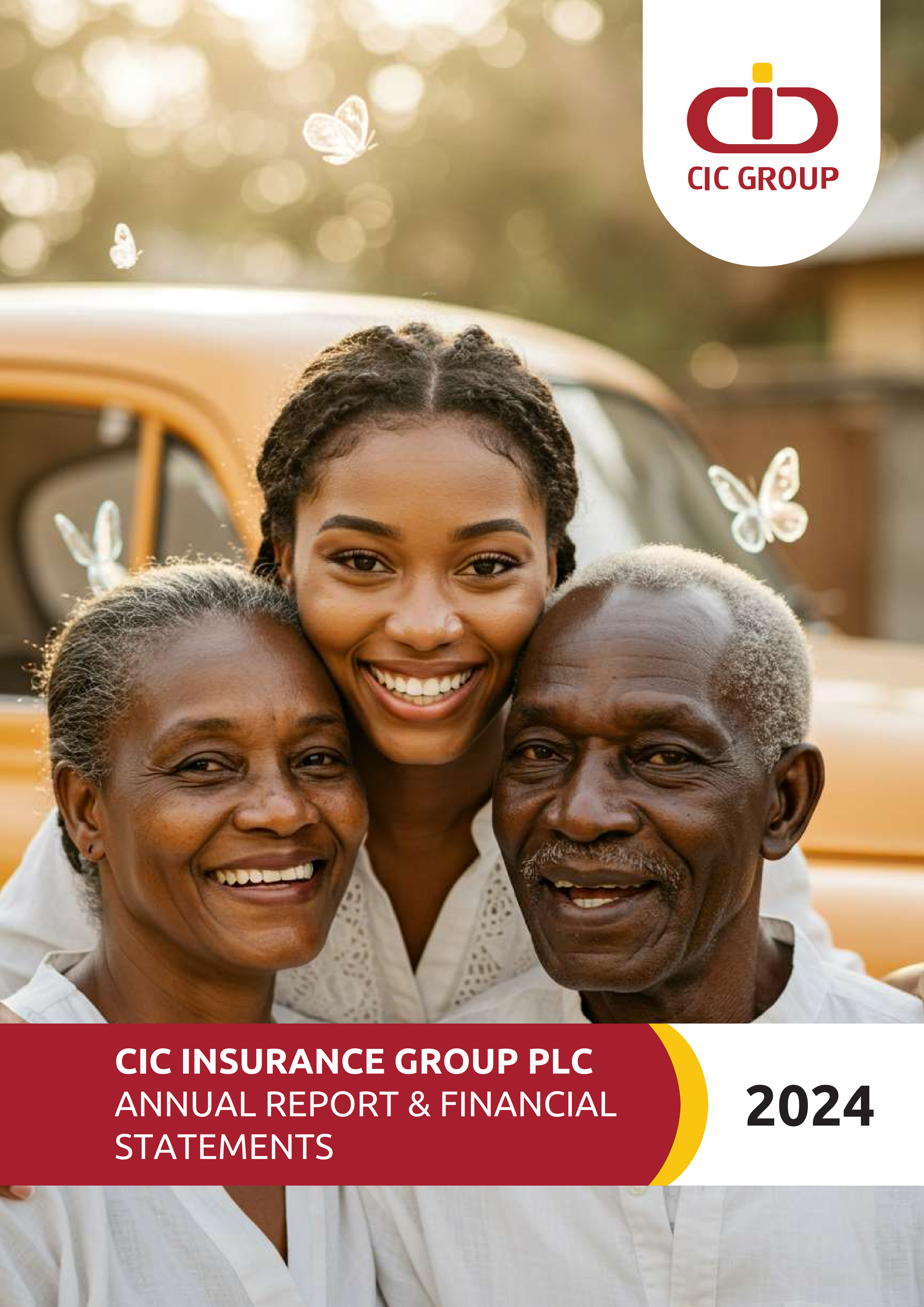


CIC GROUP

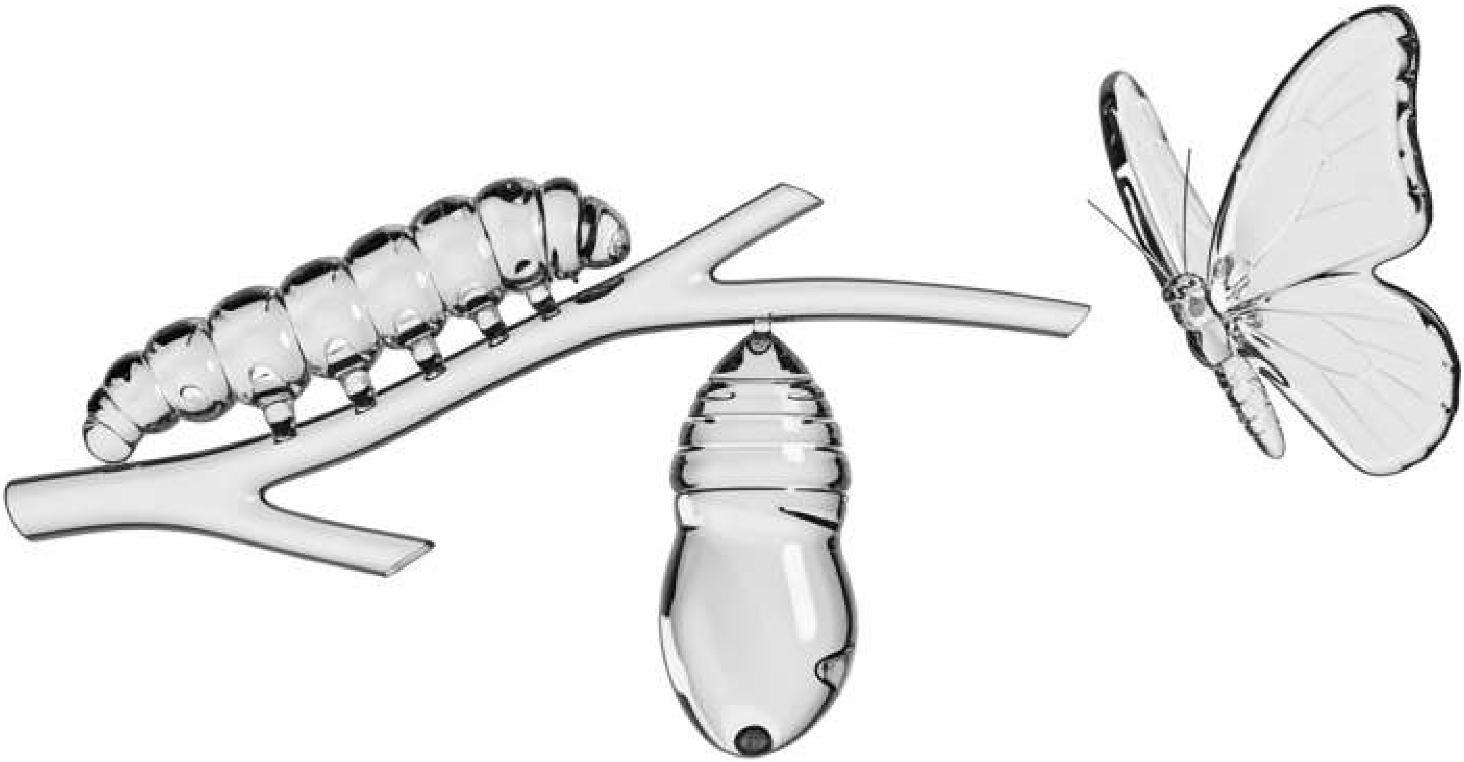
CIC INSURANCE GROUP PLC
ANNUAL REPORT & FINANCIAL STATEMENTS

2024

CIC GROUP

The Theme:

Go for Growth



*"**Go for Growth**" is more than a tagline; it's our philosophy. The butterfly is a symbol of the tangible outcome we strive to provide for every customer.*

By offering customer centric solutions, we provide the security and confidence needed to transform potential into reality, enabling our customers to embrace the future and boldly "Go for Growth."

Table of Contents

Go for Growth

CORPORATE INFORMATION

CORPORATE INFORMATION

DIRECTORS

Dr. Nelson Kuria: Group Chairman
James Njue: Group Vice Chairman
Patrick Nyaga: Group MD & Chief Executive Officer
Peter Nyigei: Retired, May 2024
Gordon Owuor
Michael Wambia
Dr. Rogers Kinoti
Julius Mwatu
Sharon Kisire
Ludia Rono

COMPANY SECRETARY

Gail Odongo
Certified Public Secretary (Kenya)
P. O. Box 59485 - 00100
Nairobi, Kenya

REGISTERED OFFICE

CIC Plaza
Upper Hill, Mara Road
P. O. Box 59485 - 00200
Nairobi, Kenya

SENIOR MANAGEMENT

Patrick Nyaga: Group MD & Chief Executive Officer
Philip Kimani: Group Chief Financial Officer
Humphrey Gathungu: Managing Director: CIC Asset Management Limited
Meshack Miyogo: Managing Director: CIC Life Assurance Limited
Fred Ruoro: Managing Director: CIC General Insurance Limited
Michael Mugo: Principal Officer, CIC Microinsurance Limited
Julius M. Ndugire: Managing Director: CIC Africa Insurance (SS) Limited
Zachary Wambugu: Managing Director: CIC Africa Co-operatives Insurance Limited
Erick Obila: Managing Director: CIC Africa (Uganda) Limited
Gail Odongo: Director, Legal and Company Secretary
Muyesu Luvai: Director, Internal Audit
Susan Robi: Director, Risk and Compliance
Richard Nyakenogo: Director, Co-operatives
Salome Wambui: Group Actuary
Henry Njerenga: Director, Branch & Distribution
Joyce Mwashigadi: Director, People & Culture
Dr. Lydiah Kiburu: Group Director, Business Excellence

AUDITOR

PricewaterhouseCoopers LLP
Certified Public Accountants
PwC Tower, Westlands
Waiyaki Way/Chiromo Road, Westlands
P.O. Box 43963 - 00100
Nairobi,Kenya

PRINCIPAL BANKER

The Co-operative Bank of Kenya Limited
P.O. Box 67881 - 00100
Nairobi, Kenya

CONSULTING ACTUARY

QED Actuaries and Consultants Kenya Limited
Capita Registrars, Royal Office, 1st Floor
No. 17 Mogotio Road, Off Chiromo Lane
P.O. Box 101795 - 00101
Westlands, Nairobi, Kenya

REGISTRARS

Co-operative Bank Share Registrar Services
KUSSCO Building
Kilimanjaro Avenue - Upperhill

OUR REPORTING ECOSYSTEM

This Annual Report and Financial Statements 2024 contains information on our financial and non-financial performance for the financial year 2024. It highlights how we generate value for our stakeholders through our inputs, strategy, sustainability initiatives, and governance oversight. As a business, we are dedicated to transparency and accountability in all our engagements, ensuring sustainable impact for our stakeholders.

Frameworks

This report has been prepared in alignment to:

I. Globally recognized best practices and sound accounting frameworks.
II. The Companies Act, 2015
III. The Capital Markets Authority (CMA) guidelines
IV. The Nairobi Securities Exchange (NSE) Listings Manual.
V. The guidelines established by the International Integrated Reporting Council (IIRC).
VI. The International Financial Reporting Standards (IFRS)
VII. The UN Sustainable Development Goals (SDGs)
VIII. Reference to the Global Reporting Initiative (GRI) Standards

Scope And Boundary

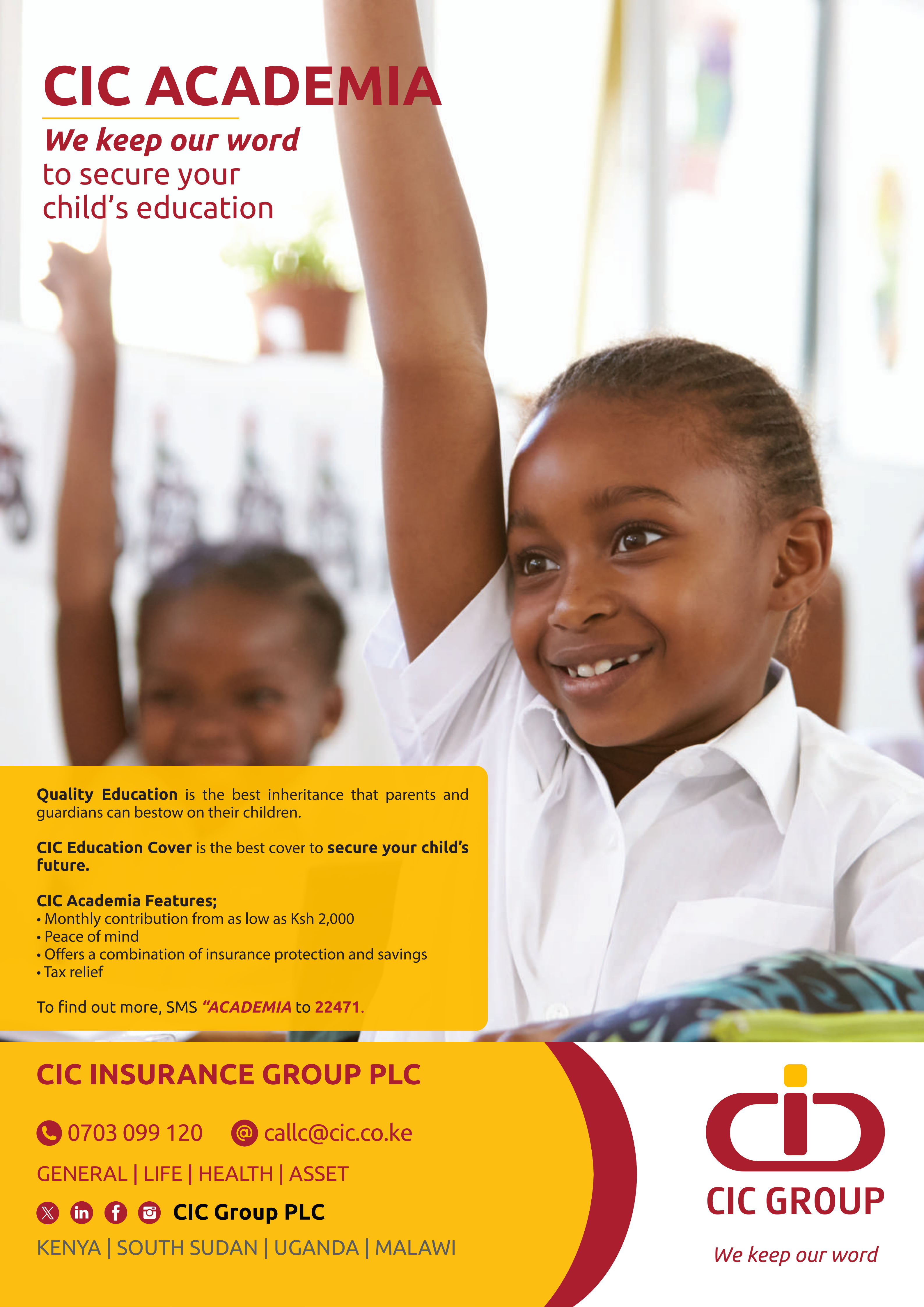
This report focuses on the performance of the Group across our geographical footprint covering Kenya and the regional businesses. The Kenyan operations offer Life Assurance, General Insurance and Asset Management services. We have regional subsidiaries in South Sudan, Uganda, and Malawi where we offer General Insurance and Life Assurance solutions. The time frame for this report is from 1st January to 31st December 2024.

Assurance

The Annual Financial Statements for the CIC Group, CIC General Insurance, CIC Life Assurance, CIC Asset Management and CIC Africa South Sudan were audited by PricewaterhouseCoopers LLP (Kenya). CIC Africa Uganda was audited by KPMG (Uganda), while CIC Africa Malawi was audited by Deloitte & Touche (Malawi).

Approved by the Board of Directors on March 27, 2025 and signed on its behalf by:

Dr. Nelson Kuria, OGW, MBS	Patrick Nyaga	FCPA, Julius Mwatu
Chairman	**Group MD & CEO**	**Director**


CIC ACADEMIA
We keep our word
to secure your
child's education
Quality Education is the best inheritance that parents and guardians can bestow on their children.
CIC Education Cover is the best cover to secure your child's future.
CIC Academia Features;
• Monthly contribution from as low as Ksh 2,000
• Peace of mind
• Offers a combination of insurance protection and savings
• Tax relief
To find out more, SMS "ACADEMIA to 22471.
CIC INSURANCE GROUP PLC
0703 099 120
callc@cic.co.ke
GENERAL | LIFE | HEALTH | ASSET
CIC Group PLC
KENYA | SOUTH SUDAN | UGANDA | MALAWI
CIC GROUP
We keep our word

OUR PHILOSOPHIES AND VALUES

Our Purpose (Mision)

Enable people achieve financial freedom

Vision

To be a world-class provider of insurance and other financial services

CIC Tagline/ Slogan

"***We keep our word"***

We recognize that for our business to grow, we have a role to play in reversing the mistrust partly contributed by our industry players through various malpractices such as mis-selling or failure to honor claims thus undermining the growth we desire.

We shall honor our promises to all our stakeholders.

Our Values

- Integrity - Be fair and transparent
- Dynamism - Be passionate and innovative
- Performance - Be efficient and results-driven
- Cooperation - Live the cooperative spirit

Value Proposition

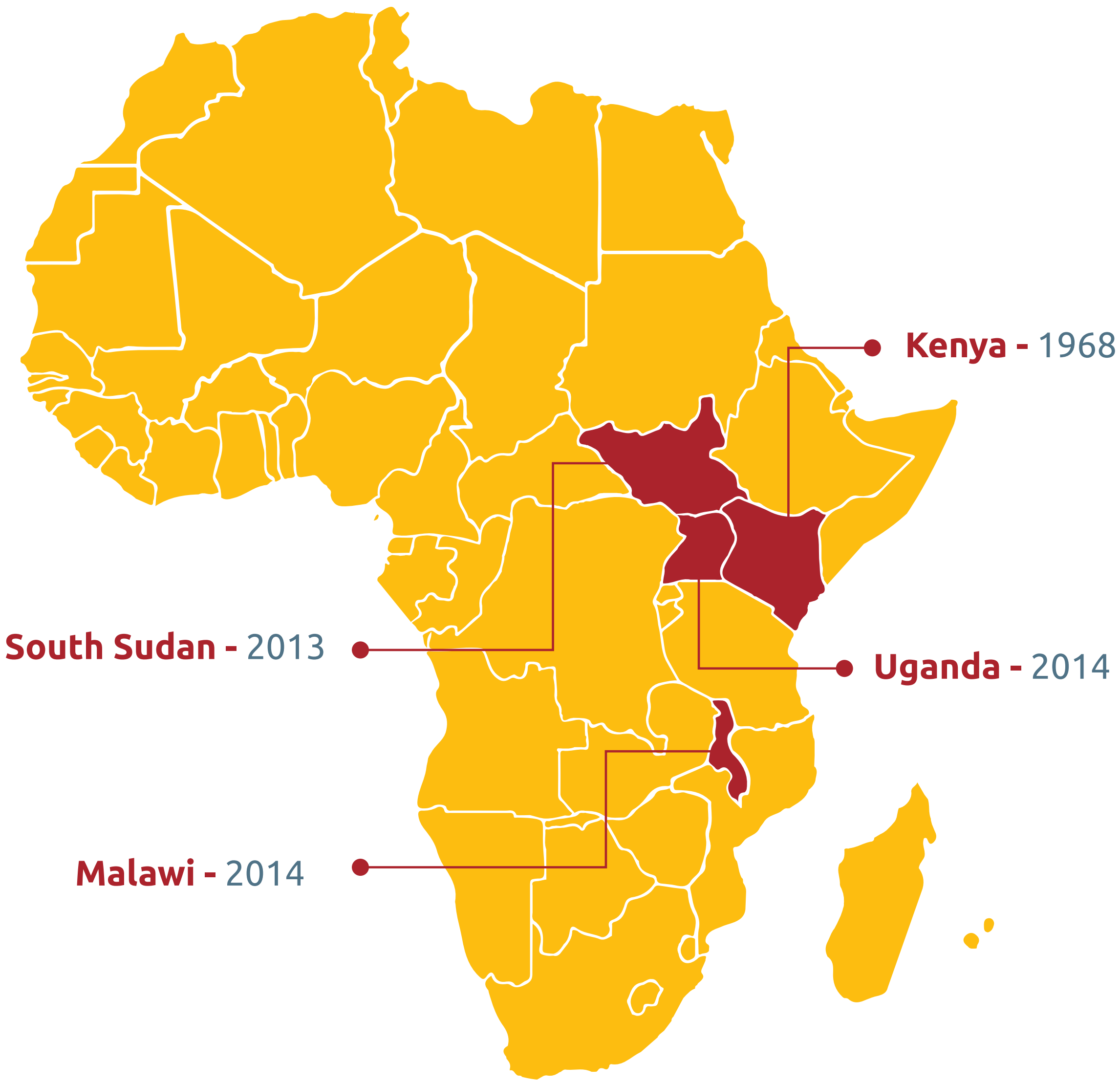
"To offer simple, flexible insurance and financial services built around our customers' needs."

Our approach to business growth shall be research-driven. We shall seek to understand our customers and their needs, and innovatively develop appropriate products that address their needs, wants and desires

WHO WE ARE

CIC Insurance Group is a leading Co-operatives insurer in Africa, offering insurance and investment services across Kenya, Uganda, South Sudan, and Malawi.

Our diverse portfolio includes General Insurance, Life Assurance, Microinsurance, Asset Management and Pharmaceutical services. As a pioneer and market leader in microinsurance, we are committed to driving financial inclusion. Through continuous innovation and a strong focus on service excellence, CIC has earned both national and international recognition.



CIC GROUP QUICK FACTS

Over **2 Million** lives covered

26.4B

Insurance Revenue (4% growth in Insurance Revenue from 25.4b in 2023)

3.9B PBT

57% growth from kshs2.5B in 2023

61.9B

Total Assets (Kshs) (23% growth from 50.3B in 2023)

16.3B

Claims Paid

57%

growth in PBT

21%

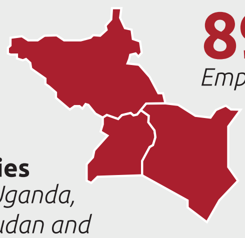
Unit Trust Market Share

4.82%

as at Q2 2024 Life Assurance Market share

8.8%

as at Q2 2024 General Business Market share



892

Employees

4

Countries

Kenya, Uganda, South Sudan and Malawi

5000 *Co-operative Board members trained*

26

Branches in Kenya

Uganda	6
Malawi	3
South Sudan	2
Total	37

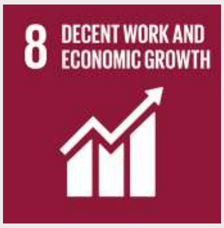
Over **7000**

agents and brokers

5.1M

spent on educating needy students

KENYA	GENERAL BUSINESS	LIFE BUSINESS
Insurance revenue	Kshs 18.5 B	Kshs 7.82 Bn
Total Assets	Kshs 17.08B	Kshs 24.3 Bn
Market Share as of Q2 2024	8.8%	4.82%



Assets Under Management

Kshs 152 B

AS OF DEC 2024

Our Prioritized SDGs

SDG 1: No Poverty
SDG 3: Good Health and Well-Being
SDG 8: Decent Work and Economic Growth
SDG 9: Industry, Innovation, and Infrastructure
SDG 12: Responsible Consumption and Production
SDG 13: Climate Action

Market Diversification

- Micro Insurance Company
- CICAM Uganda
- CIC Pharmacy

New Products

- Micro product – Malawi
- Medical-Uganda
- Travel, SME, Seniors Medical – South Sudan

86%

CSI Score

Investment in Digital Channels

- EasyBima digital platform - self-service, customized payment options, including monthly payment of premiums.
- Asset management mobile App - upgraded with unique offering for chamas

1968

CIS started as an insurance agency within the **Kenya National Federation of Co-operatives (KNFC).**

1978

Incorporated and licensed as Co-operative Insurance Services Ltd (CIS).

1999

Name change from CIS to the **Cooperative Insurance of Kenya Ltd (CIC).**

2010

Name change to CIC Insurance Group Limited in preparation for the demerger of our Life and General Business operations.

2011

We fully demerge resulting in the formation of :-

- CIC Life Assurance Limited,
- CIC General Insurance
- Limited
- CIC Asset Management
- Limited.

2012

CIC Insurance Group listed its shares by introduction at the Nairobi Securities Exchange on Thursday 19th July 2012.

2013

Entry into **Southern Sudan** and commencement of **Regional Expansion.**

2014

Opening of CIC Plaza II and Successful Corporate Bond issuance **(oversubscribed by 111%)**. Entry into Malawi and Uganda markets

2015

Successful implementation of a **unified CIC Brand.**

2016

- Successful launch of the CIC Foundation.
- CIC Group awarded Best Company to Work for Deloitte - 2016.
- CIC Life awarded Group Life Company of the Year - AKI.

2017

- AKI Awards: Overall Winner 2017 Group Life Company of the Year
- AKI Group Life Best Practice.

2018

- AKI Awards – Overall Winner
- 2018 Group Life Company of the Year
- Fire Award Winner Insurance Category 2018

OUR HISTORY

2019

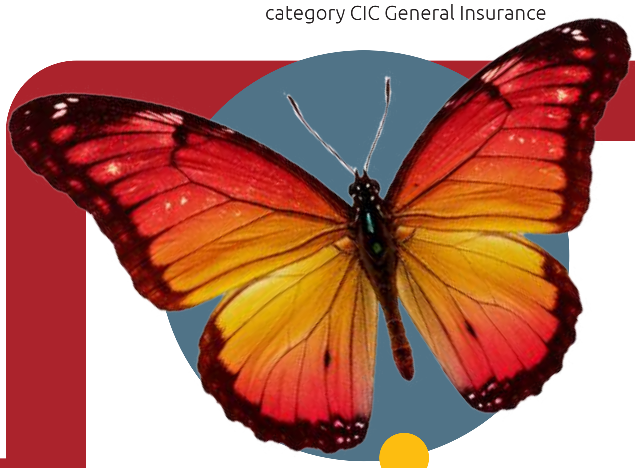
- Marked 50 Years of service to the people
- Name change to Public Listed Company (PLC) in compliance with the requirements of the Companies Act
- Successfully paid the 2014 KShs 5b Corporate Bond upon maturity.
- AKI Awards: Overall Winner 2019 Group Life Company of the Year AKI Group Life Best Practice
- AKI Awards: CIC General - second runners,
- Insurance Motor Data System Award

2021

- Awarded 2nd Runners up - FIRE Awards Insurance Category 2021
- Decade of Excellence Insurance Kenya - Global Banking and Finance Awards 2021
- Best General Insurance Company Kenya - International Business Magazine Awards 2021
- Best Life Insurance Company Kenya - International Business Magazine Awards 2021
- Best Asset Management Company Kenya - International Business Magazine Awards 2021

2023

- Four AKI Awards – Winner of the annualized premium, agricultural insurance and domestic package insurance premium volume awards and second runner up Group Life best loss ratio award.
- Eight Think Business Awards- winner category - Life Insurance and Medical Underwriter of the Year, Most Customer-centric Life Underwriter, the Training Award, Best Insurance Product Innovation, Life Claims Settlement Award
- 2 Fire awards - Winner Insurance category (CIC Insurance Group PLC) and First Runners up insurance category CIC General Insurance



2020

- CIC Goes Cashless
- Customer Digital Motor Certificates
- CIC launches Records and Information Management System
- Winner – AKI Group Life Company of the Year
- Second runners up AKI Motor Data System Award
- CIC General awarded Best Automotive Insurer – Automotive Industry
- Excellence Awards: Best Motor Insurer – Cheki Awards

2022

- CIC launches new medical product for cooperative members dubbed "CIC CoopCare" to offer solution for the Cooperatives and Sacco markets
- CIC launches Motoring Assist in conjunction with AA Kenya
- Launch of revamped website including regional sites
- CIC introduces Ushirika Gardens and started the sale of its 200 acres of land
- Winner - AKI Group Life Company of the Year 2021
- Winner - Medical Underwriter of the Year - Group Medical – CIC General Insurance
- Overall Winner - Champion of Governance Award
- Winner - Company Secretary of the Year Award
- Third runners up - minimum loss ratio
- Third runners up - Most Improved company

2024

- Launched the Easy-Bima platform
- Licensing of CIC Micro-insurance Limited
- Approval to establish CIC Pharmacy Limited
- Launched the CIC Travel Insurance, Family Medisure and CIC Seniors products in South Sudan
- UNDP ICMIF Insurance Innovation Challenge Fund Award (2 winning projects)
- Launch of the first sustainability report
- Awarded First Runners Up - Fire Awards Kenya insurance category CIC Life Assurance
- Awarded First Runners Up - Fire Awards Uganda General Insurance category

AWARDS AND ACCOLADES – 2024

AKI Awards

1st runners up

Highest growth in the number of life policies

1st runners up

Company of the year, group life best practice category

2nd runners up

Innovation group life best practice

Think Business Insurance Awards

Winner

Claims Settlement Award, Life Assurance

Winner

Fraud Detection Prevention Initiative, Life Assurance

1st Runner Up

Life Insurer of the Year, Life Assurance

1st Runner Up

General Insurer of the Year, General Insurance

1st Runner Up

Best Insurance Company in Technology Application, General Insurance

1st Runner Up

Medical Underwriter of the Year (Personal), General Insurance

1st Runner Up

Most Customer-Centric Underwriter, General Insurance

2nd Runner Up

Medical Underwriter of the Year (Group Medical), General Insurance

2nd Runner Up

Most Customer-Centric Underwriters, Life Assurance

UNDP ICMIF Insurance Innovation Challenge Fund

Winning Project

Winning project - Coopcare health product

Winning Project

Winning Project - Abwenzi rural health insurance product)

South Sudan Chamber of Commerce Quality Awards

Winner

Best Insurance Company of the Year

Brand Finance

Winner

Fastest growing brand in Kenya

Fire Awards - Kenya

Winner

Insurance category - CIC Life Assurance

IRA Insurance Innovation Awards - Uganda

Winner

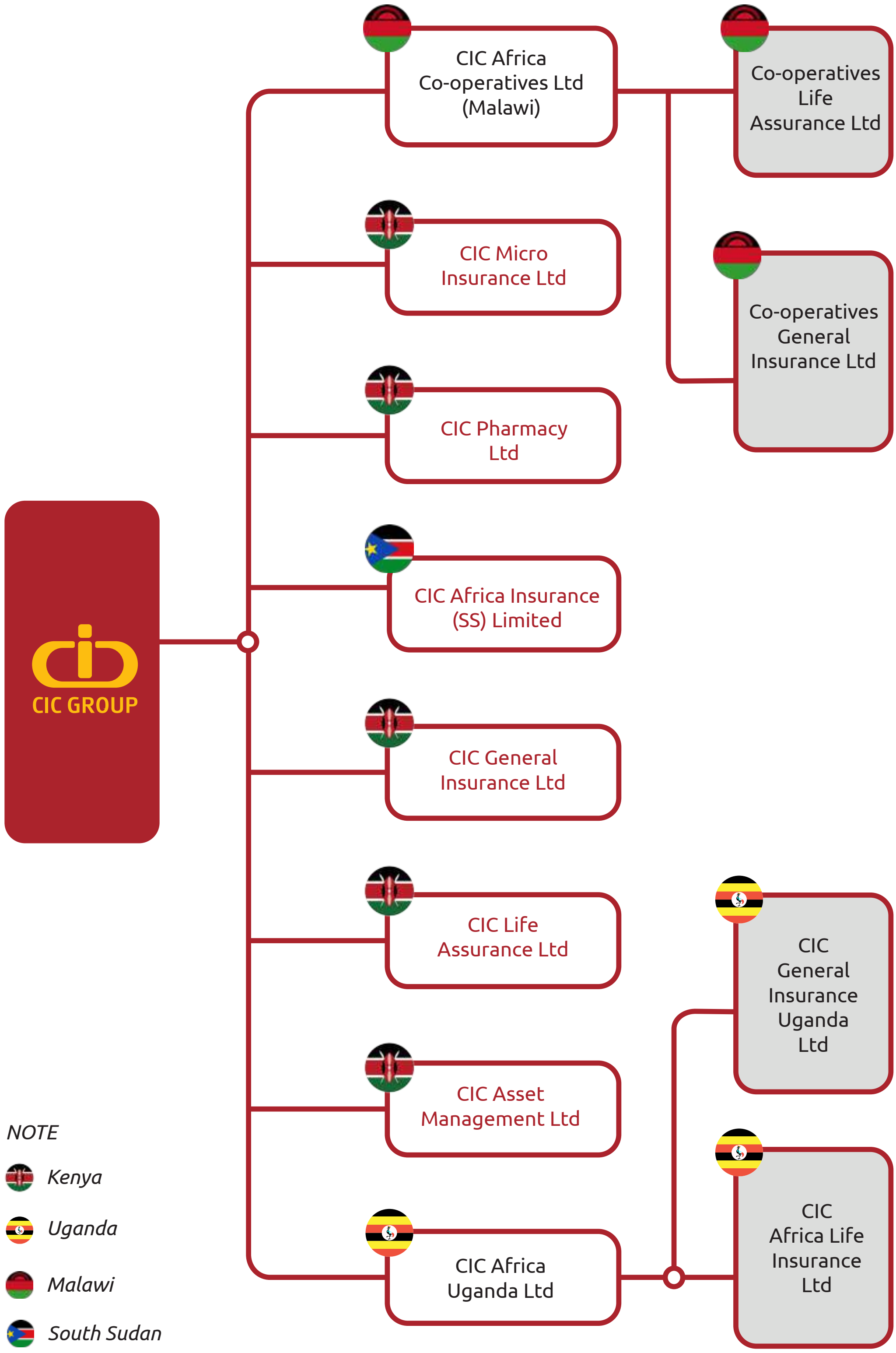
Most Innovative Life Solution (Kameeza Product)

Fire Awards Uganda

1st runners up

General Insurance Category

COMPANY GROUP STRUCTURE & SHAREHOLDING



SHAREHOLDING STRUCTURE

Summary of Shareholding as at 31st December 2024

Foreign Individuals

Number of Shareholders **68**

Number of Shares
2,349,544

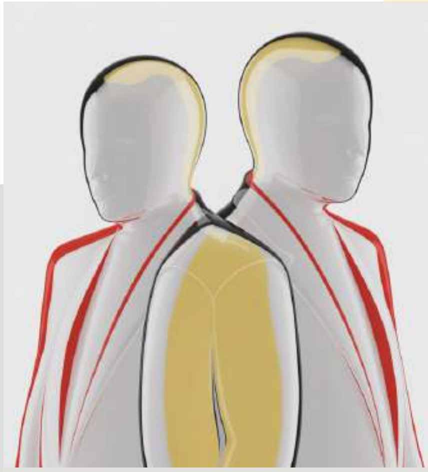
% Shareholding
0.09%

Foreign Companies

Number of Shareholders **2**

Number of Shares
24,482,040

% Shareholding
0.94%



East African Investors

Number of Shareholders **33**

Number of Shares
1,517,540

% Shareholding
0.06%

Local Individuals

Number of Shareholders 19,290

Number of Shares 579,841,149

% Shareholding 22.17%

Local Companies

Number of Shareholders 606

Number of Shares 2,007,289,655

% Shareholding 76.74%

Junior Investors

Number of Shareholders 4

Number of Shares 58,600

% Shareholding 0.00%

Totals

Number of Shareholders 20,003

% Shareholding 100%

Number of Sharers 2,615,538,528

WHAT WE OFFER

CIC Insurance Group is a premier Co-operatives insurer in Africa, delivering insurance and investment services across Kenya, Uganda, South Sudan, and Malawi.

We provide a diverse portfolio of products and services including General Insurance, Life Assurance, Medical Insurance, Micro-Insurance, Asset Management solutions and Pharmaceutical services as below:

(a). **Life Assurance:** Term policies (Protection), Endowment (Savings + protection), Whole life (Savings + protection), Unit link (Investments + Protection), Pensions and Annuities, Education policies, Group Life and Group Credit Life for Banks and Co-operatives.

(b). **General Insurance:** Engineering, Fire, Liability, Marine, Motor private, Motor commercial, Accident, Theft, Workmen's compensation, Miscellaneous (crop insurance, political violence and terrorism, sportsmen, forestry and aquaculture insurance), medical insurance products covering corporate schemes, individuals and SMEs.

(c). **Asset Management:** Unit trusts with various funds i.e. Money Market, Equity Fund, Balanced Fund, Fixed Income, Wealth Fund, Dollar Fund and pension fund management that include Segregated Schemes, Umbrella Retirement Schemes, Discretionary Wealth Management & Income Drawdown Fund.

(d). **Microinsurance:** Coopcare product, Livestock, Biashara Salama, Jikinge, Group Funeral Expense and personal accident cover for students on attachment.

The key services provided include:

I. Risk Assessment and Underwriting
II. Claims Processing and Settlement
III. Policy Management
IV. Investment management
V. Financial Planning and Retirement Solutions
VI. Insurance Education and Training Programs
VII. Loss Prevention
VIII. Fraud Prevention

CIC Intermediaries share a light moment during a breakfast meeting

Go for Growth

OUR LEADERSHIP

CHAIRMAN'S STATEMENT

"Digital transformation will continue to play a pivotal role as we scale our platforms and embrace data-driven solutions that foster greater financial inclusion."

DEAR SHAREHOLDERS

It gives me great pleasure to present the CIC Insurance Group Plc 2024 Integrated Report — a reflection of our enduring commitment to financial strength, sustainable growth, and long-term value creation.

In 2024, CIC Insurance Group continued to demonstrate resilience, navigating an evolving business environment while maintaining a commendable growth trajectory. We remained steadfast in our pursuit of operational excellence, customer focus, and strategic foresight — all anchored in our Co-operative heritage.

The Group reported a Profit Before Tax of Kshs 3.99 billion for the year ended December 2024, up from Kshs 2.54 billion in 2023 — a 57% growth, driven by strong insurance revenue and robust investment returns. This performance is a testament to the strength of our model, our people, and our partners.

OPERATING ENVIRONMENT

Kenya's economy in 2024 experienced moderate but stable growth, averaging 4.5% between January and September, with third-quarter growth recorded at 4.0%. The agricultural sector, a critical economic pillar, grew by 4.2%, supported by favorable weather conditions. The services industry — particularly in accommodation, food services, and professional administration — also posted encouraging recovery signs.

Inflation averaged 4.5%, falling within the Central Bank's target range and marking an improvement from 7.7% in 2023. The Kenyan Shilling appreciated by 17.4% against the US dollar, bolstered by successful government interventions, timely Eurobond repayments, and enhanced foreign exchange reserves.

These positive macroeconomic indicators helped stabilize the operating environment. As we enter 2025, we remain optimistic that easing monetary policies, enhanced credit access, and continued GDP growth will support further expansion for both CIC and the markets we serve.

COMMITMENT TO GOVERNANCE

Strong governance remains at the core of CIC Insurance Group's success. In 2024, the Board enhanced risk management frameworks, ensured robust regulatory compliance, and maintained close strategic oversight.
We are deeply committed to transparency, ethical leadership, and long-term accountability. As a Board, we continually strengthen our governance structures to align with global best practices and uphold the confidence of our stakeholders.

BUILDING A RESILIENT AND SUSTAINABLE FUTURE

The year 2024 brought both challenges and opportunities shaped by shifting economic trends, regulatory reforms, digital transformation, and a growing urgency for sustainable practices.

Across our markets — Kenya, Uganda, South Sudan, and Malawi — we observed a transforming insurance landscape with a growing emphasis on financial inclusion. Throughout, CIC Insurance Group remained true to its purpose: to enable people to achieve financial freedom.

A key milestone in our sustainability journey was the publication of our first Sustainability Report, which outlines our progress in climate action, financial inclusion, diversity and inclusion, and responsible governance. Sustainability is now firmly embedded into our strategy and operations, as we work toward our 2025–2030 sustainability agenda.

Rooted in our Co-operative identity, we believe that financial inclusion is a powerful driver of social and economic progress. We are focused on expanding access to insurance and investment products — especially in underserved communities — to build resilience and drive empowerment at the grassroots.

DIVIDENDS AND BONUS SHARES

In line with our strong financial performance and commitment to value creation, the Board is pleased to recommend:

- A first and final dividend of Kshs 0.13 per share, and
- A bonus share issue at a ratio of 1:10 (one new share for every ten held),

for the financial year ended 31st December 2024, subject to shareholder approval at the Annual General Meeting.

This reflects our confidence in the Group's growth trajectory and our unwavering focus on delivering sustainable returns to our shareholders.

LOOKING AHEAD

CIC Insurance Group remains focused on delivering profitable growth, deepening stakeholder relationships, and advancing sustainability. We will continue to:

- Harness digital innovation to enhance customer experience and efficiency.
- Expand customer-centric solutions that are accessible and affordable.
- Integrate sustainability at the heart of our business strategy.

Digital transformation will continue to play a pivotal role as we scale our platforms and embrace data-driven solutions that foster greater financial inclusion.

APPRECIATION

On behalf of the Board of Directors, I express heartfelt appreciation to:

- Our Group Managing Director and CEO, and the Board of Management, for their steadfast leadership and commitment to delivering on the Group's strategic objectives.
- The entire CIC team, whose dedication and resilience have reinforced our standing as one of the leading insurance and financial services providers in the region.
- Our shareholders, customers, business associates, suppliers, regulators, and advisors, for your continued trust and support.

Your partnership is instrumental to our success and inspires us to continue creating long-term value for all stakeholders.
Together, we will continue to build a stronger, more inclusive, and sustainable CIC Insurance Group.

Dr. Nelson Kuria, OGW, MBS
Chairman CIC Group

UJUMBE KUTOKA KWA MWENYEKITI

"Mabadiliko ya kidijitali yataendelea kuchukua nafasi muhimu tunapopanua tovuti zetu na kukumbatia suluhisho zinazotokana na data ambazo zinakuza ujumuishaji mkubwa wa kifedha."

WAPENDWA WADAU,

Inanipa furaha kubwa kuwasilisha Ripoti Jumuishi ya CIC Insurance Group Plc ya mwaka 2024 — inayoakisi kujitolea kwetu kwa kudumu kwa nguvu za kifedha, ukuaji endelevu, na uundaji wa thamani wa muda mrefu.

Mnamo 2024, CIC Insurance Group iliendelea kuonyesha ustahimilivu, ikikabiliana na mazingira ya biashara yanayobadilika huku ikidumisha mwelekeo mzuri wa ukuaji. Tulibaki thabiti katika harakati zetu za kutafuta ubora wa kiutendaji, uzingativu kwa wateja na mtazamo wa kimkakati — vyote vikiwa vimejikita katika urithi wetu wa Ushirika.

Kampuni iliripoti Faida Kabla ya Kodi ya Ksh 3.99 bilioni kwa mwaka ulioishia Desemba 2024, kutoka Ksh 2.54 bilioni mwaka 2023 — ukuaji wa 57%, unaoendeshwa na mapato makubwa ya bima na faida thabiti za uwekezaji. Utendaji huu ni ushahidi wa nguvu ya mfumo wetu, watu wetu, na washirika wetu.

MAZINGIRA YA UENDESHAJI BIASHARA

Uchumi wa Kenya mwaka 2024 ulipata ukuaji wa wastani lakini thabiti, kwa wastani wa 4.5% kati ya Januari na Septemba, huku ukuaji wa robo ya tatu ukirekodiwa kuwa katika 4.0%. Sekta ya kilimo, nguzo muhimu ya kiuchumi, ilikua kwa 4.2%, ikiungwa mkono na hali nzuri ya hewa. Sekta ya huduma — haswa katika malazi, huduma za chakula, na usimamizi wa kitaalam — pia ilionyesha ishara za kutia moyo.

Mfumuko wa bei ulikuwa wastani wa 4.5%, ukishuka ndani ya lengo la Benki Kuu na kuashiria uboreshaji kutoka 7.7% kwa mwaka 2023. Shilingi ya Kenya iliongezeka thamani kwa 17.4% dhidi ya dola ya Marekani, ikiimarishwa na afua za serikali zilizofanikiwa, malipo ya Eurobond kwa muda muafaka na akiba ya fedha za kigeni iliyoimarishwa.

Viashiria hivi chanya vya kiuchumi vilisaidia kuimarisha mazingira ya uendeshaji. Tunapoingia mwaka 2025, tunabaki na matumaini kwamba kurahisisha sera za fedha, kuimarishwa kwa upatikanaji wa mikopo, na kuendelea kukua kwa Pato la Taifa kutasaidia upanuzi zaidi kwa CIC na masoko tunayohudumia.

DHAMIRA KWA UTAWALA

Utawala thabiti unabaki kuwa kiini cha mafanikio ya CIC Insurance Group. Mnamo mwaka 2024, Bodi iliimarisha mifumo ya usimamizi wa majanga, ilihakikisha uzingatiaji thabiti wa udhibiti, na kudumisha uangalizi wa karibu wa kimkakati.

Tumedhamiiria kuwa na uwazi, uongozi wa kimaadili na uwajibikaji wa muda mrefu. Kama Bodi, tunaendelea kuimarisha miundo yetu ya utawala ili kuendana na kanuni bora za kimataifa na kudumisha imani ya wadau wetu.

KUJENGA MUSTAKABALI STAHIMILIVU NA ENDELEVU

Mwaka 2024 ulileta changamoto na fursa zilizosababishwa na mabadiliko ya mwenendo wa kiuchumi, mageuzi ya udhibiti, mabadiliko ya kidijitali, na uharaka wa kanuni endelevu.

Katika masoko yetu yote — Kenya, Uganda, Sudani Kusini na Malawi — tuliona mazingira ya bima yanayobadilika na msisitizo unaoongezeka juu ya ujumuishaji wa kifedha. Katika kipindi chote, Kikundi cha Bima cha CIC kiliendelea kusimamia madhumuni yake: kuwawezesha watu kufikia uhuru wa kifedha.

Hatua muhimu katika safari yetu ya uendelevu ilikuwa kuchapishwa kwa Ripoti yetu ya kwanza ya Uendelevu, ambayo inaelezea maendeleo yetu katika hatua za hali ya hewa, ujumuishaji wa kifedha, uanuai na ujumuishaji na utawala wenye uwajibikaji. Uendelevu sasa umewekwa imara katika mkakati na shughuli zetu, tunapofanya kazi kuelekea ajenda yetu ya uendelevu ya 2025-2030.

Ikiwa na chanzo katika utambulisho wetu wa Ushirika, tunaamini kwamba ujumuishaji wa kifedha ni kichocheo kikubwa cha maendeleo ya kijamii na kiuchumi. Tunalenga kupanua ufikiaji wa bidhaa za bima na uwekezaji — haswa katika jamii zisizopata huduma muhimu — ili kujenga ustahimilivu na kukuza uwezeshaji katika ngazi za chini.

MIGAO NA HISA ZA BONASI

Kwa mujibu wa utendaji wetu thabiti wa kifedha na dhamira ya uundaji wa thamani, Bodi inafurahi kupendekeza:

- Gawio la kwanza na la mwisho la Ksh 0.13 kwa kila hisa, na
- Utoaji wa gawio la bonasi kwa uwiano wa 1:10 (gawio jipya moja kwa kila kumi linaloshikiliwa),

kwa mwaka wa fedha uliomalizika tarehe 31 Desemba 2024, kulingana na idhini ya wanahisa katika Mkutano Mkuu wa Mwaka.

Hii inaonyesha imani yetu katika mwenendo wa ukuaji wa Kampuni na umakini wetu usioyumba katika kutoa mapato endelevu kwa wanahisa wetu.

YAJAYO

CIC Insurance Group inandelea kuweka uzingativu katika kutoa ukuaji wenye faida, kuimarisha mahusiano ya wadau na kuendeleza uendelevu. Tutaendelea:

- Kutumia ubunifu wa kidijitali ili kuongeza uzoefu na ufanisi wa wateja.
- Kupanua ufumbuzi unaozingatia wateja ulio rahisi kufikika na wa bei nafuu.
- Kujumuisha uendelevu katika kiini cha mkakati wetu wa biashara.

Mabadiliko ya kidijitali yataendelea kuchukua nafasi muhimu tunapopanua tovuti zetu na kukumbatia suluhisho zinazotokana na data ambazo zinakuza ujumuishaji mkubwa wa kifedha.

SHUKRANI

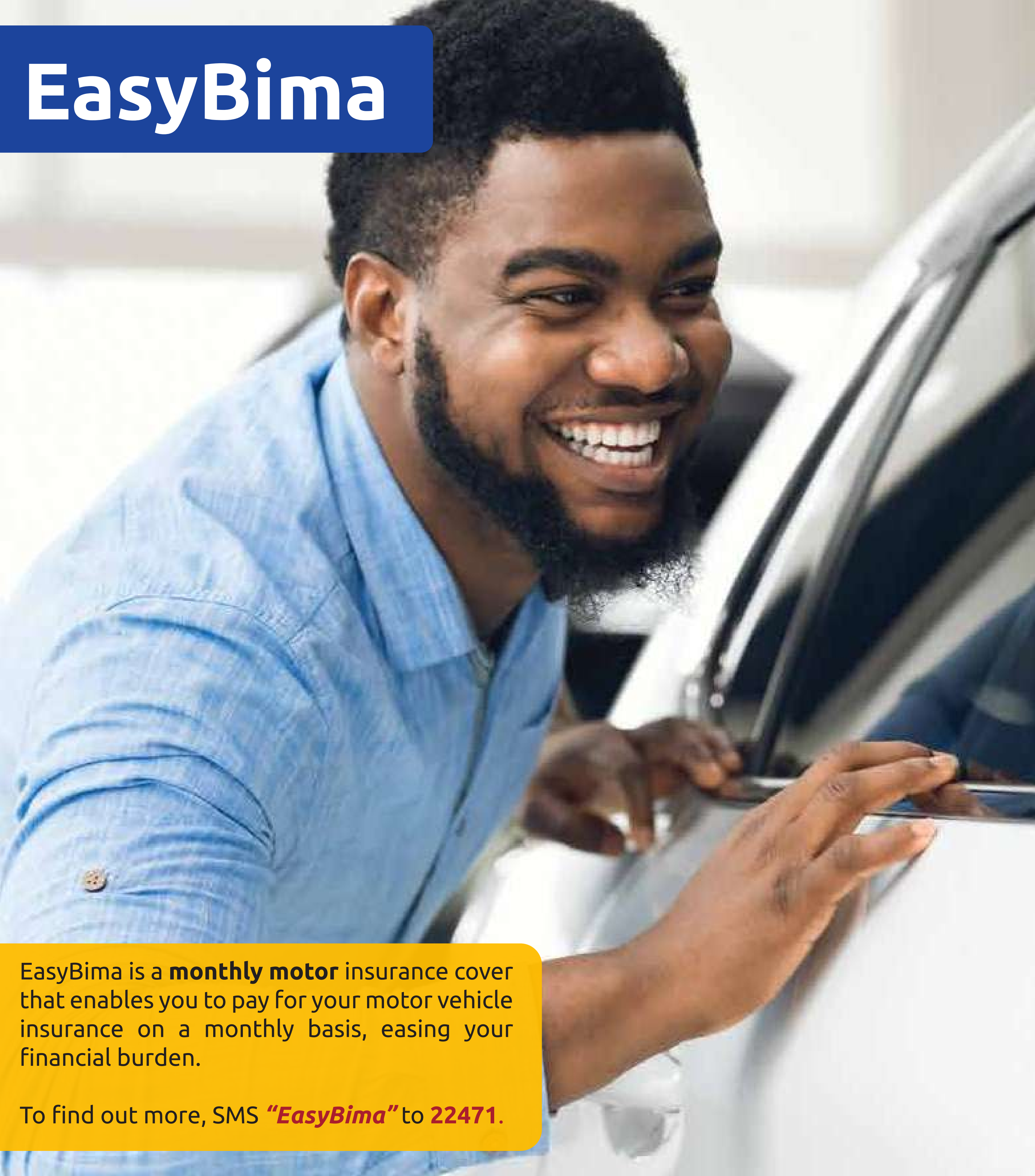
Kwa niaba ya Bodi ya Wakurugenzi, ninatoa shukrani zangu za dhati kwa:

- Mkurugenzi Mkuu na Mkurugenzi Mtendaji wa Kampuni yetu, na Bodi ya Usimamizi, kwa uongozi wao thabiti na kujitolea kutimiza malengo ya kimkakati ya Kampuni.
- Timu nzima ya CIC, ambayo kujitolea na ustahimilivu wao umeimarisha msimamo wetu kama mmoja wa watoa huduma wa bima na kifedha wanaoongoza katika ukanda.
- Wanahisa wetu, wateja, washirika wetu wa biashara, wasambazaji, wasimamizi, na washauri, kwa imani na msaada wenu unaoendelea. Ushirikiano wenu ni muhimu kwa mafanikio yetu na unatuhamasisha kuendelea kuunda thamani ya muda mrefu kwa wadau wote.

Kwa pamoja, tutaendelea kujenga CIC Insurance Group iliyo thabiti, jumuishi zaidi na endelevu.

Asante.

