring to sector-specific guidance on types of pollutants.	N/A
	Volume of water discharged (m3), split into: Total, Freshwater; and Other	N/A
	Weight of hazardous and nonhazardous waste generated by type (tonnes), referring to sector-specific guidance for types of waste.	N/A
	Weight of hazardous and nonhazardous waste (tonnes) disposed of, split into Waste incinerated, waste sent to landfill; and other disposal methods.	N/A
	Weight of hazardous and nonhazardous waste (tonnes) diverted from landfill, split into waste Reused, Recycled; and other recovery operations.	N/A
	Plastic footprint as measured by total weight (tonnes) of plastics (polymers, durable goods and packaging) used or sold broken down into the raw material content.	N/A
	Non-GHG air pollutants (tonnes) by type: <ul style="list-style-type: none"> • Particulate matter (PM2.5 and/or PM10); • Nitrogen oxides (NO2, NO and NO3); • Volatile organic compounds (VOC or NMVOC); • Sulphur oxides (SO2, SO, SO3, SOX); and • Ammonia (NH3) 	N/A
	Water withdrawal and consumption (m3) from areas of water scarcity, including identification of water source.	N/A
	Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/freshwater, split into types, including proportion of total natural commodities. Quantity of high-risk natural commodities (tonnes) sourced under a sustainable management plan or certification programme, including proportion of total high-risk natural commodities.	N/A
Core global disclosure metrics (Mandatory): Risks and opportunities	Value of assets, liabilities, revenues and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).	N/A
	Value of assets, liabilities, revenues and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total).	N/A
	Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts.	N/A
	Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant.	N/A
	Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	N/A

Appendix 4: TNFD DISCLOSURE INDEX (continued)

PILLAR	DISCLOSURE REQUIREMENT	PAGE REFERENCE
Core sector disclosure metrics for financial institutions:	Exposure to sectors: Absolute amount or percentage of gross written premiums (excluding external)	N/a
	Exposure to sensitive locations: <ul style="list-style-type: none"> • Areas of high ecosystem integrity; and/or • Areas of rapid decline in ecosystem integrity; and/or • Areas of high physical water risks; and/or • Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and affected stakeholders. 	N/a
	Exposure to sensitive locations: Absolute amount or percentage of gross written premiums (excluding external acquisition costs if appropriate) or total sums insured.	N/a

Appendix 4: TNFD DISCLOSURE INDEX (continued)

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
GCR	Global Credit Rating
GEP	Global Economic Prospects

ABBREVIATION	FULL NAME
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

ABBREVIATION	FULL NAME
NZIA	Net Zero Insurance Alliance
OSHA	Occupational Safety and Health Administration
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



CORPORATE INFORMATION

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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

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Ground, 2nd Floor
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P.O. Box 33953, Kampala
Tel: +256 414 232337/ 341 495
Toll Free: 0800 100 120/311
Email: info@icea.co.ug
Website: www.icea.co.ug

CSR ACTIVITIES 2025

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

CSR ACTIVITIES 2025

Pillars of Hope Children's home visit

Our Actuarial team teamed up with Daystar University (DUASA) for a meaningful visit to Pillars of Hope Children's Home in Athi River as part of our ongoing corporate social responsibility initiatives aimed at giving back to society. During the visit, we donated KSh 110,000 to support the home's operations and the well-being of the children. The visit reaffirmed ICEA LION's commitment to positively impacting vulnerable communities and contributing to sustainable social development



ESG Day

ICEALION Group marked its second ESG Day with a region-wide commitment to sustainability. The ESG Day is a culmination of the ESG month that is held annually across our businesses in East Africa. Our CEOs led a symbolic tree-planting exercise, reinforcing leadership commitment to ESG principles. The initiative also included recognition and awards for individuals and businesses that demonstrated outstanding ESG contributions throughout the month. Across the region, teams planted trees, supported schools and children's homes, promoted financial literacy, and participated in community clean-ups—collective actions that reflect meaningful progress toward a greener, more resilient future.



Ruiru Tree Planting

In line with our sustainability pillar, we planted over 400 trees at Ruiru Sports Club as part of our long-term commitment to climate action and ecological restoration. The initiative supports biodiversity, enhances green spaces, and contributes to a greener, more sustainable Kenya.



Lewa Marathon

We took part in the 2025 Lewa Safari Marathon, underscoring our commitment to conservation and a sustainable future.



Karen Charity Golf Day

We sponsored the Karen Charity Golf Day, an annual event dedicated to raising funds for causes that uplift vulnerable communities and protect wildlife and the environment.







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.