Dk. Nelson Kuria, OGW, MBS
Mwenyekiti, CIC Insurance Group Plc



BOARD OF DIRECTORS

Dr. Nelson Kuria, OGW, MBS: Group Chairman

Dr. Nelson Kuria aged 71, joined the Board in September 2020 as an Independent Non- Executive Director and became the chairman on 29th June 2021. He holds a BA in Economics, MA in Leadership studies and an Executive Leadership training from Stanford Business School. Dr. Kuria has 37 years of experience in development finance and insurance. He entered the insurance industry in 1982 through Kenya National Assurance Company as an Assistant Manager where he rose to the position of Chief Manager -General Insurance Division and later also served as the General Manager in Gateway insurance Company. He was the CIC Insurance Group CEO from 2001 to 2015. Dr. Kuria is currently the Chairman of Smep Microfinance Bank, Kenya National Entrepreneurs Savings Trust, Institute of Directors of Kenya (IoDK) and African International University Council. He has also served as a Chairman of the Association of Kenya Insurers (AKI), Enwealth Financial Services, Deputy Chairman Federation of Kenya Employers and Board Member of many organizations both locally and internationally, notably; Kenya Reinsurance Corporation, Takaful Insurance of Africa, Kenyatta National Hospital, College of Insurance and the International Co-operative & Mutual Insurance Federation.

Mr. James Njue: Group Vice Chairman

Mr. James Njue aged 58, joined the Board in 2019. Mr. Njue represents Eastern Region based societies at the Co-operatives Insurance Society Limited. He is the Chairman of Nawiri Sacco Society. He is also a Director of Coop Holdings Co-operative Society and the Cooperative Bank of Kenya Ltd. Mr. Njiru is a member of Board of Management for various schools in the Eastern Region. He holds a diploma in Business Management from the Kenya Institute of Management. He is also a member of the Institute of Directors of Kenya.

Patrick Nyaga: Director and GMD & CEO

Mr. Patrick Nyaga, aged 57, joined the Company on 22nd June 2020, as the Group Chief Executive Officer. He holds a Master of Business Administration from Strathmore Business School and a Bachelor of Commerce Degree in Accounting from Nairobi University. He is a Certified Public Accountant (K) and a member of ICPAK. Mr. Nyaga has over 30 years of working experience mainly in Financial Services and Auditing. He has worked in various senior positions in the Banking sector. Prior to joining CIC Insurance Group Plc, he was the Group Finance and Strategy Director at Co-operative Bank of Kenya Limited. He previously worked at Barclays Bank now (ABSA) as the Regional Head of Assurance and at KPMG (EA), with the main focus being audit of financial institutions in Kenya and the regions. He is a member of the Institute of Directors of Kenya and has undertaken training in various disciplines among them Corporate Governance, Insurance, Banking, and Strategy among others.

Mr. Gordon Owuor: Director

Mr. Gordon Owuor, aged 68, is a Non-Executive Director and representing Co-operative Insurance Society Ltd., a major shareholder. He is the Chairman of Jumuika (formerly Chemelil) Sacco, a member of the Nyanza Provincial Co-operative Development Team and a Member of the Institute of Directors- Kenya. He previously worked with the East African Fresh Water Fisheries Research Organization and currently is the chairman of Loyalty Refined Limited. He holds an executive Diploma in Financial Management. He has undertaken training in specialized Life Assurance Business Management conducted by LIMRA and several corporate governance training courses including from Centre for Corporate Governance and Leadership Group.

BOARD OF DIRECTORS *(continued)*

Mr. Michael Ondinya Wambia: Director

Mr. Michael Ondinya Wambia, aged 56, is a Non-Executive Director representing Co-operative Insurance Society Ltd. The Director also holds a diploma in Education Management from KEMI (Kenya Educational Management Institute) and is a Member of the Institute of Directors Kenya. He is the Chairman of Maanisha Xane Growers Co- operative society. Director Wambia has undertaken training in specialized Life Assurance Business Management conducted by LIMRA. He has also undergone extensive training on Corporate Governance by International Finance Corporation (IFC), Centre for Corporate Governance and Leadership Group.

Dr. Rogers Kinoti: Director

Dr. Rogers Kinoti, aged 48, joined the Board as an Independent nonexecutive director on 22nd July 2021. Dr. Kinoti has a wealth of experience in Investment Management and Finance having worked for over 19 years in various private and public financial institutions. Dr. Kinoti holds a PhD in Finance (JKUAT), Master of Arts in Economics and Bachelor of Arts (Economics) First Class Honors from the University of Nairobi. He is a Certified Public Accountant, CPA (K), a Certified Public Secretary, CPS (K) and a Financial Analyst, FA (K). He is a member of ICPAK, ICPSK and ICIFA. Dr. Kinoti is a lecturer at Riara University School of Business and served as the Independent Chairman of the Audit and Risk Committee of the Teachers Service Commission (TSC) until February 2023.

CS Commissioner Sharon Kisire: Director

CS Commissioner Sharon J. Kisire aged 56, joined the Board on 4th August 2022 as an independent non-executive Director. She holds a Master's degree in Arts, a Diploma in Human Resources Management, and a PhD student at Strathmore University. She is a Certified Secretary (ICS), a Certified Executive Leadership Coach, a Certified Governance Auditor, and a Certified Emotional Intelligence Coach. The Director is currently a Commissioner at the Teachers Service Commission. She has previously worked as the General Manager, HR and Administration at Kenya pipeline Company, Director – Resources at Safaricom limited, Head, Human Capital at Kenya wildlife Service among others. Director Kisire is a Trustee at the Kenya Methodist University, Council member at African International University and the Chairman of the Board of HR professional Examinations. She is a member of Kenya Institute of Management, Institute of certified secretaries, and Institute of Directors of Kenya.

FCPA - Julius Mwatu: Director

FCPA Julius Waita Mwatu, aged 52, joined the Board as an independent non - executive Director on 1st April 2021. FCPA Mwatu holds a Master's in Business Administration (Finance) from the United States International University (USIU) Africa. He is the Managing Partner at CPJ & Associates (CPA-K) and has extensive experience in the accountancy profession spanning over 20 years specializing in Audit, Tax, Finance and Integrated Reporting. FCPA Mwatu is a past Chairman of the Institute of Certified Public Accountants of Kenya (ICPAK), sits in various boards and has vast board experience both locally and internationally, gained from the private sector, public sector, publicly listed entities, and non- profit & donor funded agencies.

Ludia Rono: Director

Director Ludia Rono, age 59, joined the Group Board in June 2023 representing Co-operative bank of Kenya. She is currently the Director, Corporate and Institutional Banking Division at Co-operative bank of Kenya. She Holds a Master of Business Administration (MBA) Finance Option degree from University of Nairobi and a Bachelor of Commerce (Double Major in Accounts and Business Administration) degree from Daystar University. Director Ludia has also undergone high performance skills training for leaders from London Business School and she is also a Certified Executive Leadership Coach.

GROUP MD & CEO STATEMENT

DEAR SHAREHOLDERS,

It is my pleasure to present the CIC Insurance Group's 2024 financial results. The Group reported a Profit Before Tax of Kshs 3.99 billion, representing a 57% growth from Kshs 2.54 billion in 2023. This strong performance was primarily driven by growth in insurance revenue and a significant 201% increase in investment income, from Kshs 2.9 billion in 2023 to Kshs 8.8 billion in 2024. Our continued execution of the 2021–2025 corporate strategy and the integration of sustainability into our operations remain central to our progress. We are not only focused on financial performance but also on our impact on the environment, society, and governance structures.

OPERATING ENVIRONMENT

Globally, financial institutions, including insurers, faced a complex environment in 2024 characterized by volatile markets, regulatory changes, and heightened focus on sustainability. These global dynamics influenced regional economic activity and directly impacted risk profiles and operational strategies in the insurance sector.

In our regional markets, economies displayed varying resilience amid global uncertainty, geopolitical tensions, and climate-related challenges. Uganda stood out with a GDP growth of 6.1% in FY 2023/24. Malawi, however, experienced significant macroeconomic challenges due to droughts, recording only 1.8% GDP growth. A recovery is expected in 2025, subject to successful reform implementation. South Sudan's economy shrank by 30% in FY 2024/25, primarily due to reduced oil exports, but a recovery is forecast for FY 2025/26 contingent on resumption of production.

Despite these challenges, our focus on innovation, operational efficiency, and customer-centricity enabled us to maintain strong performance.

In 2025, we remain committed to deepening our market presence and promoting sustainable insurance solutions across all our regions.

FINANCIAL PERFORMANCE OVERVIEW

The Group delivered strong financial results in 2024, demonstrating improvements in revenue, profitability, and operational efficiency. Investment income rose sharply by 201%, from Kshs 2.9 billion to Kshs 8.8 billion. Assets under management increased from Kshs 146 billion to Kshs 152 billion. Insurance revenue grew by 4% to Kshs 27.4 billion, while insurance service expenses rose by 7%, largely due to higher claims owing to the events of the year 2024. Total Group assets rose by 23%, from Kshs 50.3 billion to Kshs 61.9 billion.

KENYA SUBSIDIARIES

General Insurance Business: Insurance revenue grew by 3% to Kshs 16 billion, driven by new business acquisition. Profit Before Tax was Kshs 1.2 billion, despite rising industry costs. Insurance service and claims expenses increased to Kshs 15 billion, reflecting our commitment to customer obligations. Total assets grew by 19%, supported by a 13% growth in the investment portfolio.

CIC Life Assurance: Insurance revenue grew by 2% to Kshs 6.8 billion. Profit Before Tax was Kshs 1.2 billion. Deposit administration business assets rose by 44% to Kshs 14.2 billion, while total assets increased by 35%, driven by portfolio growth. Liabilities rose by 30%, maintaining adequate reserves.

CIC Asset Management: Assets under management increased by 5% to Kshs 152 billion. Profit Before Tax grew by 7% to Kshs 753 million. The business enhanced customer experience through digital innovations, including the launch of a new mobile app.

REGIONAL SUBSIDIARIES

Our regional businesses contributed 16% of Group Profit Before Tax and 14% of Group insurance revenue. CIC South Sudan grew revenue by 15%, CIC Malawi by 24%, while CIC Uganda saw a 2% decline due to challenges in the agriculture portfolio.

To strengthen our regional footprint, we launched individual life insurance in Malawi and introduced a medical line in Uganda, reinforcing our customer-centric approach across the region.

STRATEGY

As we enter the final year of our 2021–2025 strategy, we are encouraged by our progress.

We have broadened our product portfolio, launched a pharmacy business in Kenya, incorporated an Asset Management Company in Uganda, strengthened digital and sustainability capabilities, and optimized our asset base.

Our 2025 strategic priorities include:

- Advancing digital transformation and product innovation
- Rebalancing the balance sheet by divesting non-core assets
- Executing our microinsurance strategy to promote financial inclusion
- Enhancing employee engagement for stakeholder value
- Deepening our sustainability and shared value initiatives

VALUE CREATION

Our value creation extends beyond financial returns to economic, social, and environmental impact.

Financial Capital: Robust financial stewardship delivered profitability, shareholder returns, and reinvestment in innovation and growth.

Intellectual Capital: Investments in digital platforms such as Easy Bima streamlined customer experience and operations. Automation of key processes improved efficiency and service delivery.

Human Capital: Our 892-strong workforce, 52% of whom are women, reflects our commitment to diversity and inclusion. We continue to invest in wellness, training, and leadership development.

Social and Relationship Capital: We deepened relationships with Co-operatives, brokers, agents, and over 2 million covered lives. The CIC Foundation advanced community initiatives in education, financial literacy, and development.

Manufactured Capital: Investments in IT infrastructure and digital channels enhanced access, operational efficiency, and resilience.

Natural Capital: We embedded ESG considerations into underwriting and investments, supported climate resilience, reduced our carbon footprint, and aligned with global sustainability frameworks.

RISK MANAGEMENT

Effective risk management is fundamental to our long-term sustainability. In 2024, we focused on regulatory compliance, financial and market risks, cybersecurity, and operational resilience. We enhanced data protection, diversified our investment portfolio, and reinforced credit and liquidity risk management.

Operational controls were strengthened through improved claims processes and fraud detection. Business continuity and disaster recovery plans were refined to ensure service resilience.

Through integrated risk intelligence, we safeguard our business and stakeholders, ensuring continued growth in a dynamic environment.

SUSTAINABILITY

At CIC Insurance Group, sustainability is embedded in our identity. In 2024, we began implementing our 2025–2030 Sustainability Strategy focused on:

- Climate Resilience: Promoting green investments, responsible underwriting, and sustainable operations
- Financial Inclusion: Expanding microinsurance and SME-targeted solutions
- Sustainable Operations: Reducing our carbon and resource footprint across offices
- Social Impact: Investing in communities via the CIC Foundation, and strengthening employee and customer engagement

These efforts reflect our commitment to creating long-term, shared value for our stakeholders and contributing to a sustainable future.

GOVERNANCE AND STEWARDSHIP

I wish to recognize the Board of Directors led by the Group Chairman for their guidance and support in steering the Group through a dynamic environment. Their commitment to good governance, strategic oversight, and long-term value creation remains central to our success.

To the Senior Management Team, thank you for your dedication, leadership, and relentless execution. Your contributions have been instrumental in positioning the Group for sustained performance. To all our staff, you are the ones who deliver the results by engaging customers and providing for their needs, I thank you.

CONCLUSION

As we close 2024 and look ahead, I extend my gratitude to our customers, shareholders, employees, partners, and regulators for your continued trust and support. Together, we will build on our achievements, navigate emerging challenges, and unlock new opportunities.

Thank you for journeying with CIC Insurance Group Plc.

Mr. Patrick Nyaga
Group Managing Director & Chief Executive Officer
CIC Insurance Group

JUMBE KUTOKA KWA MKURUGENZI MKUU NA MKURUGENZI MTENDAJI WA KAMPUNI

WAPENDWA WADAU,

Nina furaha kuwasilisha matokeo ya kifedha ya Kampuni ya Bima ya CIC katika mwaka 2024. Kampuni imeripoti Faida Kabla ya Kodi ya Kshs bilioni 3.99, ikiwa ni ukuaji wa 57% kutoka Kshs bilioni 2.54 kwa mwaka 2023. Utendaji huu thabiti umesababishwa hasa na ukuaji wa mapato ya bima na ongezeko kubwa la 201% katika mapato ya uwekezaji, kutoka Ksh bilioni 2.9 mwaka 2023 hadi Ksh bilioni 8.8 kwa mwaka 2024. Utekelezaji wetu unaoendelea wa mkakati wa shirika wa 2021–2025 na ujumuishaji wa uendelevu katika shughuli zetu unabaki kuwa msingi wa maendeleo yetu. Hatuzingatii tu utendaji wa kifedha bali pia athari zetu katika mazingira, jamii, na miundo ya utawala.

MAZINGIRA YA UENDESHAJI BIASHARA

Ulimwenguni kote, taasisi za kifedha, ikiwa ni pamoja na kampuni za bima, zilikabiliwa na mazingira magumu mnamo mwaka 2024 yenye sifa ya masoko tete, mabadiliko ya wakala wa udhibiti, na uzingativu mkubwa katika uendelevu. Mienendo hii ya kimataifa iliathiri shughuli za kiuchumi za kikanda na kuathiri moja kwa moja makadirio ya majanga na mikakati ya uendeshaji katika sekta ya bima.

Katika masoko yetu ya kikanda, uchumi ulionyesha ustahimilivu tofauti tofauti katikati ya hali ya sintofahamu ya kimataifa, mivutano wa siasa baina ya nchi na changamoto zinazohusiana na hali ya hewa. Uganda ilionekana kwa ukuaji wa Pato la Taifa wa 6.1% katika Mwaka wa Fedha wa 2023/24. Malawi, hata hivyo, ilipata changamoto kubwa ya kiuchumi kutokana na ukame, ikirekodi ukuaji wa Pato la Taifa wa 1.8% tu. Hali inatarajiwa kuimarika mnamo 2025, chini ya utekelezaji mzuri wa mageuzi. Uchumi wa Sudani Kusini ulipungua kwa 30% katika Mwaka wa Fedha wa 2024/25, hasa kutokana na kupungua kwa mauzo ya mafuta, lakini urejeshi unatabiriwa kwa Mwaka wa Fedha wa 2025/26 kulingana na kuanza tena kwa uzalishaji wa mafuta.

Licha ya changamoto hizi, uzingativu wetu katika uvumbuzi, ufanisi wa utendaji, na kuzingatia wateja ulituwezesha kudumisha utendaji thabiti. Mwaka 2025, tunaendelea kujitolea kuimarisha uwepo wetu wa soko na kukuza tatuzi endelevu za bima katika kanda zetu zote.

MUHTASARI WA UTENDAJI WA KIFEDHA

Kampuni imepata matokeo thabiti ya kifedha mnamo mwaka 2024, ikionyesha maboresho katika mapato, faida, na ufanisi wa uendeshaji. Mapato ya uwekezaji yaliongezeka sana kwa 201%, kutoka Kshs 2.9 bilioni hadi Kshs 8.8 bilioni. Mali zilizo chini ya usimamizi zimeongezeka kutoka Ksh 146 bilioni hadi Ksh 152 bilioni.

Mapato ya bima yalikua kwa 4% hadi Ksh 27.4 bilioni, wakati gharama za huduma za bima zilipanda kwa 7%, kwa kiasi kikubwa kutokana na madai makubwa kutokana na matukio ya mwaka 2024. Jumla ya mali za kampuni zilipanda kwa 23%, kutoka Ksh 50.3 bilioni hadi Ksh 61.9 bilioni.

MASHIRIKA TANZU YA KENYA

Biashara ya Bima ya Jumla: Mapato ya bima yalikua kwa 3% hadi Ksh 16 bilioni, yakiwa yamesababishwa na ununuzi mpya wa biashara. Faida Kabla ya Kodi ilikuwa Ksh 1.2 bilioni, licha ya gharama za sekta kuongezeka. Huduma ya bima na gharama za madai ziliongezeka hadi Ksh 15 bilioni, ikionyesha kujitolea kwetu kwenye majukumu ya wateja. Jumla ya mali ilikua kwa 19%, ikisaidiwa na ukuaji wa 13% katika mfuko wa uwekezaji.
Bima ya Maisha ya CIC: Mapato ya bima yalikua kwa 2% hadi Ksh 6.8 bilioni. Faida Kabla ya Kodi ilikuwa Ksh 1.2 bilioni. Mali ya usimamizi wa amana ya biashara iliongezeka kwa 44% hadi Ksh 14.2 bilioni, wakati jumla ya mali iliongezeka kwa 35%, ikiongozwa na ukuaji wa mfuko. Madeni yaliongezeka kwa 30%, na kudumisha akiba ya kutosha.

Usimamizi wa Mali za CIC: Mali chini ya usimamizi iliongezeka kwa 5% hadi Ksh 152 bilioni. Faida Kabla ya Kodi ilikua kwa 7% hadi Ksh 753 milioni. Biashara imeboresha huduma kwa wateja kupitia ubunifu wa kidijitali, ikiwemo uzinduzi wa programu mpya ya simu ya mkononi.

MASHIRIKA TANZU YA KIKANDA

Biashara zetu za kikanda zilichangia 16% ya Faida ya Kampuni Kabla ya Kodi na 14% ya mapato ya bima ya Kampuni. CIC Sudani Kusini ilikua mapato kwa 15%, CIC Malawi kwa 24%, wakati CIC Uganda ilishuka kwa 2% kwa sababu ya changamoto katika mfuko wa kilimo.

Ili kuimarisha alama yetu ya kikanda, tulizindua bima ya maisha ya mtu binafsi nchini Malawi na kuanzisha programu ya matibabu nchini Uganda, na kuimarisha programu zetu zenye kuzingatia wateja katika kanda yote.

MKAKATI

Tunapoingia mwaka wa mwisho wa mkakati wetu wa 2021–2025, tunatiwa moyo na maendeleo yetu. Tumepanua mfuko wetu wa bidhaa, tumezindua biashara ya duka la madawa nchini Kenya, tumefungua Kampuni ya Usimamizi wa Mali nchini Uganda, tumeimarisha uwezo wa kidijitali na uendelevu, na tumeboresha msingi wetu wa mali.

Vipaumbele vyetu vya kimkakati vya 2025 ni pamoja na:

- Kuendeleza mabadiliko ya kidijitali na uvumbuzi wa bidhaa
- Kusawazisha upya hati ya salio kwa kuondoa mali zisizo za msingi
- Kutekeleza mkakati wetu wa bima ndogo ndogo ili kukuza ujumuishaji wa kifedha
- Kuongeza ushiriki wa wafanyakazi kwa thamani ya wadau
- Kuimarisha mipango yetu ya uendelevu na thamani ya pamoja

UUNDAJI WA THAMANI

Uundaji wetu wa thamani unaenea zaidi ya mapato ya kifedha kwa athari za kiuchumi, kijamii, na mazingira.

Mtaji wa Fedha: Uwakili thabiti wa kifedha ulitoa faida, mapato ya wanahisa, na uwekezaji tena katika uvumbuzi na ukuaji.

Mtaji Pepe: Uwekezaji katika majukwaa ya kidijitali kama vile Easy Bima ulirahisisha uzoefu na shughuli za wateja. Uwekaji kiotomatiki wa michakato muhimu uliboresha ufanisi na utoaji wa huduma.

Rasilimali Watu: Wafanyakazi wetu 892, 52% ambao ni wanawake, wanaakisi dhamira yetu katika uanuai na ujumuishaji. Tunaendelea kuwekeza katika ustawi, mafunzo, na ukuzaji wa uongozi.

Mtaji wa Kijamii na Kimahusiano: Tuliimarisha uhusiano na vyama vya Ushirika, madalali, mawakala na kutoa bima kwa watu zaidi ya milioni 2. CIC Foundation iliendeleza mipango ya jamii katika elimu, elimu ya kifedha na maendeleo.

Mtaji wa Viwandani: Uwekezaji katika miundombinu ya IT na njia za kidijitali kuimarishwa kwa ufikiaji, ufanisi wa kiutendaji, na ustahimilivu.

Mtaji wa Asili: Tuliingiza mazingatio ya ESG katika ufadhili na uwekezaji, kuunga mkono ustahimilivu wa hali ya hewa, tukapunguza kiwango chetu cha alama kaboni, na kuambatana na mifumo ya kimataifa ya uendelevu.

UDHIBITI WA MAJANGA

Usimamizi bora wa majanga ni muhimu kwa uendelevu wetu wa muda mrefu. Mnamo mwaka 2024, tuliweka uzingativu katika kufuata sheria, majanga ya kifedha na soko, usalama wa mtandaoni, na ustahimilivu wa kiutendaji. Tuliimarisha ulinzi wa data, tukaboresha mfuko wetu wa uwekezaji, na kuimarisha usimamizi wa mikopo na majanga ya ukwasi.

Udhibiti wa uendeshaji uliimarishwa kupitia michakato iliyoboreshwa ya madai na ugunduzi wa ulaghai. Mwendelezo wa biashara na mipango ya kupambana na maafa iliboreshwa ili kuhakikisha ustahimilivu wa huduma.

Kupitia taarifa jumuishi kuhusu majanga, tunalinda biashara yetu na wadau wetu, kuhakikisha ukuaji unaoendelea katika mazingira yabadilikayo.

UENDELEVU

Katika Kampuni ya CIC Insurance, uendelevu ni sehemu ya utambulisho wetu. Mwaka 2024, tulianza kutekeleza Mkakati wetu wa Uendelevu wa 2025-2030 uliozingatia:

- **Ustahimilivu wa Hali ya Hewa:** Kukuza uwekezaji wa kijani, ufanyaji tathmini wenye uwajibikaji na uendeshaji endelevu
- **Ujumuishaji wa Kifedha:** Kupanua bima ndogo ndogo na suluhisho zinazolenga Biashara Ndogo Ndogo na za Kati
- **Uendeshaji Endelevu:** Kupunguza kiwango chetu cha uwepo wa kaboni katika mazingira na rasilimali katika ofisi zote
- **Athari za Kijamii:** Kuwekeza katika jamii kupitia CIC Foundation na kuimarisha ushiriki wa wafanyakazi na wateja

Jitihada hizi zinaakisi kujitolea kwetu katika kuunda thamani ya muda mrefu, ya pamoja, kwa wadau wetu na kuchangia katika mustakabali endelevu.

UTAWALA NA UWAKILI

Ningependa kutambua Bodi ya Wakurugenzi inayoongozwa na Mwenyekiti wa Kampuni kwa mwongozo na msaada wao wa kuongoza Kampuni katika mazingira yabadilikayo. Dhamira yao ya kuwa na utawala bora, uangalizi wa kimkakati, na uundaji wa thamani wa muda mrefu inabaki kuwa msingi wa mafanikio yetu.

Kwa Timu Andamizi ya Menejiment, asante kwa kujitolea kwenu, kwa uongozi na utekelezaji wako usiokoma. Michango yenu imekuwa muhimu katika kuiweka Kampuni katika hali ya utendaji endelevu. Kwa wafanyakazi wetu wote, nyiendio mnaotoa matokeo kwa kuwashirikisha wateja na kuwapa mahitaji yao. Ninawashukuru.

HITIMISHO

Tunapofunga mwaka 2024 na kutazamia yajayo, ninatoa shukrani zangu kwa wateja wetu, wanahisa, wafanyakazi, washirika na wasimamizi kwa imani na usaidizi wenu unaoendelea. Kwa pamoja, tutaendeleza mafanikio yetu, tukikabiliana na changamoto zinazoibuka na kufungua fursa mpya.

Asante kwa kuwa pamoja na CIC Insurance Group Plc.

Patrick Nyaga
Mkurugenzi Mkuu na Mkurugenzi Mtendaji wa Kampuni

BOARD OF MANAGEMENT

Patrick Nyaga

Mr. Patrick Nyaga, aged 57 is the Group Managing Director and Chief Executive Officer. He holds a master of Business Administration from Strathmore Business School and a Bachelor of Commerce Degree in Accounting. He is a Certified Public Accountant (K) and a member of ICPAK. Mr. Nyaga has over 30 years working experience mainly financial services and auditing. He has worked in various senior positions in banking. Prior to joining CIC Group Ltd he was the Group Finance and Strategy Director- at Co-operative Bank of Kenya Limited. He previously worked at Barclays Bank now (ABSA) as the Regional Head of Assurance and at KPMG (EA), with the main focus being audit of financial institutions in Kenya and the region. He is a member of the Institute of Directors of Kenya and has undertaken training in various disciplines among them Corporate Governance courses, Insurance, Banking, and Strategy among others

Philip Kimani

Mr. Philip Kimani aged 44, is the CIC Group Chief Finance Officer. Philip holds a Master of Science in Professional Accountancy from University of London and Bachelor of Commerce Degree in Accounting. He is a Certified Accountant and Member of The Association of Chartered Certified Accountants. Philip has over seventeen years of experience mainly in the Insurance Sector. Prior to joining CIC Group, he was the Chief Finance Officer & Principal Officer for Jubilee Insurance Company. He previously held Senior Management roles at WPP Scan group and PricewaterhouseCoopers where he began his career. He has a wealth of experience in Strategic planning, Investment management, Financial and Risk Management

Humphrey Gathungu

Mr. Humphrey Gathungu aged 48, is the Managing Director of CIC Asset Management Limited. He holds a Master's Degree (MBA) in Global Business Management, USIU and a Bachelor of Science in International Business from the same University. Mr. Humphrey is a CFA Charter holder, a Certified Public Accountant (K) and a member of ICIFA. Mr. Humphrey has over twenty-four years' experience in the Financial Services sector, thirteen of which have been in leadership roles. He has vast experience in Asset Management, Private Equity and Corporate Finance. Prior to joining CIC Group, he was the Chief Executive Officer Jubilee Financial Services. Earlier on, he worked as the Chief Investment Officer at Stanlib Africa.

Meshack Miyogo

Mr. Meshack Miyogo, aged 42, holds a bachelor's degree in Education Arts (Major in Economics and Business Studies) from Egerton University. In addition, he holds a Senior Leadership Development Programme Certificate from the University of Stellenbosch Business School South Africa, Post Graduate Degree (MBA) in Marketing from Daystar University. He also holds a Diploma in Insurance (AIIK) from the College of Insurance. He is an Associate Member of the Institute of Insurance Kenya (IIK) in good standing. His experiences cut across Banking and Insurance on Matters of Sales Growth, Sales Management, business development, and Strategic Leadership. He currently serves as the Deputy Board Chair & Chair of Life Insurance Council in the Association of Kenya Insurers (AKI).

BOARD OF MANAGEMENT *(continued)*

Fred Ruoro

Mr. Fred Ruoro aged 45, is the Managing Director CIC General Insurance Ltd. He holds a bachelor's degree in Mathematics & Physics from The University of Nairobi. In addition, he is a senior Certified Insurance Professional from the Australian & New Zealand Institute of Insurance and Finance and is a Fellow of the Life Management Institute. Fred holds Advanced Diploma in Management Accounting from the Chartered Institute of Management Accountants (CIMA). Prior to joining CIC, he was the Managing Director of First Assurance Company Ltd. He is a member of good standing of the Insurance Institute of Kenya (IIK)

Julius Ndugire

Mr.Julius Ndungire aged 38, is the Managing Director CIC Africa Insurance (SS) Limited. He holds a Bachelor of Business Management (BBM), Risk Management & Insurance option, a Diploma in Insurance (DipCII) from The Chartered Insurance Institute, UK and is a graduate of the Programme for Management Development – PMD 2018 from Strathmore University Business School, Nairobi & Gordon Institute of Business Science (GIBS), University of Pretoria, South Africa having undergone various Insurance trainings at College of Insurance, ZEP RE Academy. He has held various positions within the Group and joined CIC in 2013 and is a current member of The Chartered Insurance Institute (CII) and a member of the Insurance Institute of Kenya (IIK)

Zachary Wambugu

Mr. Zachary Wambugu aged 48 years is the Managing Director of CIC Africa Co-operatives Insurance, Malawi. He has over 20 years' experience in Insurance Industry. He holds a Masters of Business Administration (MBA) in Strategic Management, Bachelors of Commerce Degree (B. Com)- Insurance Option from University of Nairobi and a certificate as a Certified Public Accountant (CPA II). Professionally, he is an Associate Member of Insurance Institute of Kenya (AIIK) and holds a Diploma in Insurance from the College of Insurance. He has also achieved qualifications in Micro Insurance Master Class 2023. In addition, he holds Leadership and Management Training Certificates from Strathmore Business School, International Leadership Institute (ILI) and Strategy Centre Africa. Zachary joined CIC Insurance Group in 2002, has held various positions and risen through the ranks to the current position.

Eric Obila

Mr. Eric Obila aged 45, is the Managing Director for CIC Africa (U) Ltd. Eric joined CIC Group Ltd in August 2021. He has over fifteen years' experience in various leadership roles, mainly in the insurance sector. Eric holds a Bachelor of Science Degree in Applied Statistics from Maseno University and vast experience in business development, pension management and Life assurance. Prior to joining CIC Group, he was the Head of life and pension for Liberty Life assurance - Kenya. He has previously held Senior Management roles at CPF financial services, APA Life Assurance and Jubilee insurance. He brings a wealth of experience in business development and visionary leadership. He is currently pursuing a Master of Business Administration in Strategic Management from Jomo - Kenyatta University of Science and Technology. Erick is a member of the Institute of Insurance Kenya in good standing.

Gail Odongo

Ms. Gail Odongo aged 52, is the Director, Legal and Company Secretary. She is an Advocate of the High Court of Kenya holding a Bachelor of Laws ("LLB") Degree from the University of Liverpool and a Master of Business Administration ("MBA") from Salford University in the United Kingdom. Professionally Ms. Odongo is a Certified Public Secretaries ["CPS (K)"]. She holds a Post Graduate Diploma from the Kenya School of Law and has 14 years of experience in various capacities and industries ranging from Audit, Banking and Finance, Insurance and Legal. She is also a member of the Institute of Directors - Kenya

BOARD OF MANAGEMENT *(continued)*

Susan Robi

Ms. Susan Robi, 46, serves as Director of Risk and Compliance. A High Court of Kenya Advocate, she holds an LLB from Makerere University and a Master›s in Law and Finance from Goethe University›s Institute of Law and Finance in Frankfurt, Germany. Her credentials include a Post Graduate Diploma from Kenya School of Law, Risk Management Certification from the Institute for Risk Management (IRM), and Data Protection and Privacy Certification from PECB. With over 15 years of experience across local and international law practice, insurance, pensions, and fund management sectors, Ms. Robi is a recognized expert in risk management and data privacy protection.

Ms. Robi joined CIC in 2011.

Muyesu Luvai

Mr. Muyesu Luvai aged 46, is the Director, Internal Audit. He is a Certified Public Accountant ("CPA (K)"), and a member of the Institute of Certified Public Accountants of Kenya ("ICPAK"), the Chartered Institute of Internal Auditors UK, the Institute of Internal Auditors, Kenya Chapter, as well as the Institute of Directors, Kenya. He holds a Bachelor of Commerce Degree from the University of Nairobi and a Master of Business Administration (MBA) Degree with a concentration in Employee Relations / Organisational Behaviour from the University of Leicester (UK).

Mr. Luvai acted as CIC's Group Chief Financial Officer between February 2020 and June 2021 during a period of change in executive management. Before joining CIC in 2008, Mr. Luvai worked for Deloitte in the Audit & Assurance Division auditing a range of multi-national and local institutions. Prior to joining Deloitte, Mr. Luvai had a stint in the oil and gas industry working in the Finance Department of Dalbit Petroleum Limited

Richard Nyakenogo

Mr. Richard Nyakenogo aged 57, is the Director, Co-operatives. He holds a Bachelors of Commerce Degree from Egerton University and Masters in Business Administration from Mount Kenya University. He has a Diploma in Co-operative Management from the Co-operative College of Kenya and a certificate in Corporate Governance from Center for Corporate Governance. He also has LOMA-Associate & FLMI. Richard is an Associate Member of Insurance Institute of Kenya (AIIK), Member of Marketing Society of Kenya (MSK), Member of Institute of Directors of Kenya(IOD),a Certified Co- operative Professional (CCOP), and a Council Member of Kenya Society of Professional Cooperators(KSPC). He served as a member of the Taskforce on the implementation of the National Cooperative Policy. He was involved in the transformation of Sacco's form Back office to Front office (FOSA). He joined CIC in 1999.

BOARD OF MANAGEMENT *(continued)*

Salome Wambui

Ms. Salome Wambui aged 38, is the Group Actuary. She holds a BSc (Hons) in Actuarial Science, Masters in Economics (Econometrics) and is a Fellow of the Institute and Faculty of Actuaries (IFoA) in the UK. She is also a member of The Actuarial Society of Kenya (TASK). Salome joined CIC Insurance Group in 2014

Michael Mugo

Mr. Michael Mugo aged 54, is the Principal Officer – CIC Microinsurance. He joined the Group in 2003 as an Agency Manager in Ordinary life. He has a total of 25 years' experience in the Insurance industry. He has served the organization in various senior capacities including Sales Management, Corporate Affairs and Communication, Marketing and Strategy. He has undergone extensive training in the areas of leadership, Governance, and strategic management. He is the immediate former MD, CIC Africa (South Sudan) and played a prime role in the establishment of the subsidiary in South Sudan. Michael is a graduate of the Advanced Management Program (AMP) from Strathmore Business School, Lagos Business School and IESE, Barcelona. He holds an MBA degree from JKUAT with special focus on Strategy and Marketing. He is a Bed (Econ & Geog) graduate of Moi University. He has extensive training and experience in institutions and business enterprises. He is a member of the Institute Of Directors of Kenya, the institute of Customer Service of Kenya, MSK and LOMA

Joyce Mwashigadi

Ms. Joyce Mwashigadi aged 47, is the Director, People & Culture. She holds an Executive MBA from Eastern and Southern African Management Institute, a postgraduate diploma in Human Resource Management from the Institute of Human Resource Management, and a Bachelor of Arts degree in Business Management and Sociology from Kenyatta University. She has professional certification in Reward Modelling from Strategic Reward Management, Return on Investment by ROI Institute, Learning Systems Facilitation by Deloitte, Culture Change by Quest Worldwide (UK) and business training needs analysis by CIPD (UK) among others.

Ms. Mwashigadi's progressive human resource career spans over 20 years with broad involvement in corporate restructures, human capital optimization, culture transformation, talent management, and employee experience. Before joining CIC Group Ltd, she was the Head of Human Resources at KCB Group. She also worked as the Country Head of Human Resources for KCB Bank Tanzania and the Subsidiaries' Senior Manager (Learning & development) for KCB Uganda, Tanzania, Rwanda and South Sudan.

She worked at Barclays Bank (now ABSA) as the Learning and Development Advisor, Human Resource Coordinator as well as a Management Information Analyst. She is a member of the Institute of Human Resource Management (IHRM).

BOARD OF MANAGEMENT *(continued)*

Dr. Lydia Kiburu

Dr. Lydiah Kiburu aged 55 is the Group Director, Business Excellence. She has expertise and experience in leveraging applied technology to drive business transformation and operational excellence. She is also skilled in communication, brand strategy, corporate governance, organizational culture, strategic partnerships and designing customer-centred solutions. Previously, Dr. Lydiah served as Group Director of Business Transformation, Brand, and Culture at Equity Group Holdings.

Dr. Lydiah holds a Doctor of Philosophy in Business and Management from Strathmore University Business School. Her academic journey is marked by executive leadership training from Wharton Business School, a master's degree in International Development and Diplomacy, and a Postgraduate Diploma in Mass Communication from the University of Nairobi and a certification in digital strategy from Columbia Business School. She is a member of the Public Relations Society of Kenya and the Fintech Association of Kenya

Henry Njerenga

Mr. Henry Njerenga, 55, is the Director of Branch and Distribution at CIC Group Plc. With over 30 years of experience in the insurance industry, he has held various senior leadership roles, specializing in sales growth, sales management, business development, and leadership.

Since joining CIC Group in 1998, Henry has played a pivotal role in driving the company's growth, leveraging his extensive expertise in the sector. He holds an Executive Bachelor›s Degree in Business Management from The Management University of Africa and a Diploma in Marketing Management from the Kenya Institute of Management.

Henry is a full member of the Kenya Institute of Management (MKIM) and has completed extensive training in corporate governance. He has also served on the Audit, Risk & Governance Committee and the National Council of KIM for over six years.

A strategic leader with a deep understanding of the insurance landscape, Henry is committed to excellence in customer experience, business development, sales strategy, and organizational growth.

OUR VALUE CREATION STRATEGY

OUR VALUE DRIVERS

Our ability to create long-term, sustainable value is driven by a combination of key resources and strategic enablers. These value drivers form the foundation of our business model, ensuring resilience, innovation, and growth while delivering impact to our stakeholders. As a responsible insurer, we integrate sustainability considerations into our decision-making, ensuring that our business contributes to sustainable development while generating financial returns.

We align our strategy with the six interconnected capitals that underpin our operations, helping us balance profitability with our commitment to sustainability and long-term stakeholder value.

The six capitals that drive our value creation include:

Financial Capital

This encompasses the financial resources that enable our operations, investments, and strategic initiatives.

As a leading insurer, our financial resources are managed prudently to generate returns for shareholders, support policyholders, and drive long-term resilience. Through strategic investments, risk management, and responsible financial stewardship, we continue to strengthen our financial position and enhance our capacity to provide reliable insurance and investment solutions. However, financial growth is interdependent with other capitals, requiring trade-offs to balance value creation.

We contribute to poverty alleviation and reduced inequalities by offering affordable insurance solutions that protect individuals and businesses from financial shocks. Our microinsurance products, such as SME Medipack, Afya Bora, and CoopCare, provide accessible coverage for underserved populations, ensuring financial protection against health emergencies, asset losses, and unexpected risks. Additionally, our cooperative model enables communities to pool resources and build financial security, reducing vulnerabilities among low-income groups.

Total Assets	61.9B
Deposits administration	14.29B
Return on Equity	30.7%
EPS	1.04
Growth in revenue	4%

As we continue to strengthen our financial capital, CIC Group remains committed to leveraging our resources for sustainable and inclusive economic growth. By integrating sustainability considerations into our financial strategy, we will enhance our resilience, drive long-term stakeholder value, and contribute meaningfully to the broader sustainable development agenda.

Human Capital

Our human capital represents the collective skills, expertise, and dedication of our 892 employees (48% male, 52% female), who drive innovation, customer satisfaction, and business growth. We recognize that investing in our workforce is essential for achieving our strategic objectives and sustaining long-term value creation.

Staff And Agents Received Training **832**

To ensure CIC Group remains competitive and future-ready, we are committed to providing innovative and timely people & culture solutions that support sustainable business growth. This commitment is anchored on the following pillars:

- Culture Transformation – Fostering a values-driven, high-performance culture.
- Talent Management – Attracting, developing, and retaining top talent.
- Employee Value Proposition – Enhancing employee experience and well-being.
- Excellence in Execution – Strengthening leadership and operational efficiency.
- Driving Sustainable Growth & Risk Management – Ensuring resilience through workforce capability.

Investing in our employees requires financial capital, reflected in our spending on salaries, bonuses, training, and benefits. While this may reduce short-term financial resources, it enhances intellectual capital by building a highly skilled, innovative workforce that drives long-term business success and competitive advantage.

By prioritizing human capital, we enhance social & relationship capital through stronger employee engagement, improved customer experience, and better stakeholder trust. This ultimately contributes to financial resilience and long-term business sustainability.

Intellectual Capital

Our intellectual capital encompasses collective knowledge, corporate governance frameworks, digital innovations, risk management capabilities, and brand reputation. These intangible assets are the foundation of our operational efficiency, customer-centric solutions, and long-term value creation.

We continuously build and strengthen our intellectual capital through learning, digital transformation, strategic innovation, and ethical leadership. By investing in these areas, we develop insurance and investment solutions that respond to evolving market needs, enhance financial resilience, and support sustainable business growth.

Key Developments in the Year Under Review included:

- Launching the Easy Bima platform, enhancing accessibility and customer experience.
- Automating policy dispatch, improving efficiency and reducing operational bottlenecks.
- Developing innovative insurance products, meeting dynamic customer needs
- Launched the CIC Travel Insurance, Family Medisure and CIC Seniors products in South Sudan

To ensure continued growth and competitiveness, we are implementing the following key initiatives:

- Enterprise Architecture Modernization – Enhancing system capabilities for agility and scalability.
- Infrastructure Upgrades – Strengthening digital infrastructure to support business expansion.
- Regions & Branch Connectivity Improvement – Enhancing accessibility and service efficiency.
- Implementation of the Cybersecurity Roadmap – Protecting customer data and mitigating cyber risks.
- Constitution of the CIC Digital Team – Driving technology-led transformation.
- AI Upskilling – Equipping employees with emerging tech competencies for innovation.

Our commitment to intellectual capital requires significant financial capital investments in digital infrastructure, cybersecurity, and skills development. While this may lead to short-term cost increases, it strengthens our human capital by upskilling employees, enhances social & relationship capital through improved customer experiences, and ultimately drives financial capital growth through efficiency and innovation.

By continuously investing in intellectual capital, CIC contributes to a more resilient, innovative, and inclusive financial sector, aligned with the objectives of SDG 9 (Industry, Innovation & Infrastructure).

Manufactured Capital

CIC Insurance Group's manufactured capital—comprising our physical and technological infrastructure—is a key enabler of our ability to deliver value to customers, enhance operational efficiency, and drive business continuity. Our branch network, digital platforms, and technological investments form the foundation of our service accessibility, customer experience, and operational resilience.

We have made strategic investments to strengthen both our physical presence and digital capabilities, ensuring seamless insurance and investment services across Kenya, Uganda, South Sudan, and Malawi. Our network includes 34 branches (25 in Kenya, 5 in Uganda, 2 in Malawi, and 2 in South Sudan), along with 3 regional offices.

Recognizing the growing need for seamless digital interactions, we have accelerated our digital strategy to improve customer experience, streamline operations, and enhance data security. Our key initiatives include:

- Automation of Core Processes: Advanced policy administration and claims management systems to improve efficiency and reduce turnaround times.
- Customer Self-Service Platforms: Enhancing mobile apps and online portals to enable seamless policy management, claims processing, and customer engagement.
- AI & Data Analytics: Leveraging predictive analytics to personalize customer offerings, detect fraud, and optimize risk assessment.
- Cybersecurity & IT Infrastructure Investments: Strengthening data protection and digital security to mitigate cyber risks and enhance regulatory compliance.

By continuously evolving our manufactured capital, we enhance customer trust, drive innovation, and sustain long-term business growth.

Branches Across Four Countries **37**

Investments in digital transformation enhance customer experience and operational efficiency, but they require significant financial capital and continuous upskilling of our human capital. While automation and AI-driven processes reduce operational costs over time, they necessitate upfront financial investment and workforce reskilling to ensure a smooth transition.

Similarly, expanding our branch network in the regions strengthens social & relationship capital by improving accessibility, but it increases operational costs and carbon footprint, impacting natural capital. To mitigate these trade-offs, we balance digital and physical expansion, leveraging technology to optimize service delivery while ensuring physical branches remain critical points of customer engagement.

Social & Relationship Capital

We recognize that strong relationships with our stakeholders are essential for business success. Our ability to create value is directly tied to the trust, collaboration, and shared prosperity we foster across our ecosystem.

Through continuous engagement, digital transformation, and customer-centric innovation, we enhance stakeholder experience and reinforce long-term partnerships. Strategic collaborations with brokers, agents, healthcare providers, and technology partners enable us to expand our reach and enhance service delivery. Additionally, our social investment initiatives, primarily through the CIC Foundation, focus on education and environmental sustainability, reinforcing our commitment to community development.

Our strategic focus for the growth of our social and relationship capital is based on:

- Leveraging data & analytics to identify customer pain points and preferences.
- Continuous improvement & innovation to develop solutions that exceed expectations.
- Establishing clear customer-centric metrics to enhance service excellence.
- Monitoring Service Level Agreements (SLAs) to ensure accountability.
- Strengthening Co-operative partnerships through tailored engagement.
- Enhancing customer education by providing clear, accessible product information.

Strengthening our social & relationship capital requires ongoing investments in financial capital—from paying claims and agent commissions to CSR initiatives and customer engagement programs. While these expenditures may reduce short-term profits, they build long-term brand loyalty, customer retention, and market expansion, ultimately enhancing financial capital in the future.

Investments in customer engagement and service innovation also increase our intellectual capital, as insights from customer feedback inform product development and operational efficiency. Furthermore, enhancing partnerships and service delivery supports our human capital, as employees benefit from better tools, training, and engagement in meaningful work.

By strategically managing capital interdependencies, CIC Insurance Group ensures that investments in stakeholder relationships drive long-term financial stability, operational efficiency, and market leadership.

Natural Capital

We recognize that our business operations have a direct and indirect impact on the environment. As part of our sustainability strategy, we are committed to responsible resource management, reducing our carbon footprint, and integrating environmental considerations into our operations and investment decisions. By integrating our 2025-2030 Sustainability Strategy, we aim to enhance our natural capital.

We continue to enhance our efforts in measuring and managing our environmental footprint across our operations in Kenya, Uganda, South Sudan, and Malawi. Key focus areas include:

We also participated in the Kereita forest challenge and the Ushirika tree planting exercise to promote biodiversity conservation.

- Energy Efficiency: Reducing electricity consumption across our offices by implementing energy-saving initiatives, such as LED lighting, energy-efficient appliances, and optimized power usage.
- Carbon Footprint Management: Monitoring and reporting our greenhouse gas (GHG) emissions, with a focus on reducing Scope 1 and Scope 2 emissions.
- Water and Waste Management: Implementing measures to minimize water consumption and improve waste management practices through recycling and paperless operations.

We actively collaborate with stakeholders, regulators, and industry peers to promote environmental sustainability. As a signatory to the United Nations Global Compact Network (UNGCN), we recognize the intersection of environmental sustainability and social impact. Through strategic partnerships, we are working towards climate-adaptation solutions.

Our commitment to natural capital requires balancing financial, manufactured, human, and social capital. Implementation of the sustainability strategy requires significant financial resources upfront. Integrating sustainability practices demands employee upskilling and behavioral change, which enhances human capital but requires ongoing investment. Additionally, while sustainability partnerships strengthen stakeholder relationships, they may require navigating cost implications, regulatory expectations, and shifts in customer and supplier convenience.

By prioritizing natural capital, CIC Insurance Group is not only mitigating environmental risks but also creating long-term value for our stakeholders while contributing to a sustainable future.

6.55M Water bill expense is a 9% increase from 6M in the previous period.

Theme:

Go for Growth

OUR STRATEGY

OUR STRATEGY

The Group continues to implement 2021-2025 strategic plan dubbed 'Recapturing CIC's transformation agenda' to steer the company toward growth and profitability. The main theme of our strategy is customer centricity which centers on putting our customer first and at the core of our business in order to provide a positive seamless experience and build long-term relationships. The transformation journey has encompassed a comprehensive approach targeting various aspects of our operations. We have focused on various transformation initiatives ranging from fostering a culture of excellence to enhancing operational efficiency through technology integration and embracing digitalization. Additionally, we are dedicated to upholding robust governance, risk management, and compliance standards to uphold the integrity and sustainability of our business practices. Together, these efforts will propel CIC Insurance Group toward a brighter future, characterized by resilience, growth, and continued success.

The Strategic Plan

The organization continues to implement its 2021-2025 strategic plan, a focused transformation agenda designed to steer the company toward growth and profitability.

Core Theme:

Customer Centricity
The main theme of this strategy is customer centricity, centering on putting the customer first and at the core of the business to provide a positive, seamless experience and build long-term relationships.

Key Transformation Initiatives

This transformation journey encompasses a comprehensive approach targeting various operational aspects. Key initiatives focus on fostering a culture of excellence, enhancing operational efficiency through technology integration, and embracing digitalization.

Foundation:

Governance & compliance

- Robust risk management
- Sustainability and integrated thinking
- Optimal resource allocation

Desired Outcome

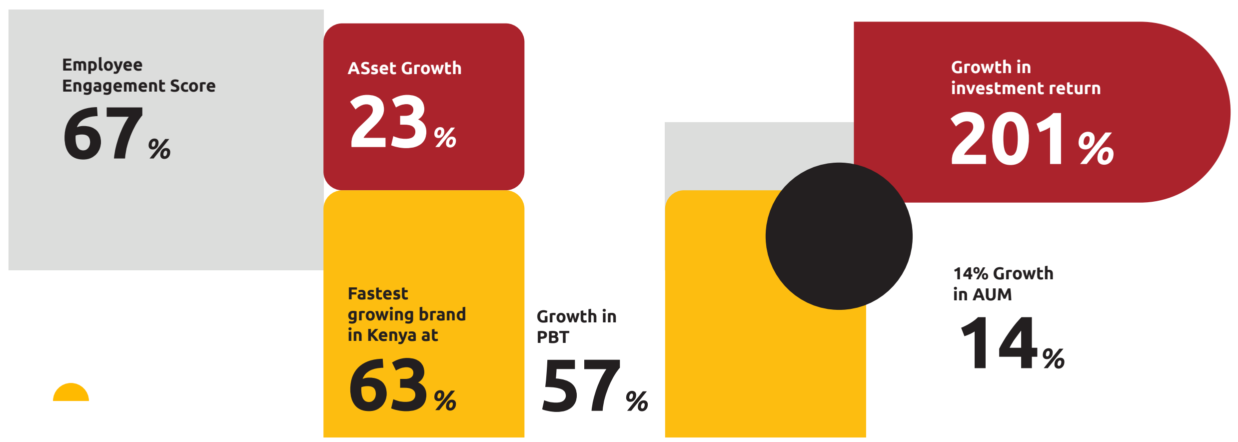
Together, these efforts are designed to propel the organization toward a brighter future, characterized by resilience, growth, and continued success.

SUMMARY OF OUR VALUE CREATION PROCESS

Capitals	Inputs	What we do to create value	Outputs
Human	• 793 staff • Spend employee skills, knowledge, and expertise Ksh 40M 2024 and Ksh 62M 2023 • Employee well-being initiatives	• Operational efficiency • Healthy work environment • 10,642 online training hours completed in 2024 • 832 staff and agents trained during the year • Championing employee wellness through mental health trainings, financial wellness training and annual wellness check ups. • Focus on DEIB	• 892 staff in 2024 • 2.7B Employee salaries and benefits • 42 employees promoted
Financial	• Equity- 7.6B • Assets under management: 146B • Deposits administration: 10.9B • Cash and cash equivalent: 4.9B • EBITDA: 3.3B • Total Assets: 50.3B • Investment return 2.93B	• Effective risk management • Compliance • Efficient operations	• Equity- 11B • Assets under management: 152B • Cash and cash equivalent: 10.0B • EBITDA 4.8B • Total Assets: 61.9B • Investment return 8.8B • Return on Equity: 30.7% • Return on Assets: 7.1% • EPS:1.04
Intellectual	• 57 years of delivering innovative insurance solutions • Strong Enterprise Wide Risk Management Framework • Strong brand	• Efficient operations • Marketing campaigns	• Innovative insurance products • Effective internal controls and risk management

SUMMARY OF OUR VALUE CREATION PROCESS *(Continued)*

Outcomes	Stakeholders	Our strategies to improve outcomes
• Employee engagement score 67% • Employee turnover 16.22%	• Employees • Board of Directors	• Transformation of culture and people experience • Excellence execution • Driving sustainable growth and value • Driving Diversity, Equity, Inclusivity and Belonging (DEIB) & ESG • Leveraging on the young workforce to drive innovation and agility • Simple and Digital P& C • Skills development – technical, leadership and future skills
• 23% Growth in total assets • 4% Growth in insurance revenue • Increase in EPS • 0.5% Return on AUM • 57% Growth in PBT • 14% Growth in AUM • 201% Growth in investment return • 0.13 Dividends per shareholders • 1:10 Bonus share issue to shareholders	• Shareholders • Customers • Regulators • Government institutions	• Operational efficiency through organizational review. • Cost reduction through digitization. • Product and market diversification
• Rolled out the Easy Bima platform and diversified our products and markets • Fastest growing brand in Kenya at 63%	• Customers • Co-operatives • Society • Employees	• Enterprise architecture modernization • Infrastructure upgrades • Regions and branch connectivity improvement • Implementation of the cyber security roadmap • Constitution of the CIC digital team • AI upskilling • Strategic marketing and brand building initiatives



SUMMARY OF OUR VALUE CREATION PROCESS *(Continued)*

Capitals	Inputs	What we do to create value	Outputs
Social & Relationship	• Over 5000 agents and brokers • 15.2B claims paid • 2.4Bcommission paid • 11M in CSR in 2023 • Over 2.4 Million lives covered • 2.7B Tax paid	• Operational efficiency • Co-operative Strategy • Customer Experience • Customer focus • 35 trainings undertaken by CIC to co-operatives to over 5000 board members • 3 customer experience trainings to staff	• Over 7000 agents and brokers • 16.3B claims paid • 3.12B commission paid • 8.22M spend in CSR in 2024 • Customer Satisfaction index of 86% as of Q4 2024. • Ksh 5.1M to support 88 students through the CIC Foundation education program • 3.23B Tax paid to the government • Over 2 Million lives covered.
Manufactured	• 34 branches • 3 regional offices • 235M Investment in ICT infrastructure - 2023 • Digital channels and apps.	• Robust IT systems	• Upgraded and efficient technological infrastructure • Well-maintained office facilities • Upgraded the Asset Management App with a unique offering for chamas • Launched the Easy Bima platform
Natural	• 23M - Office electricity expense • 6M Water bill expense • Sustainable business practices • *469 CO_{2e} metric tonnes - 2023	• Signatories to the Nairobi Declaration of Sustainable Insurance. • Signatories to the UN Global Compact Network Kenya Program	• Sustainability integration into our business. • Development and implementation of sustainable products and services. • 7.4 M - Office electricity expense • 20.4 M – Building electricity expense • 6.55M Water bill expense

*2024 emissions will be included in our 2024 sustainability report

SUMMARY OF OUR VALUE CREATION PROCESS *(Continued)*

Outcomes	Stakeholders	Our strategies to improve outcomes
• Revenue growth and profitability • Product innovation(rolled out the easy bima platform) • Improvement in CSI score to 86% • Centralized customer complaints • 9% growth in social media platform engagements • Strong brand • Customer-to-business query management on the WhatsApp platform has been successfully implemented	• Customers • Society • Co-operatives • Suppliers • Strategic alliances & partnerships	• Leverage on data & analytics to identify painpoints and preferences through surveys, interviews and reviews for enhanced customer experienced • Continous Improvement and Innovation to yield reliable solutions that exceed customer expectations • Establish robust and clear metrics that foster a Customer Centric Culture • Monitoring of Service Level Agreements • Implementation of the Co-operatives strategy • Providing adequate information on our products
• 34 branches • 3 regional offices • 261 M Investment in ICTinfrastructure	• Customers • Employees	• Continuous enhancement of our digital channels
• 181M claims paid to our agricultural clients • Calculating our Greenhouse Gas (GHG) emissions and setting reduction targets • Prioritizing climate action	• Society • Employees • Suppliers	• Implementation of our 2025-2030 sustainability strategy

STAKEHOLDERS VALUE CREATION

As a Group, we recognize that our long-term success depends on meaningful engagement with our stakeholders. Our stakeholders play a vital role in shaping our strategy, operations, and impact, and we are committed to maintaining transparent and constructive relationships with them.

We have identified key stakeholder groups based on their influence, expectations, and level of engagement with our business. These include:

Stakeholder Category	Who they are at CIC	Identified Needs & Expectations	How we met the needs and expectations during the year

Shareholders (Owners)	• A shareholder is a person, company or institution that own shares in CIC Insurance Group Plc.
	• Shareholders exercise their role as follows;
	I. Contribute capital.
	II. Participate in AGMs
	  • Approval of audited accounts
	  • Election of directors
	  • Approval of directors remuneration
	  • Appointment of external auditors
	  • Approval of dividends payment
		• Strong financial performance
		• Maximum shareholder returns
		• Transparent communication and reporting
		• Strong corporate governance
		• Commitment to sustainability
		• Long term sustainable value
			• 2024 Annual General Meeting
			• The first sustainability report publication
			• Payment of dividends.
			• Transparent reporting through the annual integrated report, half and yearly publication of the financial statements.
			• Continuous effective communication through the CIC website and emails
			• Appointment of Directors.
			• Engagement of a dedicated share registrar to deal with shareholder queries.
			• An in-house investor relations team to deal with shareholder queries.
			• Recognition of availed proxy forms and voting rights
			• Addressed frequently asked questions and posted on the website.
			• Voting and appointment of an external auditor during the AGM.
			• Investor briefing.

Co-Operatives	• Co-operative entities play a significant role as key stakeholders of CIC Group. We engage with them in dual capacity both as shareholders and as customers. The Co-operative Insurance Society Limited owns 74.3% of CIC shareholding.	• Tailored insurance and financial solutions • Training and capacity building • Sustainability and social impact. • Responsive customer practices • Community engagement • Collaborative partnerships	• Implemented the co-operatives strategy • Offered 35 training sessions to Co-operatives • Supported Ushirika day celebration activities • Worked with the World Bank to register and train about 50 Saccos in Meru and Kajiado regions

STAKEHOLDERS VALUE CREATION *(Continued)*

Stakeholder Category	Who they are at CIC	Identified Needs & Expectations	How we met the needs and expectations during the year
Board Of Directors	• The Board of Directors is the Governing body that sets strategy and offers oversight.	• Regular and accurate financial reports. • Adherence to relevant laws and regulations. • Proactive exploration and pursuit of strategic opportunities to enhance the company›s position in the market. • Effective implementation of the Company's strategy • Positive relationships with key stakeholders. • Integration of sustainable and responsible business practices into company operations	• Accurate statutory reporting. • Approval of policies. • Annual Board Retreat • Annual Board Evaluation • Institute of Directors membership • Setting Board KPIs • Compensation Package & Benefits • Maintaining the conflicts and interests register • Regular communication through the e-board system, SMS Alert, phone calls, emails. • Board meetings and board reports.
Employees	• The group has 892 employees. 52% are female while 48% are male.	• Fair compensation structures • Access to training, mentorship and career development within the Company. • A healthy work environment • Open and transparent communication channels • Healthy work-life balance • Competitive benefits • Responsible leadership • Fair performance management and recognition	• Regular Jipashe (staff magazine) updates • Employee engagement & Satisfaction surveys • Monthly Management meetings at Group and subsidiary levels. • Quarterly automated performance appraisals. • Digital learning solutions- (LinkedIn Solutions). • Jumuika: Intranet (Policies) • Performance incentive and bonus awards. • Career growth planning and mentorship. • Clear career growth • Equitable remuneration • Clear, fair and equitable performance management framework • Webinars on stress management • Health, safety and security policy as well as Safety & Health Committee to provide safety at work.

STAKEHOLDERS VALUE CREATION *(Continued)*

Stakeholder Category	Who they are at CIC	Identified Needs & Expectations	How we met the needs and expectations during the year
Customers	• Our customers range from our shareholders i.e. the cooperative movement and its membership, to corporate clients and individuals.	• Quality products and service offerings. • Competitive Pricing • Seamless processes and communication. • Product accessibility. • Sustainable products • Timely and efficient payment of claims • Accessible and responsive customer support	• Courtesy visits to customers • Monitoring of SLAs • Customer training • Reviewing and redesigning our product offerings and solutions as well as new product developments including the monthly motor product. • Awareness creation on products and services • Technological advancements • Customer experience training for staff • Digital interaction through social media • Responsible marketing and advertisement
Regulators and Government Insitutions	• These are our regulators: • Insurance Regulatory Authority • Capital Markets Authority • Nairobi Securities Exchange • Financial Reporting Centre • Retirement Benefits Authority • Kenya Revenue Authority • Office of the Data Protection Commission • Unclaimed Financial Assets Authority	• Adherence to relevant laws and regulations. • Transparency and accountability • Robust risk management practices • Strong governance mechanisms • Consumer protection • Data protection and privacy • Ethical business practices • Integration of ESG into the business • Effective AML and CFT policies	• Compliance with legal and regulatory requirements. • Transparent reporting
Strategic Alliances and Partnerships	These include: • The Association of Kenya Insurers • Banks e.g., Co-operative Bank • National and County Governments • Professional bodies; Institute of Directors, Institute of Certified Secretaries, Institute of Certified Public Accountants of Kenya, Law Society of Kenya etc.	• Advocacy and representation • Information and education • Access to resources • Collaboration and partnerships	• Participation in industry conferences and trainings • Market visits • MOUs with strategic partners and stakeholders • Sponsoring and participating in AKI activities e.g. AKI games • Partnering with UNGCN and NDSI to integrate sustainability practices.

STAKEHOLDERS VALUE CREATION *(Continued)*

Stakeholder Category	Who they are at CIC	Identified Needs & Expectations	How we met the needs and expectations during the year
Service Providers & Suppliers	Outsourcing companies, providers of business support services i.e. Consulting companies. I. As required or dictated by performance contracts and/or agreements. II. To obtain products or services required for conducting the company's business. III. To maintain an ideal and timeous service for operations. IV. To encourage responsible practices across our client, local procurement, supplier conduct and environmental considerations. V. To include critical suppliers in cross-functional teams to contribute expertise and advice	• Timely payments • Opportunity for long-term partnerships • Fair and equitable contract terms • Commitment to sustainable business practices • Fair competition • Reliable demand and supply chain planning	• Prequalification of suppliers • Service providers and supplier engagement forums about specific engagements • Revamped service providers and supplier portals • Service providers and supplier surveys • Timely and accurate notifications on payments and renewals • Digital client onboarding.
Society	• Individual citizens	• Socially and responsible initiatives • Job creation and economic development • Consideration of public health and safety • Affordable and accessible products and services	• CSR Activities • CIC Foundation education scholarship • Job creation through our employees, agents, brokers etc.

CIC Group MD & CEO, Mr. Patrick Nyaga (far left), and CIS Chairman, Mr. James Njue (far right), present an award to Cooperative Bank directors (center) in recognition of the bank being named the Best Insured National Cooperative 2024 at the annual CIS AGM

A STRATEGIC APPROACH TO RISK MANAGEMENT

Risk management is an integral component of CIC Insurance Group strategic approach and is embedded within the overall pursuit and preservation of long-term value. The Comprehensive Overarching risk framework includes principles and values that define how business is conducted in order to achieve its strategic objectives and inform expectations of Shareholders, the board, regulators, staff and all other stakeholders/partners.

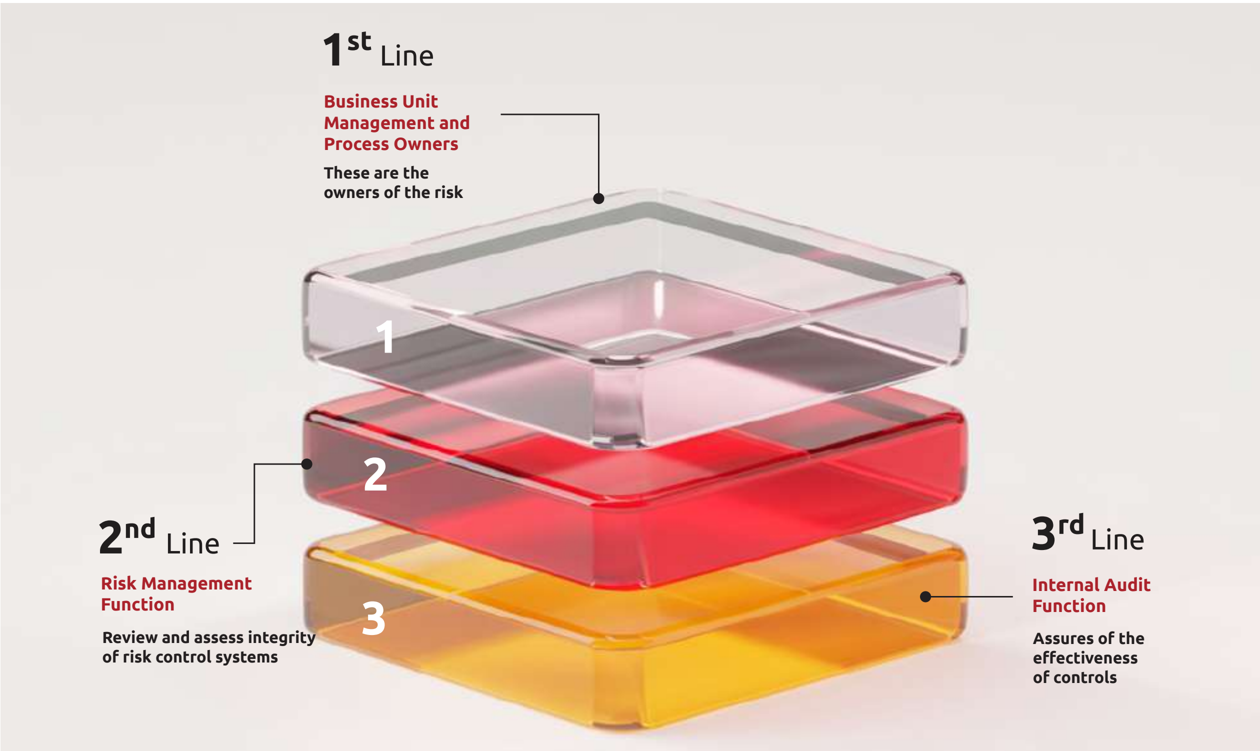
The Enterprise-Wide Risk Management (ERM) framework follows a top-down approach, ensuring risk management is embedded at all levels of the organization.

RISK GOVERNANCE STRUCTURE

Our risk governance model ensures accountability and oversight through the following structure;

Board of Directors (Audit & Risk Committee)	Establishes the risk appetite, oversees risk management policies, and ensures strategic alignment. Reviews key risk exposures, internal controls, and compliance with regulatory requirements.
Senior Management	Implements risk strategies and ensures their alignment with corporate goals. Implement strategies and policies approved by the Board Accountable for governance structures, risk appetite, risk strategy and policies
Risk Champions	Ensure risk management principles are applied across business units. In collaboration with the Risk Team, develop effective preventative, corrective and detective controls to reduce scope of risk
Risk Team	Establishes risk management techniques for risk identification, measuring and monitoring and reporting and adoption.

THREE LINES OF DEFENSE



OUR RISK MANAGEMENT PRINCIPLES

The Group has established risk management and control strategies which are aligned with the overall business strategy and takes into consideration regulatory and supervisory requirements based on the following principles;

- Information and technology driven processes – We have automated risk management by adopting a Risk Management system that allows risks to be identified, assessed, managed, reported and monitored at appropriate levels. It also gives the first line of defense (Management and Risk Champions) ability and flexibility to efficiently interact and update their risk registers.
- An Overaching and comprehensive Enterprise Risk Management Framework with a forward-looking approach allows the Group to maintain an appropriate risk profile combined with a series of relevant interrelated tools and processes i.e. Risk-based capital management, risk appetite, risk identification, assessment, scenario analysis and stress testing.
- Dynamic and iterative risk management processes that respond to the changing needs of the organization, its staff, clients, operating environment locally and globally, allowing for a standardized risk management approach across the Group and its subsidiaries.
- Risk Governance Structure and Culture– The Governance model sets the tone at the top with board oversight driving structures and embedding the right culture. Strategy and enabling objectives are set within the allowed risk limits as per the Risk appetite/tolerance. This is a continuous cycle that filters into performance and continuous review and improvements. Periodic risk reporting ensures that the right information is passed in a timely manner to support operations and minimize risk exposure.

TOP RISKS AND HOW WE MANAGE THEM

Key Risk Description	Opportunity	Mitigation
Insurance Risk This is the risk the Company is exposed to under insurance contracts as a result of imprudent underwriting practice, inadequate claims management, product design and pricing leading to higher claims that estimated premium liabilities.	Improving actuarial models and pricing strategies for better competitiveness and profitability.	• Risk selection and underwriting for new business acceptance. • Adequate pricing, underwriting, claims management and frequent stress testing. • Rigorous and consistent reserving methodologies to derive best estimates • Product development and management framework that ensures products and propositions match customer needs and market risks.
Regulatory Risk The Group and all its subsidiaries are regulated entities. There is therefore always the inherent risk of new regulation, the increasing cost of compliance and the exposure to regulatory fines, citation and reputational risk for non-compliance.	Focusing on regulatory compliance to strengthen our control environment to build a more resilient brand.	• CIC has built a compliance culture and compliance is monitored through a well-established compliance model. • The Group has mapped out compliance requirement to anticipate regulatory deadlines and ensure full implementation and 100% compliance with new requirements

TOP RISKS AND HOW WE MANAGE THEM *(Continued)*

Key Risk Description	Opportunity	Mitigation
Financial/Credit Risk The risk that a counterparty defaults on a promise/ obligation, that is, failing to pay full amounts when due, impacting receivables and investments. These may arise out of insurance/reinsurance contracts, cash at bank, corporate bonds and deposits with financial institutions.	Continuous engagement with customers and understanding the customer needs. The investment counter party risk has provided us the opportunity diversify the investment portfolio ensuring sustainable investment income	• Implementation of Cash and Carry at all business operation levels. • Internal credit policy with a maximum of 90 days for corporate credit. • CIC General, a subsidiary of CIC Group created a flexible product that allows customers to make monthly payments on their policies reducing the credit risk exposure and meeting customer needs. • The Group also manages its Investment credit risk exposure through an Investment Policy Statement that is tailored for each subsidiary and the nature of its business
Market Risk This is the risk of financial Losses in investment caused by adverse price movements. The Group runs a fund management subsidiary, manages Annuities, sponsors and administers pension schemes. The nature of this business relies heavily on investment returns to meet the customer expectations and keep ahead of the market.	Our active portfolio management enables early, agile response to market shifts, allowing us to capitalize on dislocations before competitors. This backed by robust rebalancing and Asset-Liability Matching, enhances risk-adjusted returns while maintaining risk parameters and differentiating our performance	• We manage our market risk by ensuring we have a diversified portfolio. To this end we have embedded a portfolio rebalancing strategy in our Investment policy statement to provide agility in responding to market movement. • Our investment strategy in informed by our Asset Liability Matching model that ensures asset allocation corresponds to liabilities to minimize our risk exposure

TOP RISKS AND HOW WE MANAGE THEM *(Continued)*

Key Risk Description	Opportunity	Mitigation
Operational Risk This is the Risk of failure that stems from failure of operation, processes and systems. Under the operational risk we cover Ethical Risks which may arise as a result of Market conduct and Fraud exposure from and external and an internal perspective. This risk is dynamic and the Group ensures that there is ownership of this risk at management level and close monitoring from the Risk Management function which is complemented by assurance role of the Internal Audit function.	Building a resilient company through regular testing of control and hardening on virtual and physical environment.	• Due to the inherent nature of this risk, we manage the same through providing clarity and specific guidance at all possible points of risk crystallization through a strong control environment. • Specific risks are identified and managed through specialized units including ICT, People and Culture and Business excellence. • We have also build in resilience framework that provides assurance for the Group in the event on "Black Swan Events" • Business Continuity Plan: this is to ensure our ability to maintain our operations in any unforeseen incidents, this covers people and physical resources • Disaster Recovery Plan: This covers the systems and our response to system failures. This is closely monitored and tested to ensure responsiveness to business needs. • To address Ethical Risk we have built controls, capabilities and resourcing enabling us detect, investigate and prevent / deter the occurrence of incidents related to this risk. In addition we have specific frameworks that provide additional assurance; • Whistle Blower Policy: We have a zero tolerance to Fraud risk. To manage any exposure CIC has a well-established whistle blower policy that provides a platform for stakeholders (Customers, staff, agents, brokers, suppliers) to raise concern regarding any suspected wrongdoing. The whistle blower platform is managed by an independent Ombudsman to ensure independence. • Code of Conduct: We endeavor to provide our staff with clear guidance on the company expectation of them; we have provided a code of conduct that guided on the company expectations during interaction within and outside the company.
Cybersecurity Risk As we leverage technology to transform our business, enhance customer service, and improve operational efficiency, our exposure to IT-related threats and vulnerabilities also increases. Effective risk management strategies are essential to mitigate these risks and ensure the resilience and security of our systems	Investment in cutting-edge cybersecurity technologies and robust data protection frameworks not only strengthens security and regulatory compliance but also builds customer trust and competitive advantage. Further, it enables the company to explore new digital offerings, automate processes, and improve customer experiences, ultimately leading to greater efficiency, cost savings, and business growth.	• We have made significant investments in upgrading our technology platforms and applications to enhance operational efficiency, reliability, and overall performance. • To safeguard sensitive information, protect our clients' interests, maintain regulatory compliance, and uphold trust in the integrity and reliability of our solutions, we have implemented industry-leading cybersecurity and data privacy measures. • Our Disaster Recovery Plan (DRP) is designed to ensure business continuity in the event of system failures. It encompasses comprehensive recovery strategies, is closely monitored, and undergoes regular testing to ensure responsiveness to evolving business needs.

TOP RISKS AND HOW WE MANAGE THEM *(Continued)*

Key Risk Description	Opportunity	Mitigation
Emerging Risks Emerging risk refers to newly developing or evolving threats that organizations have limited experience with, characterized by significant uncertainty regarding probability, impact, and appropriate mitigation strategies, yet potentially carrying substantial consequences for financial performance, operational resilience, and strategic objectives if not properly identified and addressed in advance. Key emerging risk we are currently monitoring are Climate, Technology related, Socioeconomic and Geopolitical Emerging Risks	These present and opportunity for • Product Innovation • Technology adoption • Market Differentiation • Enhancing corporate resilience	• Scenario Planning Framework: To enable the development of a strong and resilient enterprise in the shifting risk environment • Dynamic Risk Monitoring: Integrated and real time monitoring with leading Key Risk Indicators (KRIs) for all possible scenarios, with well-established response protocols

CIC Insurance Group's robust risk management framework ensures resilience, regulatory compliance, and business continuity. By integrating risk assessment into strategic planning, leveraging data-driven decision-making, and fostering a strong risk-aware culture, CIC is well-positioned to navigate uncertainties while driving sustainable growth. The company's proactive risk management approach not only protects its assets and stakeholders but also provides a competitive edge in the evolving financial services landscape

CIC GROUP

Go for Growth

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

1. INTRODUCTION

At CIC Insurance Group Plc, we are committed to maintaining the highest standards of corporate governance, recognizing that effective governance is essential for ensuring the long-term stability and success of our business. As a leading provider of insurance and financial solutions, we operate in a dynamic and highly regulated environment where transparency, accountability, and ethical conduct are fundamental to building trust with our stakeholders, including policyholders, shareholders, employees, regulators, and the communities in which we operate.

Our corporate governance framework is built on the principles of fairness, accuracy, transparency, accountability, and responsibility. It provides a clear structure for decision-making and oversight, enabling us to manage risks effectively, drive business performance, and ensure compliance with all relevant laws, regulations, and industry standards.

The Group operates in compliance with the Companies Act 2015, the Insurance Act, the Capital Markets Authority Act, the Capital Markets Authority Code of Corporate Governance Guidelines for Issuers of Securities, the Capital Markets (Public Offers, Listing and Disclosures) Regulations 2023, and the Company's Memorandum and Articles of Association, among others. The Company adheres to the Nairobi Securities Exchange listing rules, the ethical standards prescribed in the Company Code of Conduct, the Constitution of Kenya, and all other applicable laws as a law-abiding corporate citizen.

In line with the Group's commitment to delivering sustainable value, we have established governance practices that promote the highest levels of integrity, safeguard the interests of all stakeholders, and ensure that our operations are aligned with our core values and strategic objectives.

Through our Board of Directors, the Group is committed to implementing and adhering to good corporate governance by institutionalizing policies, processes, and a robust framework aligned with CIC Insurance Group Plc's core mission of helping people achieve financial security. The Board of Directors is ultimately responsible for the Company's governance and is committed to fulfilling its fiduciary duties. To ensure strong governance, the Directors have implemented principles that guide their dealings with shareholders, customers, and other stakeholders, in line with the spirit of the Code for listed companies.

This statement outlines our governance framework, policies, and practices, including the roles and responsibilities of the Board of Directors, management, and key committees within the Group.

It also enumerates our approach to risk management, internal controls, regulatory compliance, and ethical conduct guiding our day-to-day operations. We believe strong governance is vital to our ability to adapt to changing market conditions, address emerging risks, and capitalize on opportunities for growth while maintaining our reputation as a responsible and trusted insurer.

Through this commitment to effective corporate governance, we aim to foster long-term shareholder value, enhance operational performance, and give our customers confidence that we are a reliable partner in securing their financial future

2. STATEMENT OF COMMITMENT

The Board is committed to strong corporate governance, recognizing that ethical culture, competitive performance, robust controls, and legitimacy drive sustainable value and long-term success. It also acknowledges that sound governance and effective risk management are vital to achieving strategic objectives and ensuring continued performance.

Directors have a statutory responsibility to promote the company›s success for the benefit of its stakeholders. In fulfilling this duty, Directors must carefully consider the long-term effects of their decisions, consider the legitimate interests of employees, cultivate strong relationships with suppliers, customers, and other stakeholders, assess the impact of the Company's operations on the community and the environment, and uphold a reputation for high standards of business ethics.

The Board remains committed to regularly reviewing and refining governance principles and practices to ensure alignment with guidelines and effective application within the Company's operations.

3. GENERAL GOVERNANCE FRAMEWORK

The governance framework outlines the Group›s strategic direction while delegating day-to-day operations to the executive management team, led by the Group Managing Director & Chief Executive Officer. The Group Managing Director & Chief Executive Officer's performance is assessed based on clearly defined objectives and policies, with close monitoring in place.

The Group has institutionalized a robust corporate governance framework across all strategic and operational levels. The Board confirms that this framework, aligned with global best practices, is designed to achieve the following objectives:

CORPORATE GOVERNANCE STATEMENT *(Continued)*

I. Protect and enhance shareholder value by maintaining the highest standards of governance, business behavior, and transparency.
II. Ensure the pursuit of strategic opportunities within the board-approved risk appetite.
III. Ensure the Board's accountability to shareholders and provide appropriate delegation of responsibilities to the Group Managing Director & Chief Executive Officer and the Board of Management.
IV. Provide a platform for regular review of the Group's governance structure against national and universally accepted guidelines and best practices.

The responsibility for strategic oversight of the Company rests primarily with the Board of Directors, supported by its four standing committees and any ad-hoc committees constituted as necessary. Shareholders exercise governance oversight through the Annual General Meeting. Operational management is delegated to the Group Managing Director & Chief Executive Officer, who is supported by the Board of Management.

4. THE BOARD CHARTER

The Board Charter defines the Board's roles and responsibilities, the delegated powers of various Board Committees and their roles, and clearly distinguishes between the roles of the Board and Management regarding policies and practices.

The Board is responsible for determining the Company's overall objectives, developing strategies in conjunction with management to meet those objectives, formulating clear governance policies for the Company, delegating and segregating the Board's responsibilities and accountability, and evaluating the performance of the Board, its Committees, and individual Directors.

During the year under review, the Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter. The existing Board Charter was last reviewed and approved by the Board in December 2023.

The Board Charter is available in the Investor Relations section of the Group's website at: https://www.cicinsurancegroup.com/investor-relations.

5. THE BOARD

The Board is collectively responsible for the Group's vision, strategic direction, values, and governance. Its primary role is to provide effective leadership towards:

I. Sustainable long-term success through objective and informed judgment in determining the strategy of the Group;
II. Effective succession planning, ensuring the right team is in place to execute the strategy;
III. Setting appropriate governance structures for the management of business operations;
IV. Monitoring business performance and maintaining an effective framework of controls to mitigate risks;
V. Ensuring ethical behavior and compliance with laws and regulations.

The Chairman, in collaboration with the Group Managing Director & Chief Executive Officer and the Company Secretary, is responsible for developing the annual Board Work Plan and setting agendas for meetings throughout the year.

The Board is primarily responsible for protecting and enhancing long-term shareholder value while considering the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Board's responsibilities include:

I. Determining and setting the tone for the Group's values, including principles of ethical business practice and requirements for being a responsible corporate citizen;
II. Approving the Group's mission, vision, business strategy, goals, risk policy plans, and objectives;
III. Approving the Group's business strategy and ensuring the necessary financial and human resources are in place to meet agreed objectives;
IV. Reviewing and approving Board succession plans and appointments of Non-Executive Directors
V. Reviewing periodic financial and governance reports and approving the Annual Report and Group results;
VI. Declaring interim and recommending final dividends;
VII. Approving the Group's budgets as proposed by the executive management team;
VIII. Establishing and agreeing on an appropriate governance framework;
IX. Reviewing the sufficiency, effectiveness, and integrity of risk management and internal control systems;
X. Approving the Group's performance objectives, monitoring achievements, and overseeing public announcements;
XI. Providing oversight over reporting to shareholders regarding the direction, governance, performance of the Group, and disclosure processes;
XII. Providing oversight over activities of the Group's subsidiaries;
XIII. Providing oversight over performance against targets and objectives;
XIV. Ensuring disputes are resolved effectively, efficiently, and expeditiously; and
XV. Monitoring the relationship between the Group and its stakeholders.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

6. BOARD COMPOSITION AND DIRECTORS' APPOINTMENT

The composition of the Board is shaped by the nature of the Group's business, its shareholding structure, and the overarching governance framework, including the Board Charter and Memorandum and Articles of Association. These documents provide the foundational guidelines for the structure and composition of the Board.

The Group is dedicated to ensuring that the Board is composed of individuals who collectively bring a diverse skill set, expertise, and experience necessary to effectively fulfill the Board's roles and responsibilities.

A well-rounded and capable Board is crucial for navigating the complexities of the business landscape and to make informed decisions that drive the long-term success of the Group. Accordingly, the Group is committed to ensuring that the Board reflects a broad spectrum of professional backgrounds, knowledge, and perspectives. This diversity is critical not only for effective decision-making but also for fostering innovation, improving oversight, and enhancing the overall governance process.

In order to achieve this, the following guiding principles are considered when determining the Board's composition:

- Independence and Objectivity – Appointing independent directors who can provide impartial oversight and contribute to objective decision-making;
- Appropriate Board Size – Ensuring the Board is adequately sized to achieve the company's strategic objectives effectively;
- Succession Planning – Ensuring a smooth transition and continuity on the Board;
- Diversity of Skills and Experience – Maintaining a broad range of skills, knowledge, expertise, and experience to enable the Board to effectively discharge its duties and meet the operational and strategic needs of the business.

In adhering to these principles, the Group aims to ensure that the Board remains effective in guiding the business towards sustainable growth while maintaining transparency, accountability, and strong governance standards.

During the period under review, the Board initially comprised ten (10) directors, including four (4) independent directors, one (1) executive director, and five (5) shareholder representatives. One director representing the shareholders retired upon completion of his tenure at the Annual General Meeting held on 5th May 2023. Consequently, as of the end of the financial year in 2024, the Board comprised nine (9) directors.

BOARD OF DIRECTORS				
Position and Name	**Date of Appointment to the Board**	**Date Last Re-Appointed**	**Independence**	**Director Since**
Group Chairman: Dr. N. Kuria		✓	Independent	29-Sep-2020
Vice Chairperson: J. Njue		✓	Non-Independent	13-May-2016
Group MD & CEO: P. Nyaga	✓		Executive	22-June-2020
Director: P. Nyigei**		✓	Non-Independent	8-May-2009
Director: M. Wambia		✓	Non-Independent	23-May-2008
Director: G. Owour		✓	Non-Independent	19-May-2006
Director: L. Rono		✓	Non-Independent	16-June-2023
Director: R. Kinoti		✓	Independent	29–June-2021
Director: J. Mwatu		✓	Independent	20-May-2021
Director: S. Kisire		✓	Independent	05-Sep-2022

Note: Director Peter Nyigei retired in May 2024

CORPORATE GOVERNANCE STATEMENT *(Continued)*

7. CATEGORIES OF DIRECTORS

The composition of the Board comprises the following categories of directors:

I. Executive Director:- A director who also holds an executive management role within the Company. Currently, the Executive Director is the Group Managing Director & Chief Executive Officer.
II. Independent Non-Executive Director - A director who does not hold any executive or management position within the Company, is not employed by the Company and has no significant relationships that might impair independent judgment. However, an Independent Non-Executive Director may hold shares in the Company.
III. Non-Executive Director - A director who represents a shareholder or group of shareholders but does not hold an executive or management role within the Company.

8. APPOINTMENT, TENURE, AND RE-ELECTION OF DIRECTORS

The following guidelines apply to the appointment, tenure, and re-election of directors:

- **Re-election of Non-Executive Directors:** Re-election of Non-Executive Directors at the conclusion of their three-year term is not automatic. Before recommending a director for re-election, the Board undertakes a comprehensive performance evaluation based on agreed criteria. The Company provides shareholders with all relevant and material information necessary to make informed decisions regarding the election or re-election of directors.
- **Tenure of Independent Non-Executive Directors:** Independent Non-Executive Directors serve a maximum tenure of six (6) years, subject to regulatory approvals.
- **New Director Appointments:** Upon appointment, each director receives a formal letter clearly outlining their duties, rights, responsibilities, expected time commitment, and the Board's expectations regarding active participation in Board and Committee activities.

9. BOARD COMMITTEES

The Board has delegated specialized tasks to its four (4) standing Committees: Audit & Risk, Finance & Investment, Governance & Nominations, and Human Resource. Each Committee operates under clearly defined mandates outlined in its Terms of Reference. While the Committees provide recommendations, the Board retains ultimate decision-making authority. Committee membership is structured to ensure a balanced distribution of responsibilities and to leverage the diverse skill sets, experience, and expertise of the directors.

Committee meetings are generally scheduled to align with the Board's meeting cycle, unless compelling circumstances require otherwise. Each Committee reports back to the Board at the subsequent meeting, presenting recommendations for consideration, adoption, or approval.

An overview of the roles and responsibilities, membership, and meetings of the Board's four standing Committees is provided below:

CIC GROUP

	Governance & Nomination	HR	Audit & Risk	Finance & Investment
Roles and Responsibilities	• Oversees the overall governance structure, policies, and practices of the Board, ensuring alignment with best governance practices. • Evaluates and reviews the composition, balance, and effectiveness of the Board, making recommendations to enhance performance and effectiveness. • Identifies, assesses, and recommends suitable candidates for Board appointments, ensuring appropriate skill sets, experience, and diversity. • Manages succession planning for the Board and senior executive management, ensuring a structured and continuous leadership pipeline. • Reviews and advises on executive appointments, leadership succession plans, and professional development initiatives for senior management.	• Provides strategic oversight of the Group's Human Resource policies, frameworks, and practices. • Reviews and recommends policies related to recruitment, retention, compensation, benefits, performance management, and employee development. • Reviews senior management appointments, ensuring alignment with organizational strategy and objectives. • Evaluates senior management performance and recommends appropriate compensation and benefits structures. • Oversees annual staff performance assessments, ensuring consistency with organizational objectives and recommending benefit allocations accordingly.	• Oversees financial reporting processes, ensuring the integrity, accuracy, and reliability of financial statements. • Reviews significant financial reporting issues and judgments made in connection with the preparation of financial statements. • Provides recommendations to the Board regarding the fairness, transparency, and completeness of the Annual Report, including long-term viability statements. • Evaluates and monitors the independence, objectivity, and effectiveness of external auditors and the overall external audit process. • Reviews and monitors internal control systems, financial management practices, and compliance with applicable laws and regulations. • Oversees the effectiveness and independence of the internal audit function. • Ensures robust oversight of risk management frameworks, reviewing principal risks and ensuring effective risk mitigation strategies are in place.	• Provides strategic oversight on matters relating to the financial management, investment activities and sustainability of the Group. • Reviews and advises on investment guidelines, asset allocation strategies, and financing policies. • Monitors the performance of the Group's investments, ensuring adherence to approved guidelines and objectives. • Reviews and recommends dividend policies and declarations to the Board. • Assesses and advises on capital allocation strategies, including corporate acquisitions, disposals, joint ventures, and other significant financial and strategic decisions. • Reviews and monitors financial performance, providing recommendations on budgeting and financial planning matters.
Membership	The Governance and Nomination Committee comprised of five (5) members. The members during the reporting period were: • Dr. Nelson Kuria—Chairman • Mr. Gordon Owuor • Mr. Michael Wambia • Mr. James Njue • Mr. Patrick Nyaga	The Human Resource Committee comprised of six (6) members. The members during the reporting period were: • Mr. Michael Wambia—Chairman • Mr. Gordon Owuor • Dr. Nelson Kuria • Mr. James Njue • Mrs. Sharon Kasire • Mr. Patrick Nyaga	The Committee is comprised of four members, three of whom, including the chairman are independent non-executive directors. The members during the reporting period were: • Mr.Julius Mwatu - Chairman • Dr. Rogers Kinoti • Mr.Johnson Kegohi • Mrs. Sharon Kisire	The Committee comprised of five (5) members. The Members during the reporting period were: • Ludia Rono – Chairman • Dr. Rogers Kinoti • Mr. Cornelius Ashira • Mr. Edwin Otieno • Mr. Patrick Nyaga

	Governance & Nomination	HR	Audit & Risk	Finance & Investment
Meetings	The Committee meets at least twice a year. During the period under consideration, the committee met three times.	The Committee meets at least twice a year. During the period under consideration, the committee met three times.	The Committee meets at least four times in a year. During the period under consideration, the committee met five times.	• The Committee meets at least four times in a year. During the period under consideration, the committee met four (4) times.

Key Activities of the Audit and Risk Committee in 2024

- Reviewed half-year results and annual audited financial statements along with related reports.
- Reviewed the external auditor's management letter and ensured effective follow-up on recommendations.
- Reviewed and approved the internal audit plan for the year ending 31 December 2024.
- Monitored and evaluated quarterly internal audit reports, assessing internal control effectiveness and addressing significant findings.
- Assessed and monitored the effectiveness and independence of external auditors.
- Reviewed risk management frameworks, identifying principal risks and evaluating mitigation strategies.
- Reviewed and assessed compliance with financial control procedures and regulatory requirements.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

The table below shows attendance for both Board and Committee meetings by directors in the year ended 31 December 2024. In addition to the usual quarterly meetings of the Board and its standing committees, additional meetings may be convened as necessary to consider and deliberate urgent matters.

Directors	Board Meeting		Audit& Risk Committee Meeting		Finance & Investment Committee Meetings		Governance & Nomination Committee Meetings		HR Committee Meetings	
Dr. Nelson Kuria	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
James Njue	5	5	*	*	*	*	3	3	3	3
Peter Nyigei**	5	5	*	*	*	*	3	3	3	3
Gordon Owuor	5	1	5	1	*	*	*	*	*	*
Michael Wambia	5	5	*	*	*	*	3	3	3	3
Ludia Rono	5	5	*	*	*	*	*	*	3	3
Julius Mwatu	5	5	*	*	4	4	*	*	*	*
Patrick Nyaga	5	5	5	5	*	*	*	*	*	*
Dr. Rogers Kinoti	5	5	*	*	4	4	3	3	3	3
Sharon Kisire	5	5	5	5	*	*	*	*	*	*
Johnson Kegohi	5	5	*	*	*	*	*	*	3	3
Cornelius Ashira	*	*	5	5	*	*	*	*	*	*
Edwin Otieno	*	*	*	*	4	4	*	*	*	*

Notes:

1. (a) Number of meetings convened during the year when the director was a member.
2. (b) Number of Meetings attended by the Director during the year.
3. * Not a Member

CORPORATE GOVERNANCE STATEMENT *(Continued)*

BOARD DIVERSITY

The Board acknowledges that diversity fosters a broad range of perspectives and experiences, enriching its decision-making processes. A diverse Board enhances its capacity to anticipate industry shifts, navigate challenges, and identify strategic opportunities that drive the Group's sustainable growth and long-term success.

The Board's expertise spans multiple disciplines, including Business Management, Banking and Finance, Actuarial Science, Accounting, Corporate Communications, Economics, Marketing, Project Management, Risk Management, Human Resources, Legal, and Governance. When determining Board composition, directors assess the optimal mix of skills, knowledge, and experience required to maximize effectiveness, ensuring alignment with both current and future strategic needs.

The Governance and Nominations Committee is responsible for evaluating and interviewing prospective Board members, ensuring alignment with the Group's strategic objectives and implementing effective succession planning.

DIRECTOR INDEPENDENCE

The Board values independent judgment and constructive debate on all matters under its purview. Directors are expected to contribute perspectives and decisions that are independent of management influence and free from any material business relationships that could impair objectivity.
Director independence is assessed based on:

- The nature of the director's relationship with the Group.
- The director's external relationships that may compromise independence.

TENURE

Shareholders have the right to nominate candidates for Board election or re-election at shareholder meetings. In accordance with the Group's Memorandum and Articles of Association, one-third (1/3) of directors must retire by rotation at the Annual General Meeting. Those with the longest tenure since their last election or appointment are subject to rotation and may seek re-election.

BOARD WORKPLAN

To enhance the efficient execution of the Board's responsibilities and ensure adherence to legal and regulatory standards, the Board operates according to an Annual Workplan that outlines its activities for the year. This plan outlines the scheduled engagements of both the Board and its Committees, in addition to other crucial company events.

SUCCESSION PLANNING

The Board maintains a proactive approach to succession planning, ensuring the availability of a strategic mix of skills and expertise to facilitate smooth Board transitions. The Governance and Nominations Committee evaluates potential candidates based on their qualifications, experience, and alignment with the Board's requirements.

Shortlisted candidates undergo due diligence and regulatory approval before Board appointment or shareholder election.

DIRECTOR INDUCTION

Newly appointed directors participate in a structured induction program tailored to the Group's business operations, governance framework, and strategic direction. This ensures they fully understand their roles and responsibilities, as well as their legal and regulatory obligations as directors of a listed company. The Group's Induction Policy provides a structured approach to equipping directors with the necessary knowledge and skills.

SEPARATION OF ROLES: CHAIRMAN AND GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The roles of the Group Chairman and the GMD & CEO are distinct to uphold the independence of the Board and ensure clear accountability. The Group Chairman, an Independent Non-Executive Director, leads the Board's governance processes, while the Group MD oversees daily operations and strategy execution.

DUTIES OF THE GROUP CHAIRMAN

The Chairman of the Board provides leadership to the Board and ensures that it operates effectively while upholding high corporate governance standards. The Chairman is responsible for:

- **Board Leadership and Oversight:**
  - Providing strategic leadership to the Board and ensuring its effectiveness in fulfilling its responsibilities.
  - Setting the Board's agenda in consultation with the Group MD and Company Secretary, prioritizing key governance and strategic issues.
  - Ensuring Board meetings are structured to facilitate meaningful discussions and effective decision-making.
- **Information Flow and Decision-Making:**
  - Ensuring that Board members receive timely, accurate, and relevant information to support informed decision-making.
  - Facilitating a culture of constructive debate and collective decision-making within the Board.
- **Stakeholder Engagement and Communication:**
  - Representing the Group in key stakeholder engagements, including regulators, investors, and industry partners.
  - Ensuring effective communication with shareholders and overseeing the Group's engagement at the Annual General Meeting (AGM).
- **Governance and Compliance:**
  - Promoting adherence to best corporate governance practices and regulatory compliance.
  - Upholding ethical leadership, integrity, and transparency in all Board dealings.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

  - Ensuring the independence and effectiveness of Board Committees.
- **Board and Executive Evaluation:**
  - Leading the Board's evaluation process, assessing the performance of individual directors, Board Committees, and the overall Board.
  - Meeting regularly with the Group MD to stay informed on key developments and provide strategic guidance.
- **Crisis and Risk Oversight:**
  - Overseeing the Board's role in risk management and business continuity planning.
  - Supporting the Board and management in navigating strategic challenges and crises.

ROLE OF THE GMD & CEO

The GMD & CEO is responsible for executing the Board-approved strategy and overseeing the Group's day-to-day operations.

The GMD & CEO's key responsibilities include:

- **Strategic Execution and Business Leadership:**
  - Translating the Board's strategic vision into actionable plans and ensuring alignment with the Group's long-term objectives.
  - Driving business growth, operational efficiency, and strategic transformation initiatives.
  - Overseeing the Group's financial performance and ensuring sound financial management.
- **Operational Oversight and Performance Management:**
  - Managing operational risks within the delegated authority framework.
  - Monitoring performance across subsidiaries and business units to ensure key performance indicators (KPIs) are met.
  - Driving continuous improvement in efficiency, customer experience, and innovation.
- **Board Engagement and Reporting:**
  - Providing timely and accurate reports to the Board on financial performance, risk exposure, regulatory compliance, and material developments.
  - Keeping the Board informed of significant operational, financial, and strategic matters.
  - Collaborating with the Chairman to ensure that the Board has the necessary information for effective decision-making.
- **People Leadership and Organizational Culture:**
  - Leading, developing, and motivating the senior management team to achieve the Group's strategic goals.
  - Fostering a high-performance, ethical, and inclusive corporate culture.
  - Ensuring the Group attracts, retains, and develops top talent.
- **Governance and Compliance:**
  - Ensuring that governance structures function effectively across all subsidiaries and business units.
  - Maintaining compliance with legal, regulatory, and ethical standards in all business activities.
  - Implementing internal controls and risk management measures to safeguard shareholder value.
- **Stakeholder Engagement and External Relations:**
  - Representing the Group in external engagements with regulators, policymakers, investors, and key business partners.
  - Maintaining strong relationships with strategic stakeholders to advance the Group's business interests.
  - Ensuring transparent communication with shareholders and the investment community.
- **Evaluation of Performance:**
  - The Group MD & CEO's performance is evaluated annually against key objectives set by the Board.
  - The assessment includes financial results, strategic execution, leadership effectiveness, risk management, and corporate governance compliance.

BOARD CAPACITY BUILDING

To ensure that the Board remains effective and aligned with the evolving business landscape, the Group has adopted a structured Board Capacity Building Program that includes:

- **Ongoing Training and Development:**
  - Regular training sessions on corporate governance, risk management, regulatory changes, and emerging industry trends.
  - Participation in local and international governance forums to enhance Board knowledge and strategic foresight.
  - Access to external experts and industry specialists to provide insights into governance best practices.
- **Board Induction and Orientation:**
  - A comprehensive induction program for newly appointed directors to familiarize them with the Group's operations, governance structures, and strategic objectives.
  - Periodic refresher sessions for all Board members to keep them updated on evolving governance frameworks.
- **Evaluation and Continuous Improvement:**
  - Annual Board evaluations to assess individual director contributions and identify capacity gaps.
  - Targeted development initiatives to strengthen Board effectiveness and enhance decision-making.

The Board participated in multiple training sessions covering various areas, including Corporate Governance, Audit, Finance, Investments and Risk Management. These sessions surpassed the 24-hour minimum requirement set by the Code of Corporate Governance, demonstrating the Group's commitment to continuous learning.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

BOARD REMUNERATION

The Group follows a transparent and competitive Board Remuneration Policy to attract and retain highly qualified directors. The policy ensures:

- **Alignment with Performance and Responsibilities:**
  - Director remuneration is linked to their roles, responsibilities, and contributions to governance and strategic oversight.
  - Non-Executive Directors receive fixed fees, allowances, and committee retainers based on their level of engagement.
- **Market Competitiveness:**
  - Board remuneration is benchmarked against industry peers and governance best practices to maintain competitiveness.
  - Regular reviews are conducted to align director compensation with market trends and business performance.
- **Transparency and Shareholder Approval:**
  - The remuneration structure is disclosed in the Group's annual report to ensure transparency.
  - Any significant changes to director compensation are subject to shareholder approval at the AGM.

BOARD EVALUATION

The Group conducts Annual Board Evaluations to assess the effectiveness of the Board, its committees, and individual directors. The evaluation process includes:

- **Performance Review Criteria:**
  - Assessment of Board effectiveness in strategy oversight, risk management, and governance compliance.
  - Evaluation of individual director contributions, participation, and leadership within committees.
  - Review of the Board's ability to engage with and provide guidance to management.
- **Independent External Evaluations:**
  - Periodic engagement of external consultants to conduct independent Board evaluations and provide governance recommendations.
- **Action Plan for Improvement:**
  - The findings of the evaluation are used to develop targeted interventions for Board development and governance enhancement.
  - Implementation of recommendations to strengthen Board structures, decision-making processes, and overall governance effectiveness.

REPORT ON THE BOARD EVALUATION EXERCISE
CIC INSURANCE
FOR THE YEAR 2024/2025

In our capacity as certified and accredited governance practitioners, we have conducted an independent evaluation of the Board of CIC Group and its subsidiaries between 23rd January and 31st January 2025. This evaluation was been designed to assess the Board's performance, adherence to best practices, and overall contribution to the company's governance framework.

The evaluation process has involved a thorough review of relevant governance documents, including Board and Committee charters, policies, minutes of meetings, and strategic planning documents. We have also engaged in one-on-one interviews with members of the Boards to capture a broad spectrum of perspectives regarding the governance environment, leadership dynamics, and the Board's strategic oversight capabilities. In addition, we have benchmarked CIC's governance practices against recognized industry standards and global best practices to provide a comprehensive analysis of areas of strength and opportunities for further development.

Our findings highlight the positive progression of the Boards' maturity and operational effectiveness since the previous year's evaluation. The Boards have continued to build on governance strengths, with clear improvements in leadership cohesion, decision-making processes, and strategic alignment. Importantly, CIC has demonstrated a heightened focus on key areas such as risk management, succession planning, and organizational culture, reflecting a commitment to both long-term sustainability and value creation.

The Boards have maintained its strong commitment to transparency, accountability, and ethical leadership. It has shown a proactive approach to addressing governance challenges and has effectively integrated feedback from past evaluations into actionable improvements. This ongoing dedication to governance excellence is commendable and underscores the Boards' role in steering CIC towards its strategic objectives.

In conclusion, our evaluation affirms that the Boards operate within a well-established and effective governance framework. They have demonstrated continued growth and maturity, positioning CIC for ongoing success and resilience in the marketplace. We have provided a detailed evaluation report outlining our findings, observations, and specific recommendations to further enhance governance practices within CIC.

WYNE AND ASSOCIATES

FCS Prof Kenneth Wyne Mutuma
8th April 2025

CORPORATE GOVERNANCE STATEMENT *(Continued)*

ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Board members have the right to seek independent professional advice to fulfill their duties effectively. Through the Group Chairman and Group Company Secretary, directors can access relevant information and consult senior management to support informed decision-making.

SECRETARY TO THE BOARD

The General Counsel & Group Company Secretary ensures the Board's governance processes comply with legal and regulatory requirements. As a Certified Public Secretary and licensed legal practitioner, the Company Secretary advises the Board on corporate governance, facilitates Board meetings, and ensures effective information flow between directors, management, and shareholders.

The Company Secretary also maintains accurate records of Board decisions and governance frameworks, reinforcing transparency and accountability.

SHAREHOLDER RELATIONS

Effective corporate governance is crucial at both corporate and national levels. The Group is committed to upholding the highest standards of integrity and ethical business practices in all its dealings. Throughout the financial year under review, the Group maintained robust corporate governance by focusing on:

1. Adoption of internationally recognized accounting principles to enhance financial transparency.
2. Clearly defining the roles and responsibilities of the Board and management to promote accountability.
3. Ensuring compliance with relevant laws, regulations, and best governance practices.
4. Implementing strategic initiatives to foster the long-term sustainability and profitability of the business.
5. Timely, accurate, and transparent financial disclosures to shareholders and stakeholders.
6. Strengthening audit processes and maintaining the independence of internal and external audits.

Shareholder Communication and Engagement

The Group is committed to open, transparent, and timely communication with shareholders. This is achieved through multiple channels, including:

- The Group's website (www.cic.co.ke) providing real-time updates and reports.
- Annual General Meeting (AGM) where shareholders interact directly with the Board and management.
- Annual Reports, available in print and online, providing detailed financial and governance disclosures.
- Continuous regulatory disclosures to the Capital Markets Authority (CMA) in compliance with the Capital Markets Authority Act and its regulations.
- Investor briefings and press releases, offering insights into financial performance and strategic direction.
- Customer Experience (CX) Department, dedicated to addressing shareholder inquiries.

The Group values meaningful two-way communication with shareholders, encouraging active participation in AGMs and direct engagement through various investor relations platforms.

ACCOUNTABILITY, RISK MANAGEMENT, AND INTERNAL CONTROL

Enterprise Risk Management

The Group has adopted a structured Enterprise Risk Management (ERM) framework that identifies, assesses, and mitigates risks. This framework ensures a proactive approach to risk oversight, integrating risk considerations into decision-making processes at all levels of the organization. The risk universe covers:

- Strategic Risk: Ensuring that business strategies align with future growth objectives and external environmental factors.
- Financial Risk: Addressing exposure to market volatility, liquidity challenges, credit risks, and capital adequacy.
- Operational Risk: Mitigating risks related to business continuity, cybersecurity, supply chain disruptions, process failures, and reputational concerns.
- Regulatory and Compliance Risk: Ensuring adherence to evolving legal, governance, and industry-specific regulatory standards.
- Technology and Cybersecurity Risk: Safeguarding the Group's digital assets, data privacy, and IT infrastructure against cyber threats and breaches.
- Environmental, Social, and Governance (ESG) Risk: Managing sustainability-related risks, including climate change, social responsibility, and ethical governance.