AWARDS & ACCOLADES 2012 – 2025

2025 AWARDS & ACCOLADES

-  **1st Runners Up** - Best Travel Insurance Provider
-  **FiRE Awards** - Winner in the IFRS Compliance Category
-  **FiRE Awards** - Best In Reporting , Insurance Category
-  **2nd Runners Up** - People's Choice Award (Auto Insurance Category)



Data Analytics, AI Innovation Challenge InsurTech Forum
1st place - 2025

No.1 Company in innovation
2024, 2025



INDIVIDUAL ACHIEVEMENTS



Top General Insurance Agent in Kenya:
Peter Kungu - 2024



Highest number of Life Policies sold in Kenya:
James Mosigisi - 2024



COMPANY OF THE YEAR

Company of the Year
2024, 2025

Winner: Insurance Sector -
2017, 2014

Overall Champions of Governance Award:2018

Overall:Mid-size Companies (under 500 Employees) - 2018



GOVERNANCE & SECRETARY

Company Secretary of the Year:
Kennedy Ontiti
2016, 2015



ENVIRONMENTAL & SAFETY AWARDS

Winner Environmental Category:
2021

Insurance Category:
2016, 2015

Environmental Category:
2020

International Workplace Safety Award:
2019



INSTITUTE OF CUSTOMER SERVICE ICS KENYA AWARDS

Insurance Sector:
2014

THINK BUSINESS AWARDS

Life Assurer of the Year: 2013 -2017
Best Insurer in Product Distribution & Marketing: 2017
Corporate Risk Manager of the Year: Dorothy Maseke
Customer Satisfaction: 2016
Customer Service: 2018, 2017
Claims Settlement: 2018, 2015
Risk Management: 2015
Best Insurer in Sustainable CSR: 2018
Major Loss Award: 2012
Best Company in Technology & Digital Applications: 2018

Customer Service: 2016, 2014
Risk Management Award: 2017, 2014
Marketing Initiative of the Year: 2012
Most Innovative Insurance Company: 2018
Best Insurance Company in Product Distribution & Marketing: 2018
Fraud Detection & Prevention: 2018, 2016, 2015

AFRICAN CRISTAL MEDIA & ADVERTISING AWARDS MOROCCO

Digital Insurance Category: 2014

AKI AWARDS & SPORTS DAY



AKI QUIZ ASSOCIATION OF 2023 KENYA INSURERS (AK) SPORTS DAY

Indoor Games: 2019, 2018
Swimming: 2019
Overall Champions: 2019, 2018, 2016
Track & Field Game Champions: 2019, 2018
Auxiliary Games, Indoor Games, Volleyball and Athletics Games Champions

ICEA LION INTEGRATED LAB

Meet our Integrated Thinking team that delivered the 2025 Integrated Report, developed in collaboration with The Digital Monkeys.



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 Life Insurance : 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 LIFE ASSURANCE FINANCE & ACTUARIAL TEAM



Back Row: James Gatheca | Ivy Ochieng | Milka Njonjo | Margaret Wangari | Brian Nyaga | Evalyne Musili | Cyrus Wakonyo | Stella Nzioka
Jairus Otanga | Peniel Weru | Kelvin Kibet | Thomas Mumina

Middle Row: Lydia Kahuro | Njomo Wachira | Johnstone Gachuhi | Cyrus Wakonyo | Lilian Njuguna | Gabriel Kilonzo | Jedidah Kithia | Faith Nyawira
| Rosemary Njeri

Front Row: Brida Muisyo | Robert Kanyi | Anthony Muturi | Kevin Nyakeri | Margaret Ndungu | Benson Nzimi | Sheila Muriira

ICEA LION LIFE ASSURANCE LEADERSHIP TEAM



Back Row: Jacqueline Ochieng | Eric Muthengi | Thomas Mumina | George Abuto | Beth Mwikali | Jessica Muriithi | Mokaya Mokaya
Deborah Ndung'u | Anthony Murathi | Gladys Musembi | Enock Keya | Joseph Njuguna | Enid Otieno | Cynthia Kantai | Kevin Kombo
Front Row: Christine Mutahi | Kevin Nyakeri | Catherine Karimi | David Muchiri | Naomi Munyi | Kennedy Odenyo.

ICEA LION GROUP SHARED SERVICES TEAM



Standing from left to right: Enock Keya | John Wanjogu | Cynthia Kantai | Eric Muthengi | Kevin Kombo | Benson Wakaba | David Too | Caroline Maina | Paul Kioi
Front Row: Mokaya Mokaya | Jacqueline Ochieng' | Philip Lopokoiiyt | Andrew Muturi | Geoff Gakundi | Naomi Munyi



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