The Audit and Risk Committee is responsible for risk oversight and ensures that risk management strategies are well-integrated into business operations. Key responsibilities include:

1. Annual review and approval of the risk management framework to align with industry best practices and regulatory requirements.
2. Continuous risk identification and assessment to proactively detect and mitigate potential risks before they escalate.
3. Development of risk mitigation plans to address identified risks through preventative and corrective measures.
4. Monitoring of key risk indicators to track risk trends and ensure proactive response mechanisms.
5. Regular risk reporting to the Board, ensuring transparency and accountability in risk oversight.
6. Embedding risk culture across all business units, ensuring that employees understand and adhere to risk management principles in their daily operations.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

The Group also employs a Three Lines of Defense Model to strengthen risk governance:

- First Line of Defense: Business units responsible for implementing risk management measures in day-to-day operations.
- Second Line of Defense: The Risk Management and Compliance function, which provides independent oversight and ensures regulatory adherence.
- Third Line of Defense: Internal Audit, which provides independent assurance on the effectiveness of risk management frameworks and internal controls.

By maintaining a robust risk management structure, the Group ensures resilience, adaptability, and sustainability in an ever-changing business landscape.

INTEGRITY OF REPORTING

The Board and management have implemented strong internal controls to safeguard the Group's interests and ensure the integrity of financial and corporate reporting. These controls encompass accounting, financial reporting, sustainability, and regulatory compliance to ensure:

- Accuracy and reliability of financial statements.
- Compliance with International Financial Reporting Standards (IFRS).
- Transparent and timely disclosure of material financial and non-financial information.
- Adherence to applicable laws and regulatory requirements.
- Prevention and detection of fraud and financial misstatements.

To uphold reporting integrity, the Board ensures that financial statements for a given period are a true and fair reflection of the Group's financial position by seeking assurances from the Group Managing Director (MD) & CEO and the Group Chief Financial Officer (CFO) that:

1. The Group's financial records have been properly maintained.
2. Financial statements comply with applicable accounting standards and regulatory requirements.
3. The financial reporting process is supported by a sound system of internal controls and risk management.

The external auditor, PricewaterhouseCoopers (PwC), provides an independent opinion on whether the financial statements are free from material misstatements. PwC also attends the AGM to present the Audit report to the shareholders.

INTERNAL AUDIT

The Internal Audit function plays a crucial role in ensuring the integrity, efficiency, and effectiveness of the Group's operations, risk management, and internal controls.

Operating independently and reporting directly to the Audit and Risk Committee, Internal Audit is structured to provide objective assessments and recommendations for continuous improvement.

Key Responsibilities:

- Risk-Based Audits: Conducting independent risk-based audits across all business units to evaluate control effectiveness and compliance.
- Compliance Assurance: Ensuring adherence to internal policies, regulatory requirements, and governance frameworks.
- Operational and Financial Control Reviews: Assessing the adequacy and effectiveness of financial and operational control systems.
- Fraud and Investigative Audits: Identifying potential fraud risks, conducting investigations, and recommending corrective measures.
- Reporting and Recommendations: Presenting audit findings to senior management and the Board, with recommendations for process improvements and corrective actions.
- Continuous Improvement: Monitoring the implementation of audit recommendations and assessing their impact on business operations.

The Internal Audit function enhances accountability and promotes a strong control environment by ensuring that business processes align with industry best practices and regulatory requirements.

EXTERNAL AUDIT

The External Audit function provides an independent assessment of the Group's financial position, ensuring compliance with International Financial Reporting Standards (IFRS) and applicable regulatory requirements. The Group currently engages PricewaterhouseCoopers (PwC) as its independent external auditor.

Scope of External Audit:

- Financial Statement Audit: Verifying the accuracy and reliability of financial statements to ensure transparency and compliance with reporting standards.
- Audit Opinion: Providing an independent opinion on whether the Group's financial statements fairly reflect its financial position.
- Engagement with Shareholders: Attending the Annual General Meeting (AGM) to present the Audit report to shareholders.

The External Auditor is appointed by shareholders during the AGM and serves in accordance with regulatory requirements governing auditor independence and tenure.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

LEGAL AND COMPLIANCE AUDIT

In 2023, the Group undertook a comprehensive Legal and Compliance Audit to assess its adherence to regulatory requirements, corporate governance best practices, and internal policies. The audit covered all key areas of legal and compliance risk, including contractual obligations, regulatory filings, ethical business conduct, and litigation exposure.

Management is currently working on the audit's recommendations with a view to implementing the necessary changes to strengthen compliance structures, enhance risk mitigation, and improve governance frameworks.

Key Focus Areas:

- **Regulatory Compliance Monitoring:** Ensuring compliance with the **Capital Markets Authority Act, the Companies Act, and other applicable financial sector regulations.**
- **Contract and Legal Risk Management:** Reviewing and advising on contractual agreements to mitigate legal exposure and protect the Group's interests.
- **Ethical and Governance Compliance:** Ensuring adherence to corporate governance codes and ethical business practices.
- **Compliance Training and Awareness:** Conducting periodic training for employees and directors to enhance awareness of regulatory obligations and corporate policies.
- **Litigation Management:** Providing oversight of legal proceedings and coordinating with external legal counsel to minimize legal risks and liabilities.
- **Whistleblower and Ethics Investigations:** Reviewing reports of misconduct and ensuring appropriate legal action and remedial measures.

Implementation of Recommendations

Following the 2023 audit, management has developed an action plan to address the identified gaps and implement the recommendations. Key measures include:

- Strengthening the Group's compliance monitoring mechanisms to enhance regulatory oversight.
- Improving contract management processes to ensure legal risks are effectively mitigated.
- Enhancing training programs for employees and directors to reinforce awareness of legal and regulatory obligations.
- Implementing corrective measures in areas requiring improvement to mitigate future compliance risks.

The Legal and Compliance Audit is a cornerstone of the Group's commitment to regulatory excellence, ethical governance, and corporate accountability. Regular audits will continue to be conducted to ensure ongoing compliance and continuous improvement in legal and governance practices.

GOVERNANCE AUDIT

A Governance Audit was undertaken for CIC Insurance Group PLC in 2023, covering governance practices, structures, and systems in place to ensure compliance with legal and regulatory requirements, ethical leadership, and adherence to best corporate governance practices. Governance audits are conducted every two years, and the findings from the 2023 audit remain valid for the period under review.

The Board of Directors is responsible for establishing and maintaining effective governance structures that promote transparency, accountability, and sustainable business operations. This includes:

- Defining and implementing governance policies aligned with the Group's strategic objectives.
- Ensuring oversight, risk management, and regulatory compliance.
- Providing ethical leadership and fostering corporate citizenship.
- Maintaining effective internal controls and ensuring operational efficiency.
- Upholding shareholder rights and ensuring fair treatment of all stakeholders.
- Embedding sustainability and performance management principles within the organization.

The Governance Auditor conducted an independent assessment of governance instruments, policies, structures, and practices within the Group in line with the legal and regulatory framework and best governance practices. The audit covered key areas such as:

- **Board Constitution and Composition** – Evaluating Board structure, diversity, and independence.
- **Ethical Leadership and Corporate Citizenship** – Assessing adherence to corporate values and ethical standards.
- **Accountability, Risk Management, and Internal Control** – Examining the effectiveness of risk frameworks and control measures.
- **Transparency and Disclosure** – Ensuring adequate reporting and communication with stakeholders.
- **Stakeholder Engagement** – Reviewing interactions with shareholders, regulators, and customers.
- **Compliance with Laws and Regulations** – Confirming adherence to statutory and regulatory obligations.
- **Sustainability and Performance Management** – Evaluating integration of sustainability principles in business operations.

The audit was conducted in accordance with the ICPSK Governance Audit Standards and Guidelines, ensuring a structured and globally aligned approach to assessing governance effectiveness.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

Following the 2023 Governance Audit, management has been working on implementing the audit's recommendations to further strengthen governance structures and enhance compliance. Key actions include:

- Enhancing Board training programs to ensure continuous director development.
- Strengthening risk management and internal control measures.
- Improving stakeholder engagement through transparent communication strategies.
- Aligning governance frameworks with evolving regulatory requirements.

CODE OF CONDUCT

The Group's Code of Conduct serves as a guiding framework for ethical behavior, integrity, and accountability among directors, employees, and stakeholders. It outlines the principles and values that govern business operations, ensuring compliance with laws, regulations, and corporate governance best practices.

Core Principles of the Code of Conduct:

- Ethical Business Practices: Ensuring honesty, fairness, and transparency in all business dealings.
- Anti-Bribery and Corruption: Prohibiting all forms of bribery, corruption, and unethical conduct.
- Confidentiality and Data Protection: Safeguarding company information and respecting privacy regulations.
- Fair Competition and Market Integrity: Promoting fair competition and preventing anti-competitive behavior.
- Conflicts of Interest: Requiring directors and employees to disclose and manage conflicts of interest.
- Diversity, Equity, and Inclusion: Encouraging a workplace environment that values diversity and equal opportunity.
- Whistleblower Protection: Providing mechanisms for employees and stakeholders to report unethical conduct confidentially and without fear of retaliation.

The Code of Conduct is embedded in the Group's corporate culture, with periodic training sessions conducted to reinforce ethical expectations. Non-compliance with the Code may result in disciplinary action, including termination of employment or legal consequences, depending on the severity of the violation.

CONFLICT OF INTEREST

The Group is committed to maintaining the highest standards of integrity and transparency in all business dealings. To safeguard the interests of the Company, its shareholders, and other stakeholders, employees, officers, and directors are required to avoid situations where personal interests may conflict with the interests of the Group.

Key Conflict of Interest Policies:

- **Disclosure Obligation:**
  - All directors and employees must disclose any potential or actual conflicts of interest to the Chairman and the Company Secretary as soon as they arise.
  - The disclosed conflicts are recorded in the Conflict of Interest Register, maintained by the Company Secretary.
  - Directors must recuse themselves from discussions and decisions where they have a conflict of interest.
- **Standard Board and Committee Agenda Item:**
  - Declaration of conflict of interest is a mandatory agenda item at the beginning of every Board and Committee meeting.
  - Any conflicts noted are documented in the meeting minutes and acted upon accordingly.
- **Conflict of Interest Assessments:**
  - The Risk and Compliance function periodically conducts assessments by issuing a Conflict of Interest Questionnaire to employees and directors.
  - Employees and directors must update their disclosures regularly or whenever a new conflict arises.

Failure to disclose a conflict of interest or acting in a manner that benefits personal interests over those of the Group may result in disciplinary action, including termination or legal consequences.

REGULATORY COMPLIANCE

The Group is fully committed to ensuring compliance with all applicable laws, regulations, and industry standards in the jurisdictions in which it operates. Regulatory compliance is embedded in the corporate governance framework and is continuously monitored to mitigate legal risks and uphold industry best practices.

Regulatory Compliance Framework:

- **Monitoring and Adherence:**
  - The Group actively monitors evolving regulatory requirements, including those set by the Capital Markets Authority (CMA), the Companies Act, the Insurance Regulatory Authority (IRA), and other relevant authorities.
  - The Legal and Compliance Department ensures full adherence to all regulatory changes, providing timely updates and guidance to the Board and management.
- **Regulatory Reporting and Filings:**
  - The Group ensures timely submission of regulatory filings, including financial disclosures, corporate governance reports, and statutory returns.
  - Compliance reports are reviewed periodically by the Audit and Risk Committee and the Board.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

- **Compliance Training and Awareness:**
  - Regular training sessions are conducted to ensure that employees, management, and directors understand their compliance obligations.
  - Awareness campaigns are held to reinforce the importance of compliance with industry laws, ethical standards, and regulatory guidelines.
- **Regulatory Audits and Reviews:**
  - The Group undergoes internal and external compliance audits to assess adherence to applicable laws and governance standards.
  - Findings from compliance audits are addressed through corrective action plans to strengthen the regulatory framework.

The Group's proactive approach to regulatory compliance fosters operational resilience, minimizes legal risks, and enhances trust with shareholders, customers, and regulators.

INSIDER TRADING RESTRICTIONS

The Group is committed to maintaining market integrity and ensuring that directors, management, and employees do not engage in unlawful trading activities using non-public information. To prevent insider trading, the Group has established a strict Insider Trading Policy that aligns with regulatory requirements and ethical standards.

Key Insider Trading Policies:

- **Closed Trading Periods:**
  - The Group enforces closed trading periods each quarter before the release of financial statements.
  - During these periods, directors, senior executives, employees, and related parties are prohibited from trading the Group's securities.
- **Prohibited Conduct:**
  - Directors, employees, and contractors must not trade in the Group's securities while in possession of material, non-public information.
  - Passing on insider information to third parties or encouraging others to trade based on such information is strictly prohibited.
- **Disclosure and Pre-Approval Requirements:**
  - Any director or senior executive intending to trade the Group's securities must obtain written pre-approval from the Company Secretary.
  - Trading activity is monitored, and any non-compliance is reported to the Audit and Risk Committee.
- **Training and Compliance Monitoring:**
  - The Group conducts periodic training for employees and directors to raise awareness of insider trading laws and policies.
  - The Compliance Department oversees adherence to insider trading regulations and investigates any suspected violations.

Any breaches of the Insider Trading Policy may result in disciplinary action, regulatory sanctions, or legal consequences in accordance with Capital Markets Authority (CMA) regulations.

CONTINUOUS DISCLOSURE

The Group's continuous disclosure policy ensures that all stakeholders receive timely, accurate, and relevant information on financial performance, governance matters, and strategic initiatives.

The key objectives of this policy include:

- **Regulatory Compliance:**
  - Adhering to the Capital Markets Authority (CMA) guidelines and other regulatory disclosure requirements.
  - Ensuring transparent reporting of material events that could impact the Group's market position.
- **Timely and Transparent Communication:**
  - Providing stakeholders with real-time updates through company announcements, financial reports, and investor briefings.
  - Disclosing financial performance, changes in management, and strategic developments through regulatory filings and press releases.
- **Confidentiality and Market Sensitivity:**
  - Balancing transparency with the need to protect commercially sensitive information.
  - Ensuring that disclosure processes comply with insider trading regulations.

GOVERNANCE POLICIES IN PLACE AT THE GROUP

The Group has established a robust governance framework by implementing key policies that guide decision-making, business conduct, and risk management. The policies include:

- Board Charter: Defines the roles, responsibilities, and structure of the Board.
- Code of Conduct and Ethics: Sets standards for ethical behavior among directors, employees, and stakeholders.
- Trading and Insider Trading Policy: Governs the trading of the Group's securities and prevents insider trading violations.
- Continuous Disclosure Policy: Ensures timely and transparent communication with investors and regulatory bodies.
- Stakeholder Engagement Policy: Establishes guidelines for interactions with shareholders, customers, regulators, and the public.
- Risk Management Policy: Outlines the Group's risk oversight framework, ensuring proactive risk identification and mitigation.
- Procurement Policy: Provides guidelines on ethical sourcing, supplier due diligence, and procurement best practices.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

- Whistleblower Policy: Encourages employees and stakeholders to report unethical conduct confidentially and without fear of retaliation.

These policies reinforce accountability, transparency, and compliance, positioning the Group as a responsible corporate entity.

COMMUNICATION WITH STAKEHOLDERS

The Group recognizes the importance of open and effective communication with all stakeholders, including shareholders, employees, regulators, and customers. Communication is guided by principles of transparency, engagement, and responsiveness.

Key Communication Channels:

- **Regulatory Filings:** Submission of timely disclosures to the Capital Markets Authority (CMA) and other relevant authorities.
- **Annual and Financial Reports:** Providing comprehensive performance updates to shareholders and investors.
- **Investor Relations Activities:** Hosting investor briefings, quarterly updates, and analyst engagements.
- **Media Engagement:** Issuing press releases and participating in public forums to communicate strategic developments.
- **Customer Engagement Platforms:** Utilizing digital channels, call centers, and social media for real-time customer interactions.

The Group ensures that stakeholders are kept informed of material developments and maintains two-way communication to address concerns and gather feedback.

ANNUAL GENERAL MEETING (AGM)

The AGM is a key governance platform that enables shareholders to actively participate in decision-making. The Group adheres to regulatory requirements to ensure that the AGM is transparent, inclusive, and effective.

AGM Key Features:

- **Shareholder Participation:**
  - Shareholders are provided with notice of the AGM well in advance, including the agenda and key resolutions.
  - Opportunities for shareholders to ask questions, vote on resolutions, and engage with the Board and management.
- **Presentation of Financial Reports:**
  - The Board presents audited financial statements, corporate governance reports, and sustainability disclosures.
  - External auditors provide insights on financial integrity and audit findings.
- **Voting and Decision-Making:**
  - Resolutions on director elections, dividend approvals, and key corporate decisions are put to shareholder vote.
  - Electronic voting options are made available to facilitate wider shareholder participation.

The AGM strengthens corporate accountability and stakeholder engagement, reinforcing trust in the Group's governance structures.

INVESTOR BRIEFINGS

The Group conducts regular investor briefings to ensure that shareholders, analysts, and institutional investors receive timely updates on the Group's financial performance and strategic direction.

Investor Briefing Objectives:

- **Transparency and Market Confidence:**
  - Providing accurate and relevant financial updates to the investment community.
  - Addressing market concerns and clarifying business strategies.
- **Engagement with Institutional and Retail Investors:**
  - Facilitating discussions on earnings, growth opportunities, and industry trends.
  - Strengthening investor relations through direct engagement with senior management.
- **Regulatory and Governance Alignment:**
  - Ensuring compliance with Capital Markets Authority (CMA) guidelines on investor disclosures.
  - Upholding best practices in corporate reporting and financial communication.

Investor briefings foster trust, confidence, and long-term value creation for shareholders.

CUSTOMER SERVICE

The Group is dedicated to delivering exceptional customer service as part of its commitment to business excellence. The Customer Experience (CX) Department ensures that clients receive efficient, professional, and responsive support across all touchpoints.

Key Customer Service Commitments:

- **Service Excellence:**
  - Providing seamless customer interactions through call centers, digital platforms, and in-person engagements.
  - Implementing service quality benchmarks to enhance response times and customer satisfaction.
- **Customer Feedback and Resolution:**
  - Actively collecting and analyzing customer feedback to improve products and services.
  - Establishing dedicated customer support teams to address complaints and escalate unresolved issues.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

- **Technology-Driven Engagement:**
  - Leveraging AI-powered chatbots, mobile apps, and web portals for self-service options.
  - Enhancing digital service offerings to improve accessibility and convenience.
- **Regulatory Compliance and Consumer Protection:**
  - Ensuring that customer service operations comply with industry regulations and consumer protection laws.
  - Transparent communication regarding policy terms, product features, and service commitments.

By prioritizing customer satisfaction, innovation, and regulatory compliance, the Group fosters long-term relationships and strengthens its market position.

INFORMATION TECHNOLOGY

The Group acknowledges the critical role of technology in fostering business transformation, enhancing operational efficiency, and improving customer experiences. To ensure the secure, efficient, and ethical use of technology, the Group has implemented a comprehensive Information Technology (IT) Governance Framework aligned with global best practices.

Key IT Governance and Strategy Areas:

- **IT Security and Cyber Resilience:**
  - Deployment of advanced cybersecurity protocols to safeguard data and digital assets.
  - Continuous vulnerability assessments and penetration testing to identify and mitigate cyber threats.
  - Adoption of a data protection policy that aligns with national and international regulatory standards.
- **Digital Transformation and Innovation:**
  - Leveraging cloud computing, artificial intelligence (AI), and automation to optimize business processes.
  - Enhancing customer experience through interactive digital service platforms and self-service portals.
  - Strategic investments in fintech collaborations and emerging technologies to maintain a competitive edge.
- **IT Compliance and Risk Management:**
  - Ensuring adherence to ICT regulatory frameworks and data privacy laws.
  - Conducting regular IT audits to enhance system integrity and mitigate IT-related risks.
  - Strengthening disaster recovery and business continuity planning to enhance resilience and operational stability.

The IT function is committed to enabling business growth while proactively identifying and mitigating technology-related risks.

PROCUREMENT POLICIES

The Group›s Procurement Policy ensures that all procurement activities are conducted in a transparent, ethical, and cost-efficient manner, while promoting fair competition and supplier integrity.

Key Procurement Principles:

- **Ethical Sourcing and Supplier Due Diligence:**
  - Ensuring that all suppliers adhere to Environmental, Social, and Governance (ESG) standards.
  - Conducting comprehensive supplier background checks and risk assessments before contract issuance.
  - Implementing strict anti-bribery and corruption measures in all procurement activities.
- **Competitive and Transparent Tendering Process:**
  - Utilizing open and competitive bidding for major procurement contracts to ensure fairness.
  - Adopting e-procurement platforms to enhance transparency, efficiency, and accountability.
  - Establishing objective evaluation criteria to guide supplier selection and contract awarding.
- **Procurement Oversight and Risk Management:**
  - Formation of a Procurement and Tender Committee to oversee all significant procurement decisions.
  - Conducting periodic procurement audits to assess compliance, efficiency, and integrity.
  - Aligning procurement strategies with the Group's financial and operational priorities to ensure sustainable business practices.

The Procurement Policy undergoes annual reviews and updates to align with evolving industry best practices and regulatory requirements.

WHISTLEBLOWER POLICY

The Group upholds a robust ethical framework and provides secure and confidential mechanisms for employees, suppliers, and stakeholders to report concerns regarding misconduct, fraud, or unethical behavior without fear of retaliation.

Key Features of the Whistleblower Policy:

- **Confidential and Secure Reporting Channels:**
  - Establishment of a dedicated whistleblower hotline managed by an independent third-party entity.
  - Ensuring that all whistleblower identities are protected and treated with the utmost confidentiality.
  - Provision of multiple reporting channels, including secure email, hotline, and an online reporting platform.
- **Thorough Investigation and Corrective Measures:**
  - Prompt assessment of reports by the Ethics and Compliance Committee.

CORPORATE GOVERNANCE STATEMENT *(Continued)*

- Conducting impartial investigations and recommending appropriate remedial actions, including disciplinary measures or legal proceedings where necessary.
- Providing updates, where applicable, to whistleblowers on the status and resolution of reported concerns.

- **Confidential and Secure Reporting Channels:**
  - Establishment of a dedicated whistleblower hotline managed by an independent third-party entity.
  - Ensuring that all whistleblower identities are protected and treated with the utmost confidentiality.
  - Provision of multiple reporting channels, including secure email, hotline, and an online reporting platform.
- **Thorough Investigation and Corrective Measures:**
  - Prompt assessment of reports by the Ethics and Compliance Committee.
  - Conducting impartial investigations and recommending appropriate remedial actions, including disciplinary measures or legal proceedings where necessary.
  - Providing updates, where applicable, to whistleblowers on the status and resolution of reported concerns.
- **Zero Tolerance for Retaliation:**
  - Strict enforcement of a non-retaliation policy to protect whistleblowers who report concerns in good faith.
  - Implementation of whistleblower protection measures, including job security assurances and legal safeguards.
  - Disciplinary action against individuals found to have engaged in retaliation or obstruction of investigations.

The Group remains committed to ensuring integrity, transparency, and ethical business conduct by maintaining a structured and secure mechanism for reporting and addressing concerns.

CONSOLIDATED TOP TEN SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC AS OF 31 DECEMBER 2024

SHAREHOLDER	SHARES HELD	%HELD	CATEGORY
CO-OPERATIVE INSURANCE SOCIETY LIMITED	1,943,441,304	74.30	Local Company
GIDEON MAINA MURIUKI	158,046,904	6.04	Local Individual
WEDA WELTON	26,809,000	1.02	Local Individual
STANDARD CHARTERED NOMINEES NON-RESIDENT AC 9011	24,422,040	0.93	Foreign Company
DR. NELSON CHEGE KURIA,	16,222,100	0.62	Local Individual
NIC CUSTODIAL SERVICES A/C 077	15,481,560	0.59	Local Company
PATRICK NYAGA	12,897,400	0.49	Local Individual
PATEL, BALOOBHAI; PATEL, AMARJEET BALOOBHAI	11,700,000	0.45	Local Individual
KENYA REINSURANCE CORPORATION LIMITED	10,800,000	0.41	Local Company
PATRICK NJOGU KARIUKI FAMILY TRUST REGISTERED TRUSTEES	9,947,889	0.38	Local Company
SUBTOTAL	**2,229,768,197**	**85.25**	
OTHER SHAREHOLDERS	385,770,331	14.75	
TOTAL	**2,615,538,528**	**100.00**	

CORPORATE GOVERNANCE STATEMENT *(Continued)*

TOP TEN INDIVIDUAL SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC AS OF 31 DECEMBER 2024

SHAREHOLDERS NAME	SHARES HELD	% HELD
GIDEON MAINA MURIUKI	158,046,904	6.04
WEDA WELTON	26,809,000	1.02
DR. NELSON CHEGE KURIA	16,222,100	0.62
PATRICK NYAGA	12,897,400	0.49
PATEL,BALOOBHAI;PATEL,AMARJEET BALOOBHAI	11,700,000	0.45
JOHN NJUGUNA NGUGI	8,775,900	0.34
CHARLES NDONGA MUCHIRI	6,953,648	0.27
NANCY WANGARI NDUNGU	5,815,000	0.22
JULIUS MICHEUH RIUNGU	5,241,600	0.20
JOYCE WANJIKU MURIUKI	5,108,640	0.20
SUBTOTAL	**257,570,192**	**9.85**
OTHERS	323,847,097	12.38
TOTAL	**581,417,289**	**22.23**

THE CIC INSURANCE GROUP PLC DIRECTOR'S SHAREHOLDING AS OF 31 DECEMBER 2024

Ref	Name	Shareholding 2024	Shareholding 2023
1.	Dr. Nelson Kuria, OGW,MBS	16,222,100	16,222,100
2.	Patrick Nyaga	12,897,400	12,897,400
3.	Gordon Owuor	264,000	264,000
4.	Michael Wambia	36,000	36,000
5.	Ludia Rono	300,000	300,000
6.	James Njiru	0	48,000
7.	Sharon Kisire	0	0
8.	Julius Mwatu	0	0
9.	Dr. Rogers Kinoti	0	52,320
	TOTAL	**29,719,500**	**29,819,820**

THE CIC INSURANCE GROUP PLC SENIOR MANAGEMENT SHAREHOLDING AS OF 31 DECEMBER 2024

Name	Shares held
Patrick Nyaga	12,897,400
Meshack Miyogo	562,800
Richard Nyakenogo	175,000
Fred Ruoro	65,900

CORPORATE GOVERNANCE STATEMENT *(Continued)*

THE CIC INSURANCE GROUP PLC SHAREHOLDER DISTRIBUTION AS OF 31 DECEMBER 2024

SHAREHOLDING	NO. OF SHAREHOLDERS	SHARES HELD	%HELD			
	2024	2023	2024	2023	2024	2023
500-1	6,930	6,214	1,447,988	1,290,232	0.06	0.05
5,000-501	6,948	6,644	13,674,141	13,142,775	0.52	0.50
10,000-5,001	1,467	1,468	11,173,429	11,113,370	0.43	0.42
100,000-10,001	4,091	4,128	112,719,917	114,121,494	4.31	4.36
1,000,000-100,001	513	519	130,616,654	130,943,558	4.99	5.00
above 1,000,000	54	53	2,345,906,399	2,344,927,099	89.69	89.65
TOTAL	**20,003**	**19,026**	**2,615,538,528**	**2,615,538,528**	**100.00**	**100.00**

Introduction

CIC Group is committed to embedding sustainability into its core business operations, ensuring long-term value creation for stakeholders while addressing economic, environmental, social, and governance (ESG) considerations. Our sustainability integration approach is guided by the 2025-2030 Sustainability Strategy, which aligns with global best practices, industry standards, and regulatory requirements. By integrating sustainability across all business functions, CIC aims to mitigate risks, enhance operational efficiency, and drive positive economic, social and environmental impact.

We aim to be an impact and growth catalyst for sustainable insurance and investment in Africa by integrating sustainability into business operations to drive decisions. Our strategic framework is anchored on four pillars: Environmental stewardship, Social Responsibility, Economic Resilience and Responsible Governance.

Go for Growth

OUR SUSTAINABILITY INTERGRATION APPROACH

OUR SUSTAINABILITY INTEGRATION APPROACH

OUR COMMITMENTS

Our sustainability commitments are highlighted below:

Goal	Target	Related SDGs
Encourage community development through CIC Foundation	i. Increase the proportion of revenue spent on Social Investment	8 DECENT WORK AND ECONOMIC GROWTH
Support local entrepreneurship	i. Increase microbusiness proportion at CIC Group	8 DECENT WORK AND ECONOMIC GROWTH
Goal	**Target**	**Related SDGs**
Foster sustainable practices	i. Climate-related risk and opportunity analysis of our policies. ii. ESG rating of our business relations. iii. Reduce waste diverted to landfill iv. Recycle water at our facilities v. Reduce Scope 1 and 2 GHG emissions.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Promote diversity, equality and inclusion	i. Achieve gender balance across the workforce. ii. Increase the representation of PWD at CIC Group.	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING
Goal	**Target**	**Related SDGs**
Improve Employee Engagement Index	i. Improve employee engagement Index	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING
Enhance customer engagement	i. Improve Customer Satisfaction index and Net Promoter Score	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING

Sustainability at CIC is driven by a structured governance framework, ensuring accountability at all levels of the organization. Key governance elements include:

- Board of Directors: Provides oversight and strategic direction on sustainability matters.
- Board of Management: Comprising senior management members to drive sustainability governance.
- Sustainability Secretariat: Co-ordinates sustainability activities and acts as a linkage between the board of management and the sustainability workstream.
- Sustainability Champions: Embedded within various business units to drive implementation and awareness.
- Sustainability Reporting Frameworks: Adopts GRI Standards and Integrated Reporting principles and are working towards incorporating IFRS S1 & S2 to enhance transparency.

Dr. Nelson Kuria, (chairman), Patrick Nyaga (Group MD & CEO), andJudy Njino (Executive Director Global Compact Network Kenya) at the sustainability report launch

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

ENVIRONMENTAL STEWARDSHIP

CIC Insurance Group is committed to environmental stewardship as a key pillar of its sustainability strategy. Recognizing the pressing challenges of climate change and environmental degradation, we are integrating sustainable practices into our operations, underwriting, and investment decisions.

As a signatory to the Nairobi Declaration on Sustainable Insurance (NDSI), we aim to align our business model with global and regional sustainability frameworks, supporting the UN Sustainable Development Goals (SDGs) and climate resilience initiatives. We are actively working to mitigate environmental risks by promoting sustainable underwriting and reducing our overall environmental footprint. This commitment is further reinforced through responsible investment practices, waste management initiatives, water conservation efforts, and a structured approach to reducing greenhouse gas (GHG) emissions.

CIC Board of management team during sustainability report launch

2024 HIGHLIGHTS

1. Prioritizing Climate Action and Responsible Resource Management
2. We have taken significant steps in addressing climate change and promoting sustainable resource consumption. By prioritizing SDG 13 (Climate Action) and SDG 12 (Responsible Consumption and Production), we look to ensure that our business operations, investments, and underwriting practices align with global climate resilience efforts. Through our initiatives, we are actively working to reduce our carbon footprint and foster a circular economy in the insurance industry.
3. Monitoring Resource Efficiency: Electricity and Water Conservation
4. Recognizing the critical role of energy and water efficiency in reducing environmental impact, we have implemented a structured approach to monitor electricity and water usage across our operations. By tracking consumption trends, we will establish a baseline for resource efficiency, which will guide our future energy conservation, water recycling, and waste reduction initiatives. These efforts are part of our broader commitment to operational sustainability, ensuring that we optimize resource use while reducing operational costs and environmental impact.
5. Calculating Our Greenhouse Gas (GHG) Emissions and Setting Reduction Targets
6. In 2024, we began calculating our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, marking a crucial step in our journey toward carbon management and climate resilience. By understanding our emissions footprint, we have set a target to reduce Scope 1 and 2 emissions by 30% by 2030. This milestone reflects our dedication to climate risk mitigation, responsible corporate citizenship, and the transition to a low-carbon economy. Moving forward, we will continue to refine our emissions reporting, explore renewable energy adoption, and implement energy efficiency measures across our facilities and operations.

As we move forward, CIC remains committed to embedding sustainability into every facet of our operations, ensuring that we play a proactive role in climate action, resource conservation, and environmental responsibility. Through innovation, stakeholder collaboration, and strong governance, we will continue leading the transformation toward a sustainable and climate-resilient insurance sector in Africa.

SOCIAL IMPACT

Our social responsibility initiatives reflect our commitment to sustainable development, inclusivity, and shared value creation. Grounded in our Sustainability Strategy (2025-2030) and Sustainability Policy.

Our approach to social sustainability is anchored in three key areas:

1. The Workplace – Fostering an inclusive, diverse, and engaged workforce.
2. The Marketplace – Enhancing customer experience, financial inclusion, and responsible insurance practices.
3. Society – Creating lasting positive change through community investment and social empowerment initiatives.

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

THE WORKPLACE

We recognize that a diverse, inclusive, and engaged workforce is fundamental to our success and long-term sustainability. Our commitment to Diversity, Equity, and Inclusion (DEI) is reflected in our goal to achieve gender balance across the workforce by 2030. In line with our broader inclusivity efforts, we are also working toward increasing the representation of Persons with Disabilities (PWDs) to at least 1% of our workforce by 2030, reinforcing our dedication to accessibility and equal opportunity for all. Beyond representation, we are actively fostering a culture of continuous learning, leadership development, and employee well-being, recognizing that an engaged workforce is key to driving innovation and business resilience. With a target to improve our employee engagement index to 80% by 2030, we continue to invest in programs that enhance workplace experience, professional growth, and overall job satisfaction.

Our 2024 Progress and Achievements

Building on these commitments, we took deliberate steps throughout the year to strengthen diversity, inclusion, and employee engagement.

The following section outlines the key initiatives achieved in 2024 as part of our ongoing efforts to create a more inclusive and empowering workplace.

Enhancing Gender Equality Across the Workforce

We are cognizant that gender diversity in the workplace leads to better decision-making, innovation, and overall business performance. In 2024, we continued advancing gender equality by working toward a balanced workforce composition.

Our total workforce now comprises 52% female and 48% male employees, reflecting our ongoing commitment to creating a workplace that supports equal opportunities for both men and women. Recognizing the importance of gender diversity at the decision-making level, we made significant strides in increasing women's representation in our senior leadership from 18% in 2023 to 29% in 2024.

This progress aligns with our broader goal of achieving gender balance across all job levels by 2030, ensuring that all genders have equal access to leadership opportunities.

As part of our commitment to gender equality and inclusive workplace practices, we became a signatory of the Women's Empowerment Principles (WEPs), a UN initiative that promotes gender-responsive business practices. In 2024, we conducted our first WEPs assessment to evaluate our progress and identify areas for improvement. Moving forward, we will continue to implement policies and programs that support women's leadership, economic empowerment, and equal opportunities in the workplace.

Training and Upskilling of Employees

Continuous learning and professional development are key priorities for us, ensuring that our employees and agents remain equipped with the skills and knowledge needed to navigate the evolving business landscape. In 2024, we invested in employee training and capacity-building programs. We accumulated an impressive 10,642 online learning hours. 61% of these were undertaken by our female employees. This initiative allowed our staff to enhance their expertise in various technical, leadership, and industry-specific areas, reinforcing our culture of continuous learning.

We trained 832 staff and agents in various disciplines, including technical skills, leadership development, compliance, and customer service excellence. These training sessions aimed to improve performance, drive innovation, and enhance overall productivity.

In 2024, 42 employees were promoted, with 24% of them being female. In the same period, we allocated substantial resources Sh 40M towards learning and development, demonstrating our commitment to equipping employees with the necessary skills to thrive in a dynamic work environment.

Employee Wellness Initiatives

We understand that employee well-being is essential to maintaining a productive, engaged, and high-performing workforce. In 2024, we enhanced our wellness programs by incorporating mental health awareness trainings to address workplace stress and promote mental well-being.

We also organized financial wellness training sessions to help staff make informed decisions about savings, investments, retirement planning, and debt management. These sessions were designed to empower employees to achieve financial stability and long-term security.

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

As part of our commitment to employee health and preventive care, we also facilitated a Wellness Check-Up, with 308 employees participating in comprehensive health screenings. This initiative encouraged employees to take proactive steps in managing their health, promoting a healthy and productive workforce. Our employee engagement score was 67% as at Dec 2024.

Ensuring workplace safety and compliance remains a key priority for us. We conducted safety awareness training for our OSH Champions, equipping them with the knowledge and skills to identify, prevent, and mitigate workplace hazards. This training reinforces our commitment to maintaining a safe and conducive working environment for all employees.

The CIC Netball Team celebrates their victory at the 2024 AKI Ball Games Finals.

Employee medical cover

At CIC, we are committed to ensuring our employees have access to quality healthcare and comprehensive medical support.

Our medical insurance coverage provides robust benefits, ensuring employees and their families can access essential healthcare services when needed.

As we advance in our sustainability journey, we remain dedicated to fostering an inclusive, engaged, and high-performing workforce.

By integrating diversity, employee well-being, and continuous development into our corporate culture, we strive to cultivate a resilient and thriving workforce that drives sustainable growth and long-term business success.

THE MARKETPLACE

Our marketplace initiatives focus on financial inclusion, customer trust, and responsible service delivery. We are committed to expanding access to insurance, particularly through microinsurance solutions and enhancing customer experience and engagement. The following section highlights the key marketplace initiatives undertaken in 2024 to enhance customer experience, business resilience, and financial empowerment.

Customer Education and Literacy

As part of our commitment to financial education and literacy, CIC Insurance Group has continued to play a pivotal role in empowering Co-operatives—our major business partners—through targeted training and capacity-building initiatives. In 2024, we successfully conducted 35 financial education and literacy trainings, reaching over 5,000 cooperative board members. These sessions focused on Corporate Governance, financial management, risk mitigation and the role of insurance in safeguarding Co-operative assets and members› financial well-being.

By equipping Co-operative leaders with critical financial knowledge and skills, we are strengthening their ability to make informed decisions, enhance financial resilience, and drive sustainable growth within their respective Co-operatives.

Additionally, through these trainings, we have reinforced the importance of insurance as a tool for economic stability, ensuring that Co-operative societies can better navigate financial risks and protect their members.

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

Beyond training, we have remained committed to implementing our Co-operative Strategy, a tailored approach designed to align our products, services, and engagement efforts with the needs of the Co-operative movement.

Customer Privacy and Data Protection

We recognize that customer privacy and data security are fundamental to maintaining trust, regulatory compliance, and long-term business. In an era of increasing cyber threats and evolving data protection regulations, we have made significant investments to safeguard sensitive customer information.

To safeguard sensitive information, protect our clients' interests, and ensure regulatory compliance, we have implemented industry-leading cybersecurity and data privacy measures.

By integrating cutting-edge security protocols, advanced encryption, and real-time threat detection, we reinforce trust in the integrity and reliability of our digital solutions, ensuring that customer data remains secure and confidential.

We have made strategic investments in upgrading our technology platforms and applications to enhance operational efficiency, reliability, and overall system performance. These advancements not only improve service delivery but also strengthen our digital infrastructure to support seamless customer experiences.

Through our General Business, we conducted 45, medical trainings, 41 non- medical trainings (Agricuture) and 4 technical trainings to our clients. We conducted 40 financial trainings through our Asset Management Business.

Moving forward, CIC will continue to enhance its cybersecurity capabilities, invest in employee training on data privacy, and adopt emerging technologies to further fortify customer data protection and resilience against cyber risks. Through these efforts, we reaffirm our commitment to ethical data management, customer-centric digital transformation, and responsible business practices.

Enhancing Customer Experience and Engagement

We are committed to enhancing customer experience through continuous service improvements, digital innovation, and proactive engagement.

To ensure efficient service delivery, we have monitored Service Level Agreements (SLAs) on a monthly basis, identified service gaps, and worked closely with stakeholders to implement necessary improvements.

Our customer satisfaction surveys, including the Customer Satisfaction Index (CSI), have provided valuable feedback that informs our ongoing enhancements.

We have embraced digital transformation to improve accessibility and convenience for our customers. The introduction of WhatsApp for Business has streamlined customer queries, while our self-service solutions, including online portals, USSD, SMS short codes, and mobile applications, have provided customers with greater control over their interactions with us. To further enhance efficiency, we established a Digital Virtual Branch, featuring an advanced lead-conversion model, which ensures end-to-end accountability and seamless online onboarding for both customers and agents. Additionally, we have implemented a Customer Relationship Management (CRM) system, an ongoing project designed to centralize and optimize customer interactions across all touchpoints.

Recognizing the importance of service excellence, we have continuously invested in staff training on customer experience, ensuring that our employees are well-equipped to deliver exceptional service. Our commitment to resolving customer concerns is reflected in the implementation of a Group Complaint Register, which enables systematic complaint tracking, follow-up, and resolution. Furthermore, to strengthen customer relationships, we have actively engaged in customer visits, focus groups, and interactive webinars, fostering an open dialogue to gather feedback and improve our services.

Through these initiatives, we have improved our Customer Satisfaction Index to 86%, an increase from 83% in the previous reporting period.

This has also helped reinforce our customer-first approach, leveraging technology, proactive engagement, and a commitment to continuous improvement to enhance service delivery, strengthen trust, and build lasting relationships with our customers.

CIC sustainability champions during the launch

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

SOCIETY

Our commitment to sustainable development extends beyond our business operations to the communities we serve. Guided by our sustainability strategy, we are dedicated to increasing our Profit After Tax (PAT) spend on social investment through the CIC Foundation, ensuring that our business success translates into meaningful societal impact. Through strategic partnerships and targeted initiatives, we aim to empower communities, foster financial resilience, and drive positive social change.

As we continue to expand our impact, CIC remains steadfast in our role as a responsible corporate citizen, leveraging our financial strength and expertise to address pressing social challenges. The next section outlines the key initiatives we undertook in 2024 to drive social progress and create long-term value for the communities we serve.

Transforming Lives Through Education

Education is a catalyst for social progress, unlocking creativity, innovation, and personal growth. Recognizing its transformative power, the CIC Foundation is committed to empowering students from Co-operative backgrounds by breaking financial barriers to education.

MD CIC Life (right) presents a dummy cheque to CIC Foundation beneficiaries at Alliance High School

Through its high school scholarship program, the foundation channeled Ksh 5,105,938 to provide 88 students with the opportunity to complete their education, equipping them with the tools to pursue higher learning and career aspirations. The impact of this initiative is evident, with scholarship recipients enrolling in universities, colleges, and TVET institutions, setting them on a path toward economic independence and social mobility.

More than just financial support, this program is a powerful social equalizer, bridging socioeconomic divides and fostering a future where young men and women, regardless of background, can realize their full potential. By investing in education, CIC Foundation is not only transforming individual lives but also strengthening communities and creating a ripple effect of opportunity for generations to come.

Bridging Literacy Gaps through supporting Run for the Bibless Event

Access to literacy and language is a cornerstone of social empowerment, yet over 1.45 billion people globally lack access to religious texts in their native language. In Kenya, where the literacy rate stands at 83% (World Bank, 2022), many marginalized communities still struggle with language barriers that hinder access to educational and spiritual resources. Across Africa, where literacy levels vary significantly, the need for culturally relevant, accessible translations remains a pressing challenge.

To address this issue, Bible Translation and Literacy East Africa organized the Run for the Bibles initiative, a 10km run and 5km walk fundraising event aimed at supporting the translation, production, and distribution of Bibles in local dialects. This initiative brought together over 3,000 participants, including individuals, families, and organizations, united in their mission to promote literacy and preserve linguistic heritage in Kenya and East Africa.

We believe that literacy is a powerful tool for empowerment, providing individuals with knowledge, opportunity, and growth. However, many people in remote parts of Africa are unable to read or write, a challenge further compounded by language barriers. By supporting this initiative with a sponsorship we reaffirmed our commitment to fostering inclusive communities where access to information—both educational and spiritual—is not limited by language.

Through this initiative, CIC helped contribute to a successful fundraising effort of KShs 10 million, facilitating the translation and production of over 5,000 Bibles in local dialects.

Beyond religious significance, this initiative enhances literacy levels, enabling people in marginalized communities to access vital information, education, and personal development opportunities.

As part of CIC's broader social impact strategy, supporting literacy-driven initiatives aligns with its goal of promoting inclusivity and empowering communities through knowledge.

OUR SUSTAINABILITY INTEGRATION APPROACH *(Continued)*

A section of CIC staff at the BTL run

Empowering students with special needs

In Kilifi County, students with special needs face significant challenges in accessing quality education. Health conditions, coupled with inadequate resources and support systems, contribute to low enrollment and retention rates, limiting their academic and social development. Without targeted interventions, these students risk being left behind, affecting their future opportunities and overall well-being.

Recognizing the urgent need for action, the Rotary Club of Kilifi and Wanariadha Kilifi organized the inaugural Rotary Kilifi and Wanariadha Run to raise funds for special needs units in the Matsangoni, Mnarani, and Utange Primary Schools. The initiative aims to enhance learning environments, provide essential resources, and promote higher retention and enrollment rates for children with special needs.

We believe in the power of collaboration to drive social change. Our sponsorship of this initiative reflects our commitment to creating inclusive educational opportunities and ensuring that every child, regardless of ability, has access to a supportive learning environment. By working together with community stakeholders, we can bridge educational gaps, empower students with special needs, and foster long-term social impact.

Driving Social Impact Through Sports

We believe that businesses have a responsibility to foster social change by empowering communities and supporting meaningful causes.

Through strategic partnerships and sponsorships, we have leveraged the game of golf as a platform for inclusion.

- **Empowering Women in Leadership:** The Women Corporate Directors Golf Tournament provided a space for female executives to build networks, access mentorship, and advocate for greater representation in boardrooms and senior leadership. By supporting this initiative, CIC Group reaffirmed its commitment to diversity, equity and inclusion.

- **Supporting Vulnerable Communities:** Our sponsorship of the Parklands Golf Club Charity event contributed to improving education and healthcare for less fortunate children in 48 institutions and homes. This initiative aligns with our mission to uplift communities through sustainable social investments.
- **Advancing Palliative Care:** The Nyeri Hospice Charity Golf Tournament raised KShs 6 million in 2024 to expand access to palliative care services for patients with life-threatening illnesses. CIC Group's support underscores our dedication to improving healthcare and providing compassionate care for those in need.
- **Enhancing Community Infrastructure:** The Queen of Apostles Parish Charity Golf Tournament raised funds for the completion of a parish church that will serve as a hub for education, spiritual nourishment, and value-based community activities. Our participation reflects our commitment to strengthening community cohesion and development.
- **Investing in Youth and Future Leaders:** The ACK St. Mark's Charity Golf Tournament supported the construction of a youth and children's center, creating a safe space for mentorship, skills development, and leadership training. By sponsoring this initiative, CIC Group played a role in shaping the next generation of responsible and empowered citizens.

Through these initiatives, CIC Group continues to champion social transformation, demonstrating that businesses can be a force for good by fostering inclusivity, supporting vulnerable populations, and investing in the future of our communities

Kabeberi Sevens Sponsorship

The Kabeberi Sevens rugby tournament is a platform for youth empowerment, talent development, and community transformation. However, limited funding has often restricted its ability to expand grassroots rugby programs, mentorship opportunities, and community outreach initiatives that inspire the next generation of athletes.

Tyrus Kanja, Head of CIC Life Operations (far left), presents a dummy cheque to Mwamba Rugby Club Chairman, Jason Braganza (far right), alongside members of the club committee.

By sponsoring the 2024 Kabeberi Sevens, CIC Group reinforced its commitment to nurturing young talent, promoting sportsmanship, and strengthening community engagement. Through this partnership, we are not only investing in the future of rugby but also using sports as a catalyst for social change, fostering resilience, teamwork, and leadership among young people

By embedding sustainability into all aspects of business operations, CIC Insurance Group is not only ensuring long-term business success but also creating shared value for society and the environment. We are well-positioned to contribute to a more resilient and sustainable future through continuous improvement and strategic sustainability integration.

ECONOMIC OUTLOOK

KENYA

The Kenyan economy recorded an average growth of 4.5% in the period between January to September 2024, with Q3'2024 GDP coming in at 4.0%, down from the 6.0% in Q3'2023. The performance in Q3'2024 was mainly driven by the 4.2% growth in the agricultural sector due to favorable weather conditions, which led to a steady growth in agricultural output. Most sectors recorded lower growth rates compared to Q3'2023 with Accommodation and Food Services (+13.7%), Professional administration (+7.8%), Information and Communication (+6.1%), and Real estate (+5.5%) Sectors recording the highest growth improvements. The average GDP growth rate for 2024 is expected to come in at a range of 4.8% - 5.0%, a decline from the 5.6% expansion witnessed in 2023. In 2025, we expect the economy to continue its recovery trajectory with the projected GDP growth to come in at a range of 5.0% - 5.4%, mainly attributable to continued growth in services and agricultural sectors, eased monetary policy and gradual increase in access to credit.

In 2024, the average inflation rate in the country was 4.5%, marking 3.2% points decrease from the average inflation rate of 7.7% witnessed in 2023. However, the year-on-year inflation rate increased slightly by 0.2% points to 3.0%, in December 2024 from the 2.8% recorded in November 2024. Key to note, the overall inflation rates throughout 2024, remained within the Central Bank's target range of 2.5% and 7.5%, hitting its lowest in October 2024 at 2.7%, the lowest since 2010. Despite the improvement, we expect the inflation rate to remain relatively stable in the short term but face upward pressure in the medium to long term during 2025, given that the current fiscal measures do not address the cost-driven inflation, in addition to a ripple effect of the current expansionary monetary stance. In early December 2024, the Monetary Policy Committee lowered the policy rate further to 11.25% from 12%. It noted that its previous measures have lowered overall inflation to below the mid-point of the target range, stabilized the exchange rate; noting that there is for scope further reductions.

The Kenya Shilling appreciated by 17.4% against the US Dollar to close at Kshs 129.3 in 2024, compared to Kshs 156.5 at the end of 2023, a contrast to the 26.8% depreciation recorded in 2023. The gain was majorly driven by the repayment of the USD 2.0 bn Eurobond that matured in June, through a buy-back in February 2024 that reduced credit risk on the country and pressure on the Shilling. Additionally, the cuts in the US Federal interest rates by a total of 100 bps in 2024 to a range of 4.25%-4.50%, from a range of 5.25%-5.50% in the beginning of 2024. Kenya's forex reserves improved to close the year at USD 9.2 billion (4.7 months of import cover) compared to USD 6.7 billion (3.6 months) at the end of 2023.

In 2024, the Kenyan equities market was on an upward trajectory with NSE 10 gaining the most by 42.9%, while NSE 25, NASI and NSE 20 gained by 42.5%,34.3% and 33.3%, respectively. During the year, equities turnover gained by 22.0% to close the year at USD 0.8 bn, from USD 0.6 bn recorded in 2023. Foreign investors remained net sellers.

UGANDA

The Ugandan economy continues to demonstrate resilience. Uganda's economy recorded 6.1% growth in FY 2023/24 on top of 5.3% the year before, despite global economic instability, geopolitical tensions, and regional conflicts. This growth remained broad-based with services and industrial sectors leading. Growth is supported by favorable weather conditions, investments in the oil sector, and progress on implementation of the Parish Development Model (PDM). Compared to other African countries, Uganda›s economic growth stands out as one of the most consistent and stable on the continent. The GDP growth projection for FY2024/25 remains unchanged, with growth projected at between 6.0 percent and 6.5 percent this financial year and between 7.0 percent and 7.5 percent over the medium term.

This positive outlook is supported by strategic government initiatives, increased foreign direct investment in the extractive industries, and the expected start of oil production in FY2025/26.

Headline inflation declined to 3.2% on average in FY24 from 8.8% in FY23 and is below the target of 5.0%. This is due to declining food prices, monetary policy tightening, targeted fiscal consolidation, and relative stability in the exchange rate. Prices of food crops grew by only 3.3% in FY24 compared to 22.7% in FY23.

In 2024, the Uganda Shilling remained relatively stable with a bias towards an appreciation largely due to a combination of factors including continued inflows from coffee exports, remittances, portfolio inflows and FDI that have supported demand for foreign currency, preventing undue pressure on the exchange rate, monetary policy actions, and reforms in the interbank foreign exchange market (IFEM).

MALAWI

Malawi's economic situation remains challenging. A severe drought in 2024 has exacerbated macroeconomic imbalances and added to successive poor harvests and high food prices. Real GDP is projected to grow only 1.8% in 2024, and an acceleration is expected in 2025 (4.2%) if reform implementation progresses. The outlook is subject to significant downside risks, including continued fiscal slippages, which could entrench macroeconomic instability. Failure to address external imbalances may continue to result in input shortages.

A year-on-year analysis indicated that the Malawi kwacha weakened against the US dollar by 3.0 percent in December 2024, to close at K1,734.01 compared to K1,683.37 in December 2023. In addition, the kwacha depreciated by 1.3 percent against the British pound and appreciated by 3.2 percent against the Euro, respectively, and traded at K2,240.22 per pound and K1,857.65 per Euro compared to K2,212.42 per pound and K1,918.18 per Euro in the prior year. The total economy foreign exchange reserves position was estimated to have improved to USD 530.9 million (2.1 months of imports) in December 2024 from USD 516.9 million (2.1 months of imports) recorded in November 2024 and compared to USD 669.4 million (2.7 months of imports) reported in December 2023. The outturn in the foreign exchange reserves was due to an increase in gross official reserves, while private sector reserves dropped.

The domestic headline inflation rate escalated to 28.1 percent in December 2024, from 27.0 percent in November 2024 (December 2023: 34.5), primarily driven by a rise in food prices. The annual decrease was on account of decreased food inflationary pressures, favourable base effects of higher prices in December 2023 and the pass through effects of 44.0 percent re-alignment of the exchange rate that impacted 2023 prices. Food inflation declined to 35.6 percent in December 2024 from 43.5 percent in December 2023, while non-food inflation also declined to 16.8 percent from 22.8 percent during the same period.

The Policy rate remained unchanged at 26.0 percent during the review month. Similarly, the All-Type Treasury Bill yield and the savings deposit rate remained constant at 20.7 percent and 4.3 percent, respectively. The average interbank market rate marginally decreased to 23.2 percent in December 2024 from 23.4 percent in the preceding month. Consequently, the reference rate remained stable at 25.3 percent in December 2024.

SOUTH SUDAN

South Sudan›s economy is projected to contract by 30 percent in FY24/25, but is projected to rebound in FY25/26, if there is a resumption in oil exports of the country's Dar Blend Oil. The negative development in the previous three fiscal years was due to overlapping economic shocks. Real GDP growth is estimated to have dropped to -5.8 percent of GDP in FY24 (July 2023–June 2024) reflecting mainly lower oil exports.

The CPI increased from 14,406.12 points in December 2023 to 50,834.14 points as at 31st December 2024, a 253% increase (Data from Trading Economics). Over the last decade, South Sudan's Consumer Price Index (CPI) (inflation statistics) has been generated from three major towns of the country, namely Wau, Juba, and Malakal. This information ultimately under-represents a vast majority of the country. As a result, in August 2024, the National Bureau of Statistics extended the CPI computation to the seven remaining states of the country, collecting more comprehensive data.

Similarly, current recovery efforts in the economy necessitate a change in the CPI base year. This means inflation control measures should be based on this new comprehensive index going forward. The annual inflation will only be computed from August 2025. This move meant a rebase of the previous reported CPIs, with August 2024 CPI being rebased to 100 units. As at 31 December 2024, the new rebased CPI stood at 151.59 units.

The South Sudan pound depreciated by 268% and 345% against the US Dollar and Kshs. The SSP closed at SSP/ USD 3,939.5856 and SSP 30.47 /Kshs as at 31st December 2024 compared to SSP/USD 1,070.985 and SSP/Kshs 6.85 as at 31st December 2023. (Data from Bank of South Sudan).

CIC GROUP

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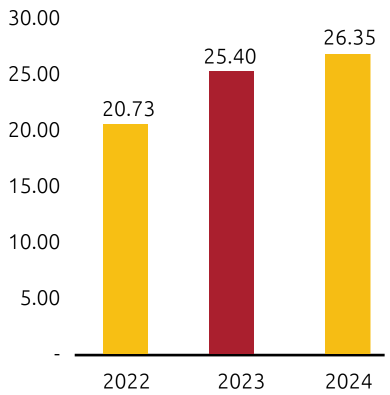
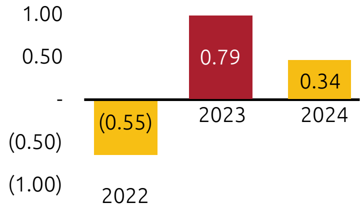
BUSINESS PERFORMANCE

BUSINESS PERFOMANCE REVIEW

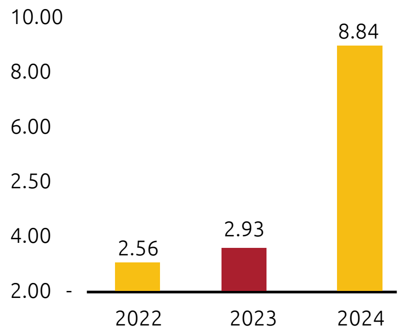
Kshs Billions



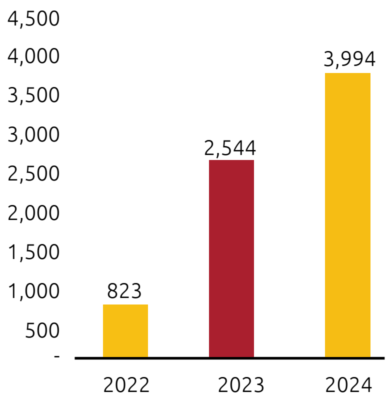
Kshs Billions



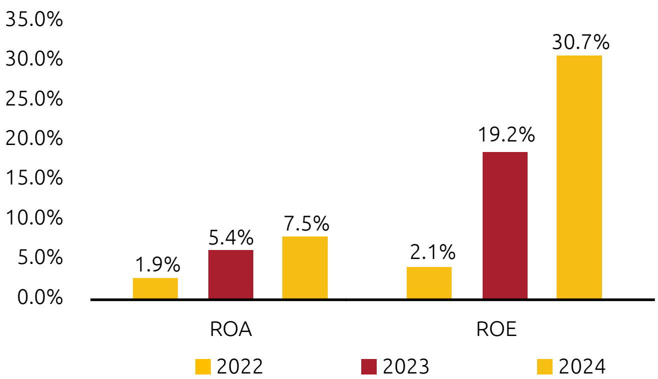
Investment return
Kshs Billions



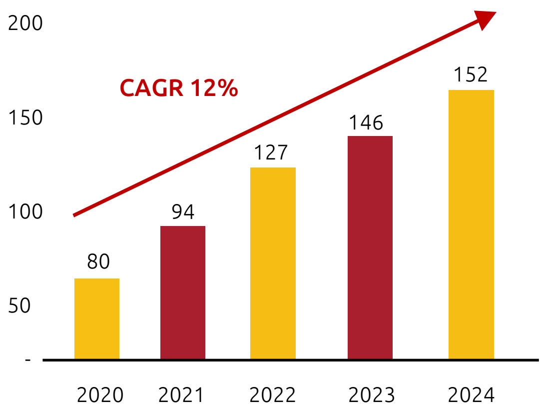
PBT
Kshs Millions



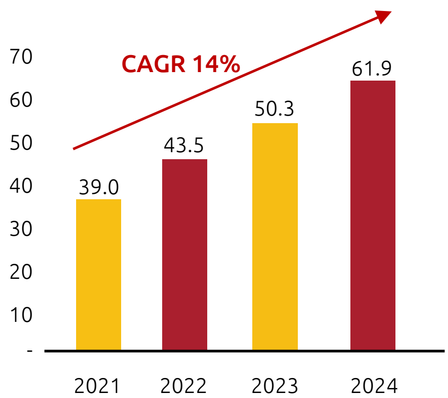
Return on Assets and
Return on Equity



Assets Under Management
Kshs Billions



Total Assets Kshs Billions



CIC GROUP

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DIRECTORS REPORT

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors submit their report together with the audited financial statements of The CIC Insurance Group Plc (the Company) and its subsidiaries (together "the Group'' or "CIC Group") for the year ended 31 December 2024, which disclose the state of affairs of the Group.

1. INCORPORATION

The Group is domiciled in Kenya where it is incorporated as a public company limited by shares under the Companies Act, 2015. The address of the registered office is set out on page 5.

2. DIRECTORATE

The directors who held office during the year and to the date of this report are set out on page 5.

3. PRINCIPAL ACTIVITIES

The principal activities of the Group are the transaction of general and life insurance businesses including pension scheme administration and fund management.

4. RECOMMENDED DIVIDEND

The directors recommend payment of dividends for the year 2024 of KShs 345 million (2023: KShs 345 million). Additionally, the Board recommends a bonus share issue of 1:10 for the year ended 31 December 2024.

5. GROUP AND COMPANY RESULTS

The table below highlights some of the key performance indicators:

	GROUP		COMPANY	
	2024 KShs '000	2023 KShs '000	2024 KShs '000	2023 KShs '000
Profit/(loss) before income tax	3,993,720	2,543,993	618,593	(195,248)
Income tax expense	(1,139,087)	(1,102,178)	(170,036)	(38,492)
Profit/(loss) for the year	2,854,633	1,441,815	448,557	(233,740)
Total comprehensive income/(loss) for the year	3,746,657	585,693	448,557	(233,740)
Total assets	**61,937,727**	**50,299,041**	**10,589,913**	**9,779,011**
Equity attributable to owners of the parent	**11,071,853**	**7,692,817**	**3,708,455**	**3,604,898**

6. BUSINESS REVIEW

KENYA

The Kenyan economy recorded an average growth of 4.5% in the period between January to September 2024, with Q3'2024 GDP coming in at 4.0%, down from the 6.0% in Q3'2023. The performance in Q3'2024 was mainly driven by the 4.2% growth in the agricultural sector due to favorable weather conditions, which led to a steady growth in agricultural output. Most sectors recorded lower growth rates compared to Q3'2023 with Accommodation and Food Services (+13.7%), Professional administration (+7.8%), Information and Communication (+6.1%), and Real estate (+5.5%) Sectors recording the highest growth improvements. The average GDP growth rate for 2024 is expected to come in at a range of 4.8% - 5.0%, a decline from the 5.6% expansion witnessed in 2023. In 2025, we expect the economy to continue its recovery trajectory with the projected GDP growth to come in at a range of 5.0% - 5.4%, mainly attributable to continued growth in services and agricultural sectors, eased monetary policy and gradual increase in access to credit.

In 2024, the average inflation rate in the country was 4.5%, marking 3.2% points decrease from the average inflation rate of 7.7% witnessed in 2023. However, the year-on-year inflation rate increased slightly by 0.2% points to 3.0%, in December 2024 from the 2.8% recorded in November 2024. Key to note, the overall inflation rates throughout 2024, remained within the Central Bank's target range of 2.5% and 7.5%, hitting its lowest in October 2024 at 2.7%, the lowest since 2010. Despite the improvement, we expect the inflation rate to remain relatively stable in the short term but face upward pressure in the medium to long term during 2025, given that the current fiscal measures do not address the cost-driven inflation, in addition to a ripple effect of the current expansionary monetary stance. In early December 2024, the Monetary Policy Committee lowered the policy rate further to 11.25% from 12%. It noted that its previous measures have lowered overall inflation to below the mid-point of the target range, stabilized the exchange rate; noting that there is for scope further reductions.

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FINANCIAL PERFORMANCE

Group

Insurance revenue grew by 4% from KShs.25.4 billion in 2023 to KShs.26.3 billion in 2024 driven by growth in most of the group's business lines. The increase in insurance revenue was mainly driven by new business acquisitions as well as upward repricing of risks. Revenue from the asset management business increased by 9% in line with increase in assets under management. The insurance service expense grew by 7% in line with growth in underwritten risks. Other operating expenses increased from Kshs 1.5 billion to Kshs 1.7 billion, a 19% increase in line with the overall business growth.

The group recorded a profit before tax of Kshs 3.99 billion, up from a profit before tax of Kshs 2.5 billion in 2023. This was largely attributed to the growth in insurance revenue and improved investment income during the year driven by high income reported under the fixed income securities. The group's total assets grew by 23% from Kshs 50.3 billion in 2023 to Kshs 61.9 billion in line with the growth in businesses, particularly increase in investment assets from Kshs 34.2 billion to Kshs 43.3 billion.

Company

The Company received dividend income from subsidiaries amounting to Kshs 385 million (2023: Kshs 465 million). There were fair value gains on investment property of Kshs 1.0 billion in 2024 (2023: Nil). This is mainly gains on the Kiambu land. Finance cost increased from Kshs 517 million in 2023 to Kshs 564 million in 2024 due to increased interest rate on the borrowing in the year.

The Company has started disposing its parcels of land it owns. Proceeds from sale of this property will be used to repay the loan from Co-operative Bank which will reduce the finance costs incurred on the borrowing. Further disclosures are included in Notes 15(b) of the financial statements.

7. STATEMENT AS TO DISCLOSURE TO THE GROUP'S AND COMPANY'S AUDITOR

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

(a). there was, as far as each director is aware, no relevant audit information of which the Group's and the Company's auditor is unaware; and
(b). each director had 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 Group's and the Company's auditor is aware of that information.

8. TERMS OF APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers LLP continue in office in accordance with the company›s Articles of Association and Section 721 of the 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.

By order of the board

Secretary

27 March 2025
Nairobi, Kenya

CIC Board of management team during investor briefing

DIRECTORS' REMUNERATION REPORT

INFORMATION NOT SUBJECT TO AUDIT

The CIC Insurance Group vision is to be a world class provider of insurance and other financial services. Consequently, the Group endeavours to attract and retain as directors, high calibre individuals who are well equipped with the relevant expertise and experience to enable the Group to achieve its vision. To retain and motivate such individuals requires compensation that is not only commensurate to their skill and time devoted to the Group, but also one that is competitive.

The Group has developed and put in place a remuneration policy for both the executive and non-executive directors that is transparent and considers both needs and the overall performance of the business. The policy has adopted a compensation and remuneration model that is competitive to attract and retain talent. The remuneration policy is described below:

Executive Directors

1. The remuneration for the executive director is as per a negotiated contract of employment. It incorporates a bonus scheme that is only triggered upon achieving various targets agreed with the board.
2. The GMD & CEO* earns a service gratuity of 20% of the annual basic pay payable at the end of the contract for each year worked.
3. The GMD & CEO* has a 5-year contract which commenced in June 2023 and has a 3 months termination notice.

Non-Executive Directors

1. Directors are entitled to a sitting allowance for their attendance of a board or board committee meeting, lunch allowance (in lieu of lunch being provided), and mileage reimbursements (in lieu of transport being provided) at the Automobile Association of Kenya rates.
2. The directors receive annual honoraria based on the end year performance.
3. Directors are paid a monthly retainer. The fees have been set by the board pursuant to the authorization granted by the shareholders at the Annual General Meeting.
4. There are no directors' loans.
5. There is no directors' shares scheme.
6. An allowance is paid to non-executive directors for any day of travel away from their regular station in order to attend to duties of the Company or its subsidiaries.
7. Independent directors are on a three-year contract which is renewable once.
8. Medical insurance cover is provided to all directors for their individual medical requirements covering both out-patient and inpatient services.

During the financial year ended 31 December 2024, the Board was composed of the following Directors:

Executive	Non-Executive	Independent
	James Njue (Vice Chairman)	Dr. Nelson Kuria (Chairman)
Patrick Nyaga*	Michael Wambia	Dr. Rogers Kinoti
	Gordon Owuor	Julius Mwatu
	Peter Nyigei	Sharon Kisire
	Ludia Rono	

* GMD & CEO Group Managing Director & CEO

Information subject to audit

The following table shows remuneration for the Executive and Non-Executive Directors in respect of qualifying services for the year ended 31 December 2024.

Group Directors 2024 emoluments (KShs)

Name	Designation	Salary	Allowances	Gratuity	Retainer	Sitting Allowance	Honoraria	Board expenses	Total
Patrick Nyaga	GMD & CEO	46,956,134	32,055,459	9,684,703	-	-	-	-	88,696,296
Dr. Nelson Kuria	Chairman	-	-	-	3,723,600	2,672,189	939,992	215,385	7,551,166
James Njue	V/Chairman	-	-	-	3,723,600	1,374,106	917,612	-	6,015,318
Peter Nyigei	Director	-	-	-	923,077	529,702	906,422	-	2,359,201
Michael Wambia	Director	-	-	-	1,441,329	2,507,143	906,422	303,686	5,158,580
Gordon Owuor	Director	-	-	-	1,451,991	1,905,752	906,422	246,123	4,510,288
Julius Mwatu	Director	-	-	-	1,441,329	1,419,055	906,422	229,231	3,996,037
Dr. Rogers Kinoti	Director	-	-	-	1,390,154	1,290,046	906,422	220,000	3,806,622
Sharon Kisire	Director	-	-	-	1,390,154	1,114,131	895,231	224,615	3,624,131
Ludia Rono	Director	-	-	-	1,420,006	1,063,314	679,815	220,000	3,383,135
Grand Total		**46,956,134**	**32,055,459**	**9,684,703**	**16,905,240**	**13,875,438**	**7,964,760**	**1,659,040**	**129,100,774**

Group Directors 2023 emoluments (KShs)

Name	Designation	Salary	Allowances	Gratuity	Retainer	Sitting Allowance	Honoraria	Board expenses	Total
Patrick Nyaga	GMD & CEO	44,021,376	25,891,086	8,804,275	-	-	-	-	78,716,737
Dr. Nelson Kuria	Chairman	-	-	-	3,568,450	2,225,252	793,500	1,017,934	7,605,136
James Njue	V/Chairman	-	-	-	3,568,450	1,541,779	774,607	188,901	6,073,737
Peter Nyigei	Director	-	-	-	1,564,192	1,555,838	765,161	307,854	4,193,045
Michael Wambia	Director	-	-	-	1,381,274	1,718,426	765,161	292,923	4,157,784
Gordon Owuor	Director	-	-	-	1,405,795	1,829,447	765,161	248,246	4,248,649
Julius Mwatu	Director	-	-	-	1,381,274	1,229,622	765,161	198,462	3,574,519
Rosemary Githaiga	Director	-	-	-	1,332,231	1,388,921	765,161	211,319	3,697,632
Dr. Rogers Kinoti	Director	-	-	-	1,332,231	938,469	251,905	215,067	2,737,672
Sharon Kisire	Director	-	-	-	740,588	689,168	-	203,077	1,632,833
Grand Total		**44,021,376**	**25,891,086**	**8,804,275**	**16,274,485**	**13,116,922**	**5,645,817**	**2,883,783**	**116,637,744**

* GMD & CEO Group Managing Director & CEO
The Group will not propose to make any changes in the remuneration level in 2025.

By Order of the Board
27 March 2025
Gail Odongo
Group Company Secretary

CIC GROUP

Go for Growth

FINANCIAL STATEMENTS

THE CIC INSURANCE GROUP PLC AND ITS SUBSIDIARIES
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group at the end of the financial year and of its financial performance for the year then ended. The directors are responsible for ensuring that the Group and its subsidiaries keep proper accounting records that are sufficient to show and explain the transactions of the Group; disclose with reasonable accuracy at any time the financial position of the Group; and that enables them to prepare financial statements of the Group that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

i. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;

ii. Selecting suitable accounting policies and then applying them consistently; and

iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having assessed the Group's and Company's abilities to continue as going concerns, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's abilities to continue as going concerns.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

Nelson Kuria	***Patrick Nyaga***	***Julius Mwatu***
Chairman	***Group MD & CEO***	***Director***

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC

Report on the financial statements

Our opinion

We have audited the accompanying financial statements of The CIC Insurance Group Plc (the Company) and its subsidiaries (together, the Group) set out on pages 105 to 267, which comprise the consolidated statement of financial position at 31 December 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 31 December 2024, and the Company statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2024 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the 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 financial statements section of our report.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC (CONTINUED)

Key audit matter	How our audit addressed the matter
Valuation of insurance contract liabilities As disclosed in notes 1, 42, 43 and 44 of the financial statements, the valuation of insurance contract liabilities involves complex and subjective judgments about future events, both internal and external to the business. Small changes to these assumptions can result in material impacts to the valuation of the fulfillment cash flows, Contractual Service Margin ('CSM'), and risk adjustment. **(a) For the life insurance contract liabilities** There are significant assumptions that involve high levels of judgment in determining the best estimate liabilities, in particular the following: • The mortality assumptions used in the valuation of life risk; • Longevity assumptions used in the valuation of the annuity business, • Expense and inflation assumptions - The assumptions used require significant judgment which includes how expenses are allocated between maintenance and acquisition expenses as well as how the expenses are split between attributable and non-attributable costs under IFRS 17; • Estimating the fulfillment cash flows representing all relevant cash flows that fall within the insurance contract boundaries involve significant judgement; • Determination of the Contractual Service Margin ('CSM') involves complex calculations and sensitive assumptions which increase the risk of error. In addition, the amortisation of C Contractual Service Margin ('CSM'), requires significant judgment particularly in selecting the coverage units; • Best estimate liabilities are valued by discounting expected future cash flows at an interest rate based on the most appropriate yield curve. The selection of appropriate discount rate involves judgment; and • The methodology by which management determines that valuation of the risk adjustment requires them to carry out a number of calculations that involve significant degree of judgment.	Our work to address the valuation of insurance contract liabilities included the following procedures: • Using our actuarial specialists, we compared the methodology, models and assumptions used against recognised actuarial practice. This included consideration of historical experience, and the appropriateness of any judgment applied, including if there was any indication of management bias; • Assessed whether the judgments, methodology and assumptions applied by management in determining the accounting policies are in accordance with IFRS 17; • Assessed the reasonableness of assumptions in the valuation of insurance contract liabilities such as mortality, longevity, fulfillment cash flows, risk adjustment and selection of discount rates. • For contracts measured under General Measurement Model ('GMM'), tested the reasonableness of coverage units and amortisation to statement of profit or loss; • Assessed the competence, capabilities and objectivity of the Company's Statutory Actuary; • On a sample basis, traced the insurance valuation input data to information contained in the administration and accounting systems and to policyholder information; • Reviewed management's process of extraction and reconciliation of the data used in the determination of the insurance contract liabilities; • Reviewed disclosures in the financial statements for compliance with IFRS 17.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC (CONTINUED)

Key audit matter (continued)	How our audit addressed the matter
Valuation of insurance contract liabilities (continued) **(b) for the general insurance contract liabilities** General insurance contract liabilities are highly uncertain and require considerable judgment and interpretation to determine their valuation. **Our assessment of the related audit risk is focused on the following areas:** • The estimation of the liability for incurred claims involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. In addition, the liabilities are adjusted for the time value of money based on historical settlement patterns. Judgement is applied in estimating this future settlement pattern and in determination of the discount rate. • Determination of liability for incurred claims requires calculation of risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns. • For onerous contracts, calculation of loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of insurance contracts.	• Evaluated and tested controls around claims handling, settling, and reserving. • Tested a sample of claim payments and reserves to confirm the amounts recorded in the claims systems agree to the source data. • Checked the consistency of reserving methods year on year. • Tested the appropriateness of the methodology and assumptions used by the external actuary and management in estimation of reserves as at 31 December 2024 and performed reprojections for a sample of reserves to validate estimates. • Tested management's calculation of the discount rate used to compute the present value of liability for incurred claims. • Tested the methodology and assumptions used by management in estimating the risk adjustment. • Reconciled the claims data used by management to calculate reserves to the audited claims data. • Assessed the adequacy of disclosures in the financial statements.

Other information

The other information comprises corporate information, report of the directors, directors' remuneration report, corporate governance report, statement of directors' responsibilities and supplementary information which we obtained prior to the date of this auditor's report and the rest of the other information in the Integrated Report which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Integrated Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC (CONTINUED)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the 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 misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE CIC INSURANCE GROUP PLC (CONTINUED)

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 matters prescribed by the Companies Act, 2015

Report of the directors

In our opinion the information given in the report of the directors on pages 93 to 95 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on pages 96 to 97 has been properly prepared in accordance with the Companies Act, 2015.

Bernice Kimacia

CPA Bernice Kimacia, Practicing Certificate Number 1457

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

27 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		Group	
		2024	2023
	Notes	KShs'000	KShs'000
Insurance revenue	4 (a)	26,348,750	25,400,902
Insurance service expenses	4 (b)	(24,231,278)	(22,549,800)
Net expenses from reinsurance contracts held	4 (c)	(1,773,489)	(2,062,875)
Insurance service result		343,983	788,227
Interest revenue calculated using the effective interest method	6	6,046,353	2,630,218
Other investment income	6	210,529	209,561
Net losses on FVTPL investments	7 (a)	186,904	(118,490)
Net gains from fair value adjustments to investment properties	7 (a)	1,010,000	132,383
Foreign exchange gain	7 (a)	1,365,025	82,565
Allowance for expected credit gains/(losses)	9 (d)	16,843	(5,399)
Investment result		8,835,654	2,930,838
Net finance expenses from insurance contracts	8	(5,303,219)	(888,294)
Net finance income from reinsurance contract held	8	286,386	152,482
Net investment result		3,818,821	2,195,026
Revenue from asset management services	5	1,267,493	1,163,775
Other gains	7 (b)	311,898	368,997
Other operating expenses	9 (a)	(1,724,706)	(1,451,175)
Gain on monetary position	55	552,914	-
Operating profit		4,570,403	3,064,850
Other finance costs	10	(578,201)	(517,822)
Share of profit/(loss) of associate company	18	1,518	(3,035)
Profit before income tax		3,993,720	2,543,993
Income tax expense	11	(1,139,087)	(1,102,178)
Profit for the year		2,854,633	1,441,815
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Fair value loss on equity instruments at fair value through other comprehensive income	24	4,580	(416)
Gain on revaluation of building	13 (a)	-	88,255
Total items that will not be subsequently reclassified to profit or loss		4,580	87,839
Items that may be reclassified subsequently to profit or loss			
Foreign exchange currency translation differences		(566,910)	(70,051)
Fair value gain/(loss) on debt instruments at fair value through OCI	23 (a)	1,735,681	(993,960)
Income tax thereon	17 (a)	(281,327)	120,050
Total items that may be subsequently reclassified to profit or loss		887,444	(943,961)
Total other comprehensive income/(loss) for the year		892,024	(856,122)
Total comprehensive income for the year		3,746,657	585,693
Basic and diluted earnings per share (Kshs)	12	1.04	0.57

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	KShs'000	KShs'000
Profit for the year attributable to:		
Ordinary equity holders of the parent	2,716,408	1,497,950
Non - controlling interests	138,225	(56,135)
	2,854,633	1,441,815
Total comprehensive income for the year		
Attributable to:		
Ordinary equity holders of the parent	3,724,036	634,247
Non-controlling interests	22,621	(48,554)
	3,746,657	585,693

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024 KShs'000	2023 KShs'000
ASSETS			
Property and equipment	13 (a)	1,113,946	1,142,870
Right of use-asset	14 (a)	145,571	241,930
Investment properties	15 (a)	3,726,499	7,834,198
Inventories	15 (c)	5,056,000	-
Intangible assets	16 (a)	286,579	301,398
Deferred income tax	17 (a)	979,172	1,380,869
Investment in associate	18	107,177	105,659
Financial assets at amortised cost- Corporate bonds	20	89,156	95,646
Financial assets at amortised cost -Government securities	21	10,913,059	10,753,219
Financial assets at amortised cost -Loans receivable	22	78,040	113,391
Financial assets at fair value through other comprehensive income - Government securities	23 (a)	18,297,531	13,579,374
Financial assets at fair value through other comprehensive income – Unquoted equity instruments	24	29,224	22,796
Financial assets at fair value through profit or loss – Quoted equity instruments	25	931,739	647,506
Investments in collective investment schemes at fair value through profit or loss	26 (a)	1,253,553	1,368,501
Reinsurance contract assets	42	5,058,722	3,733,993
Current income tax	11(b)	176,112	87,155
Other receivables	27 (a)	928,481	852,434
Due from related parties	28	253,813	183,047
Deposits with financial institutions	29 (a)	11,690,023	7,573,290
Cash and cash equivalents	48	823,330	281,765
Total assets		61,937,727	50,299,041
EQUITY AND LIABILITIES			
Share capital	30	2,615,578	2,615,578
Share premium	31	162,179	162,179
Statutory reserve	32	2,300,170	1,487,294
Contingency reserve	33	3,549	138,692
Revaluation surplus	34	367,956	367,956
Foreign currency translation reserve	35	(1,025,233)	(573,927)
Fair value reserve	36	(63,671)	(1,522,605)
Retained earnings	37	6,711,325	5,017,650
Equity attributable the owners of the parent		11,071,853	7,692,817
Non-controlling interest	38	(58,018)	(80,639)
Total equity		11,013,835	7,612,178

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (Continued)

	Notes	2024 KShs'000	2023 KShs'000
LIABILITIES			
Deferred income tax	17	1,014,886	663,540
Insurance contract liabilities	42	41,842,105	34,227,277
Investment contract liabilities	49	98,924	141,273
Lease liability	14 (a)	199,533	309,577
Borrowings	39	5,271,369	5,081,164
Other payables	40 (a)	2,484,432	2,034,225
Current income tax	11 (b)	12,643	229,807
Total liabilities		50,923,892	42,686,863
Total equity and liabilities		61,937,727	50,299,041

The financial statements were approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

Nelson Kuria
Chairman

Patrick Nyaga
Group MD & CEO

Julius Mwatu
Director

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		Company	
		2024	2023
	Notes	KShs'000	KShs'000
Interest revenue calculated using the effective interest method	6 (b)(i)	5,547	7,646
Other investment income	6 (b) (ii)	385,000	465,000
Net gains on FVTPL investments	7 (c)	1,910	2,246
Net gains from fair value adjustments to investment properties	7 (c)	1,010,000	-
Other gains	7 (c)	3,089	14,948
Allowance for expected credit losses	9 (d)	(430)	(201)
Total income		1,405,116	489,639
Operating and other expenses	9 (c)	(183,296)	(164,616)
Operating profit		1,221,820	325,023
Finance cost	10(b)	(604,745)	(517,236)
Share of profit/(loss) of associate company	18	1,518	(3,035)
Profit/(loss) before income tax		618,593	(195,248)
Income tax expense	11	(170,036)	(38,492)
Profit/(loss) for the year		448,557	(233,740)
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the year		448,557	(233,740)

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 KShs'000	2023 KShs'000
ASSETS			
Property and equipment	13 (b)	76,308	92,411
Investment properties	15(b)	-	4,046,000
Inventories	15(c)	5,056,000	-
Intangible assets	16 (b)	50,130	73,986
Deferred income tax	17 (b)	409,779	579,815
Investment in associate	18	107,177	105,659
Investment in subsidiaries	19	4,228,410	4,228,410
Financial assets at amortised cost -Loans receivable	22	16,063	15,619
Investments in collective investment schemes through profit or loss	26(b)	16,411	14,501
Current income tax	11 (b)	2,000	2,000
Other receivables	27 (b)	41,814	61,535
Due from related parties	28	477,509	399,980
Deposits with financial institutions	29 (b)	64,078	117,568
Cash and cash equivalents	48	44,234	41,527
Total assets		10,589,913	9,779,011
EQUITY AND LIABILITIES			
Equity			
Share capital	30	2,615,578	2,615,578
Share premium	31	162,179	162,179
Retained earnings	37	930,698	827,141
Total equity		3,708,455	3,604,898
LIABILITIES			
Due to related parties	28	361,471	655,970
Related party loan	28	751,705	273,076
Borrowings	39	5,165,766	4,955,891
Other payables	40 (b)	602,516	289,176
Total liabilities		6,881,458	6,174,113
Total equity and liabilities		10,589,913	9,779,011

The financial statements were approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

Nelson Kuria	***Patrick Nyaga***	***Julius Mwatu***
Chairman	***Group MD & CEO***	***Director***

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Statutory fund	Revaluation surplus	Contingency Reserve	Foreign Currency translation reserve	Fair value Reserve	Retained earnings	Due to equity holders of the parent	Non-controlling interests	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	Ksh'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
	(Note 30)	(Note 31)	(Note 32)	(Note 34)	(Note 33)	(Note 35)	(Note 36)	(Note 37)		(Note 38)	
At 1 January 2024	2,615,578	162,179	1,487,294	367,956	138,692	(573,927)	(1,522,605)	5,017,650	7,692,817	(80,639)	7,612,178
Contingency reserve	-	-	-	-	(135,143)	-	-	135,143	-	-	-
Profit for the year	-	-	812,876	-	-	-	-	1,903,532	2,716,408	138,225	2,854,633
Other comprehensive Income for the year	-	-	-	-		(451,306)	1,458,934	-	1,007,628	(115,604)	892,024
Total comprehensive income for the year	-	-	812,876	-	-	(451,306)	1,458,934	1,903,532	3,724,036	22,621	3,746,657
Dividends paid	-	-	-	-	-	-	-	(345,000)	(345,000)	-	(345,000)
At 31 December 2024	2,615,578	162,179	2,300,170	367,956	3,549	(1,025,233)	(63,671)	6,711,325	11,071,853	(58,018)	11,013,835
At 1 January 2023	2,615,578	162,179	621,290	279,701	110,828	(496,295)	(648,279)	4,758,568	7,403,570	(32,085)	7,371,485
Contingency reserve	-	-	-	-	27,864	-	-	(27,864)	-	-	-
Profit for the year	-	-	866,004	-	-	-	-	631,946	1,497,950	(56,135)	1,441,815
Other comprehensive Income for the year	-	-	-	88,255	-	(77,632)	(874,326)	-	(863,703)	7,581	(856,122)
Total comprehensive income for the year	-	-	866,004	88,255	-	(77,632)	(874,326)	631,946	634,247	(48,554)	585,693
Dividends paid	-	-	-	-	-	-	-	(345,000)	(345,000)	-	(345,000)
At 31 December 2023	2,615,578	162,179	1,487,294	367,956	138,692	(573,927)	(1,522,605)	5,017,650	7,692,817	(80,639)	7,612,178

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share Capital	Share premium	Retained Earnings	Total
	KShs'000 (Note 30)	KShs'000 (Note 31)	KShs'000 (Note 37)	KShs'000
At 1 January 2024	2,615,578	162,179	827,141	3,604,898
Profit for the year	-	-	448,557	448,557
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	448,557	448,557
Dividend paid	-	-	(345,000)	(345,000)
At 31 December 2024	2,615,578	162,179	930,698	3,708,455
At 1 January 2023	2,615,578	162,179	1,405,881	4,183,638
Loss for the year	-	-	(233,740)	(233,740)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(233,740)	(233,740)
Dividend paid	-	-	(345,000)	(345,000)
At 31 December 2023	2,615,578	162,179	827,141	3,604,898

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 KShs'000	2023 KShs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	47 (a)	4,068,379	5,700,056
Purchase of corporate bonds	20	(29)	-
Proceeds from maturity of corporate bonds	20	2,486	2,189
Purchase of government securities at amortised cost	21	(783,461)	(3,418,783)
Maturities of government securities at amortised cost	21	584,384	1,126,479
Purchase of government securities at fair value through other comprehensive income	23	(4,906,678)	(4,251,839)
Maturity of government securities at fair value through other comprehensive income	23	1,925,870	1,065,000
Purchase of unquoted equity investment at fair value through other comprehensive income	24	(2,858)	-
Purchase of equity investment at fair value through profit or loss	25	(139,240)	(106,091)
Proceeds from sale of equity investments at fair value through profit or loss	25	24,548	384,225
Additions to collective investment schemes	26(a)	(639,623)	(635,195)
Proceeds from disposal of collective investment scheme	26(a)	771,934	493,070
Increase in deposits with financial institutions (excluding cash and cash equivalents)	29	515,339	(464,131)
Interest paid on leases	14(a)	(29,235)	(29,023)
Interest received	6(a)	6,046,353	2,630,218
Dividend received	6(a)	46,515	48,177
Income tax paid	11 (b)	(975,949)	(813,579)
Repayment of interest portion of borrowings	39	(13,694)	(7,993)
Net cash generated from operating activities		6,495,041	1,722,780
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	13(a)	(128,234)	(240,488)
Proceeds from disposal of property and equipment		1,362	36,332
Purchase of intangible assets	16(a)	(49,342)	(71,330)
Net cash used in investing activities		(176,214)	(275,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	39	107,272	112,078
Repayment of principal portion of borrowings	39	(462,012)	(94,973)
Dividends paid		(345,000)	(345,000)
Repayment of principal portion of lease liability	14(a)	(86,963)	(72,268)
Net cash used in financing activities		(786,703)	(400,163)
INCREASE IN CASH AND CASH EQUIVALENTS		5,532,124	1,047,131
Effect of foreign exchange translations		(380,368)	14,729
CASH AND CASH EQUIVALENTS AT 1 JANUARY		4,865,824	3,803,964
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	48	10,017,580	4,865,824

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 KShs'000	2023 KShs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	47 (b)	266,529	80,090
Maturity of collective investments	26 (b)	-	25,000
Mortgage loan repaid	22 (b)	619	600
Other staff loans repaid	22 (b)	98	-
Other staff loans advanced	22 (b)	-	(2,519)
Decrease in deposits with financial institutions (excluding cash and cash equivalents)	29	53,527	(22,992)
Interest received	6	5,547	7,646
Dividend received	6(b)(ii)	385,000	465,000
Repayment of interest portion of borrowings	39	-	(2,912)
Net cash generated from operating activities		711,320	549,913
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	13(b)	(8,873)	(57,385)
Purchase of intangible assets	16(b)	-	(3,480)
Payment for acquisition of a subsidiary	19	-	(50,000)
Net cash used in investing activities		(8,873)	(110,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of borrowings	39	(354,740)	(94,973)
Dividend paid to shareholders		(345,000)	(345,000)
Net cash used in financing activities		(699,740)	(439,973)
INCREASE /(DECREASE)IN CASH AND CASH EQUIVALENTS		2,707	(925)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		41,527	42,452
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	48	44,234	41,527

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES

Statement of compliance with IFRS Accounting Standards

The financial statements have been prepared in compliance with IFRS Accounting Standards, interpretations issued by the IFRS Interpretations Committee (IFRS IC) Interpretations applicable to companies reporting under IFRS and in compliance with the Companies Act, 2015. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for debt instruments at fair value through other comprehensive income, equity investments at fair value through profit or loss, equity instruments at fair value through other comprehensive income, investments in collective investment schemes at fair value through profit or loss, building and investment properties which have been measured at fair value and actuarially determined liabilities at their present value. The consolidated and company financial statements are presented in Kenya Shillings which is also the Company's functional currency. All values rounded to the nearest thousand (KShs '000), unless otherwise stated.

The financial statements comprise the statements of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows, and notes to the financial statements. Income and expenses, excluding the components of other comprehensive income, are recognised in profit or loss. Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRS Accounting Standards. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in previous periods. Transactions with the owners of the Group and Company in their capacity as owners are recognised in the statement of changes in equity.

The Group presents its statement of financial position broadly in order of liquidity from the least liquid to the most liquid. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies adopted by the Group. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in notes 1 and 2 of these financial statements.

(b) New Standards, New Interpretations and Amendments to Standards

The section below provides a summary of (i) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2024 (i.e. years ending 31 December 2024), and (ii) forthcoming requirements, being standards and amendments that became or will become effective on or after 1 January 2024.

(i) New standards and amendments – applicable 1 January 2024

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(b) New Standards, New Interpretations and Amendments to Standards (Continued)
(i) New standards and amendments – applicable 1 January 2024 (Continued)

International Financial Reporting Standards and amendments effective for the first time for December 2024 year-ends		
Number	**Effective date**	**Executive summary**
Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16, 'Leases' - sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The above standards and amendments did not have a significant impact on the Company's and Group's financial statements.

(ii) Forthcoming requirements

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Number	**Effective date**	**Executive summary**
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(b) New Standards, New Interpretations and Amendments to Standards (Continued)

(ii) Forthcoming requirements (Continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Number	**Effective date**	**Executive summary**
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	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'.
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027 (Published May 2024)	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 above standards are not expected to have a significant impact on the Group's and Company's financial statements.

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls a subsidiary if, and only if, the Group has:

- Power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included/excluded in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

At company level, the investment in subsidiary is presented as an asset in the statement of financial position and measured at cost.

Profit or loss and each component of OCI are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The Group financial statements reflect the result of the consolidation of the financial statements of the group and its subsidiaries, CIC General Insurance Limited, CIC Life Assurance Limited, CIC Asset Management Limited, CIC Africa Insurance (SS) Limited, CIC Africa (Uganda) Limited and CIC Africa Co-operatives Insurance (Malawi) Limited details of which are disclosed in note 19, made up to 31 December 2024.

(ii) Changes in ownership interests in subsidiaries without change of control

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

(iii) Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint arrangement. The Group's investment in its associate is accounted for using the equity method of accounting while the Company's investment in associate is accounted for using the cost method.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's and company's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity, either directly or through other comprehensive income. Profits or losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of the associate is shown on the face of the statement of profit or loss. This is profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associates after factoring in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

(iii) Associates (continued)

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring its accounting policies in line with the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. Any interest in the equity of the associate that was recorded directly in other comprehensive income of the investor is recycled to the profit or loss and is included in the calculation of the gain or loss on disposal.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group's identifiable assets and liabilities are measured at their acquisition-date fair value.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's net identifiable assets. Non-controlling interests that are not present ownership interests are measured at fair value. This accounting policy choice can be made on an individual business combination basis.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts

Summary of measurement approaches

The Group uses different measurement approaches, depending on the type of contract, as follows:

	Product classification	Measurement model
Insurance contracts issued		
Ordinary life group:		
Ordinary life contracts	Insurance contracts	General Measurement Model (GMM)
Annuity contracts	Insurance contracts	General Measurement Model (GMM)
Group life group:		
Group life contracts	Insurance contracts	Premium Allocation Approach (PAA)
Group credit annual premiums contracts	Insurance contracts	Premium Allocation Approach (PAA)
Group credit single premiums contracts	Insurance contracts	General Measurement Model (GMM)
Deposit administration group:		
Direct participating contracts	Investment contracts	Premium Allocation Approach (PAA)
General business contracts	Insurance contracts	Premium Allocation Approach (PAA)
Reinsurance contracts held		
Life reinsurance contracts	Reinsurance contract held	Premium Allocation Approach (PAA)
General business contracts	Reinsurance contract held	Premium Allocation Approach (PAA)

(i) Classification of contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.
In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Group's policy is to hold such investment assets.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(ii) Separation of components of insurance contracts

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- Cash flows relating to embedded derivatives that are required to be separated;
- Cash flows relating to distinct investment components; and
- Promises to transfer distinct goods or distinct non-insurance services

The Group applies IFRS 17 to all remaining components of the contract.

(iii) Level of aggregation of insurance contracts

The Group manages insurance contracts issued by product lines within an operating segment. Insurance contracts within a product line that are subject to similar risks and are managed together are aggregated into a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are;

i. Contracts that are onerous at initial recognition;
ii. Contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
iii. A group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

(iv) Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period;
- The date when the first payment from the policyholder is due or actually received, if there is no due date;and
- When the Group determines that a group of contracts becomes onerous

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

The Group recognises a group of proportionate reinsurance contracts held (quota share reinsurance) from the later of:

- The beginning of the coverage period of the group of reinsurance contracts held; and
- The date of initial recognition of any underlying contract

If the Group recognises an onerous group of underlying contracts before the beginning of the coverage period of the group of reinsurance contracts held, then the group of proportionate reinsurance contracts held is recognised at the same time as the onerous group of underlying contracts.

The Group recognises a group of non-proportionate reinsurance contracts held (such as group-wide catastrophe stop-loss reinsurance) from the beginning of the coverage period of the group of reinsurance contracts; this is typically the first period in which premiums are paid or reinsurance recoveries are received.

Reinsurance contracts are to be recognised in full for all underlying insurance contracts expected to be issued that fall within the boundary of the reinsurance contracts held. An insurance contract is derecognised when it is:

- Extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- The contract is modified and certain additional criteria are met.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)
(e) Insurance contracts (continued)
(v) Modification

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows (FCF), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

- (i) is not in scope of IFRS 17;
- (ii) results in different separable components;
- (iii) results in a different contract boundary; or
- (iv) belongs to a different group of contracts;

(b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
(c) the original contract was accounted for under the premium allocation approach (PAA), but the modification means that the contract no longer meets the eligibility criteria for that approach.

(vi) Derecognition

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

(a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the Group;
(b) adjusts the contractual service margin (CSM) (unless the decrease in the FCF is allocated to the loss component of the liability for remaining coverage (LRC) of the Group) in the following manner, depending on the reason for the derecognition:

- (i) if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
- (ii) if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party;
- (iii) If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received;

(c) adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove related rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

(a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
(b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party;
(c) if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES (continued)
(e) Insurance contracts (continued)
(vii) Measurement

Fulfillment cash flows

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

(a) are based on a probability weighted mean of the full range of possible outcomes;
(b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
(c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims (LIC).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- Claims handling, maintenance and administration costs;
- Recurring commissions payable on instalment premiums receivable within the contract boundary;
- Costs that the Group will incur in providing investment services;
- Costs that the Group will incur in performing investment activities to the extent that the Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- Income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)
(e) Insurance contracts (continued)
(vii) Measurement (continued)

Contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

(a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
(b) both of the following criteria are satisfied:

(i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
(ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts, form part of a single insurance contract with all the cash flows within its boundary.

Some insurance contracts issued by the Group provide policyholders with an option to buy an annuity upon the initially issued policies' maturity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Group until they are exercised.

Cash flows outside the insurance contract's boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundaries of investment contracts if they result from a substantive obligation of the Group to deliver cash at a present or future date.

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's quota share life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a one-year notice period by either party. Thus, the Group treats such reinsurance contracts as a series of annual contracts that cover underlying business issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one-year's boundary are included in each of the reinsurance contract's measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES (continued)
(e) Insurance contracts (continued)
(vii) Measurement (continued)

Initial measurement – groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

(a) the initial recognition of the FCF;
(b) the derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
(c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

(a) the initial recognition of the FCF; and
(b) cash flows arising from the contracts in the group at that date, including consideration received for the contracts 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.

Subsequent measurement – Groups of contracts not measured under the PAA

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

(a) the LRC, comprising:
    (i) the FCF related to future service allocated to the group at that date; and
    (ii) the CSM of the group at that date; and
(b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

(a) the remaining coverage, comprising:
    (i) the FCF related to future service allocated to the group at that date; and
    (ii) the CSM of the group at that date; and
(b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For a group of contracts to which the premium allocation approach does not apply, the Group continues to treat the premiums receivable from the intermediary as future cash flows within the boundary of an insurance contract and, applying IFRS 17, includes them in the measurement of the group of insurance contracts until recovered in cash.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(vii) Measurement (continued)

Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

(a) changes that relate to current or past service are recognised in profit or loss; and
(b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts measured under the GMM, the following adjustments relate to future service and thus adjust the CSM:

(a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
(b) changes in estimates of the present value of future cash flows in the LRC, except those relating to the effect of the time value of money and the effect of financial risk and changes thereof;
(c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;
(d) differences between any policyholder loan expected to become repayable (plus any insurance finance income or expenses related to that expected repayment before it becomes repayable in the period) and the actual policyholder loan that becomes repayable in the period; and
(e) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a) to (d) are measured using the locked-in discount rates as described in the section ***Interest accretion on the CSM*** below.

For insurance contracts under the general measurement model (GMM), the following adjustments do not relate to future service and thus do not adjust the CSM:

(a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
(b) changes in the FCF relating to the LIC; and
(c) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

(a) the effect of any new contracts added to the group;
(b) for contracts measured under the GMM, interest accreted on the carrying amount of the CSM;
(c) changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM;
(d) the effect of any currency exchange differences; and
(e) the amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)
(e) Insurance contracts (continued)
(vii) Measurement (continued)

Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

The Group does not have any reinsurance contracts held measured under the GMM with underlying contracts measured under the PAA.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period end prospectively by considering:

(a) the quantity of benefits provided by contracts in the group;
(b) the expected coverage duration of contracts in the group; and
(c) the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

The Group changes the treatment of accounting estimates made in previous interim financial statements when applying IFRS 17 in subsequent interim financial statements and in the annual reporting period.

Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LRC.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(vii) Measurement (continued)

Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Onerous contracts – loss component (continued)

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) expected incurred claims and expenses for the period;
(b) changes in the risk adjustment for non-financial risk for the risk expired; and
(c) finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are not reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts held – loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts as presented in the *Onerous contracts – loss component* section above. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

Initial and subsequent measurement – groups of contracts measured under the PAA

The Group uses the PAA for measuring contracts with a coverage period of one year or less, or where it reasonably expects that such a simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced by applying the General Measurement Model (GMM). This is the case for the engineering portfolio, under General business contracts, whose LRC determined sing GMM does not differ materially from that measured under PAA. The Group uses PAA for measuring reinsurance contracts held with a coverage period of one year or less. The reinsurance contracts held by the Company have coverage periods of one year or less, hence the Company uses PAA for measuring such reinsurance contracts held.

On initial recognition of insurance contracts issued, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows allocated to the group of contracts adjusted for any amounts arising from the derecognition of any prepaid acquisition cash flows asset. On initial recognition of reinsurance contracts held, the Group measures the remaining coverage at the amount of ceding premiums paid.

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

(a) the LRC; and
(b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(vii) Measurement (continued)

Initial and subsequent measurement – groups of contracts measured under the PAA (continued)

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

(a) the remaining coverage; and
(b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) increased for premiums received in the period;
(b) decreased for insurance acquisition cash flows paid in the period (if applicable);
(c) decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period;
(d) increased for accretion of interest (if applicable); and
(e) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses (if applicable).

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(a) increased for ceding premiums paid in the period; and
(b) decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money where, at initial recognition, the entity expects the time between any premium becoming due and providing the related insurance contact services is one year

or less.

If a group of contracts becomes onerous, the Group increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.

Subsequently, the Group amortises the amount of the loss component within the LRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Group remeasures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

(viii) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss and other comprehensive income (OCI) into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Amounts recognised in comprehensive income

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the insurance service result.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(viii) Presentation (continued)

Insurance revenue and expenses

Insurance revenue – contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts.

For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided;
- Changes in the risk adjustment for non-financial risk relating to current services;
- Claims and other directly attributable expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date;
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates expected premiums equally to each period of related insurance contract services, unless the expected pattern of the release of risk during the coverage period differs significantly from an even basis.

Loss components

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on death or detection of critical illness;
- Other incurred directly attributable expenses;
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts
- Losses on onerous contracts and reversals of such losses
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(e) Insurance contracts (continued)

(viii) Presentation (continued)

Insurance revenue and expenses (continued)

Insurance revenue – contracts not measured under the PAA

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- On recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognized
- For changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The Group has chosen not to disaggregate insurance finance income and expenses between profit or loss and OCI. All insurance finance income and expenses for the period is presented in profit or loss.

The Group has chosen not to disaggregate the change in risk adjustment for non-financial risk between the insurance service result and the insurance finance result. The entire change is recognised in the insurance service result.

(f) Income

(i) Investment income

Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the effective interest rate (EIR) method. Interest income is recognised using EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at fair value through OCI is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore the amortised cost of the financial asset) is calculated taking into account transaction costs and any discount or premium on acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(f) Income (continued)

(i) Investment income (continued)

The group calculates interest income on financial assets, other than those considered credit impaired, by applying the EIR to the gross carrying amount of the asset.

Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Investment income also includes dividend income which is recognised when the right to receive the payment is established.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term. The excess of rental income on a straight-line over cash received is recognised as an operating lease liability/asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(iii) Dividend income

Dividend income is recognised on the date when the Group's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes which is included as part of investment income.

(iv) Realised / unrealised gains and losses

Realised / unrealised gains and losses recorded in the statement of profit or loss on investments include gains and losses on financial assets measured at fair value through profit or loss and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transactions. More details on the on how the gains have been arrived has been discussed in the specific policies relating to the assets.

(v) Revenue from contract with customers

Revenue from asset management services

The Group recognizes revenue only when it satisfies a performance obligation by transferring control of the service to its customers. The performance obligation is satisfied over time as the customer simultaneously consumes the benefits provided by the Group as the Group performs.

The Group provides fund management services. The agreement for fund management services specifies the performance obligation as to carry out the management and administration of the fund, be responsible for investing and re-investing the assets. Accordingly, the Group allocates the transaction price based on the value of the asset portfolio managed.

This financial services income includes income from investment management and related activities. This is based on the value of the assets managed on behalf of clients such as fund management fees, collective investment and linked product administration fees. Initial fees that relate to the future rendering of services are deferred and recognised as those future services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(g) Operating and other expenses

Expenses are recognised in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably and is independent from transactions with equity participants. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment).

- **(i)** When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined expenses are recognised in the statement of profit or loss on the basis of systematic and rational allocation procedures. This is often necessary in recognising the equipment associated with the using up of assets such as property and equipment. In such cases the expense is referred to as a depreciation or amortisation. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire.
- **(ii)** An expense is recognised immediately in profit or loss when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

Operating and other expenses that are directly attributable to acquisition of insurance business are recognised in insurance service expenses as per note 1(e)(viii) above. Other expenses not meeting the categories in note 1(e)(viii) are included in other operating expenses in the statement of profit or loss.

(h) Taxation

Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the respective countries' Income Tax Legislations. 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. Current income tax assets or liabilities are based on the amount of tax expected to be paid or recovered in respect of the taxation authorities in the future. Tax is recognised in 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 is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date. The prevailing tax rate and the amount expected to be paid are highlighted in note 11 of these financial statements.

The group offsets current tax assets and current tax liabilities when:

- It has a legally enforceable right to set off the recognised amounts; and
- It intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The net amount of current income tax recoverable from, or payable to, the taxation authority is included on a separate line in the statement of financial position of these financial statements.

Deferred income tax

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(h) Taxation (continued)

Deferred income tax (continued)

Deferred income tax is provided on temporary differences except those arising on the initial recognition of goodwill, 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 nor loss. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The accounting of deferred tax movements is driven by the accounting treatment of the underlying transaction that led to the temporary differences.

Deferred tax relating to items recorded in profit or loss is recognised in profit or loss, while deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in other comprehensive income or equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income Taxes

Value Added Tax (VAT) and premium taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of VAT and premium taxes except:

- when the VAT or premium tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, or receivables and payables that are measured with the amount of VAT or premium tax included.

Outstanding net amounts of VAT or premium tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(i) Earnings per share

The Group calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.
For the purpose of calculating basic earnings per share, the amounts attributable to ordinary equity holders of the parent entity in respect of:

(i) profit or loss from continuing operations attributable to the parent entity; and

(ii) profit or loss attributable to the parent entity are the amounts in (i) and (ii) adjusted for the after-tax amounts of preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(j) Translation of foreign currencies

The presentation currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The consolidated and company's financial statements are presented in Kenyan Shilling ("KShs") which is also the company's functional currency.

Monetary assets and liabilities are translated into each entity's functional currency at the applicable exchange rate at the respective reporting dates. Foreign exchange gains and losses resulting from the settlement of the transactions performed by the companies of the Group and from the translation of monetary assets and liabilities into each entity's functional currency are recognized in profit or loss. Effects of exchange rate changes on the fair value of equity instruments are recorded as part of the fair value gain or loss.

(i) The results and financial position of each group entity (are translated into the presentation currency as follows:
(ii) assets and liabilities for each statement of financial position presented are translated at the applicable closing rate at the respective reporting date;

income and expenses for each statement of profit or loss and statement of other comprehensive income are translated either at the rates prevailing at the dates of the transactions or at average exchange rates (in case this average is a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates).

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into the group's presentation currency using the following procedure: all amounts (i.e. assets, liabilities, equity items, income and expenses) shall be translated at the closing rate at the date of the most recent statement of financial position.

When amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

Inflation accounting

With effect from 2024, the South Sudanese and Malawian economies are considered to be hyperinflationary in accordance with the criteria of IAS 29. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the reporting date and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from Consumer Price Index (CPI) compiled by Trading Economics.

With effect from 2024, the South Sudanese and Malawian economies are considered to be hyperinflationary in accordance with the criteria of IAS 29. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the reporting date and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from Consumer Price Index (CPI) compiled by Trading Economics.

Exchange differences arising on the translation of results and financial position of each of the Group›s consolidated entities are included in components of other comprehensive income and taken to a separate component of equity.

The comparative information of the Group has not been adjusted for subsequent changes in price level or subsequent changes in exchange rates because the impacts of such adjustment is immaterial.

Significant judgement

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries is the currency of a hyperinflationary economy.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES (continued)
(j) Translation of foreign currencies (continued)
Significant judgement (continued)

- Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:
- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and the cumulative inflation rate over three years is approaching, or exceeds, %100.

(k) Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses except for buildings which are measured based on revalued amounts. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when the future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Buildings are measured according to the revaluation model stated at fair value, which reflects market conditions at the reporting date.

Increases in the carrying amount of land and buildings arising on revaluation are dealt with through other comprehensive income and accumulated under a separate heading of revaluation surplus in the statement of changes in equity. Decreases that offset previous increases of the same asset are dealt with through other comprehensive income and reversed from revaluation surplus in the statement of changes in equity; all other decreases are charged to profit or loss for the year. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Depreciation is calculated on straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Buildings	40 years
Computers	4 years
Motor vehicles	4 years
Furniture, fittings and equipment	8 years
Leasehold improvements	10 years

Property and equipment are reviewed for impairment as described in note (s) whenever there are any indications of impairment identified.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

An item of property and equipment is derecognised upon disposal or when no further economic benefits are expected from its continued use or disposal. Gains and losses on derecognition of property and equipment are determined by reference to the difference of the carrying amounts and disposal proceeds. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings. The date of disposal of an item of property, and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES (continued)

(k) Property and equipment (continued)

The amount of consideration to be included is the gain or loss arising from the derecognition of property and is determined in accordance with the requirements for determining the transaction price in IFRS 15.

The residual value, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end are adjusted prospectively, if appropriate.

(l) Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is initially recognised at cost including the transaction costs. The investment properties are subsequently carried at fair value, representing the open market value at the reporting date determined by annual valuations by independent valuers. Gains or losses arising from changes in the fair value are included in the profit or loss for the year to which they relate.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed off (i.e., at the date the recipient obtains control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss. The date of disposal of investment property is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under plant and equipment to the date of change in use.

(m) Intangible assets

Software licence costs and computer software that are not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Group are recognised as intangible assets.

Softwares under implementation are recognised as work in progress at historical costs less any accumulated impairment loss. The cost of such softwares includes professional fees and costs directly attributable to the software. The softwares are not amortised until they are ready for the intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. The group does not have assets with indefinite life and hence the amortisation is calculated using the straight-line method to write down the cost of each licence or item of software over its estimated useful life (four years).

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Intangible assets have finite lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(m) Intangible assets (continued)

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. The date of disposal of an item of intangible asset is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied. The amount of consideration to be included in the gain or loss arising from the derecognition of an intangible asset is determined in accordance with the requirements for determining the transaction price in IFRS 15.

(n) Accounting for leases

The Group leases rental office spaces. The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Group acting as a lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Group recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. The incremental borrowing rate is the internal cost of debt determined as the risk free borrowing rate adjusted for country premium.

For leases that contain non-lease components, the Group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to re-measurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Group at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value (such as leased electronic equipment) the total lease payments are recognized in profit or loss on a straight-line basis over the lease period.

Leases where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are recognised as a liability at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The interest rate implicit in the lease is used as the discount factor in determining the present value. Each lease payment is allocated between the liability and finance cost using the interest rate implicit in the lease. The finance cost is charged to the profit and loss account in the year in which it is incurred. Property and equipment acquired under finance leases are capitalised and depreciated over the estimated useful life of the asset.

The changes in leases which do not fall under the scope of COVID 19 related concessions are treated as lease modifications. Right of use assets are re-measured and gains or losses thereof recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(n) Accounting for leases (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group recognises the lease payments associated with these leases as an expense over the lease term.

A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the income statement as an expense on a straight-line basis. The Group's total short term and low value lease portfolio is not material. The Group also leases office equipment such as printers and for which certain leases are short term.

Determination

The determination of whether an arrangement is, (or contains), a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

When an operating lease is terminated, any payment required by the lessor by way of penalty is recognised as an expense in the period in which termination took place. The Group is both lessee and a lessor.

The Group as the lessor – Investment properties leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index or rate.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. On a consolidated basis, the business evaluated the proportion of the properties that are owner occupied and reclassified them to Property and Equipment

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

(o) Provisions

General provisions

Provisions for liabilities are recognised when there is a present obligation (legal or constructive) resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material,provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
1. MATERIAL ACCOUNTING POLICIES (continued)
(o) Provisions (continued)
Onerous contracts

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceeds the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(p) Inventories
Land held for sale

Land held for sale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

(q) Employee benefits
Defined contributions provident fund

The Group operates a defined contributions post-employment provident fund for eligible employees. The fund is funded by contributions from the employees and the Group. The assets of the fund are held and administered independently of the Group's assets.

Statutory pension scheme

The Group also makes contributions to the statutory defined contribution schemes in the four countries where operations are based. Contributions to defined contribution schemes are recognised as an expense in profit or loss as they fall due.

Leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the reporting date.

Bonus

An accrual is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal and constructive obligation to pay this amount as a result of past service provided by the employee, the obligation can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Termination benefits

The Group recognises a liability and expense for termination benefits at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

(i) For termination benefits payable as a result of an employee's decision to accept an offer of benefits in exchange for the termination of employment, the time when the Group can no longer withdraw the offer of termination benefits is the earlier of when the employee accepts the offer and when a restriction (eg a legal, regulatory or contractual requirement or other restriction) on the entity's ability to withdraw the offer takes effect. This would be when the offer is made, if the restriction existed at the time of the offer.

(ii) For termination benefits payable as a result of the Group's decision to terminate an employee's employment, the Group then can no longer withdraw the offer when it has communicated to the affected employees a plan of termination meeting all of the following:

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made;
- The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date; and
- The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(r) Segment reporting

An operating segment is a component of an entity:

(i) That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

(iI) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

(iii) For which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the Group Chief Executive Officer). The Group Chief Executive Officer allocates resources to and assesses the performance of the operating segments of the Group. The operating segments are based on the Group's management and internal reporting structure.

Under IFRS 8, the Group's reportable segments are long-term business, general insurance business, asset management and other. Long-term business comprises the underwriting of risks relating to death of an insured person and includes contracts subject to the payment of premiums for a long-term dependent on the termination or continuance of the life of an insured person. General insurance business relates to all other categories of insurance business written by the Group and is analysed into several sub-classes of business based on the nature of the assumed risks. Asset management comprises fund management, advisory services businesses and investments. Others comprises of the regional companies; CIC Africa Uganda, CIC Africa Malawi and CIC Africa South Sudan. It also includes the holding company. The Group's main geographical segment of business is in Kenya, which contributes over 87% (2023: 88%) of the Group's total insurance revenue.

(s) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. The Group bases its impairment calculation on detailed budgets and forecast calculations which are detailed in its five-year strategic plan. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after fifth year.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss to the amount of an impairment already taken to profit or loss while the remainder will be a revaluation amount through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(t) Fair value measurement

The Group measures financial instruments classified as financial assets at fair value through OCI and financial assets at fair value through profit or loss including investment properties at fair value at each reporting date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the Finance General Manager (GM), who discusses the basis and assumptions with the valuer. The Group Chief Financial Officer then approves this. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Fair value related disclosures have been set out in note 54.

(u) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition

Financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Financial assets

In order for a financial asset to be classified and measured at amortised cost or at fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include loans receivable, cash and cash equivalents, deposits with financial institutions, commercial papers, corporate bonds, other receivables, government securities at amortised cost and due from related parties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Business model assessment

The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount, and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development. The expected frequency, value, and timing of asset sales are important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Group assesses the contractual terms to identify whether they meet the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest is set.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The classification of financial assets at initial recognition depends on the financial assets contractual cash flow characteristics and the Group's business model for managing them. Except for other receivables and amount due from related parties, which do not contain significant financing components, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For a financial asset to be classified and measured at amortised cost or at fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Financial assets designated at fair value through OCI (equity instruments) (continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The unquoted financial assets have been designated at fair value through OCI because the Group intends to hold the assets into perpetuity. The Group has designated its equity investments previously classified as available-for-sale as equity investments at FVOCI on the basis that these are not held for trading.

The Group's financial assets designated at fair value through OCI (equity instruments) are the unquoted equity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group has classified quoted equity instruments and investments in collective investment scheme in this category.

Derecognition

Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as derecognition gain or loss. When assessing whether or not to derecognise an instrument, amongst others, the Group considers the following factors: introduction of an equity feature, change in counterparty and if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result into cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss.

Impairment of financial assets

Overview of ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The calculation of ECLs

The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Group does not have financial guarantees, loan commitments, letters of credit and financial assets which are purchased or originated credit impaired (POCI).

The maximum period for which the credit losses are determined is the contractual life of a financial asset at amortised cost unless the Group has the legal right to call it earlier.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

The calculation of ECLs (continued)

The Group allocates its assets subject to ECL calculations into these categories determined as follows:

- 12MECL (Stage 1) -The 12mECL is calculated as the portion of the LTECL that represents the ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring within 12 months following the reporting date.
- LTECL (Stage 2)-This is recorded when a financial instrument has shown a significant increase in credit risk since origination.
- Impairment (Stage 3) -For debt instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these instruments.
- For other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Forward looking information

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

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 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.

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.

Collateral valuation

To mitigate its credit risk on financial assets (staff loans), the Group seeks to use collateral, where possible. The collateral is in form of real estate or motor vehicles. Collateral, unless repossessed, is not recorded on the Group’s statement of financial position. However, the fair value of collateral affects the calculations of ECLs for staff loans. It is generally assessed, at a minimum, at inception and reassessed on annual basis. Collaterals such as real estate, is valued based on data provided by third parties such as real estate valuers.

Collateral repossessed

up’s accounting policy under IFRS 9 remains the same as it was under IAS 39. The Group’s policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for internal operations are transferred to their relevant asset category at the lower of the repossessed value or the carrying amount of the original secured asset. Assets for which selling is determined to be the better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group’s policy.

In its normal course of business, the Group does not physically repossess properties or motor vehicles but engages its procurement department to auction the asset to settle the outstanding debt. Any surplus funds are returned to the obligors. Because of this practice, the real estate properties and motor vehicles under legal repossession processes are not recorded in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Write offs

Financial assets are written off either partially or in entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount Any subsequent recoveries are credited to credit loss expense. There were no write offs over the period reported in these financial statements.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include other payables, borrowings, payables arising out of reinsurance arrangements and amounts due to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Management only designates, on an instrument – by– instrument basis, an instrument at FVPL upon initial recognition when one of the following criteria are met:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

The Group has designated unit linked contracts as financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(u) Financial instruments (continued)

Financial liabilities at amortised cost

After initial recognition, payables are subsequently measured at amortised cost using the EIR method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the carrying amount on initial recognition. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Redesignation of financial assets

As part of the initial implementation of IFRS 17, *Insurance Contracts*, effective 1 January 2023, the Group reassessed its business model for eligible financial assets in line with the requirements of paragraphs C29 to C33 of IFRS 17. The redesignation was based on the facts and circumstances that existed at the date of initial application of IFRS 17 and the designations and classifications were applied retrospectively without the use of hindsight.

The applied designations and classifications were based on how the performance of the financial assets is evaluated, reported to key management personnel, the risks that affect the performance of the deposit administration fund and expected liquidity needs of the holders of the instruments.

(v) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investment comprising of fixed deposits with financial institutions with original maturities of three months or less, and are subject to an insignificant risk of changes in value.

(w) Dividends

Dividends on ordinary shares are charged directly to equity in the period in which they are declared and approved. Dividend distributions to the shareholders are recognised as a liability in the financial statements in the year in which the dividends are declared and approved by the shareholders.

(x) Events after the reporting date

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events even after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable. Refer to note 60 for more details.

(y) Share capital and share premium

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 attributable to the issue or cancellation of equity instruments are recognised directly in equity, net of tax if applicable.

(z) Statutory fund

This relates to CIC Life Assurance Limited. The Group matches the assets to liabilities, after which there is a surplus/deficit that is transferred to the statutory fund. The Insurance Act regulations stipulate that only a maximum of 30% of this can be transferred to the shareholders. The statutory actuary advises on the amount to be transferred to the shareholders. When a transfer is made to the shareholders, tax at the prevailing corporation rate 2024: 30% (2023: 30%) is incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICIES (continued)

(aa) Product classification

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Insurance contracts can also transfer financial risk. Investment contracts are those contracts that transfer significant financial risk, but not significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Once a contract has been classified as an insurance contract (life and general), it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without DPF. The insurance contracts with DPF are majorly for Life Assurance, while the insurance contracts without DPF are both in general and life businesses. The group have direct participating contracts, in the form of deposit administration contracts. The investments contracts without DPF include the unit linked contracts.

DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that meet the following conditions:

- Likely to be a significant portion of the total contractual benefits; and
- The amount or timing of which is contractually at the discretion of the issuer.

That are contractually based on:

- The performance of a specified pool of contracts or a specified type of contract;
- Realised and/or unrealised investment returns on a specified pool of assets held by the issuer; and
- The profit or loss of the company, fund or other entity that issues the contract.

(bb) Policy loans

Policy loans, considered part of the insurance contract under IFRS 17, have been incorporated in insurance contract liabilities. IFRS 17 requires an entity to present separately in the statement of financial position the carrying amount of portfolios of insurance contracts issued that are liabilities. Prior to the adoption of IFRS 17, loans to policyholders were classified as IFRS 9 loans and receivables under Loans receivable (i.e. separately from the insurance contract). However, these loans do not meet the requirements in IFRS 17 to be treated as separate IFRS 9 investment components and have been considered within insurance contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Estimates and assumptions are an integral part of financial reporting and as such have an impact on the assets and liabilities of the Group. Management applies judgement in determining the best estimate of future experience. Judgements are based on historical experience and management's best estimate expectations of future events, taking into account changes experienced historically. Estimates and assumptions are regularly updated to reflect actual experience. Actual experience in future financial years can be materially different from the current assumptions and judgements and could require adjustments to the carrying values of the affected assets and liabilities.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A. Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

(a) Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. All contracts issued by the Group accept significant insurance risk and the reinsurance contracts held transfer significant insurance risk and therefore no judgement was involved.

(b) Combination of insurance contracts

Determining whether it is necessary to treat a set or series of insurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Group determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Group is unable to measure one contract without considering the other. No respective judgement is applicable to the Group.

(c) Separation of insurance components of an insurance contract

The Group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately. No respective judgement is applicable to the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES(Continued)

A. Critical judgements in applying the group's accounting policies (Continued)

(d) Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

For the Group, the date of initial recognition will be the start of the coverage period for the group of insurance and reinsurance contracts. In some contracts such as direct participating contracts, the Group has the practical ability to reprice upon renewal. The contract boundary ends at the end of the coverage period (e.g., maturity date/expiry date of the contract, or renewal date).

(e) Identification of portfolios

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. This is not an area of significant judgement for the Group since the Group is a multi-line insurer where each product line is monitored and managed on its own.
The Group applies the same assessment for the group of reinsurance contracts held.

(f) Level of aggregation

The Group applies judgement when determining the contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group.

(g) Assessment of loss component

Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts. Similar grouping assessment for reinsurance contracts held is done. For contracts measured under the PAA, management has applied judgement to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is applied to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required. The Group uses loss ratios to identify onerous contracts. The Group did not identify any facts or circumstances that might have indicated that a group of contracts measured under the PAA had become onerous.

(h) Assessment of directly attributable cash flows

The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES(Continued)

A. Critical judgements in applying the group's accounting policies (Continued)

(i) Assessment of eligibility for PAA

For short term (re)insurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

The Group carried out PAA eligibility assessment for the engineering portfolio in general business whose LRC determined using GMM does not differ materially from that measured under PAA and concluded that they qualify to be measured under PAA. The Group carried out PAA eligibility assessment for the direct participating contracts portfolio, and assessed that the coverage period is one year or less, given the ability to reprice the portfolio annually.

(j) Determination of contractual service margin (CSM)

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The Group determines the quantity of the benefits provided under each contract as follows;

- Term life insurance contracts - Expected present value of claims
- Annuity contracts - Annuity amount payable in each period

(k) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group tracks changes in credit risk and recognises a loss allowance based on lifetime ECLs at each reporting date. See specific notes for financial assets that are subject to impairment assessment.

The Group measures ECL on an individual basis, or on a collective basis for class of assets that share similar economic risk characteristic. Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the staff loans and mortgages will cure and the value of collateral or the amount that might be received for selling the asset.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determining the relevant period of exposure to credit risk; and
- Determining the appropriate business models and assessing the "solely payments of principal and interest (SPPI)" requirements for financial assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES(Continued)

A. Critical judgements in applying the group's accounting policies (Continued)

(l) Income taxes

The Group is subject to income taxes in the various jurisdictions of operations. Significant judgement is required in determining the Group's provision for income taxes and to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies. The Group uses judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision is based on which approach provides better predictions of the resolution of the uncertainty. The Group assumes that the taxation authority will examine amounts reported to it and will have full knowledge of all relevant information when doing so. Where the Group concludes that it is probable that a particular tax treatment will be accepted, it determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment will be accepted, it uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Particularly, the Group has applied judgement in concluding that on initial adoption of IFRS 17, the transition adjustments are subject to income tax charge/credit for some jurisdictions of operations. In addition, the existing income tax laws are based on IFRS 4 and therefore, judgment has been applied in calculating the current income tax charge for the year based on IFRS 17 numbers. To the best of the directors' knowledge, the calculated tax obligations are reflective of the tax liability at 31 December 2024.

(l) Revaluation of property and investment properties

The Group carries certain classes of property and equipment at fair value, with changes in fair value being recognised in other comprehensive income. Land and buildings were valued based on open market value by independent valuers. For investment properties valuation methodologies were used by reference to properties of similar nature, location and condition amongst other factors which are highly judgmental. Investment property is classified as held for sale under IFRS 5 where its carrying amount will be recovered principally through a sale transaction rather than continuing use.

For a property to be classified as held for sale, the following conditions need to be met:

- the asset must be available for immediate sale in its present condition; and
- the sale must be highly probable.

(l) Impairment of associate

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount to the statement of profit or loss. In the current and the previousyear, the results of the impairment assessment tests performed on the investment in the associate did not result in impairment as detailed in Note 18.

(l) Impairment of subsidiaries

The Group determines at each reporting date whether there is any objective evidence that the investment in the subsidiaries is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the respective subsidiaries and its carrying value and recognises the amount to the statement of profit or loss. In the current and previous year, the results of the impairment assessment tests performed on the investment in the subsidiaries resulted in no impairment as detailed in Note 19.

(l) Recoverability of deferred income tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES(Continued)

B. Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(a) Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows, including Liability for Incurred Claims (LIC)
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 31 December 2024, the Group's total carrying amount of:

- Insurance contracts issued that are liabilities was KShs 41.84 billion (2023: KShs 34.2 billion)
- Reinsurance contracts issued that are assets was KShs 5.1 billion (2023: KShs 3.7 billion)

Sensitivity analysis of carrying amounts to changes in assumptions

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. For contracts measured under the PAA, only the Liability for incurred claims (LIC) component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. No changes were made by the Group in the methods and assumptions used in preparing the below analysis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES(Continued)

B. Key sources of estimation uncertainty (continued)

Contracts measured under PAA – General insurance contracts

	As at 31 December 2024				As at 31 December 2023			
	Liability for incurred claims (LIC)	Impact on LIC	Impact on profit before income tax	Impact on equity	Liability for incurred claims (LIC)	Impact on LIC	Impact on profit before income tax	Impact on equity
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance contract liabilities	6,942,478				6,458,197			
Reinsurance contract assets	(1,443,120)				(1,697,715)			
Net insurance contract liabilities	5,499,358				4,760,482			
Average claim cost - 10% increase								
Insurance contract liabilities		399,861	(399,861)	(279,903)		371,968	(371,968)	(260,377)
Reinsurance contract assets		(95,904)	95,904	67,133		(112,823)	112,823	78,976
Net insurance contract liabilities		303,957	(303,957)	(212,770)		259,145	(259,145)	(181,401)
Discount rate - 1% increase								
Insurance contract liabilities		(119,539)	119,539	83,677		(111,200)	111,200	77,840
Reinsurance contract assets		27,790	(27,790)	(19,453)		32,693	(32,693)	(22,885)
Net insurance contract liabilities		(91,749)	91,749	64,224		(78,507)	78,507	54,955

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (continued)

B. Key sources of estimation uncertainty (continued)

Sensitivity analysis of carrying amounts to changes in assumptions (continued)

Life insurance contracts

	As at 31 December 2024								
	Fulfilment cash flows (FCF)	CSM	Total	Impact on FCF	Impact on CSM	Total impact	Remaining CSM	Impact on profit before tax	Impact on equity
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000		KShs'000
Insurance contract liabilities	10,413,185	3,843,123	14,256,308						
Reinsurance contract assets	(1,478,945)	-	(1,478,945)						
Net insurance contract liabilities	8,934,240	3,843,123	12,777,363						
Lapse/surrender - 10% increase									
Insurance contract liabilities				19,630	(12,456)	7,174	3,830,667	(7,174)	(5,022)
Reinsurance contract assets				(5,457)	-	(5,457)	-	5,457	3,820
Net insurance contract liabilities				14,173	(12,456)	1,717	3,830,667	(1,717)	(1,202)
Mortality rate - 1% increase									
Insurance contract liabilities				333,700	(211,764)	121,936	3,631,359	(121,936)	(85,355)
Reinsurance contract assets				(92,775)	-	(92,775)	-	92,775	64,942
Net insurance contract liabilities				240,925	(211,764)	29,161	3,631,359	(29,161)	(20,413)
Expenses rate - 5% increase									
Insurance contract liabilities				99,760	(63,307)	36,453	3,779,816	(36,453)	(25,517)
Reinsurance contract assets				(26,883)	-	(26,883)	-	26,883	18,818
Net insurance contract liabilities				72,877	(63,307)	9,570	3,779,816	(9,570)	(6,699)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (continued)
B. Key sources of estimation uncertainty (continued)
Sensitivity analysis of carrying amounts to changes in assumptions (continued)
Life insurance contracts (continued)

	As at 31 December 2023								
	Fulfilment cash flows (FCF)	CSM	Total	Impact on FCF	Impact on CSM	Total impact	Remaining CSM	Impact on profit before tax	Impact on equity
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000		KShs'000
Insurance contract liabilities	9,744,834	2,549,419	12,294,253						
Reinsurance contract assets	(1,262,289)	-	(1,262,289)						
Net insurance contract liabilities	8,482,545	2,549,419	11,031,964						
Lapse/surrender - 10% increase									
Insurance contract liabilities				18,370	(8,263)	10,107	2,541,156	(10,106)	(7,074)
Reinsurance contract assets				(4,658)	-	(4,658)	-	4,658	3,261
Net insurance contract liabilities				13,712	(8,263)	5,449	2,541,156	(5,448)	(3,813)
Mortality rate - 1% increase									
Insurance contract liabilities				312,282	(140,478)	171,804	2,408,941	(171,804)	(120,263)
Reinsurance contract assets				(79,184)	-	(79,184)	-	79,184	55,429
Net insurance contract liabilities				233,098	(140,478)	92,620	2,408,941	(92,620)	(64,834)
Expenses rate - 5% increase									
Insurance contract liabilities				93,357	(41,996)	51,361	2,507,423	(51,361)	(35,953)
Reinsurance contract assets				(22,945)	-	(22,945)	-	22,945	16,062
Net insurance contract liabilities				70,412	(41,996)	28,416	2,507,423	(28,416)	(19,891)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (continued)
B. Key sources of estimation uncertainty (continued)
(b) Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims, policy surrender rates. The Group maximises the use of observable inputs for market variables and utilises internally generated group-specific data. For life insurance contracts, the Group uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.

(c) Method of estimating discount rates

In determining discount rates for different products, the Group uses the bottom-up approach for cash flows of nonparticipating contracts that do not depend on underlying items. Applying this approach, the discount rate is determined as the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium).

To derive the risk-free yield curve, the Group uses the published Nairobi Securities Exchange (NSE) yield curve for the Kenyan entities. This yield curve is published monthly and is based on the current yields of government securities issued by the Central Bank of Kenya. For Uganda and Malawi, a yield curve will be constructed from the Treasury Bond yields published by the Bank of Uganda and the Reserve Bank of Malawi respectively.

The Group will apply an illiquidity premium of zero to its risk-free yield curve. This is due to lack of sufficiently deep corporate bond market for which to derive the illiquidity premium. In addition, the groups of contracts are short-term, liquid and cancellable by providing a specified notice period.

Discount rates applied for discounting of future cash flows are listed below:

All general and life insurance contracts – KES currency

Period	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
31 December 2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%
31 December 2023	16.10%	17.92%	17.96%	17.87%	17.45%	16.79%	16.32%	15.97%	15.73%	15.70%

All general and life insurance contracts – UGX currency

Period	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
31 December 2024	14.93%	14.95%	15.80%	15.78%	16.04%	16.26%	16.44%	16.60%	16.74%	16.50%
31 December 2023	12.83%	13.00%	13.94%	14.24%	14.50%	14.67%	14.83%	14.97%	15.09%	15.20%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (continued)

B. Key sources of estimation uncertainty (continued)

(c) Method of estimating discount rates (Continued)

All general and life insurance contracts – MWK currency

Period	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
31 December 2024	26.00%	28.75%	30.00%	31.24%	32.00%	33.31%	34.00%	34.78%	35.00%	35.00%
31 December 2023	24.00%	26.75%	28.00%	29.24%	30.00%	31.26%	32.00%	32.70%	33.28%	33.00%

All general and life insurance contracts – SSP currency

Period	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
December 31 2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%
December 31 2023	16.10%	17.92%	17.96%	17.87%	17.45%	16.79%	16.32%	15.97%	15.73%	15.70%

3. SEGMENT INFORMATION

In accordance with IFRS 8: Operating segments, the information presented hereafter by operating segment is the same as that reported to the Chief Operating Decision Maker (the Group Chief Executive Officer) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Under IFRS 8, the Group's reportable segments are long term business, general insurance business, asset management and other. Long-term business comprises the underwriting of risks relating to death of an insured person and includes contracts subject to the payment of premiums for a long-term dependent on the termination or continuance of the life of an insured person. General insurance business relates to all other categories of insurance business written by the Group and is analysed into several sub-classes of business based on the nature of the assumed risks. Asset management comprises fund management, advisory services businesses and investments. Others comprises of the regional companies; CIC Africa Uganda, CIC Africa Malawi and CIC Africa South Sudan. It also includes the holding company. The Group's main geographical segment of business is in Kenya, which contributes 88% (2023: 87%) of the Group's total insurance revenue.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the material accounting policies. There are no intersegment revenues and no single customer accounts for more than 10% of the revenue.

Factors that management use to identify the entity's reportable segments

The CIC Insurance Group PLC segments are strategic companies that offer different products and are managed separately based on regulatory requirements.

Description of the types of products and services from which each reportable segment derives its revenues

The CIC Insurance Group PLC has reportable segments; general insurance business, long term insurance business, asset management and other business.

Group management internally evaluates its performance based upon:

- Reportable segment profits after tax.
- Capital employed (defined as the total of intangible and tangible assets and working capital).

The various products and services that the reporting segments derive their revenues from have been described as follows.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
3. SEGMENT INFORMATION (Continued)

(a) Insurance revenue	**2024**	**2023**
	KShs'000	**KShs'000**
General insurance business		
Medical	10,349,906	7,634,142
Non-medical	8,175,932	10,145,279
Sub – total	18,525,838	17,779,421
Long term business		
Ordinary life	562,742	456,375
Group life	7,260,170	6,535,833
Deposit administration*	-	629,273
Sub – total	7,822,912	7,621,481
Total insurance revenue	26,348,750	25,400,902

**Deposit administration represents direct participating contracts*

(b) Insurance service expense	**2024**	**2023**
General insurance business	**KShs'000**	**KShs'000**
Medical	8,009,856	7,141,090
Non-medical	10,352,479	8,171,821
Sub – total	18,362,335	15,312,911
Long term business		
Ordinary life	385,140	455,340
Group life	5,313,322	6,106,149
Deposit administration	170,481	675,400
Sub – total	5,868,943	7,236,889
Total insurance service expenses	24,231,278	22,549,800

(c) Net expenses from reinsurance contracts held		
General insurance business		
Medical	1,257,227	106,801
Non-medical	(120,804)	2,190,348
Sub – total	1,136,423	2,297,149
Long term business		
Ordinary life	9,131	3,259
Group life	627,935	(237,533)
Sub – total	637,066	(234,274)
Total net expenses from reinsurance contracts held	1,773,489	2,062,875

Refer to note 4 for the detailed analysis of insurance revenue, insurance service expense and net expenses from reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
3. SEGMENT INFORMATION (Continued)

(d) Investment income	2024 KShs'000	2023 KShs'000
General insurance business		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost – debt instruments	139,872	177,505
Financial assets at amortised cost - corporate bonds	320	651
Debt instruments at FVOCI	691,994	684,549
Staff loan receivables	2,621	2,909
Deposits with financial institutions at amortised cost	606,900	326,999
Sub – total	1,441,707	1,192,613
(ii) Other investment income		
Dividend income from equity instruments at FVPL	26,547	23,694
Rental income from investment properties	120,700	122,532
Sub – total	147,247	146,226
Long term business		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost – debt instruments	2,930,159	149,732
Corporate bonds at amortised cost	(91)	1,061
Financial assets at fair value through other comprehensive income - debt instruments	864,975	893,906
Deposits with financial institutions at amortised cost	506,816	205,038
Staff loan receivables	58,574	53,883
Sub – total	4,360,433	1,303,620
(ii) Other investment income		
Dividend income	18,818	23,777
Rental income from investment properties	43,314	38,852
Sub – total	62,132	62,629
Asset management business		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost	86,506	90,912
Financial assets at amortised cost - corporate bonds	1,334	1,354
Deposits with financial institutions	77,835	33,274
Sub – total	165,675	125,540
(ii) Other investment income		
Dividend income	1,150	706
Sub – total	1,150	706
Other businesses		
(i) Interest revenue calculated using the effective interest method		
Deposits with financial institutions	9,423	7,126
Staff loan receivables	1,161	1,319
Sub – total	10,584	8,445
Total interest revenue (i)	5,978,399	2,630,218
Total other investment income (ii)	210,529	209,561
Total investment income (i&ii)	6,188,928	2,839,779

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
3. SEGMENT INFORMATION (continued)

	General Insurance business	Long-term Assurance business	Asset Management	Other businesses	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
(e) Other disclosures:					
31 December 2024					
Reportable segment profit/(loss)	1,420,280	951,847	555,790	(73,284)	2,854,633
Reportable segment total assets	17,074,647	32,842,613	2,086,711	14,913,871	66,917,842
Less intrasegment balances:					
: Related party balances	-	-	-	(751,705)	(751,705)
: Investment in subsidiaries	-	-	-	(4,228,410)	(4,228,410)
Reportable segment total assets – net	17,074,647	32,842,613	2,086,711	9,933,756	61,937,727
Reportable segment total liabilities	11,695,897	29,688,165	83,679	10,207,856	51,675,597
Less: related party balances	-	-	-	(751,705)	(751,705)
Reportable segments total liabilities - net	11,695,897	29,688,165	83,679	9,456,151	50,923,892
Insurance service result	(981,137)	1,325,120	-	-	343,983
Net investment result	2,686,353	(40,256)	195,571	977,153	3,818,821
Net revenue from asset management services	-	-	1,267,493		1,267,493
Other net gains	118,472	259,555	97	(66,226)	311,898
Other expenses	(509,161)	(265,982)	(709,394)	(240,169)	(1,724,706)
Gain/(loss) on monetary position	508,068	44,846	-	-	552,914
Other finance costs and share of associate	-	-	(986)	(575,697)	(576,683)
Profit/(loss) before income tax	**1,822,595**	**1,323,283**	**752,781**	**95,061**	**3,993,720**
Income tax expense	(402,315)	(371,436)	(196,991)	(168,345)	(1,139,087)
Profit/(loss) for the year	**1,420,280**	**951,847**	**555,790**	**(73,284)**	**2,854,633**

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3. SEGMENT INFORMATION (continued)

	General Insurance business	Long-term Assurance business	Asset Management	Other businesses	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
31 December 2023					
Reportable segment profit/ (loss)	702,384	900,715	496,937	(658,221)	1,441,815
Reportable segment total assets	14,418,503	24,342,006	1,660,326	14,379,692	54,800,527
Less intrasegment balances:					
: Related party balances	-	-	-	(273,076)	(273,076)
: Investment in subsidiaries	-	-	-	(4,228,410)	(4,228,410)
Reportable segment total assets - net	14,418,503	24,342,006	1,660,326	9,878,206	50,299,041
Reportable segment total liabilities	10,270,474	22,820,744	98,068	9,770,653	42,959,939
Less: related party balances	-	-	-	(273,076)	(273,076)
Reportable segments total liabilities - net	10,270,474	22,820,744	98,068	9,497,577	42,686,863
Insurance service result	169,360	618,867	-	-	788,227
Net investment result	1,260,580	780,474	117,871	36,101	2,195,026
Net revenue from asset management services	-	-	1,163,775	-	1,163,775
Other net gains	157,461	175,022	14	36,500	368,997
Other expenses	(417,543)	(256,019)	(576,223)	(201,390)	(1,451,175)
Other finance costs and share of associate	(16,771)	(10,787)	(1,466)	(491,833)	(520,857)
Profit/(loss) before income tax	**1,153,087**	**1,307,557**	**703,971**	**(620,622)**	**2,543,993**
Income tax expense	(450,703)	(406,842)	(207,034)	(37,599)	(1,102,178)
Profit/(loss) for the year	**702,384**	**900,715**	**496,937**	**(658,221)**	**1,441,815**

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3. SEGMENT INFORMATION (continued)

31 December 2024	Kenya	South Sudan	Uganda	Malawi	Inter segment eliminations	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance revenue	22,815,096	670,599	1,685,397	1,177,658	-	26,348,750
Insurance service expenses	(20,292,404)	(2,044,004)	(899,357)	(995,513)	-	(24,231,278)
Net expenses from reinsurance contracts held	(1,037,202)	(89,389)	(746,381)	99,483	-	(1,773,489)
Insurance service result	1,485,490	(1,462,794)	39,659	281,628	-	343,983
Profit/ (loss) before income tax	3,751,423	396,691	31,375	199,231	(385,000)	3,993,720
Total assets	62,232,412	1,813,520	1,833,967	951,478	(4,893,651)	61,937,726
31 December 2023						
Insurance revenue	22,150,178	582,870	1,721,636	946,218	-	25,400,902
Insurance service expenses	(19,576,178)	(927,045)	(1,154,547)	(892,030)	-	(22,549,800)
Net expenses from reinsurance contracts held	(1,533,991)	(63,961)	(464,689)	(234)	-	(2,062,875)
Insurance service result	1,040,009	(408,136)	102,400	53,954	-	788,227
Profit/(loss) before income tax	3,145,179	(187,553)	85,194	(33,827)	(465,000)	2,543,993
Total assets	49,543,876	1,815,047	2,501,204	924,200	(4,485,286)	50,299,041

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
4. INSURANCE SERVICE RESULT

(a) Insurance revenue

The breakdown of insurance revenue by major product lines is presented below:

2024

	Contracts not measured under the PAA				Insurance revenue from contracts measured under the PAA	Total insurance revenue
	Expected incurred claims and other directly attributable expenses	Changes in risk adjustment for non-financial risk for expired risk	CSM recognised for the services provided	Insurance acquisition cash flows recovery		
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	291,048	22,893	131,790	117,011	-	562,742
Group life	1,340,352	72,249	647,952	225,709	4,973,908	7,260,170
Total life	1,631,400	95,142	779,742	342,720	4,973,908	7,822,912
Medical	-	-	-	-	8,175,932	8,175,932
Non-medical	-	-	-	-	10,349,906	10,349,906
Total general	-	-	-	-	18,525,838	18,525,838
Total	1,631,400	95,142	779,742	342,720	23,499,746	26,348,750

2023

	Contracts not measured under the PAA				Insurance revenue from contracts measured under the PAA	Total insurance revenue
	Expected incurred claims and other directly attributable expenses	Changes in risk adjustment for non-financial risk for expired risk	CSM recognised for the services provided	Insurance acquisition cash flows recovery		
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	289,029	16,197	91,508	59,641	-	456,375
Deposit administration*	-	-	-	-	629,273	629,273
Group life	1,274,930	58,937	387,000	177,929	4,637,037	6,535,833
Total life	1,563,959	75,134	478,508	237,570	5,266,310	7,621,481
Medical	-	-	-	-	7,634,142	7,634,142
Non-medical	-	-	-	-	10,145,279	10,145,279
Total general	-	-	-	-	17,779,421	17,779,421
Total	1,563,959	75,134	478,508	237,570	23,045,731	25,400,902

**Deposit administration represents direct participating contracts*

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
4. INSURANCE SERVICE RESULT (continued)

(b) Insurance service expenses

The breakdown of insurance service expenses by major groups of insurance contracts is presented below:

2024

	Incurred claims expenses	Other directly attributable expenses	Changes in risk adjustments on liability for incurred claims	Changes in loss component	Insurance acquisition cash flows amortisation	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	(54,655)	356,744	(5,153)	(28,807)	117,011	385,140
Deposit administration	-	170,481	-	-	-	170,481
Group life	3,750,297	1,439,278	(112,564)	10,602	225,709	5,313,322
Total life	3,695,642	1,966,503	(117,717)	(18,205)	342,720	5,868,943
Medical	7,630,483	1,441,063	13,097	436,769	831,067	10,352,479
Non-medical	5,017,263	1,601,664	(27,315)	(19,580)	1,437,824	8,009,856
Total general	12,647,746	3,042,727	(14,218)	417,189	2,268,891	18,362,335
Total	16,343,388	5,009,230	(131,935)	398,984	2,611,611	24,231,278

2023

	Incurred claims expenses	Other directly attributable expenses	Changes in risk adjustments on liability for incurred claims	Changes in loss component	Insurance acquisition cash flows amortisation	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	50,217	314,504	(10,818)	41,796	59,641	455,340
Deposit Administration	532,122	143,278	-	-	-	675,400
Group life	4,471,782	1,293,536	1,474	161,428	177,929	6,106,149
Total life	5,054,121	1,751,318	(9,344)	203,224	237,570	7,236,889
Medical	6,140,633	1,284,097	2,751	(4,748)	749,088	8,171,821
Non-medical	4,003,501	1,676,065	27,764	5,846	1,427,914	7,141,090
Total general	10,144,134	2,960,162	30,515	1,098	2,177,002	15,312,911
Total	15,198,255	4,711,480	21,171	204,322	2,414,572	22,549,800

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
4. INSURANCE SERVICE RESULT (continued)

(c) Net expenses / (income) from reinsurance contracts held

The analysis of net income / (expense) from reinsurance contracts by major product lines is presented below:

2024

	Reinsurance expenses	Insurance acquisition cash flows amortisation	Changes in risk adjustments on asset for incurred claims	Changes in loss recovery component	Incurred claims recovery	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	12,514	-	-	-	(3,383)	9,131
Group life	1,758,791	(419,074)	11,401	(14,242)	(708,941)	627,935
Total life	1,771,305	(419,074)	11,401	(14,242)	(712,324)	637,066
Medical	(56,530)	-	105	(1,361)	(63,018)	(120,804)
Non-medical	2,817,551	(796,963)	8,964	8,174	(780,499)	1,257,227
Total general	2,761,021	(796,963)	9,069	6,813	(843,517)	1,136,423
Total	4,532,326	(1,216,037)	20,470	(7,429)	(1,555,841)	1,773,489

2023

	Reinsurance expenses	Insurance acquisition cash flows amortisation	Changes in risk adjustments on asset for incurred claims	Changes in loss recovery component	Incurred claims recovery	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	13,112	(6,635)	-	-	(3,218)	3,259
Group life	1,723,411	(383,286)	(39,971)	(13,006)	(1,524,681)	(237,533)
Total life	1,736,523	(389,921)	(39,971)	(13,006)	(1,527,899)	(234,274)
Medical	349,769	-	(8,835)	-	(234,133)	106,801
Non-medical	3,399,332	(885,210)	68	3,462	(327,304)	2,190,348
Total general	3,749,101	(885,210)	(8,767)	3,462	(561,437)	2,297,149
Total	5,485,624	(1,275,131)	(48,738)	(9,544)	(2,089,336)	2,062,875

(d) Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM for insurance contracts issued remaining at the end of the reporting period in profit or loss is provided in the following table:

Number of years until expected to be recognised	Ordinary life	Group life	Total CSM for insurance contracts issued
As at 31 Dec 2024	KShs'000	KShs'000	KShs'000
1	135,541	573,686	709,227
2 – 3	216,389	1,017,784	1,234,173
4 – 5	180,348	791,951	972,299
6 – 10	313,065	475,093	788,158
>10	137,736	1,530	139,266
Total	983,079	2,860,044	3,843,123

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Number of years until expected to be recognised	Ordinary life	Group life	Total CSM for insurance contracts issued
As at 31 Dec 2023	**KShs'000**	**KShs'000**	**KShs'000**
1	93,593	330,621	424,214
2 – 3	154,819	653,730	808,549
4 – 5	127,994	523,161	651,155
6 – 10	211,965	363,929	575,894
>10	89,527	80	89,607
Total	677,898	1,871,521	2,549,419

5. REVENUE FROM ASSET MANAGEMENT SERVICES

	2024	2023
	KShs'000	**KShs'000**
Asset Management business		
Fund management fees	1,106,314	1,026,502
Administration fee	161,179	137,273
Total	1,267,493	1,163,775
6. Investment income		
a) GROUP		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost	3,224,490	418,149
Corporate bonds at amortised cost	1,563	3,066
Deposit with financial institutions at amortised cost	1,200,975	572,437
Staff loan receivables	62,356	58,111
Government securities at OCI	1,556,969	1,578,455
	6,046,353	2,630,218
(ii) Other investment income		
Dividend income	46,515	48,177
Rental income from investment properties	164,014	161,384
	210,529	209,561
Total	6,256,882	2,839,779
Investment income earned on financial assets analysed by category of assets:		
Financial asset at amortised cost	4,489,384	1,051,763
Financial asset at fair value through OCI	1,556,969	1,578,455
Dividend income	46,515	48,177
Investment income earned on non-financial assets	164,014	161,384
Total	6,256,882	2,839,779

Other fair value gains relating to financial assets classified as fair value through profit or loss are included in other income in note 7.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Investment income (Continued)

b) COMPANY

	2024 KShs'000	2023 KShs'000
(i) Interest revenue calculated using the effective interest method		
Interest on deposits with financial institutions	4,386	6,327
Interest on staff loans	1,161	1,319
	5,547	7,646
(ii) Other investment income		
Dividend income	385,000	465,000
7. OTHER GAINS		
a) GROUP		
Net gains from fair value adjustments to investment properties		
Fair value gain on investment properties (note 15 (a))	1,010,000	132,383
Net losses on FVTPL investments		
Fair value loss on quoted equity investments at fair value through profit or loss (note 25)	169,541	(134,364)
Fair value gain on investment in collective investment scheme (note 26(a))	17,363	15,874
	186,904	(118,490)
Foreign exchange gain	1,365,025	82,565
b) Total other gains		
Medical administration fee	48,273	132,991
Fees on deposit administration schemes	192,826	132,500
Miscellaneous income*	70,799	103,506
	311,898	368,997

c) COMPANY

	2024 KShs'000	2023 KShs'000
Net gains from fair value adjustments to investment properties		
Fair value gain on investment property (Note 15(b))	1,010,000	-
Net losses on FVTPL investments		
Fair value on investment in collective investment scheme (Note 26(b)	1,910	2,246
Other net gains		
Miscellaneous income	3,089	14,948
Total other gains	1,014,999	17,194

*Miscellaneous income includes medical administration fees, sale of scraps, medical card replacement fees and sale of tenders and branded merchandise.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
8. NET INSURANCE FINANCE EXPENSES

2024

	Finance expenses from insurance contracts issued				Finance income from reinsurance contracts held				
	Interest accreted	Changes in interest rates on present value to incurred claims	Changes in interest rates on risk adjustment to incurred claims	Finance expenses from insurance contracts issued	Interest accreted	Changes in interest rates on present value to incurred claims	Changes in interest rates on risk adjustment to incurred claims	Finance income from reinsurance contracts held	Net insurance finance expenses
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	1,335,807	144,911	18,032	1,498,750	-	-	-	-	1,498,750
Group life	913,954	371,103	19,861	1,304,918	(85,122)	(12,353)	(2,828)	(100,303)	1,204,615
Deposits admin	1,840,867	-	-	1,840,867	-	-	-	-	1,840,867
Total life	4,090,628	516,014	37,893	4,644,535	(85,122)	(12,353)	(2,828)	(100,303)	4,544,232
Non-medical	542,575	114,857	1,252	658,684	(156,695)	(29,005)	(383)	(186,083)	472,601
Total general	542,575	114,857	1,252	658,684	(156,695)	(29,005)	(383)	(186,083)	472,601
Total	4,633,203	630,871	39,145	5,303,219	(241,817)	(41,358)	(3,211)	(286,386)	5,016,833

2023

	Finance expenses from insurance contracts issued				Finance income from reinsurance contracts held				
	Interest accreted	Changes in interest rates on present value to incurred claims	Changes in interest rates on risk adjustment to incurred claims	Finance expenses from insurance contracts issued	Interest accreted	Changes in interest rates on present value to incurred claims	Changes in interest rates on risk adjustment to incurred claims	Finance income from reinsurance contracts held	Net insurance finance expenses
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	59,912	(60,234)	10,335	10,013	-	-	-	-	10,013
Group life	324,859	208,344	8,821	542,024	(4,366)	(39,001)	(29)	(43,396)	498,628
Total life	384,771	148,110	19,156	552,037	(4,366)	(39,001)	(29)	(43,396)	508,641
Non-medical	385,357	(48,367)	(733)	336,257	(125,202)	15,893	223	(109,086)	227,171
Total general	385,357	(48,367)	(733)	336,257	(125,202)	15,893	223	(109,086)	227,171
Total	770,128	99,743	18,423	888,294	(129,568)	(23,108)	194	(152,482)	735,812

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
8. NET INSURANCE FINANCE EXPENSES (continued)

Investment income and insurance finance expenses

2024	Ordinary Life	Group life	DA	Non-medical	Medical	Other	Total
Net investment income/ (expenses) - underlying assets							
Interest revenue from financial assets not measured at FVTPL	631,801	1,200,167	2,650,198	629,191	758,162	176,834	6,046,353
Other investment income	11,439	50,693	-	115,729	-	32,668	210,529
Net gains on FVTPL investments	56,002	40,701	-	70,136	18,155	1,910	186,904
Net credit impairment losses	2,164	15,122	-	3,334	-	(3,777)	16,843
Net gains on investments in debt securities measured at FVOCI	358,402	454,973	-	506,657	272,816	142,833	1,735,681
Net gains on investments in equity securities measured at FVOCI	-	-	-	2,748	1,832	-	4,580
Net investment income/(expenses) - underlying assets	**1,059,808**	**1,761,656**	**2,650,198**	**1,327,795**	**1,050,965**	**350,468**	**8,200,890**
Net investment income – other investments							
Net gains from fair value adjustments to investment properties	-	-	-	-	-	1,010,000	1,010,000
Foreign exchange gain	-	26,145	-	235,306	1,103,574	-	1,365,025
Net investment income -other	**-**	**26,145**	**-**	**235,306**	**1,103,574**	**1,010,000**	**2,375,025**
Total net investment income	**1,059,808**	**1,787,801**	**2,650,198**	**1,563,101**	**2,154,539**	**1,360,468**	**10,575,915**
Finance expenses from insurance contracts issued	(1,498,750)	(1,304,919)	(1,840,867)	(658,683)	-	-	(5,303,219)
Finance income from reinsurance contracts held	-	100,303	-	186,083	-	-	286,386
Net insurance finance expenses	**(1,498,750)**	**(1,204,616)**	**(1,840,867)**	**(472,600)**	**-**	**-**	**(5,016,833)**
Summary of the amounts recognised in profit or loss							
Net investment income - underlying assets	701,406	1,306,683	2,650,198	818,390	776,317	207,635	6,460,629
Net investment income -other	-	26,145	-	235,306	1,103,574	1,010,000	2,375,025
Net insurance finance expenses	(1,498,750)	(1,204,616)	(1,840,867)	(472,600)	-	-	(5,016,833)
Net investment result	**(797,344)**	**128,212**	**809,331**	**581,096**	**1,879,891**	**1,217,635**	**3,818,821**
Summary of the amounts recognised in OCI							
Net investment income - underlying assets	**358,402**	**454,973**	**-**	**509,405**	**274,648**	**142,833**	**1,740,261**

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
8. NET INSURANCE FINANCE EXPENSES (continued)

Investment income and insurance finance expenses (continued)

2023	Ordinary Life	Group life	Non-medical	Medical	Other	Total
Net investment income/ (expenses) - underlying assets						
Interest revenue from financial assets not measured at FVTPL	509,569	794,052	625,506	567,106	133,985	2,630,218
Other investment income	14,460	48,169	146,226	-	706	209,561
Net gains on FVTPL investments	(41,323)	(33,285)	(36,671)	(263)	(6,948)	(118,490)
Net credit impairment losses	-	(2,763)	(2,017)	(418)	(201)	(5,399)
Net gains on investments in debt securities measured at FVOCI	-	-	(959,752)	-	(34,208)	(993,960)
Net gains on investments in equity securities measured at FVOCI	-	-	(416)	-	-	(416)
Net investment income/(expenses) - underlying assets	**482,706**	**806,173**	**(227,124)**	**566,425**	**93,334**	**1,721,514**
Net investment income – other investments						
Net gains from fair value adjustments to investment properties	-	-	132,383	-	-	132,383
Foreign exchange gain	-	-	59,103	23,462	-	82,565
Net investment income -other	**-**	**-**	**191,486**	**23,462**	**-**	**214,948**
Total net investment income	**482,706**	**806,173**	**(35,638)**	**589,887**	**93,334**	**1,936,462**
Finance expenses from insurance contracts issued	(10,013)	(542,024)	(336,257)	-	-	(888,294)
Finance income from reinsurance contracts held	-	43,396	109,086	-	-	152,482
Net insurance finance expenses	**(10,013)**	**(498,628)**	**(227,171)**	**-**	**-**	**(735,812)**
Summary of the amounts recognised in profit or loss						
Net investment income - underlying assets	482,706	806,173	732,954	566,425	127,542	2,715,800
Net investment income -other	-	-	191,576	23,462	-	215,038
Net insurance finance expenses	(10,013)	(498,628)	(227,171)	-	-	(735,812)
Net investment result	**472,693**	**307,545**	**697,359**	**589,887**	**127,542**	**2,195,026**
Summary of the amounts recognised in OCI						
Net investment income - underlying assets	-	-	(960,168)	-	(34,208)	(994,376)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
9. OPERATING AND OTHER EXPENSES

(a) GROUP	2024 KShs'000	2023 KShs'000
Staff costs (note 7 (b))	2,699,003	2,696,936
Commission expenses	351,744	322,042
Auditors' remuneration	49,580	36,849
Directors' emoluments - fees	30,781	29,391
Directors' other expenses (travel and accommodation)	9,624	8,530
Depreciation of property and equipment (note 13 (a))	97,790	80,066
Amortisation of intangible assets (note 16 (a))	60,707	57,589
Allowance for expected credit losses	-	-
Interest on lease liabilities	16,354	-
Depreciation on the right of use (note 14(a)	79,454	76,426
Premium tax	251,132	177,533
Staff welfare	402,322	396,030
Utilities	256,980	246,487
Software licence costs	155,872	136,576
Printing and stationery	59,184	64,254
Business advertising and promotion	854,008	634,627
Sales promotions	-	258,713
Professional fees	404,242	297,193
Statutory levies	79,763	139,830
Professional subscriptions	13,205	7,374
Loan renewal fees	-	19,830
Impairment of investment in associate	-	-
Kiambu land subdivision costs	80,691	43,281
Amortisation of loan expenses	17,693	21,139
Donations	7,510	16,151
Other expenses*	756,297	395,808
Total	6,733,936	6,162,655
Represented by:		
Insurance service expenses	5,009,230	4,711,480
Other operating expenses	1,724,706	1,451,175
Total	6,733,936	6,162,655

*Commission expense relate to the commission incurred by the asset management business.

**Other expenses relate to tender costs, postage, entertainment and other sundry expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
9. OPERATING AND OTHER EXPENSES (continued)

(b) STAFF COSTS

	2024	2023
	KShs'000	KShs'000
Staff costs include the following:		
- Salaries and allowances***	2,211,385	2,209,189
- Bonus provision	139,208	104,098
- Restructuring costs****	84,816	198,688
- Defined pension contribution expense	140,528	124,108
- Termination benefits expense	94,795	30,787
- Leave pay	28,271	30,066
	2,699,003	2,696,936
Number of employees	892	793

***Included in the staff costs is salary and allowances of KShs 89 million (2023: KShs 79 million) paid to the Group Chief Executive Officer, who is also a director.

****Restructuring costs relate to severance pay for employees who opted to retire/exit under the voluntary early retirement/exit programme in the year.

(c) COMPANY

	2024	2023
	KShs'000	KShs'000
Depreciation of property and equipment (note 13 (b))	24,677	19,246
Amortisation of intangible assets (note 16 (b))	23,856	26,046
Auditor's remuneration	3,622	2,460
Annual General meeting expenses	2,354	-
Professional fees	29	468
Share registration cost	6,321	4,962
Amortisation of loan expenses	17,693	21,139
Advertisement and Promotion	7,499	-
Printer leases	-	3,432
Loan renewal fees	-	19,830
Kiambu land subdivision costs	80,691	43,281
Donations	7,209	16,151
Other expenses	9,345	7,601
	183,296	164,616

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
9. OPERATING AND OTHER EXPENSES (continued)

(d) The reconciliation of expected credit losses (ECL) is as follows:

GROUP: 2024	ECL at 1 January	Charge / (credit) through P&L	ECL at 31 December
	KShs'000	KShs'000	KShs'000
- Corporate bonds at amortised cost	(449)	(3,015)	(3,464)
- Loans receivables	(11,575)	54	(11,521)
- Deposits with financial institutions	(27,617)	21,881	(5,736)
- Government securities at FVOCI	(2,870)	1,668	(1,202)
- Government securities at amortised cost	(847)	(641)	(1,488)
- Other receivables	(12,393)	(1,695)	(14,088)
- Receivables from related parties	(5,573)	(1,409)	(6,982)
- Cash and cash equivalents	(1,012)	-	(1,012)
Total	(62,336)	16,843	(45,493)

GROUP: 2023	ECL at 1 January	Charge / (credit) through P&L	Write off	ECL at 31 December
	KShs'000	KShs'000	KShs'000	KShs'000
- Corporate bonds at amortised cost	(83,408)	344	82,615	(449)
- Loans receivables	(11,463)	(112)	-	(11,575)
- Deposits with financial institutions	(32,007)	4,390	-	(27,617)
- Government securities at FVOCI	-	(2,870)	-	(2,870)
- Government securities at amortised cost	(375)	(472)	-	(847)
- Other receivables	(8,746)	(3,647)	-	(12,393)
- Receivables from related parties	(2,541)	(3,032)	-	(5,573)
- Cash and cash equivalents	(1,012)	-	-	(1,012)
Total	(139,552)	(5,399)	82,615	(62,336)

(d) The reconciliation of expected credit losses (ECL) is as follows:

The reconciliation of expected credit losses (ECL) is as follows:

COMPANY: 2024	ECL at 1 January	Charge / (credit) through P&L	ECL at 31 December
	KShs'000	KShs'000	KShs'000
- Loans receivable – Mortgage loans (note 22(b)	288	-	288
- Receivables from related parties (note 28)	1,996	404	2,400
- Deposits with financial institutions (note 29(b)	70	(37)	33
-Other receivables	-	63	63
Total	2,354	430	2,784

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
9. OPERATING AND OTHER EXPENSES (continued)

The reconciliation of expected credit losses (ECL) is as follows:

COMPANY: 31 December 2023	ECL at 1 January	Charge /(credit) through P&L	ECL at 31 December
	KShs'000	KShs'000	KShs'000
- Loans receivable – Mortgage loans (note 22(b)	288	-	288
- Receivables from related parties (note 28)	1,783	213	1,996
- Deposits with financial institutions (note 29(b)	82	(12)	70
Total	2,153	201	2,354

10. OTHER FINANCE COST

(a) GROUP

	2024	2023
	KShs'000	KShs'000
Interest expense on borrowings (note 39)	577,215	488,799
Interest expense on lease liability (note14 (a))	986	29,023
	578,201	517,822
(b) COMPANY		
Interest expense on borrowings (note 39)	564,615	482,176
Interest expense on related party loan (note 28 (c))	40,130	35,060
	604,745	517,236

11. TAXATION

GROUP	2024	2023
	KShs'000	KShs'000
(a) Statement of profit or loss		
Current income tax	667,372	823,391
Deferred income tax (note 17(a))	471,715	278,787
Income tax expense	1,139,087	1,102,178

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

11. TAXATION (Continued)

	2024 KShs'000	2023 KShs'000
COMPANY		
Statement of profit or loss and other comprehensive income		
Current income tax	-	-
Deferred income tax (note 17 (b))	170,036	38,492
Income tax expense	170,036	38,492
(b) Statement of financial position – Group		
At 1 January	142,652	113,942
Current income tax	667,372	823,391
Prior year under/(over) provision	-	14,406
Income tax paid	(975,949)	(813,579)
Effect of translation	2,456	4,492
At 31 December	(163,469)	142,652
Split as follows		
Tax recoverable	(176,112)	(87,155)
Tax payable	12,643	229,807
Net	(163,469)	142,652
Statement of financial position – Company		
At 1 January	2,000	2,000
Paid during the year	-	-
	2,000	2,000
(c) Reconciliation of income tax expense to expected tax based on accounting profit		
GROUP		
Profit before income tax	3,993,720	2,543,993
Tax calculated at a tax rate of 30% (2023:30%) for Kenya, 30% (2023:30%) for Uganda, 0% for South Sudan (2023: 0%) and Malawi 30% (2023:30%)	1,194,609	969,112
Prior year (under)/ over provision	-	(595)
Tax effect of expenses not deductible for tax*	86,293	281,020
Tax effect of income not taxable**	(141,815)	(147,359)
Tax effect on bad debts written off	-	-
Taxation charge through profit or loss	1,139,087	1,102,178
The effective income tax rate is 43% (2023: 43%).		
COMPANY		
Loss before income tax	618,593	(195,248)
Tax calculated at a tax rate of 30% (2023: 30%)	185,578	(58,574)
Tax effect of income not taxable**	(115,500)	(139,500)
Tax effect of expenses not deductible for tax**	99,958	237,161
Prior year over provision	-	(595)
Current income tax charge through profit or loss	170,036	38,492

The effective income tax rate is (20%) (2023: (20%)).
*These expenses are valuation fees, fringe benefit tax, excess pension contributions, loss on valuation of shares etc.
**These incomes are dividend income and interest on the infrastructure bond.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

12. EARNINGS PER SHARE – BASIC AND DILUTED

Basic earnings per share is calculated based on the profit attributable to shareholders divided by the weighted average number of ordinary shares in issue in each period as follows:

	GROUP	
	2024	2023
Profit attributable to ordinary shareholders' (KShs'000)	2,716,408	1,497,950
Weighted average number of shares (in thousands)	2,615,578	2,615,578
Earnings per share (KShs) – Basic and diluted (KShs)	1.04	0.57

There were no dilutive shares during the year (2023: Nil).

13. (a) PROPERTY AND EQUIPMENT – GROUP

2024	Buildings	Motor Vehicles	Computers	Furniture fittings & equipment	Leasehold improvements	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
COST OR VALUATION						
At 1 January	821,883	124,240	351,003	1,087,590	4,728	2,389,444
Additions	-	36,860	47,399	40,325	3,650	128,234
Disposals	-	-	(1,211)	(151)	-	(1,362)
Hyperinflation adjustment	242,177	8,641	6,626	30,049	-	287,493
Foreign exchange differences on translation	(283,310)	(10,661)	(17,607)	(35,365)	(1,108)	(348,051)
At 31 December	780,750	159,080	386,210	1,122,448	7,270	2,455,758
ACCUMULATED DEPRECIATION						
At 1 January	-	63,765	281,377	899,213	2,219	1,246,574
Charge for the year	-	25,041	32,335	40,040	374	97,790
Hyperinflation adjustment	-	8,641	2,851	27,366	-	38,858
Foreign exchange differences on translation	-	(9,439)	(9,162)	(21,750)	(463)	(40,814)
Elimination on disposal	-	-	(445)	(151)	-	(596)
At 31 December	-	88,008	306,956	944,718	2,130	1,341,812
CARRYING AMOUNT						
At 31 December	780,750	71,072	79,254	177,730	5,140	1,113,946

There are no property and equipment pledged as security for liabilities. There are no contractual commitments for the acquisition of property and equipment, except for CIC Plaza South Sudan which is under finance lease.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13. (a) PROPERTY AND EQUIPMENT – GROUP (continued)

2023	Buildings	Motor Vehicles	Computers	Furniture fittings & equipment	Leasehold improvements	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
COST OR VALUATION						
At 1 January	830,823	87,070	289,147	1,008,222	3,880	2,219,142
Additions	-	56,126	66,297	115,800	2,265	240,488
Disposals	-	(13,871)	(222)	(22,239)	-	(36,332)
Gain on revaluation	88,255	-	-	-	-	88,255
Foreign exchange differences on translation	(97,195)	(5,085)	(4,219)	(14,193)	(1,417)	(122,109)
At 31 December	821,883	124,240	351,003	1,087,590	4,728	2,389,444
ACCUMULATED DEPRECIATION						
At 1 January	-	71,486	259,699	898,784	1,249	1,231,218
Charge for the year	5,850	11,222	26,248	35,109	1,637	80,066
Foreign exchange differences on translation	-	(5,072)	(4,437)	(14,062)	(667)	(24,238)
Elimination on disposal	(5,850)	-	-	-	-	(5,850)
	-	(13,871)	(133)	(20,618)	-	(34,622)
At 31 December	-	63,765	281,377	899,213	2,219	1,246,574
CARRYING AMOUNT						
At 31 December	821,883	60,475	69,626	188,377	2,509	1,142,870

An independent valuation of the buildings in Kenya was carried out at 31 December 2024 by Crystal Valuers Limited, registered valuers, on open market value basis. There were no revaluation movements during the year for the property in Kenya. CIC Plaza in South Sudan was revalued on 31 December 2024 by registered valuers, Kenval Realtors Limited on open market value basis. The fair value of property and equipment are assessed every year. The valuation was conducted by an independent valuer. The fair valuation technique and the inputs used have been disclosed under note 15. The buildings represent owner-occupied portions of the investment property.

There were no borrowing costs related to the additions in property and equipment during the year and hence none has been capitalised. Additionally, none of the above assets was pledged as collateral for the group liabilities except South Sudan property that has been used as collateral on finance lease. The fair value disclosures for the measurement of the building has been disclosed in note 54.

If buildings were stated on the historical cost basis, the net book amount would be KShs 762 million (cost of KShs 827 million and accumulated depreciation of KShs 65 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
13. (a) PROPERTY AND EQUIPMENT – GROUP (continued)

(b) PROPERTY AND EQUIPMENT – COMPANY

2024	Motor Vehicles	Computers	Furniture fittings & Equipment	Total
	KShs'000	KShs'000	KShs'000	KShs'000
COST				
At 1 January 2024	78,386	38,606	108,576	225,568
Additions	-	6,849	2,024	8,873
Disposals	-	(557)	-	(557)
At 31 December 2024	78,386	44,898	110,600	233,884
ACCUMULATED DEPRECIATION				
At 1 January 2024	31,010	30,846	71,301	133,157
Charge for the year	14,194	3,716	6,767	24,677
Eliminated on disposal	-	(258)	-	(258)
At 31 December 2024	45,204	34,304	78,068	157,576
CARRYING AMOUNT				
At 31 December 2024	33,182	10,594	32,532	76,308
2023				
COST				
At 1 January 2023	64,161	32,908	84,985	182,054
Additions	28,096	5,698	23,591	57,385
Disposals	(13,871)	-	-	(13,871)
At 31 December 2023	78,386	38,606	108,576	225,568
ACCUMULATED DEPRECIATION				
At 1 January 2023	34,216	28,394	65,172	127,782
Charge for the year	10,665	2,452	6,129	19,246
Eliminated on disposal	(13,871)	-	-	(13,871)
At 31 December 2023	31,010	30,846	71,301	133,157
CARRYING AMOUNT				
At 31 December 2023	47,376	7,760	37,275	92,411

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
13. LEASES AS A LESSEE

(a) Group	2024 KShs'000	2023 KShs'000
The statement of financial position shows the following amounts relating to leases:		
Buildings – office spaces	145,571	241,930
Right of use asset		
At 1 January	241,930	209,218
Renewal/additions	12,316	113,512
Amortization	(79,454)	(76,426)
Lease remeasurement	(29,221)	(4,374)
At 31 December	145,571	241,930
Lease liability		
At 1 January	309,577	263,183
Renewal/additions	12,316	113,512
Accretion of interest	29,235	29,023
Payment of interest	(29,235)	(29,023)
Lease payments	(86,963)	(72,268)
Effect of translation	(35,397)	5,150
At 31 December	199,533	309,577
Current lease liability	84,753	108,889
Non-current lease liability	114,780	200,688
	199,533	309,577
Amounts recognised in profit or loss;		
Interest on lease liabilities	29,235	29,023
Depreciation expense	79,454	76,426
Amounts recognised in statement of cash flows;		
Payment of principal portion of the lease liabilities	86,963	72,268
Payment of interest	29,235	29,023
Total cash outflow for leases	116,198	101,291

Lease liability maturity analysis

Group

2024	Due on demand KShs '000	Due within 3 months KShs '000	Due between 3 and 12 months KShs '000	Due between 1 and 5 years KShs '000	Due after 5 years KShs '000	Total KShs '000
Lease liabilities	-	25,226	56,115	134,353	101	215,795
2023						
Lease liabilities	-	33,172	75,717	239,975	450	349,314

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
14. INVESTMENT PROPERTIES

(a) GROUP	CIC Plaza in Kenya and South Sudan	Kiambu Land	Kajiado Land	Total
	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January 2023	1,983,640	4,046,000	1,732,000	7,761,640
Foreign exchange differences on translation	(59,825)	-	-	(59,825)
Fair value gains	132,383	-	-	132,383
At 31 December 2023	2,056,198	4,046,000	1,732,000	7,834,198
At 1 January 2024	2,056,198	4,046,000	1,732,000	7,834,198
Foreign exchange differences on translation	(61,699)	-	-	(61,699)
Fair value gains	-	1,010,000	-	1,010,000
Transfers to inventories	-	(5,056,000)	-	(5,056,000)
At 31 December 2024	1,994,499	-	1,732,000	3,726,499

(b) COMPANY	2024	2023
	KShs'000	KShs'000
	Kiambu Land	Kiambu Land
At 1 January	4,046,000	4,046,000
Fair value gains (note 6)	1,010,000	-
Transfers to inventories	(5,056,000)	-
At 31 December	-	4,046,000
(c) INVENTORIES – GROUP & COMPANY		
At 1 January	-	-
Transfers from investment properties	5,056,000	-
At 31 December	5,056,000	-

Net rental income on CIC Plaza arising from operating lease arrangements has been disclosed in note 6 to the financial statements.

The Group's investment properties include;

- CIC Plaza Kenya land and building valued at KShs 1.7 billion. The property was revalued at 31 December 2024 and 2023 by Crystal Valuers Limited who are registered professional valuers. The fair value of the investment property was determined on the basis of open market value.
- CIC Plaza South Sudan land and building valued at KShs 294 million. The property was revalued at 31 December 2024 and 2023 by Kenval Realtors Limited who are registered professional valuers. The fair value of the investment property was determined on the basis of open market value.
- Kajiado land valued at KShs 1.73 billion. The property was revalued at 31 December 2024 and 2023 by Crystal Valuers Limited who are registered professional valuers. The fair value of the investment property was determined on the basis of open market value.
- Kiambu land valued at KShs 5.06 billion. The property was revalued at 31 December 2024 and 2023 by Crystal Valuers Limited who are registered professional valuers. The fair value of the investment property was determined on the basis of open market value. The property has also been used as collateral on a bank loan with Cooperative Bank of Kenya.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

15. INVESTMENT PROPERTIES (continued)

(c) Amounts recognised in profit or loss for investment properties	2024	2023
	KShs'000	KShs'000
Rental income from operating leases	164,014	161,384
Direct operating expenses from property that generated rental income	(19,801)	(14,721)
Direct operating expenses from property that did not generated rental income	(80,691)	(43,281)
Fair value gains	1,010,000	-

The Kiambu land is accounted for as inventories and is valued at KShs 5.06 billion (2023: KShs 4.05 billion). The land which measures 200 acres has been subdivided into 4 blocks (Blocks A, B, C and D) each with individual freehold titles. Two of the Blocks (Block C and B) has been further subdivided into quarter-acre plots which generated 147 units (Block C) and 138 units (Block B) whose sales launch was done in November 2022. Urban planners working under a consortium have been engaged for the subdivision of the remaining blocks A and D.

At 31 December 2024, total deposits amounting to KShs 491.0 million (2023: KShs 83.0 million) have been received into an escrow account with Co-operative Bank of Kenya. The amounts have been recognized in the cash book against a contract liability account. During the year, deposits of Kshs 348 million (2023: KShs 94.9 million) were used to partly settle the borrowing with Cooperative Bank. The receipts are deferred on the balance sheet and revenue will be recognised when full consideration is paid and title of the property passes to the buyers. None of the deposits received met the revenue recognition criteria at 31 December 2024.

The table below illustrates the information about significant unobservable inputs used at year end:

Valuation approach – assuming use of the asset in the highest and best use	Significant observable inputs	Inter-relationship between key observable inputs	Significant unobservable inputs
Valued using the Income Capitalization method. Net income is determined by considering gross income less operating expenditure. Capitalization of the rental income using the year purchase method. This method was applied to value CIC Plaza Kenya land and building and CIC Plaza South Sudan land and building.	The valuation is determined on the market weighted average cost of capital.	Increase in the discount and vacancy rate will decrease the fair value of the properties.	Discount rate; 18.5%
The discount rate is determined with reference to the current market conditions comparable market transactions.	Tenancy is based on projected occupancy of the property.	Similar changes in tenancy will increase/ decrease the market value of the property.	Annual rent growth rate; 3%
Valued using the Sales Comparison approach. In this approach, the property is compared to similar ones which have recently exchanged hands in the market. This method was applied to value the below properties; Kajiado Land and Kiambu Land.	The comparable used have similar or near similar attributes to the property being appraised, such as date of sale, built up area, circumstances of sale and physical condition.	Similar properties command fairly similar values in the market.	No significant unobservable input

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
15. INVESTMENT PROPERTIES (continued)

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs	Average
		Kshs'000
Capitalized rent income (year purchase) method	Net annual rent	164,014

Considering the physical economic parameters in the country and the trends in property markets, management is of the opinion that there will not be significant change in the inputs to the valuation method during the year. The valuation takes into account recent prices of similar properties with adjustments made to reflect any changes in economic conditions since the date of the transactions at those prices.

Valuations are performed on an annual basis and the fair value gains and losses are recorded within the profit or loss. The Kiambu land property worth Kshs 5.06 billion has been pledged and charged as collateral on the bank loan with Cooperative Bank of Kenya. The valuations of the properties are based on market value, that is price at which an interest in a property might reasonably be expected to be sold by a private treaty at the date of valuation assuming:

- **a)** A willing seller;
- **b)** A reasonable period within which to negotiate the sale by taking into account the nature of the property;
- **c)** Values will remain static throughout the period;
- **d)** The property will be freely exposed to the market within reasonable publicity;
- **e)** No account is taken of an individual bid by a special purchaser.

16. INTANGIBLE ASSETS

(a) GROUP

2024	Computer Software Total	Work in progress*	Goodwill	Total
	KShs'000		KShs'000	KShs'000
COST				
At 1 January	562,030	84,237	98,148	744,415
Additions	3,336	46,006	-	49,342
Hyperinflation adjustment	3,205	-	-	3,205
Effect of foreign currency translation	(15,418)	(1,522)	-	(16,940)
At 31 December	553,153	128,721	98,148	780,022
ACCUMULATED AMORTISATION				
At 1 January	443,017	-	-	443,017
Charge for the year	60,707	-	-	60,707
Foreign exchange differences on translation	(12,433)	-	-	(12,433)
Hyperinflation adjustment	2,152	-	-	2,152
At 31 December	493,443	-	-	493,443
CARRYING AMOUNT				
At 31 December	59,710	128,721	98,148	286,579

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
16. INTANGIBLE ASSETS (continued)

2023	Computer Software Total	Work in progress*	Goodwill	Total
	KShs'000		KShs'000	KShs'000
COST				
At 1 January	516,555	46,719	98,148	661,422
Additions	34,701	36,629	-	71,330
Effect of foreign currency translation	10,774	889	-	11,663
At 31 December	562,030	84,237	98,148	744,415
ACCUMULATED AMORTISATION				
At 1 January	376,445	-	-	376,445
Charge for the year	57,589	-	-	57,589
Foreign exchange differences on translation	8,983	-	-	8,983
At 31 December	443,017	-	-	443,017
CARRYING AMOUNT				
At 31 December	119,013	84,237	98,148	301,398

*work in progress relates to the underwriting and financial reporting software which is currently under implementation.

The goodwill arose ;from the acquisition of CIC Africa Limited Malawi. In line with the impairment provisions under IAS 36, management identified two clear cut cash generating units (CGUs); Life Business (Long term) and General Business (short term) for CIC Africa Ltd Malawi. This was consistent with the goodwill impairment assessment for the year ended 31 December 2023. IAS 36 paragraph 33 (b) "in measuring value in use an entity shall base cash flow projections on the most recent financial budgets/forecasts approved by management, which exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance.".

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Based on the results of the impairment test carried out, goodwill was assessed not to be impaired.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
16. INTANGIBLE ASSETS (continued)

The sensitivities to the assumptions are not material.

The following table sets out the key assumptions applied in determining the value in use calculations of the CGUs to which goodwill was allocated:

	General	Life
Insurance revenue growth growth:		
-year 1	26%	29%
-year 2	25%	28%
-year 3	22%	30%
-year 4	22%	30%
-year 5	22%	30%
Terminal growth rate	4%	4%
Discount rate	25%	21%
Directly attributable expenses	10%	15%
Investment income	15%	15%

Management determined the values assigned to each of the above key assumptions as follows:

Insurance revenue growth	Average growth based on market expectation and in line with industry trend and experience for previously gross earned premium. Management projects a conservative growth trajectory for the business for the coming years.
Long term growth rate	Based on Malawi's projected GDP growth in 2024. The rates are consistent with forecasts included in industry reports.
Discount rate	Weighted average cost of capital per CGU
Directly attributable expenses	Based on company's historical experience and management expectations
Investment income	Based on Malawi's historical rate of return on investments

(a) COMPANY

2024	Computer software	Work in progress	Total 2024
	KShs'000		KShs'000
COST			
At 1 January	132,557	39,536	172,093
At 31 December	132,557	39,536	172,093
ACCUMULATED AMORTISATION			
At 1 January	98,107	-	98,107
Charge for the year	23,856	-	23,856
At 31 December	121,963	-	121,963
CARRYING AMOUNT			
At 31 December	10,594	39,536	50,130

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
16. INTANGIBLE ASSETS (continued)
(b) COMPANY (continued)

2023	Computer software	Work in progress	Total 2023
	KShs'000		KShs'000
COST			
At 1 January	129,077	39,536	168,613
Additions	3,480	-	3,480
At 31 December	132,557	39,536	172,093
ACCUMULATED AMORTISATION			
At 1 January	72,061	-	72,061
Charge for the year	26,046	-	26,046
At 31 December	98,107	-	98,107
CARRYING AMOUNT			
At 31 December	34,450	39,536	73,986

17. DEFERRED INCOME TAX
(a) GROUP

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2023: 30%).

	2024	2023
	KShs'000	KShs'000
Deferred tax asset	979,172	1,380,869
Deferred tax liability	(1,014,886)	(663,540)
Net deferred tax asset	(35,714)	717,329
Deferred tax charge analyzed as follows:		
Deferred tax recognized through profit or loss	(435,441)	(278,787)
Deferred tax recognized through OCI	(281,327)	120,050
	(716,768)	(158,737)

Deferred tax movement:

	2023	Movement	2024
Arising from:	KShs'000	KShs'000	KShs'000
Unutilised tax losses	615,780	130,698	746,478
Property and equipment	93,734	(3,669)	90,065
Provisions for doubtful premium receivables	538,816	26,284	565,100
Revaluation investment property	(101,226)	(313,272)	(414,498)
Life fund surplus	(663,282)	(351,485)	(1,014,767)
Fair value losses through OCI	222,750	(281,327)	(58,577)
Other deductible differences	10,756	39,729	50,485
Net deferred tax asset	717,328	(753,042)	(35,714)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
17. DEFERRED TAXATION (continued)

(a) GROUP (continued)

GROUP	2022	Movement	2023
	KShs'000	KShs'000	KShs'000
Unutilised tax losses	656,379	(40,599)	615,780
Property and equipment	96,042	(2,308)	93,734
Provision for doubtful premium receivables	401,575	133,599	535,174
Revaluation investment property	(101,273)	47	(101,226)
Life fund surplus	(288,392)	(375,148)	(663,540)
Fair value losses through OCI	102,700	120,050	222,750
Other deductible differences	9,034	5,622	14,656
Net deferred tax asset	876,065	(158,737)	717,328

Deferred tax charge analyzed as follows:	2024	2023
	KShs'000	KShs'000
Deferred tax recognized through profit or loss	(471,715)	(278,787)
Deferred tax recognized through OCI	(281,327)	120,050
	(753,042)	(158,737)

	Net deferred tax asset/ (liability)	
	2024	2023
	KShs'000	KShs'000
The deferred tax asset/(liability) has been analysed as follows;		
CIC Asset Management Limited	4,742	43,459
CIC General Insurance Limited	476,934	660,049
CIC Life Assurance Limited	(1,014,886)	(663,540)
CIC Africa Malawi Limited	87,717	97,546
The CIC Insurance Group Limited – Company	409,779	579,815
	(35,714)	717,329

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. DEFERRED TAXATION (continued)

(b) COMPANY

	At 1 January	Recognized in Profit or loss	At 31 December
	KShs'000	KShs'000	KShs'000
2024			
Arising from:			
Unutilised tax losses	615,780	130,698	746,478
Provisions	37,240	2,861	40,101
Fair value gains on revaluation of investment property	(73,800)	(303,000)	(376,800)
Prior year under provision	595	(595)	-
Net deferred tax asset	579,815	(170,036)	409,779
2023			
Arising from:			
Unutilised tax losses	656,379	(40,599)	615,780
Provisions	35,728	1,512	37,240
Fair value gains on revaluation of investment property	(73,800)	-	(73,800)
Prior year under provision	-	595	595
Net deferred tax asset	618,307	(38,492)	579,815

18. INVESTMENT IN ASSOCIATE

The investment in Takaful Insurance of Africa Limited represents 22% (2023 – 22%) of the issued ordinary share capital the associate, which is a limited liability company incorporated and domiciled in Kenya. Its principal activities are transaction of general insurance and life insurance business. The company, whose financial year end is 31 December, is not listed on any securities exchange.

The table below summarizes the changes in the investment in associate;

	GROUP		COMPANY	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January	105,659	108,694	105,659	108,694
Share of (profit)/loss after tax	1,518	(3,035)	1,518	(3,035)
At 31 December	107,177	105,659	107,177	105,659

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
18. INVESTMENT IN ASSOCIATE (continued)

Summarised financial information in respect of the associate is set out below:

	2024	2023
	KShs'000	KShs'000
Current assets	1,210,809	838,219
Non- current assets	234,973	295,406
Current liabilities	710,614	561,380
Non- current liabilities	248,000	91,977
Equity	487,168	480,268
Cash and cash equivalents	501,486	462,999
Insurance service result	75,355	56,590
Net investment return	2,104	41,585
Operating expenses	(70,557)	(113,668)
(Profit)/loss from continuing operations for the year	6,902	(15,493)
Income tax expense	-	1,699
(Profit)/loss for the year	6,902	(13,794)
Group's share of (profit)/loss	1,518	(3,035)
Group's share of associate's contingent liabilities	Nil	Nil

The extent to which outflow of funds will be required on the Group's share of associate's contingent liabilities is dependent on the future operations of the associate being favourable than currently expected. In common practice with the insurance industry in general, the associate is subjected to litigation arising in the normal course of insurance business. There are no significant restrictions on the ability of associate to transfer funds to the entity in the form of cash dividend made by the group.

The are no commitments relating to the associate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

19. INVESTMENT IN SUBSIDIARIES

(a) COMPANY	2024 KShs'000	2023 KShs'000
CIC Asset Management Limited:		
15,550,000 ordinary shares of KShs 20 each at cost	311,000	311,000
CIC General Insurance Limited:		
85,000,000 ordinary shares of KShs 20 each at cost	1,700,000	1,700,000
CIC Life Assurance Limited:		
40,000,000 ordinary shares of KShs 20 each at cost	800,000	800,000
CIC Microinsurance Limited:		
500,000 ordinary shares of KShs 100 each at cost	50,000	50,000
CIC Africa Insurance (South Sudan) Limited 690,000 ordinary shares of USD 5 each at cost (1 KShs =USD 0.93)	319,962	319,962
CIC Africa Co-operatives Insurance (Malawi) Limited 789,977 ordinary shares of MK 1,000 each at cost (1KShs = MK 7.2)	268,124	268,124
CIC Africa (Uganda) Limited* 2,556,019,000 ordinary shares of UShs 10,000 each at cost (1Kshs = UShs 32.8)	779,324	779,324
	4,228,410	4,228,410
Movement in investment in subsidiaries		
As at 1 January	4,228,410	4,178,410
Acquisition of ordinary shares in CIC Microinsurance Limited	-	50,000
As at January and 31 December	4,228,410	4,228,410

(b) COMPANY	Country of Incorporation	Principal activity	Proportion of ordinary shares held		Proportion of Shares held by non-controlling interests	
			2024	2023	2024	2023
CIC Asset Management Limited	Kenya	Funds and assets management	100%	100%	-	-
CIC General Insurance Limited	Kenya	Underwriting general insurance business.	100%	100%	-	-
CIC Life Assurance Limited	Kenya	Underwriting long-term business.	100%	100%	-	-
CIC Microinsurance Limited	Kenya	Underwriting microinsurance business	100%	100%	-	-
CIC Africa Insurance (SS) Limited	South Sudan	Underwriting general and life insurance business.	69%	69%	31%	31%
CIC Africa Co-operatives Insurance (Malawi) Limited	Malawi	Underwriting general and life insurance business.	91%	91%	9%	9%
CIC Africa (Uganda) Limited	Uganda	Underwriting general and life insurance business.	95%	95%	5%	5%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
20. FINANCIAL ASSETS AT AMORTISED COST- CORPORATE BONDS

The credit quality of each corporate bond is assessed and is acceptable within the parameters used to measure and monitor credit risk.

GROUP

	2024	2023
	KShs'000	KShs'000
Real People Kenya Limited	6,252	7,258
Chase Bank	-	-
Kenya Mortgage Refinance Company Limited	18,339	20,867
East African Breweries Limited	8,997	8,981
Family Bank Limited	59,032	58,989
Total gross	92,620	96,095
Allowance for expected credit losses	(3,464)	(449)
	89,156	95,646
The movement in the corporate bonds is as follows:		
At 1 January	96,095	180,439
Additions	29	-
Maturities	(2,486)	(2,189)
Write-off	-	(82,615)
Accrued interest on corporate bond	(1,018)	460
Gross	92,620	96,095
Allowance for expected credit losses (note 8(d))	(3,464)	(449)
At 31 December	89,156	95,646
Maturity analysis		
Within 1 year	-	-
In 1-5 years	-	-
In over 5 years	92,620	96,095
	92,620	96,095

An analysis of changes in the gross carrying amount and corresponding ECL allowances in corporate bonds has been disclosed in note 53.2(a). There are no corporate bonds held under lien.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

21. FINANCIAL ASSETS AT AMORTISED COSTS: GOVERNMENT SECURITIES

GROUP	2024	2023
	KShs'000	KShs'000
At 1 January	10,754,066	8,279,230
Additions	783,461	3,418,783
Maturities	(584,384)	(1,126,479)
Accrued interest	42,557	74,443
Effect of foreign currency translation	(81,153)	108,089
	10,914,547	10,754,066
Allowance for expected credit loss	(1,488)	(847)
At 31 December	10,913,059	10,753,219
Maturity analysis		
Within 1 year	431,884	453,209
In 1-5 years	3,941,459	3,467,450
In over 5 years	6,539,716	6,832,560
	10,913,059	10,753,219

Government securities at amortised cost of KShs 10.1 billion (2023: KShs 10.1 billion) relate to treasury bonds held by the Central Bank of Kenya under lien to the Commissioner of Insurance in accordance with the Kenyan Insurance Act. In addition, Government securities at amortised cost of KShs 551 million (2023: KShs 384 million) relate to treasury bonds held by the Bank of Uganda under lien accordance with the Ugandan Insurance Act 2017.

22. FINANCIAL ASSETS AT AMORTISED COST: LOANS RECEIVABLES

The loans refer to advances given to staff and have collateral held on them. Upon resignation the credit quality of each loan is assessed and is acceptable within the parameters used to measure and monitor credit risk. Impairment losses have been recognised on loans receivables and have been recorded in profit or loss.

Mortgage and other staff loans are advanced at an interest rate of 6%. Mortgage loans are repayable within 20 years, while other staff loans which include the car loans and study loans are repayable within 4 years and 5 years respectively.

(a) MORTGAGE LOANS

	2024	2023
	KShs'000	KShs'000
(i) GROUP		
At 1 January	80,301	80,575
Loan repayments	(5,967)	(6,409)
Accrued interest	5,969	6,135
	80,303	80,301
Allowance expected credit losses (note 9(d))	(11,696)	(11,761)
At 31 December	68,607	68,540

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

22. FINANCIAL ASSETS AT AMORTISED COST: LOANS RECEIVABLES (continued)

(a) MORTGAGE LOANS (continued)

	2024	2023
	KShs'000	KShs'000
(i) GROUP		
Maturity profile:		
Within 1 year	-	-
In 1-5 years	12,832	12,290
In over 5 years	55,775	56,250
	68,607	68,540
(i) COMPANY		
At 1 January	12,578	11,859
Loan repayments	(619)	(600)
Accrued interest	1,161	1,319
	13,120	12,578
Allowance expected credit losses (note 9)	(288)	(288)
At 31 December	12,832	12,290
Maturity profile:		
Within 1 year	-	-
In 1-5 years	12,832	12,290
	12,832	12,290
(b) OTHER LOANS		
(i) GROUP		
Staff loans	9,433	44,851
Movement:		
At 1 January	44,665	9,747
Loans advanced	197	38,297
Loan repayments	(35,604)	(3,952)
Effect of foreign exchange translation	-	573
	9,258	44,665
Allowance expected credit losses (note 9)	175	186
At 31 December	9,433	44,851
Maturity profile:		
Within 1 year	3,250	3,362
In 1-5 years	-	2,808
In over 5 years	6,183	38,681
	9,433	44,851
Subtotal (a(i))	68,607	68,540
Subtotal (b(i))	9,433	44,851
	78,040	113,391

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
22. FINANCIAL ASSETS AT AMORTISED COST: LOANS RECEIVABLES (continued)

(b) OTHER LOANS (continued)

	2024 KShs'000	2023 KShs'000
(ii) COMPANY		
At 1 January	3,329	810
Loans advanced	-	2,519
Loan repayments	(98)	-
At 31 December	3,231	3,329
Maturity profile:		
Within 1 year	-	-
In 1-5 years	3,231	3,329
At 31 December	3,231	3,329
Subtotal (a(ii))	12,832	12,290
Subtotal (b(ii))	3,231	3,329
	16,063	15,619

An analysis of changes in the gross carrying amount and corresponding ECL allowances in loans has been disclosed in note 53.2(a).

The following table shows the maximum exposure to credit risk by of staff loans, the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk:

Group

31 December 2024 In KShs '000	Maximum exposure to credit risk	Total collateral	Exposure to total collateral ratio	Net exposure	ECLs
Mortgage loans	68,607	133,458	51%	-	11,761
Other loans	12,159	37,654	32%	-	-
31 December 2023					
Mortgage loans	68,540	133,458	51%	-	11,761
Other loans	12,159	37,654	32%	-	-

Company

31 December 2024 In KShs	Maximum exposure to credit risk	Total collateral	Exposure to total collateral ratio	Net exposure	ECLs
Mortgage loans	13,120	12,935	95%	-	-
31 December 2023					
Mortgage loans	12,290	12,935	95%	-	-

The collaterals on the mortgage loans relate to the underlying plot and/or house, to which the loan relates to. The property is charged on the Group and the group is able to sell the property in case of default.

The other loans relate to staff loans, and are secured by the staff contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GOVERNMENT SECURITIES

(a) GROUP	2024 KShs'000	2023 KShs'000
At 1 January	13,582,244	11,389,365
Additions	4,906,678	4,251,839
Disposals	(1,925,870)	(1,065,000)
Fair value loss through OCI	1,735,681	(993,960)
Gross	18,298,733	13,582,244
Allowance for expected credit loss	(1,202)	(2,870)
At 31 December	18,297,531	13,579,374
Maturity analysis		
Within 1 year	1,128,608	-
In 1-5 years	6,013,117	1,211,610
In over 5 years	11,155,806	12,367,764
	18,297,531	13,579,374

An analysis of changes in the gross carrying amount and corresponding ECL allowances debt instruments at fair value through OCI and at amortised cost has been disclosed in note 53.2(a).

24 . FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – UNQUOTED EQUITY INSTRUMENTS

GROUP	2024 KShs'000	2023 KShs'000
Unquoted investments:		
Shares held in the Oil and gas consortium	10,266	8,418
Shares held in Co-op Holding Co-operative Society Limited	18,958	14,378
	29,224	22,796
The movement in the investments is as follows:		
At 1 January	22,796	21,647
Additions	2,858	-
Fair value loss	4,580	(416)
Effect of foreign currency translation	(1,010)	1,565
At 31 December	29,224	22,796

The shares held in Co-op Holding Co-operative Society Limited were acquired before the initial public offer (IPO) in 2009 and are not listed at the Nairobi Securities Exchange Limited (NSE). These shares are not available to the public market; they can only be sold to other members of the Co-operative entity at a specified agreed value. Thus, the agreed price represents the exit price for these shares which are to be valued at the higher of 60% of the average of the month's quoted Co-operative Bank of Kenya Limited shares at the Nairobi Securities Exchange Limited or the value of the shares. In the current year the shares have been valued at KShs 6.75 which approximates the fair value. In 2024, the Group did not receive any dividends from its FVOCI equities. The Group did not dispose of or derecognise any FVOCI equity instruments in 2024.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-QUOTED EQUITY INSTRUMENTS

	2024	2023
	KShs'000	KShs'000
At 1 January	647,506	1,060,004
Additions	139,240	106,091
Disposal	(24,548)	(384,225)
Fair value loss	169,541	(134,364)
At 31 December	931,739	647,506

At year end, these are valued at the weighted average price at the Nairobi Securities Exchange on the last day of trading in that year.

26. (a) INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES THROUGH PROFIT OR LOSS - GROUP

	2024	2023
	KShs'000	KShs'000
At 1 January	1,368,501	1,210,502
Additions	639,623	635,195
Disposal	(771,934)	(493,070)
Fair value gain	17,363	15,874
At 31 December	1,253,553	1,368,501

(b) INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES THROUGH PROFIT OR LOSS - COMPANY

At 1 January	14,501	37,255
Disposals	-	(25,000)
Fair value gain	1,910	2,246
At 31 December	16,411	14,501

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
27. OTHER RECEIVABLES

	2024	2023
(a) GROUP	**KShs'000**	**KShs'000**
Staff advances	18,169	13,584
Rent receivable	73,907	73,397
Prepayments	56,977	70,873
Sundry debtors	85,330	105,563
Administration fees receivable	153,588	142,724
Other deposits	79,450	100,265
Medical administration fees receivable	-	52,258
CIC Society Ltd	14,160	14,380
Pension fund receivable	234,956	169,511
Withholding tax	69,008	22,312
Other receivables	157,024	99,960
Allowance for expected credit losses	(14,088)	(12,393)
	928,481	852,434
Movement in ECL:		
1 January	12,393	8,746
Increase in expected credit losses (note 9(d))	1,695	3,647
At 31 December	14,088	12,393
(b) COMPANY		
Other receivables	17,587	14,555
Prepayments	19,790	42,480
CIC Society Ltd	4,500	4,500
Alowance of expected credit losses	(63)	-
	41,814	61,535

An analysis of changes in the gross carrying amount and corresponding ECL allowances in other receivables has been disclosed in note 53.2(a).

*Other deposits relate to deposits placed with the lead insurers under the NHIF civil servants account and the National Police Service (NPS) account to facilitate prompt payment of claims.

The carrying amounts disclosed above reasonably approximate fair values at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
28. RELATED PARTIES

The ultimate parent company is Co-operative Insurance Society Limited. The Group has various related parties, most of whom are related by virtue of being the investor, and partly due to common directorships. The provisions for expected credit losses made on related party balances during the year was Kshs 6,982,000 (2023: Kshs 5,573,000). The amounts due from related parties are non- interest bearing and the balances are not secured.

The CIC Insurance Group being the majority shareholder in the various related parties; is committed to providing the necessary financial support to the related companies with capitalisation deficit to ensure they meet their financial obligations.

GROUP	2024	2023
	KShs'000	KShs'000
Due from related companies:		
Co-operative Insurance Society Limited	260,795	188,620
Allowance for expected credit losses	(6,982)	(5,573)
	253,813	183,047
Movement in ECL:		
1 January	5,573	2,541
Decrease in expected credit losses (note 9(d))	1,409	3,032
At 31 December	6,982	5,573

(a) Transaction with related parties during the year

The following transactions were carried out with related parties during the year:

	2024	2023
Payments on behalf of related party*		
Co-operative Insurance Society Limited	72,175	40,921
CIC Africa Co-operatives Insurance Limited Malawi	31,704	26,574
Dividends paid to Co-operative Insurance Society Limited	256,348	256,348
Premium receipts from Co-operative Bank of Kenya Limited	4,425,854	4,269,348
Claims payment to Co-operative Bank of Kenya Limited	2,260,921	1,046,303
Deposits with Co-operative Bank of Kenya Limited	5,966,584	3,920,426
Loans with Co-operative Bank of Kenya Limited	5,165,766	4,955,891

* In helping to reduce the administration burden there will be situations where one entity will pay expenses or receive premiums on behalf of its sister entities or subsidiaries. Therefore, these transactions relate to the receipts to and payments from related parties to reimburse the entity paying on behalf of the others or allocating the premiums received by the entity on behalf of the others.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
28. RELATED PARTIES (Continued)

(b) Key management and director's remuneration

The remuneration of directors and other members of key management during the year were as follows:

	2024	2023
Short-term employment benefits:	KShs'000	KShs'000
Directors		
- Salaries	88,696	78,717
- Directors 'emoluments – Fees	30,781	29,391
- Others (travel and accommodation)	9,624	8,530
	129,101	116,638
Key management staff*:		
Salaries	280,100	162,078
Leave allowance	5,049	2,236
National Social Security Fund (NSSF)	490	157
Gratuity	10,750	12,238
Contribution to defined contribution scheme	8,566	7,000
	434,056	300,347
Included in Kenya management staff is salary and allowances of KShs 89 million (2023: KShs 79 million) paid to Group Managing Director & CEO, who is also a director.		
Due from related parties:		
Co-operative Insurance Society Limited	260,795	188,620
CIC Africa (Uganda) Limited	120,733	111,518
CIC Africa Co-operatives Insurance (Malawi) Limited	98,381	66,677
CIC Africa Insurance (SS) Limited	-	35,161
Allowance of expected credit losses	(2,400)	(1,996)
	477,509	399,980
Due to related parties:		
CIC Life Assurance Limited	12,396	434,700
CIC General Insurance Limited	291,394	171,056
CIC Asset Management Limited	55,743	47,478
CIC Microinsurance Limited	1,938	2,736
	361,471	655,970
Related party loan payable to:		
CIC Africa (SS) Limited	269,030	273,076
CIC Asset Management Limited	482,675	
Total	751,705	273,076
Deposits with Co-operative Bank of Kenya Limited	5,113	46,496
Loans with Co-operative Bank of Kenya Limited	5,165,766	4,955,891
Movement in intercompany loan payable:		
At 1 January	273,076	238,016
Proceeds from intercompany loan - CIC Asset	482,100	-
Repayment of intercompany loan - CIC Africa SS	(43,602)	-
Interest accrued	40,131	35,060
At 31 December	751,705	273,076

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
28. RELATED PARTIES (Continued)

The loan from CIC Africa (SS) Limited is unsecured and attracts interest at the rate of 12.5% per annum. It is repayable on 13 February 2024, following a 2-year extension approval. The loan was structured as single draw-down with a bullet repayment of principal sum at end of its tenure.

In the year 2024, CIC Asset Management Limited advanced the parent, CIC Insurance Group a loan of KShs 482 Million, at a fixed interest rate of 14.5% with a tenure of 12 months and is due for repayment on 27th December 2025. The loan was structured as a single draw-down with a bullet repayment of principal sum and accrued interest at end of the tenure. The loan is secured by a share pledge on the shares of CIC Africa Insurance (SS) Limited.

The company has various related parties, most of whom are related by common shareholding.

(i) Transaction with related parties during the year – Company	2024	2023
	KShs'000	KShs'000
Receipts from related parties		
CIC Asset Management Limited	38,641	43,675
CIC General Insurance Limited	429,023	559,498
CIC Life Assurance Limited	361,891	439,781
CIC Africa Insurance (SS) Limited	8,441	-
Payments to related parties		
CIC Asset Management Limited	30,415	32,457
CIC General Insurance Limited	308,685	594,622
CIC Life Assurance Limited	784,195	398,960
CIC Africa (Uganda) Limited	9,215	15,118
CIC Africa Co-operatives Insurance Limited	31,704	26,574
CIC Africa Insurance (SS) Limited	43,602	7,166
Co-operative Insurance Society Limited	72,175	40,921

Loans to directors of the group and the company

The Group and its subsidiaries did not advance loans to the directors in the years ended 31 December 2024 and 31 December 2023.

An analysis of changes in the gross carrying amount and corresponding ECL allowances in due from related parties has been disclosed in note 53.2(a).

The carrying amounts disclosed above reasonably approximate fair values at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
29. DEPOSITS WITH FINANCIAL INSTITUTIONS

(a) GROUP	2024	2023
	KShs'000	KShs'000
The Co-operative Bank of Kenya Limited	5,966,584	3,920,426
KCB Bank Kenya Limited*	1,475,066	1,020,244
Nico Asset Managers Limited	270,231	298,824
Equity Bank of Kenya Limited	1,108,226	143,626
Equity Bank of Uganda Limited	-	98,471
I and M Bank Limited	11,202	-
Middle East Bank of Kenya Limited	25,392	-
Family Bank Limited	140,785	10,329
Credit Bank Limited	228,956	100,807
FTB Bank Limited	44,236	148,457
Kenya Women's Micro Finance Bank	-	89,357
Stanbic Bank Limited	14,870	344,936
Ugafode Microfinance Limited	12,004	12,681
Foundation for international assistance (Finca) Bank	694	869
My bucks banking Corporation	18,543	23,218
NCBA Bank Kenya PLC	635,395	616,650
SBM Bank Kenya Limited	306,798	-
Kingdom Bank Ltd	-	78,399
Absa Bank Uganda Ltd	361	424
Postbank	124,468	216,755
Housing Finance Bank Uganda	-	73,191
Development Bank of Kenya Limited	-	57,122
National Bank of Kenya	79,578	-
NBS Bank Ltd Malawi	615	770
First Discount House Bank Limited	2,575	3,224
Continental Asset Management Malawi	360,505	342,127
Bank of Africa	868,675	-
	11,695,759	7,600,907
Expected credit losses allowance	(5,736)	(27,617)
Net deposits	11,690,023	7,573,290
Maturity analysis:		
Maturing within three months	9,194,250	4,584,059
Maturing after 3 months	2,501,509	3,016,848
	11,695,759	7,600,907

(i) Movement in deposits maturing after 3 months		
As at January	3,016,848	2,552,717
Net increase/(decrease)	(515,339)	464,131
As at December	2,501,509	3,016,848

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
29. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

(ii) Movement in ECL:	2024	2023
(a) GROUP	**KShs'000**	**KShs'000**
1 January	27,617	32,007
Decrease in expected credit losses (note 9)	(21,881)	(4,390)
At 31 December	5,736	27,617
(b) COMPANY		
KCB Bank Kenya Limited*	58,998	71,142
The Co-operative Bank of Kenya Limited	5,113	46,496
Expected credit losses allowance	(33)	(70)
Net deposits	64,078	117,568
Maturity analysis:		
Maturing within 3 months	-	-
Maturing after 3 months	64,111	117,638

* With the exception of deposits with KCB Bank Kenya Limited, which are under lien, and Kshs. 248 million in KCB Bank Kenya and Kshs. 1.1 billion in Co-operative Bank of Kenya which are placed as guarantee for fulfilment of some certain insurance arrangements with insured, all the other deposits are available for use by the Group and have no lien conditions attached to them. The weighted average interest rate earned on the deposits with KCB Bank Kenya Limited under lien during the year was 2.5% (2023: 2.5%).

The carrying amounts disclosed above reasonably approximate fair values at the reporting date.

30. SHARE CAPITAL

	2024		2023	
	Number of shares	Share capital	Number of shares	Share capital
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised ordinary shares of				
KShs 1 each (2023: KShs 1 each):				
At 1 January and at 31 December	3,000,000	3,000,000	3,000,000	3,000,000
Issued and fully paid up share capital:				
At 1 January and at 31 December	2,615,578	2,615,578	2,615,578	2,615,578

31. SHARE PREMIUM

	2024	2023
	KShs'000	KShs'000
At 1 January and at 31 December	162,179	162,179

Share premium arose out of private placement at a cost of KShs. 22.50 which was KShs 2.50 above the nominal value of 20/- in 2011 resulting in a share premium of KShs 598 million. Subsequently, the share premium was capitalized through issuance of bonus amounting to 436 million shares of KShs 1 each.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

32. STATUTORY RESERVE

The statutory reserve represents the surplus on the long-term business which is not distributable as dividends as per the requirements of the Kenyan Insurance Act.

Transfer from statutory reserve relates to the proportion of the long-term business surplus which is distributable as dividends and therefore transferred to retained earnings. The Act restricts the amounts of surpluses of the long-term business available for distribution to shareholders to 30% of the accumulated surplus of the long-term business.

33. CONTINGENCY RESERVE

The contingency reserve represents at 2% of the gross premium for non-life insurance business and 1% for life business that is set aside as required by the Insurance Act in Uganda.

34. REVALUATION SURPLUS

The revaluation surplus represents the surpluses on the revaluation of buildings and is not distributable as dividends.

35. FOREIGN CURRENCY TRANSLATION RESERVE

The exchange differences arising on the translation of foreign operations to the presentation currency are transferred to the foreign currency translation reserve. On disposal of the net investment, the cumulative exchange differences relating to the operations disposed of are released to the statement of profit or loss.

	2024	2023
	KShs'000	KShs'000
At 1 January	(573,927)	(496,295)
Other currency translation differences	(566,910)	(70,051)
NCI share in translation differences	115,604	(7,581)
Total movement in the year	(451,306)	(77,632)
At 31 December	(1,025,233)	(573,927)

36. FAIR VALUE RESERVE

The fair value reserve represents fair value gains / (losses) arising from financial assets at fair value through other comprehensive income and is not distributable as dividends.

37. RETAINED EARNINGS

The retained earnings balance represents the amount available for dividend distribution to the shareholders of the Group.

Retained earnings include fair value gains on revaluation of investment properties which are unrealised and whose distribution is subject to restrictions imposed by the Kenya Insurance Act 2015.

38. NON-CONTROLLING INTERESTS

	2024	2023
	KShs'000	KShs'000
At 1 January	(80,639)	(32,085)
Profit for the year	138,225	(56,135)
Other comprehensive loss for the year	(115,604)	7,581
Total comprehensive income for the year	22,621	(48,554)
At 31 December	(58,018)	(80,639)

Summarised financial information has been presented below for CIC Africa (Malawi) Limited, CIC Africa (Uganda) Limited and CIC Africa (South Sudan) Limited subsidiaries with non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
38. NON-CONTROLLING INTERESTS (continued)

	South Sudan		Malawi		Uganda	
	2024	2023	2024	2023	2024	2023
Proportion of ownership held by NCI	31%	31%	9%	9%	5%	5%
Proportion of voting rights held by NCI	31%	31%	9%	9%	5%	5%
NCI share of retained earnings/loss (KShs '000)	8,164	(30,503)	8,263	4,621	(26,088)	(39,719)
NCI share of profit before income tax (KShs '000)	122,974	(58,141)	15,127	(1,568)	125	3,574
Dividends paid to NCI in the year (KShs '000)	-	-	-	-	-	-

Summarised financial information of the subsidiaries is provided below:

	South Sudan		Malawi		Uganda	
	2024	2023	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Operating profit/(loss)	396,691	(187,553)	199,231	(33,310)	43,977	95,434
Profit/(loss) for the year	396,691	(187,553)	168,075	(17,418)	2,499	71,484
Other comprehensive income	(320,332)	26,853	-	(8,454)	-	348
Total comprehensive income	76,359	(160,700)	168,075	(25,872)	2,499	71,832
Total non-current assets	495,551	603,170	117,014	129,237	110,541	161,615
Total current assets	1,317,968	1,211,877	834,464	794,963	1,723,426	2,339,588
Total non-current liabilities	-	-	-	-		-
Total current liabilities	1,650,198	1,686,575	641,974	643,744	1,407,381	2,004,138

39. BORROWINGS – GROUP AND COMPANY

(a) GROUP	2024	2023
	KShs'000	KShs'000
1 January	5,081,164	4,571,600
New loans	107,272	112,078
Principal repayment	(462,012)	(94,973)
Interest repayment	(13,694)	(7,993)
Interest accrued	577,215	488,243
Effect of translation	(18,576)	12,209
31 December	5,271,369	5,081,164
(b) COMPANY		
1 January	4,955,891	4,571,600
Principal repayment	(354,740)	(94,973)
Interest repayment	-	(2,912)
Interest accrued	564,615	482,176
31 December	5,165,766	4,955,891

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
39. BORROWINGS – GROUP AND COMPANY (continued)

The borrowings relate to a bank loan of Kshs 3.4 billion (2023: Kshs 3.4 billion) from Co-operative Bank at a fixed interest rate of 12% with a tenure of 5 years and was due for repayment on 15th October 2024. The loan was structured as single draw-down with a bullet repayment of principal sum at end of the tenure. Interest repayment is on tri – annual basis. A principal repayment of Kshs 355 million was made during the year with. The loan is secured by Kiambu land; LR No 28800/951, inventories held by the Group whose fair value at 31 December 2024 was Kshs 5.06 billion (Note 15(b)).

The Company received an extension from Co-operative Bank to reschedule the loan repayments by 30 days upto 15th November 2024. As of 31 December 2024, the Company received an extension from Co-operative Bank to reschedule the loan repayments by a further 60 days upto 15th January 2025. The extension periods were to allow the parties to agree on the new restructuring terms for the loan repayment.

The new loan was advanced to CIC Africa Uganda Limited during the year, an amount of KShs 107 million and is repayable within a year.

The Company is in the process of disposing the Kiambu land which is held as inventories. At 31 December 2024, deposits amounting to Kshs 491 million had been received and are included within other payables until revenue recognition criteria is met. Proceeds from sale of the land will be used to settle outstanding loan referred to above.

40. OTHER PAYABLES

	2024	2023
	KShs'000	KShs'000
(a) GROUP		
Sundry payables	1,199,022	809,761
Restructuring costs payable*	-	76,961
Payroll creditors	162,301	215,111
Premiums received in advance	191,829	237,838
Staff annual leave pay provision	42,084	108,710
Payroll related accruals	39,701	68,192
Service providers creditors	43,843	91,381
Other deposits***	300,378	229,934
Life agents' bond	14,478	12,704
Deposits on sale of land**	490,796	183,633
	2,484,432	2,034,225
(b) COMPANY		
Deposits on sale of land**	490,796	183,633
Sundry payables	79,527	76,825
Service providers creditors	29,853	28,933
Withholding tax payable	2,340	(215)
	602,516	289,176

*Restructuring costs payable relates to severance pay for employees who opted to retire/exit under the voluntary early retirement/exit programme in the year, and their payments are due in the subsequent year.

**Deposits on sale of land relate to deposit received from the sale of Kiambu land (Note 39). The carrying amounts disclosed above reasonably approximate fair values at the reporting date.

***Other deposits relate to rent deposits from CIC General Insurance and CIC Life Assurance tenants, deposit on the National Police Service (NPS) Medical scheme to cater for Ex-Gratia claims and funds held to facilitate claims payments to service providers on behalf of the NPS capitator.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

40. OTHER PAYABLES (Continued)

Movement in restructuring costs payable

	2024	2023
	KShs'000	KShs'000
Balance at 1 January 2024	76,961	-
Additional provisions recognized in profit or loss	84,816	198,688
Paid in the year	(161,777)	(121,727)
Balance at 31 December	-	76,961

41. DIVIDENDS

	2024	2023
	KShs'000	KShs'000
Declared and paid during the year	345,000	345,000
Proposed for approval at the annual general meeting (not recognised as a (liability	345,000	345,000

Dividend on ordinary shares

a) Dividend per share is arrived at by dividing the total dividends by the weighted average number of shares in issue during the year.
b) Payment of dividend is subject to withholding tax at the rate of 5% for resident and 10% for non-resident shareholders respectively.

42. COMPOSITION OF THE BALANCE SHEET - INSURANCE CONTRACTS

An analysis of the amounts presented on the balance sheet for insurance contracts is included in the table below:

	2024		2023	
Insurance contract liabilities Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	KShs'000	KShs'000	KShs'000	KShs'000
Non-medical	8,674,658	3,485,081	7,998,087	2,402,096
Medical	3,975,959	94,696	3,064,351	69,608
Total non-life insurance contract liabilities	12,650,617	3,579,777	11,062,438	2,471,704
Ordinary life	5,362,798	(2,105)	4,007,320	-
Group life	8,893,510	1,481,050	8,286,933	1,262,289
Total life insurance contract liabilities	14,256,308	1,478,945	12,294,253	1,262,289
Investment contracts liabilities with DPF	14,935,180	-	10,870,586	-
Total Investment contracts liabilities with DPF	14,935,180	-	10,870,586	-
Total insurance contract liabilities	41,842,105	5,058,722	34,227,277	3,733,993

Detailed reconciliations of changes in insurance contract balances during the reporting periods are included in the subsequent notes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
42. COMPOSITION OF THE BALANCE SHEET - INSURANCE CONTRACTS (Continued)
SUMMARY OF THE LIABILITY FOR INCURRED CLAIMS – GENERAL INSURANCE CONTRACTS

	2024			2023		
	Liability for incurred claims	Risk adjustment	Total	Liability for incurred claims	Risk adjustment	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance contract liabilities						
Non-medical	5,670,141	79,590	5,749,731	5,253,205	106,990	5,360,195
Medical	1,272,337	10,971	1,283,308	1,204,992	7,713	1,212,705
Total	6,942,478	90,561	7,033,039	6,458,197	114,703	6,572,900
Reinsurance contract assets						
Non-medical	(1,418,746)	(29,415)	(1,448,161)	(1,632,036)	(37,001)	(1,669,037)
Medical	(24,374)	(76)	(24,450)	(65,679)	(181)	(65,860)
Total	(1,443,120)	(29,491)	(1,472,611)	(1,697,715)	(37,182)	(1,734,897)
Net	5,499,358	61,070	5,560,428	4,760,482	77,521	4,838,003

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
42. COMPOSITION OF THE BALANCE SHEET - INSURANCE CONTRACTS (continued)

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Combined non-life and life insurance contracts

Combined	**2024**						
	Liability for remaining coverage (LRC)		**LIC for contracts not measured under PAA**	**LIC for contracts measured under PAA**		**Assets for acquisition cash flows**	**Total**
	LRC excl. loss component	**Loss component**		**PV of future cash flows**	**Risk adjustment**		**Total**
	KShs'000'	**KShs'000'**	**KShs'000'**	**KShs'000'**	**KShs'000'**	**KShs'000'**	**KShs'000'**
Net insurance contract liabilities / (assets) at 1 Jan	24,979,195	431,145	285,189	8,894,027	192,470	(554,749)	34,227,277
Insurance revenue	(26,348,750)	-	-	-	-	-	(26,348,750)
Insurance service expenses:							
Insurance service expenses	650,359	341,422	1,092,694	19,979,812	(20,095)	2,016,605	24,060,797
	(25,698,391)	341,422	1,092,694	19,979,812	(20,095)	2,016,605	(2,287,953)
Insurance finance expenses	2,484,825	30,414	47,002	898,267	1,844	-	3,462,352
Hyperinflationary adjustment	69,339	(73,789)	(7,045)	(314,603)	(4,119)	(24,643)	(354,860)
Translation differences	(1,887,297)	(140,223)	(5,426)	(286,210)	(13,785)	21,021	(2,311,920)
Total changes in the comprehensive income	(25,031,524)	157,824	1,127,225	20,277,266	(36,155)	2,012,983	(1,492,381)
Cash flows:							
Premiums received	36,582,720	-	-	-	-	-	36,582,720
Claims and other expenses paid	-	-	(984,809)	(20,072,239)	-	-	(21,057,048)
Insurance acquisition cash flows	(4,318,550)	-	-	-	-	(2,140,203)	(6,458,753)
Total cash flows	32,264,170	-	(984,809)	(20,072,239)	-	(2,140,203)	9,066,919
Other movements:							
Liability for guarantee	40,290	-	-	-	-	-	40,290
Net insurance contract liabilities / (assets) at 31 Dec	32,252,131	588,969	427,605	9,099,054	156,315	(681,969)	41,842,105

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
42. COMPOSITION OF THE BALANCE SHEET - INSURANCE CONTRACTS (continued)

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Combined non-life and life insurance contracts

Combined							**2023**
	Liability for remaining coverage (LRC)		LIC for contracts not measured under PAA	LIC for contracts measured under PAA		Assets for acquisition cash flows	Total
	LRC excl. loss component	Loss component		PV of future cash flows	Risk adjustment		Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	20,128,550	331,096	220,334	8,899,244	129,771	(672,883)	29,036,112
Insurance revenue	(25,400,902)	-	-	-	-	-	(25,400,902)
Insurance service expenses:							
Insurance service expenses	(250,951)	86,711	1,322,900	19,231,457	63,530	2,096,153	22,549,800
	(25,651,853)	86,711	1,322,900	19,231,457	63,530	2,096,153	(2,851,102)
Insurance finance expenses	414,545	21,343	18,554	434,812	(960)	-	888,294
Hyperinflationary adjustment	-	-	-	-	-	-	-
Translation differences	(35,547)	(8,005)	745	(43,625)	129	12,837	(73,466)
Total changes in the comprehensive income	(25,272,855)	100,049	1,342,199	19,622,644	62,699	2,108,990	(2,036,274)
Cash flows:							
Premiums received	30,777,001	-	-	-	-	-	30,777,001
Claims and other expenses paid	-	-	(1,277,344)	(18,952,461)	-	-	(20,229,805)
Insurance acquisition cash flows	(1,459,380)	-	-	-	-	(1,990,856)	(3,450,236)
Total cash flows	29,317,621	-	(1,277,344)	(18,952,461)	-	(1,990,856)	7,096,960
Other movements:							
Investment component	675,400	-	-	(675,400)	-	-	-
Liability for guarantee	130,479	-	-	-	-	-	130,479
Net insurance contract liabilities /(assets) at 31 Dec	24,979,195	431,145	285,189	8,894,027	192,470	(554,749)	34,227,277

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
43. NON - LIFE INSURANCE CONTRACT LIABILITIES

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Non-medical	2024						2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims		Assets for acquisition cash flows	Total	Liability for remaining coverage (LRC)		Liability for incurred claims		Assets for acquisition cash flows	
	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment		Total	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment		Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'						
Net insurance contract liabilities / (assets) at 1 Jan	2,881,779	106,873	5,253,205	106,990	(350,760)	7,998,087	2,252,772	108,547	6,026,238	77,905	(489,328)	7,976,134
Insurance revenue	(10,349,906)	-	-	-	-	(10,349,906)	(10,145,279)	-	-	-	-	(10,145,279)
Insurance service expenses	252,284	(15,187)	6,609,416	(22,196)	1,185,539	8,009,856	169,103	5,846	5,591,452	27,624	1,347,065	7,141,090
Insurance finance expenses	-	-	657,406	1,278	-	658,684	-	-	336,989	(732)	-	336,257
Hyperinflationary adjustment	104,918	(3,513)	(99,963)	(773)	(4,231)	(3,562)						
Translation differences	(218,991)	(19,088)	(152,240)	(5,709)	(5,838)	(401,866)	58,821	(7,520)	(9,485)	2,193	11,660	55,669
Total changes in the comprehensive income	(10,211,695)	(37,788)	7,014,619	(27,400)	1,175,470	(2,086,794)	(9,917,355)	(1,674)	5,918,956	29,085	1,358,725	(2,612,263)
Cash flows:												
Premiums received	10,854,284	-	-	-	-	10,854,284	10,546,362	-	-	-	-	10,546,362
Claims and other expenses paid	-	-	(6,597,683)	-	-	(6,597,683)	-	-	(6,691,989)	-	-	(6,691,989)
Insurance acquisition cash flows	(235,915)	-	-	-	(1,257,321)	(1,493,236)	-	-	-	-	(1,220,157)	(1,220,157)
Total cash flows	10,618,369	-	(6,597,683)	-	(1,257,321)	2,763,365	10,546,362	-	(6,691,989)	-	(1,220,157)	2,634,216
Net insurance contract liabilities /(assets) at 31 Dec	3,288,453	69,085	5,670,141	79,590	(432,611)	8,674,658	2,881,779	106,873	5,253,205	106,990	(350,760)	7,998,087

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

43. NON - LIFE INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Medical	2024						2023 Restated					
	Liability for remaining coverage (LRC)		Liability for incurred claims		Assets for acquisition cash flows	Total	Liability for remaining coverage (LRC)		Liability for incurred claims		Assets for acquisition cash flows	
	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment		Total	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment		Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'						
Net insurance contract liabilities / (assets) at 1 Jan	2,027,059	28,576	1,204,992	7,713	(203,989)	3,064,351	1,708,716	42,042	934,469	5,197	(183,555)	2,506,869
Insurance revenue	(8,175,932)	-	-	-	-	(8,175,932)	(7,634,142)	-	-	-	-	(7,634,142)
Insurance service expenses	766,804	436,770	8,304,742	13,097	831,066	10,352,479	-	(4,748)	7,424,730	2,751	749,088	8,171,821
	(7,409,128)	436,770	8,304,742	13,097	831,066	2,176,547	(7,634,142)	(4,748)	7,424,730	2,751	749,088	537,679
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-	-	-
Hyperinflationary adjustment	(67,599)	(69,453)	(203,598)	(3,109)	(20,412)	(364,171)						
Translation differences	(467,003)	(111,295)	(126,805)	(6,730)	26,859	(684,974)	(10,578)	(8,718)	(23,604)	(235)	1,177	(41,958)
Total changes in the comprehensive income	(7,943,730)	256,022	7,974,339	3,258	837,513	1,127,402	(7,644,720)	(13,466)	7,401,126	2,516	750,265	495,721
Cash flows:												
Premiums received	8,574,082	-	-	-	-	8,574,082	7,963,063	-	-	-	-	7,963,063
Claims and other expenses paid	-	-	(7,906,994)	-	-	(7,906,994)	-	-	(7,130,603)	-	-	(7,130,603)
Insurance acquisition cash flows	-	-	-	-	(882,882)	(882,882)	-	-	-	-	(770,699)	(770,699)
Total cash flows	8,574,082	-	(7,906,994)	-	(882,882)	(215,794)	7,963,063	-	(7,130,603)	-	(770,699)	61,761
Net insurance contract liabilities /(assets) at 31 Dec	2,657,411	284,598	1,272,337	10,971	(249,358)	3,975,959	2,027,059	28,576	1,204,992	7,713	(203,989)	3,064,351

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

43. NON - LIFE INSURANCE CONTRACT LIABILITIES (continued)

Expected timing of derecognition of assets for insurance acquisition cash flows

The expected timing of when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they are allocated is disclosed in the table below:

Non-medical

Number of years until expected derecognition	1 year	2 years	More than 2 years	Total
	KShs'000	KShs'000	KShs'000	KShs'000
31 December 2024	263,893	116,805	51,913	432,611
31 December 2023	213,964	94,705	42,091	350,760

Medical

Number of years until expected derecognition	1 year	2 years	More than 2 years	Total
	KShs'000	KShs'000	KShs'000	KShs'000
31 December 2024	152,108	67,327	29,923	249,358
31 December 2023	124,433	55,077	24,479	203,989

Gross claims development table

The Group uses chain-ladder techniques to estimate the ultimate cost of claims and the Incurred But Not Reported (IBNR) provision. Chain-ladder techniques are used as they are an appropriate technique for mature classes of business that have a relatively stable development pattern. This involves the analysis of historical claims development considering when the earliest material claim arose, factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not fully developed to produce an estimated ultimate claim cost for each accident year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
43. NON - LIFE INSURANCE CONTRACT LIABILITIES (continued)

Gross claims development table (continued)

2024

Accident Year	2020 and prior	2021	2022	2023	2024	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimated ultimate claims cost						
at end of accident year	12,785,869	4,608,539	5,267,349	8,051,847	12,132,391	42,845,995
one year later	4,599,999	1,446,556	2,244,310	2,536,877	-	10,827,742
two years later	1,128,982	590,872	411,031	-	-	2,130,885
three years later	766,131	364,956	-	-	-	1,131,087
four years later	572,779	-	-	-	-	572,779
five years later	199,325	-	-	-	-	199,325
Current estimate of cumulative claims	20,053,085	7,010,923	7,922,690	10,588,724	12,132,391	57,707,813
Less: cumulative payments to date	(20,012,805)	(6,769,694)	(7,157,831)	(8,646,735)	(7,456,974)	(50,044,039)
Gross outstanding claims notified provision	12,884	79,839	259,235	782,166	1,395,179	2,529,303
Liability incurred but not reported claims	27,396	161,390	505,624	1,159,823	3,280,238	5,134,471
Gross undiscounted liabilities for incurred claims	40,280	241,229	764,859	1,941,989	4,675,417	7,663,774
Effect of discounting	(3,869)	(22,739)	(71,119)	(204,590)	(418,979)	(721,296)
Effect of the risk adjustment margin for non-financial risk	359	2,383	8,088	26,364	53,367	90,561
Total gross liabilities for incurred claims	36,770	220,873	701,828	1,763,763	4,309,805	7,033,039

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
43. NON - LIFE INSURANCE CONTRACT LIABILITIES (continued)

Gross claims development table (continued)

2023

Accident Year	2019 and prior	2020	2021	2022	2023	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimated ultimate claims cost						
at end of accident year	3,884,735	4,145,258	5,324,320	8,731,814	8,731,814	37,832,847
one year later	1,388,259	1,444,985	1,589,158	3,359,384	3,359,384	16,533,331
two years later	406,365	352,881	691,794	-	-	3,534,048
three years later	304,031	267,165	-	-	-	2,014,987
four years later	172,978	-	-	-	-	1,192,142
five years later	-	-	-	-	-	648,909
Current estimate of cumulative claims	6,156,368	6,210,289	7,605,272	12,091,198	12,091,198	61,756,264
Less: cumulative payments to date	(6,038,131)	(5,725,712)	(6,202,273)	(6,586,497)	(6,586,497)	(54,227,443)
Gross outstanding claims notified provision	50,196	205,719	595,620	2,069,944	2,069,944	2,929,251
Liability incurred but not reported claims	68,041	278,858	807,379	3,434,757	3,434,757	4,599,570
Gross undiscounted liabilities for incurred claims	118,237	484,577	1,402,999	5,504,701	5,504,701	7,528,821
Effect of discounting	(9,735)	(39,898)	(115,518)	(401,456)	(401,456)	(568,114)
Effect of the risk adjustment margin for non-financial risk	999	4,095	11,858	65,996	65,996	83,102
Total gross liabilities for incurred claims	109,501	448,774	1,299,339	5,169,241	5,169,241	7,043,809

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
43. NON - LIFE INSURANCE CONTRACT LIABILITIES (continued)

Net claims development table
2024

Accident Year	2020 and prior	2021	2022	2023	2024	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimated ultimate claims cost						
at end of accident year	11,420,976	3,850,887	4,091,806	6,446,961	9,234,635	35,045,265
one year later	4,097,335	1,179,952	1,722,443	2,015,281	-	9,015,011
two years later	1,009,201	496,622	323,609	-	-	1,829,432
three years later	686,277	308,641	-	-	-	994,918
four years later	513,357	-	-	-	-	513,357
five years later	178,646	-	-	-	-	178,646
Current estimate of cumulative claims	17,905,792	5,836,102	6,137,858	8,462,242	9,234,635	47,576,629
Less: cumulative payments to date	(17,869,691)	(5,639,101)	(5,568,418)	(6,833,080)	(5,608,918)	(41,519,208)
Gross outstanding claims notified provision	10,548	58,183	169,770	491,272	958,613	1,688,386
Liability incurred but not reported claims	25,553	138,818	399,670	1,137,890	2,667,104	4,369,035
Gross undiscounted liabilities for incurred claims	36,101	197,001	569,440	1,629,162	3,625,717	6,057,421
Effect of discounting	(3,552)	(19,254)	(55,322)	(157,112)	(322,823)	(558,063)
Effect of the risk adjustment margin for non-financial risk	278	1,641	5,056	15,563	38,532	61,070
Total gross liabilities for incurred claims	32,827	179,388	519,174	1,487,613	3,341,426	5,560,428

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

43. NON -LIFE INSURANCE CONTRACT LIABILITIES (continued)

Net claims development table (continued)

2023

Accident Year	2019 and prior	2020	2021	2022	2023	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimated ultimate claims cost						
at end of accident year	14,001,004	2,814,085	3,381,567	4,008,511	8,481,432	32,686,599
one year later	7,239,863	980,954	1,009,301	1,661,885	-	10,892,003
two years later	1,776,550	239,560	439,370	-	-	2,455,480
three years later	1,247,090	181,370	-	-	-	1,428,460
four years later	851,065	-	-	-	-	851,065
five years later	464,506	-	-	-	-	464,506
Current estimate of cumulative claims	25,580,078	4,215,969	4,830,238	5,670,396	8,481,432	48,778,113
Less: cumulative payments to date	(25,556,877)	(4,097,429)	(4,438,465)	(4,713,423)	(4,597,651)	(43,403,845)
Gross outstanding claims notified provision	7,433	37,979	125,522	306,608	1,070,970	1,548,512
Liability incurred but not reported claims	15,768	80,561	266,251	650,365	2,812,811	3,825,756
Gross undiscounted liabilities for incurred claims	23,201	118,540	391,773	956,973	3,883,781	5,374,268
Effect of discounting	(2,946)	(15,054)	(49,753)	(121,531)	(424,502)	(613,786)
Effect of the risk adjustment margin for non-financial risk	280	1,432	4,733	11,563	59,513	77,521
Total gross liabilities for incurred claims	20,535	104,918	346,753	847,005	3,518,792	4,838,003

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Ordinary life	2024				2023			
	Liability for remaining coverage (LRC)		Liability for incurred claims		Liability for remaining coverage (LRC)		Liability for incurred claims	
	LRC excl. loss component	Loss component	PV of future cash flows	Total	LRC excl. loss component	Loss component	PV of future cash flows	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'				
Net insurance contract liabilities / (assets) at 1 Jan	3,833,182	143,306	30,832	4,007,320	3,997,209	107,572	23,175	4,127,956
Insurance revenue	(562,742)	-	-	(562,742)	(456,375)	-	-	(456,375)
Insurance service expenses	(1,009,678)	(57,435)	1,452,253	385,140	(1,022,949)	19,238	1,459,051	455,340
	(1,572,420)	(57,435)	1,452,253	(177,602)	(1,479,324)	19,238	1,459,051	(1,035)
Insurance finance expenses	1,476,894	21,856	-	1,498,750	(2,999)	13,012	-	10,013
Hyperinflationary adjustment	(1)	-	(58)	(59)	-	-	-	-
Translation differences	(17,603)	(2,109)	76	(19,636)	17,952	3,484	21	21,457
Total changes in the comprehensive income	(113,130)	(37,688)	1,452,271	1,301,453	(1,464,371)	35,734	1,459,072	30,435
Cash flows:								
Premiums received	1,746,988	-	-	1,746,988	1,435,512	-	-	1,435,512
Claims and other expenses paid	-	-	(1,462,153)	(1,462,153)	-	-	(1,451,415)	(1,451,415)
Insurance acquisition cash flows	(230,810)	-	-	(230,810)	(135,168)	-	-	(135,168)
Total cash flows	1,516,178	-	(1,462,153)	54,025	1,300,344	-	(1,451,415)	(151,071)
Net insurance contract liabilities / (assets) at 31 Dec	5,236,230	105,618	20,950	5,362,798	3,833,182	143,306	30,832	4,007,320

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of the measurement components of insurance contract balances

Ordinary life	2024				2023			
	PV of future cash flows	Risk adjustment	CSM	Total	PV of future cash flows	Risk adjustment	CSM	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	3,257,621	71,801	677,898	4,007,320	3,672,198	62,031	393,727	4,127,956
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	-	-	(131,732)	(131,732)	-	-	(91,508)	(91,508)
Change in the risk adjustment for non- financial risk	-	(24,201)	-	(24,201)	-	(17,378)	-	(17,378)
Experience adjustments	7,676	-	-	7,676	65,689	-	-	65,689
	7,676	(24,201)	(131,732)	(148,257)	65,689	(17,378)	(91,508)	(43,197)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(149,810)	49,131	100,679	-	(133,347)	54,824	78,523	-
Changes in estimates that do not adjust the CSM	(208,643)	45,229	-	(163,414)	9,174	16,648	-	25,822
Experience adjustments	439,751	(99,718)	(235,659)	104,374	48,747	(76,671)	-	(27,924)
Contracts initially recognised in the period	(432,702)	35,548	426,790	29,636	(202,453)	22,679	224,038	44,264
	(351,404)	30,190	291,810	(29,404)	(277,879)	17,480	302,561	42,162
Changes that relate to past service	-	-	-	-	-	-	-	-
Total changes	(343,728)	5,989	160,078	(177,661)	(212,190)	102	211,053	(1,035)
Insurance finance expenses	1,328,825	17,033	152,893	1,498,751	(66,766)	9,057	67,722	10,013
Translation differences	(11,413)	(433)	(7,790)	(19,636)	15,450	611	5,396	21,457
Total changes in the comprehensive income	973,684	22,589	305,181	1,301,454	(263,506)	9,770	284,171	30,435
Cash flows:								
Premiums received	1,746,987	-	-	1,746,987	1,435,512	-	-	1,435,512
Claims and other expenses paid	(1,462,153)	-	-	(1,462,153)	(1,451,415)	-	-	(1,451,415)
Insurance acquisition cash flows	(230,810)	-	-	(230,810)	(135,168)	-	-	(135,168)
Total cash flows	54,024	-	-	54,024	(151,071)	-	-	(151,071)
Net insurance contract liabilities /(assets) at 31 Dec	4,285,329	94,390	983,079	5,362,798	3,257,621	71,801	677,898	4,007,320

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Impact of contracts recognised in the year

Ordinary life	2024			2023		
Insurance contracts issued	Non-onerous contracts originated	Onerous contracts originated	Total	Non-onerous contracts originated	Onerous contracts originated	Total
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
Estimates of the PV of future cash outflows						
- Insurance acquisition cash flows	200,056	76,440	276,496	127,130	57,572	184,702
- Claims and other attributable expenses	294,481	113,374	407,855	187,134	122,306	309,440
Estimates of the PV of future cash outflows	494,537	189,814	684,351	314,264	179,878	494,142
Estimates of the PV of future cash inflows	(952,015)	(165,038)	(1,117,053)	(555,674)	(140,921)	(696,595)
Risk adjustment for non-financial risk	30,688	4,860	35,548	17,372	5,307	22,679
CSM	426,790	-	426,790	224,038	-	224,038
Increase in insurance contract liabilities	-	29,636	29,636	-	44,264	44,264

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Amounts determined on transition to IFRS 17

Insurance revenue and the CSM by transition method

Ordinary life	**2024**			**2023**		
Insurance contracts issued	**Contracts under the full retrospective approach at transition**	**Contracts under the fair value approach at transition**	**Total**	**Contracts under the full retrospective approach at transition**	**Contracts under the fair value approach at transition**	**Total**
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
Insurance revenue	562,742	-	562,742	418,460	37,915	456,375
CSM as at 1 January	546,412	131,486	677,898	302,425	91,302	393,727
Changes that relate to current service						
CSM recognised in profit or loss	(117,698)	(14,034)	(131,732)	(73,510)	(17,998)	(91,508)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(61,175)	161,854	100,679	26,865	51,658	78,523
Contracts initially recognised in the period	405,409	21,381	426,790	224,038	-	224,038
Experience Adjustments	(18,389)	(217,270)	(235,659)	-	-	-
Total changes	208,147	(48,069)	160,078	177,393	33,660	211,053
Insurance finance expenses	135,823	17,070	152,893	61,198	6,524	67,722
Translation differences	(7,790)	-	(7,790)	5,396	-	5,396
Total amounts recognised in comprehensive income	336,180	(30,999)	305,181	243,987	40,184	284,171
CSM as at 31 December	882,592	100,487	983,079	546,412	131,486	677,898

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Group life	2024						2023					
	Liability for remaining coverage (LRC)		LIC for contracts not measured under PAA	LIC for contracts measured under PAA		Total	Liability for remaining coverage (LRC)		LIC for contracts not measured under PAA	Liability for incurred claims		
	LRC excl. loss component	Loss component		PV of future cash flows	Risk adjustment	Total	LRC excl. loss component	Loss component		PV of future cash flows	Risk adjustment	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	5,366,589	152,390	285,189	2,404,998	77,767	8,286,933	4,307,246	72,935	220,334	1,915,362	46,669	6,562,546
Insurance revenue	(7,260,170)	-	-	-	-	(7,260,170)	(6,535,833)	-	-	-	-	(6,535,833)
Insurance service expenses	640,949	(22,726)	1,092,694	3,613,401	(10,996)	5,313,322	602,895	66,375	1,322,900	4,080,824	33,155	6,106,149
	(6,619,221)	(22,726)	1,092,694	3,613,401	(10,996)	(1,946,848)	(5,932,938)	66,375	1,322,900	4,080,824	33,155	(429,684)
Insurance finance expenses	1,007,931	8,558	47,002	240,861	566	1,304,918	417,544	8,331	18,554	97,823	(228)	542,024
Hyperinflation	32,021	(823)	(7,045)	(10,984)	(237)	12,932	-	-	-	-	-	-
Translation differences	(102,383)	(7,731)	(5,426)	(7,241)	(1,346)	(124,127)	16,518	4,749	745	(10,557)	(1,829)	9,626
Total changes in the comprehensive income	(5,681,652)	(22,722)	1,127,225	3,836,037	(12,013)	(753,125)	(5,498,876)	79,455	1,342,199	4,168,090	31,098	121,966
Cash flows:												
Premiums received	7,138,716	-	-	-	-	7,138,716	7,151,726	-	-	-	-	7,151,726
Claims and other expenses paid	-	-	(984,809)	(4,105,409)	-	(5,090,218)	-	-	(1,277,344)	(3,678,454)	-	(4,955,798)
Insurance acquisition cash flows	(688,796)	-	-	-	-	(688,796)	(593,507)	-	-	-	-	(593,507)
Total cash flows	6,449,920	-	(984,809)	(4,105,409)	-	1,359,702	6,558,219	-	(1,277,344)	(3,678,454)	-	1,602,421
Net insurance contract liabilities /(assets) at 31 Dec	6,134,857	129,668	427,605	2,135,626	65,754	8,893,510	5,366,589	152,390	285,189	2,404,998	77,767	8,286,933

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of the measurement components of insurance contract balances

Group life	2024				2023			
	PV of future cash flows	Risk adjustment	CSM	Total	PV of future cash flows	Risk adjustment	CSM	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	2,570,582	117,561	1,871,521	4,559,664	2,450,573	82,542	1,043,357	3,576,472
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	-	-	(636,099)	(636,099)	-	-	(387,000)	(387,000)
Change in the risk adjustment for non- financial risk	-	(49,479)	-	(49,479)	-	(61,686)	-	(61,686)
Experience adjustments	(253,886)	(25,699)	(1,907)	(281,492)	(170,621)	-	-	(170,621)
	(253,886)	(75,178)	(638,006)	(967,070)	(170,621)	(61,686)	(387,000)	(619,307)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(448,319)	88,999	359,320	-	(35,624)	59,842	(24,218)	-
Changes in estimates that do not adjust the CSM	(378)	26,783	-	26,405	2,259	55,440	-	57,699
Experience adjustments	19,396	(113,613)	43,610	(50,607)	46,843	(92,523)	-	(45,680)
Contracts initially recognised in the period	(848,443)	48,920	847,820	48,297	(1,050,090)	54,884	1,034,217	39,011
	(1,277,744)	51,089	1,250,750	24,095	(1,036,612)	77,643	1,009,999	51,030
Total changes	(1,531,630)	(24,089)	612,744	(942,975)	(1,207,233)	15,957	622,999	(568,277)
Insurance finance expenses	577,651	26,128	409,744	1,013,523	151,954	16,786	234,886	403,626
Translation differences	(67,829)	(4,889)	(33,965)	(106,683)	(34,864)	2,276	(29,721)	(62,309)
Total changes in the comprehensive income	(1,021,808)	(2,850)	988,523	(36,135)	(1,090,143)	35,019	828,164	(226,960)
Cash flows:								
Premiums received	1,691,026	-	-	1,691,026	2,423,692	-	-	2,423,692
Claims and other expenses paid	(793,931)	-	-	(793,931)	(1,071,979)	-	-	(1,071,979)
Insurance acquisition cash flows	(127,806)	-	-	(127,806)	(141,561)	-	-	(141,561)
Total cash flows	769,289	-	-	769,289	1,210,152	-	-	1,210,152
Net insurance contract liabilities /(assets) at 31 Dec	2,318,063	114,711	2,860,044	5,292,818	2,570,582	117,561	1,871,521	4,559,664

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Impact of contracts recognised in the year

Group life	2024			2023		
Insurance contracts issued	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**	**Non-onerous contracts originated**	**Onerous contracts originated**	**Total**
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
Estimates of the PV of future cash outflows						
- Insurance acquisition cash flows	125,721	111,193	236,914	170,977	121,782	292,759
- Claims and other attributable expenses	596,764	361,067	957,831	865,874	381,159	1,247,033
Estimates of the PV of future cash outflows	722,485	472,260	1,194,745	1,036,851	502,941	1,539,792
Estimates of the PV of future cash inflows	(1,598,416)	(444,772)	(2,043,188)	(2,102,752)	(487,130)	(2,589,882)
Risk adjustment for non-financial risk	28,111	20,809	48,920	31,684	23,200	54,884
CSM	847,820	-	847,820	1,034,217	-	1,034,217
Increase in insurance contract liabilities	-	48,297	48,297	-	39,011	39,011

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
44. LIFE INSURANCE CONTRACT LIABILITIES (continued)

Amounts determined on transition to IFRS 17

Insurance revenue and the CSM by transition method

Group life	2024			2023		
Insurance contracts issued	Contracts under the full retrospective approach at transition	Contracts under the fair value approach at transition	Total	Contracts under the full retrospective approach at transition	Contracts under the fair value approach at transition	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance revenue	514,395	1,255,753	1,770,148	1,259,176	639,620	1,898,796
CSM as at 1 January	1,871,521	-	1,871,521	1,043,357	-	1,043,357
Changes that relate to current service						
CSM recognised in profit or loss	(636,099)	-	(636,099)	(387,000)	-	(387,000)
Changes that relate to future service						
Changes in estimates that adjust the CSM	359,320	-	359,320	(24,218)	-	(24,218)
Experience adjustments	41,703	-	41,703			
Contracts initially recognised in the period	847,820	-	847,820	1,034,217	-	1,034,217
Total changes	612,744	-	612,744	622,999	-	622,999
Insurance finance expenses	409,744	-	409,744	234,886	-	234,886
Total amounts recognised in comprehensive income	1,022,488	-	1,022,488	857,885	-	857,885
Translation differences	(33,965)	-	(33,965)	(29,721)	-	(29,721)
CSM as at 31 December	2,860,044	-	2,860,044	1,871,521	-	1,871,521

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
45. DIRECT PARTICIPATING FEATURES CONTRACTS

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

	Liability for remaining coverage (LRC)	Liability for incurred claims	Total	Liability for remaining coverage (LRC)	Liability for incurred claims	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	10,870,586	-	10,870,586	8,093,272	-	8,093,272
Insurance revenue	-	-	-	(629,272)	-	(629,272)
Insurance service expenses:						
Incurred claims and other attributable expenses	-	-	-	-	-	-
Insurance service expenses	-	-	-	-	675,399	675,399
	-	-	-	(629,272)	675,399	46,127
Insurance finance expenses	-	-	-	-	-	-
Translation differences	(1,081,317)	-	(1,081,317)	(348,925)	-	(348,925)
Total changes in the comprehensive income	(1,081,317)	-	(1,081,317)	(978,197)	675,399	(302,798)
Other movements:						
Investment component	-	-	-	675,399	(675,399)	-
Liability for guarantee	40,290	-	40,290	130,479	-	130,479
Cash flows:						
Contributions received	5,341,003	-	5,341,003	2,927,071	-	2,927,071
Interest received	2,927,647	-	2,927,647	753,268	-	753,268
Withdrawals and other expenses paid	(3,163,029)	-	(3,163,029)	(730,705)	-	(730,705)
Total cash flows	5,105,621	-	5,105,621	2,949,634	-	2,949,634
Net insurance contract liabilities /(assets) at 31 Dec	14,935,180	-	14,935,180	10,870,587	-	10,870,587

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
46. REINSURANCE CONTRACT ASSETS

Reconciliation of the remaining coverage and incurred claims – Reinsurance contracts held

Non-medical	2024						2023					
	Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims				Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims		Liability for unamortised premium	Total
	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment	Liability for unamortised premium	Total	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment		
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net reinsurance contract assets/(liabilities) at 1 Jan	734,344	12,301	1,632,036	37,001	(13,586)	2,402,096	1,514,358	13,681	1,791,171	35,840	(265,895)	3,089,155
Reinsurance expenses	2,774,366	-	-	-	-	2,774,366	3,331,252	-	-	-	-	3,331,252
Incurred claims recovery	(187,455)	-	(751,235)	-	-	(938,690)	-	-	(196,006)	-	-	(196,006)
Losses recovery	-	2,176	-	-	-	2,176	-	3,064	-	-	-	3,064
Changes to recoveries	-	-	-	6,464	(587,089)	(580,625)	-	-	-	380	(948,342)	(947,962)
Net income / (expense) from reinsurance contracts held	2,586,911	2,176	(751,235)	6,464	(587,089)	1,257,227	3,331,252	3,064	(196,006)	380	(948,342)	2,190,348
Reinsurance finance income	-	-	(185,722)	(361)	-	(186,083)	-	-	(109,309)	223	-	(109,086)
Hyperinflationary adjustment	(3,183)	233	6,949	76	-	4,075						
Translation differences	162,336	1,291	(110,710)	1,407	26,868	81,192	(175,658)	(1,684)	22,058	(1,764)	7,300	(149,748)
Total changes in the comprehensive income	2,746,064	3,700	(1,040,718)	7,586	(560,221)	1,156,411	3,155,594	1,380	(283,257)	(1,161)	(941,042)	1,931,514
Cash flows:												
Reinsurance premiums paid	(4,298,557)	-	107,834	-	-	(4,190,723)	(2,375,580)	-	-	-	-	(2,375,580)
Reinsurance receipts	180,402	-	1,146,174	-	624,751	1,951,327	-	-	442,392	-	688,733	1,131,125
Total cash flows	(4,118,155)	-	1,254,008	-	624,751	(2,239,396)	(2,375,580)	-	442,392	-	688,733	(1,244,455)
Net reinsurance contract assets/(liabilities) at 31 Dec	2,106,435	8,601	1,418,746	29,415	(78,116)	3,485,081	734,344	12,301	1,632,036	37,001	(13,586)	2,402,096

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
46. REINSURANCE CONTRACT ASSETS (continued)

Reconciliation of the remaining coverage and incurred claims – Reinsurance contracts held

Medical	2024						2023					
	Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims		Liability for unamortised premium		Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims		Liability for unamortised premium	
	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment		Total	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment		Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net reinsurance contract assets/ (liabilities) at 1 Jan	(1,828)	-	65,679	181	5,576	69,608	701	-	35,496	82	(101)	36,178
Reinsurance expenses	(60,600)	-	-	-	-	(60,600)	355,499	-	-	-	-	355,499
Incurred claims recovery	-	-	(63,018)	-	-	(63,018)	-	-	(242,902)	-	-	(242,902)
Losses recovery	-	(1,361)	-	-	-	(1,361)	-	-	-	-	-	-
Changes to recoveries	-	-	-	105	4,070	4,175	-	-	-	(99)	(5,697)	(5,796)
Net income / (expense) from reinsurance contracts held	(60,600)	(1,361)	(63,018)	105	4,070	(120,804)	355,499	-	(242,902)	(99)	(5,697)	106,801
Reinsurance finance income	-	-	-	-	-	-	-	-	-	-	-	-
Hyperinflationary adjustment	(28,302)	-	-	-	(1,613)	(29,915)						
Translation differences	23,834	-	18,380	-	3,231	45,445	639	-	4,007	-	20	4,666
Total changes in the comprehensive income	(65,068)	(1,361)	(44,638)	105	5,688	(105,274)	356,138	-	(238,895)	(99)	(5,677)	111,467
Cash flows:												
Reinsurance premiums paid	(5,757)	-	-	-	-	(5,757)	(353,609)	-	-	-	-	(353,609)
Reinsurance receipts	-	-	85,943	-	-	85,943	-	-	208,712	-	-	208,712
Total cash flows	(5,757)	-	85,943	-	-	80,186	(353,609)	-	208,712	-	-	(144,897)
Net reinsurance contract assets/ (liabilities) at 31 Dec	68,997	1,361	24,374	76	(112)	94,696	(1,828)	-	65,679	181	5,576	69,608

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
46. REINSURANCE CONTRACT ASSETS (continued)

Reconciliation of the remaining coverage and incurred claims – Reinsurance contracts held

Group life	2024						2023					
	Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims		Liability for unamortised premium		Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims		Liability for unamortised premium	
	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment		Total	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment		Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net reinsurance contract assets/(liabilities) at 1 Jan	128,379	16,670	1,098,830	18,410	-	1,262,289	267,499	2,928	330,858	1,203	-	602,488
Reinsurance expenses	1,246,485	-	-	-	-	1,246,485	1,313,011	-	-	-	-	1,313,011
Incurred claims recovery	-	-	(629,721)	-	-	(629,721)	-	-	(1,518,015)	-	-	(1,518,015)
Losses recovery	-	1,014	-	-	-	1,014	-	(15,401)	-	-	-	(15,401)
Changes to recoveries	-	-	-	10,157	-	10,157	-	-	-	(17,128)	-	(17,128)
Net income / (expense) from reinsurance contracts held	1,246,485	1,014	(629,721)	10,157	-	627,935	1,313,011	(15,401)	(1,518,015)	(17,128)	-	(237,533)
Reinsurance finance income	(14,152)	3,939	(89,964)	(126)	-	(100,303)	(15,335)	2,177	(30,311)	73	-	(43,396)
Hyperinflationary adjustment	1,388	327	(2,090)	13	-	(362)	-	-	-	-	-	-
Translation differences	27,239	110	4,190	521	-	32,060	(2,376)	(518)	(4,341)	(152)	-	(7,387)
Total changes in the comprehensive income	1,260,960	5,390	(717,585)	10,565	-	559,330	1,295,300	(13,742)	(1,552,667)	(17,207)	-	(288,316)
Cash flows:												
Reinsurance premiums paid	(2,388,613)	-	35,242	-	-	(2,353,371)	(1,629,462)	-	-	-	-	(1,629,462)
Reinsurance receipts	586,075	-	989,205	-	-	1,575,280	473,282	-	784,695	-	-	1,257,977
Total cash flows	(1,802,538)	-	1,024,447	-	-	(778,091)	(1,156,180)	-	784,695	-	-	(371,485)
Net reinsurance contract assets/(liabilities) at 31 Dec	669,957	11,280	791,968	7,845	-	1,481,050	128,379	16,670	1,098,830	18,410	-	1,262,289

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

47. NOTES TO THE STATEMENT OF CASH FLOWS

(a) GROUP	Notes	2024	2023
Reconciliation of profit before taxation to cash generated from operations:		KShs'000	KShs'000
Profit before income tax		3,993,720	2,543,993
Expected credit losses	9(d)	(16,843)	5,399
Interest income	6	(6,046,353)	(2,630,218)
Dividend income	6	(46,515)	(48,177)
Amortisation of government securities and accrued interest	21	(42,557)	(74,443)
Interest expense	39	577,215	488,799
Depreciation on property and equipment	13 (a)	97,790	80,066
Elimination of depreciation on disposal	13 (a)	(596)	(34,622)
Elimination of depreciation on revaluation	13 (a)	-	(5,850)
Interest on leases	14(a)	29,235	29,023
Interest receivable on mortgage and other loans		(5,969)	(6,135)
Fair value gains on revaluation on investment property	15	(1,010,000)	(132,383)
Share of profits of associate	18	(1,518)	3,035
Amortisation of intangible assets	16(a)	60,707	57,589
Amortisation of corporate bond	20	1,018	(460)
Fair value loss on equity investment at fair value through profit or loss	25	(169,541)	134,364
Fair value gain on collective investment schemes	26(a)	(17,363)	(15,874)
Amortisation of right of use assets	14(a)	79,454	76,426
Working capital changes;			
Increase in insurance contract liabilities		7,614,828	5,191,165
Increase in other receivables		(76,047)	(226,179)
(Increase)/decrease in loan receivables		35,351	(34,532)
Increase in other payables		450,207	338,879
Increase in investment contract liabilities		(42,349)	4,252
Decrease in reinsurance contract assets		(1,324,729)	(6,172)
Movement in related party balances		(70,766)	(37,889)
Cash generated from operations		4,068,379	5,700,056

*ECL – Expected Credit Losses

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
47. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)
(b) Company

Reconciliation of profit before taxation to cash generated from operations:

	Notes	2024	2023
		KShs'000	KShs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax		618,593	(186,292)
Adjustments for:			
Expected credit losses (note 8(d))		367	201
Interest income	6	(5,547)	(7,646)
Interest expense	10	564,613	482,176
Depreciation on property and equipment	13(b)	24,677	19,246
Related party loan interest expenses		40,131	35,060
Interest receivable on mortgage and other loans		(1,161)	(1,319)
Fair value gain on collective investment schemes	26 (b)	(1,910)	(2,246)
Fair value gain on investment properties		(1,010,000)	-
Share of profits of associate		(1,518)	10,230
Gain on disposal of property and equipment		299	-
Amortisation of intangible assets	16(b)	23,856	26,046
Appropriation of profits		-	(16,151)
Dividend income	6	(385,000)	(465,000)
Working capital changes;			
Increase in other receivables		19,722	(19,013)
Decrease in related party balances		(372,431)	22,466
Increase/(decrease) in other payables		313,340	182,320
Increase in related party loan payables		438,498	-
Cash generated from / (used in) operations		266,529	80,078

a) Net debt reconciliation

This section sets out an analysis of net debt:

	Notes	2024	2023
Group			
Cash and cash equivalents	48	10,017,580	4,865,824
Gross debt - Lease liability	14 (a)	(199,533)	(309,577)
Gross debt – Borrowings	39	(5,271,369)	(5,081,164)
Net debt		4,546,678	(524,917)
Company			
Cash and cash equivalents	48	44,234	41,527
Gross debt – related party loan	28	(751,705)	(273,076)
Gross debt – Borrowings	39	(5,165,766)	(4,955,891)
Net debt		(5,873,237)	(5,187,440)

The movements in net debt for each of the periods presented have been included in note 39.

The Company has started selling of the investment properties it holds to generate cashflows for repayment of its outstanding debt. Refer to note 39.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

48. CASH AND CASH EQUIVALENTS

	Notes	2024	2023
Cash and cash equivalents comprise of:		KShs'000	KShs'000
GROUP			
Cash and bank balances		823,330	281,765
Deposits with banks – original maturity; maturing within 3 months	29	9,194,250	4,584,059
		10,017,580	4,865,824
COMPANY			
Cash and bank balances		44,234	41,527
Deposits with banks – original maturity; maturing within 3 months	29	-	-
		44,234	41,527

The cash and cash equivalents disclosed above and in the statement of cash flows include KShs 42,557,000 which are held by CIC Group. These deposits relate to amounts received into an escrow account with Co-operative Bank of Kenya for the ongoing sale of the Kiambu land and are therefore not available for general use by the other entities within the group.

49. INVESTMENT CONTRACT LIABILITIES

a) GROUP	Liability for remaining coverage (LRC)	
	2024	2023
	KShs'000	KShs'000
Net investment contracts liabilities at 1 January	(141,273)	(137,021)
Cash flows:		
Net withdrawals paid / (contributions received)	42,349	(4,252)
Total cash flows	42,349	(4,252)
Net investment contracts liabilities at 31 December	(98,924)	(141,273)

50. WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

The table below summarises the weighted average effective interest rates realised during the year on the principal interest-bearing investments:

GROUP	Interest	2024	2023
		%	%
Government securities	Fixed	13.46	13.03
Corporate bonds	Fixed	12.57	12.57
Mortgage loans	Fixed	6.00	6.00
Staff loans	Fixed	6.00	6.00
Policy loans	Fixed	8.00	8.00
Deposits with financial institutions	Fixed	15.39	13.05
Cash and cash equivalents	Fixed	7.00	7.00

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
51. CONTIGENCIES AND COMMITMENTS

a. Legal proceedings and regulations

The group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

The group is also subject to insurance solvency regulations and has complied with all the solvency regulations except CIC Life Uganda which was below the minimum capital requirement as per the insurance regulatory commission of Uganda. There are no contingencies associated with the Group and the Company's compliance or lack of compliance with such regulations.

b. Commitments, operating leases and bank guarantees

Commitments

Capital expenditure committed at the end of the reporting period but not recognised in the financial statements is as follows:

	2024	2023
	KShs'000	KShs'000
Committed but not contracted for	447,309	459,119

Operating leases

The group has entered into commercial property leases on its investment property portfolio, consisting of the group's surplus office buildings. These non–cancellable leases have remaining terms of between two and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions

Future minimum lease rentals receivable under non–cancellable operating leases as at 31 December are as follows:

	2024	2023
	KShs'000	KShs'000
Within one year	81,959	90,524
After one year but not more than two years	31,380	80,855
After two year but not more than five years	55,027	41,805
Total operating lease rentals receivable	168,366	213,184

The group has entered into commercial leases on certain property and equipment. These leases have an average life of between three and five years, with no renewal option included in the contracts. There are no restrictions placed upon the group by entering into the leases.

Bank Guarantees

Bank guarantees	582,220	1,347,213

In common practice with the insurance industry in general, the Group tenders for business. Such tenders require that a guarantee or performance bond is placed with a bank.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
52. RISK MANAGEMENT FRAMEWORK

a. Governance framework

The primary objective of the group's risk and financial management framework is to protect the group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, a group policy framework which sets out the risk profiles for the group, risk management, control and business conduct standards for the group's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the group.

The board of directors approves the group's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the group's identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

b. Capital management objectives, policies and approach

The group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value

The operations of the group are also subject to regulatory requirements. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy at 100%) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as they arise. The Group has met all of these requirements throughout the financial year. All the subsidiaries met the capital adequacy provisions.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Kenyan Insurance Regulatory Authority (IRA). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The group's capital management policy for its insurance and non–insurance business is to hold sufficient capital to cover the statutory requirements based on the IRA directives, including any additional amounts required by the regulator.

Approach to capital management

The group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the group in the light of changes in economic conditions and risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
52. RISK MANAGEMENT FRAMEWORK (continued)
b. Capital management objectives, policies and approach (continued)
Approach to capital management (continued)

An important aspect of the group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the group is focused on the creation of value for shareholders.

The primary source of capital used by the group is total equity and borrowings. The group also utilises, where it is efficient to do so, sources of capital such as reinsurance and securitisation, in addition to more traditional sources of funding.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The group has made no significant changes, from previous years, to its policies and processes for its capital structure.

	2024	2023
	KShs'000	KShs'000
Share capital	2,615,578	2,615,578
Share premium	162,179	162,179
Statutory reserve	2,300,170	1,487,294
Contingency reserve	3,549	138,692
Revaluation surplus	367,956	367,956
Translation reserve	(1,025,233)	(573,927)
Fair value reserve	(63,671)	(1,522,605)
Retained earnings	6,711,324	5,017,650
Equity attributable the owners of the parent	11,071,852	7,692,817
Non-controlling interest	(58,018)	(80,639)
Total equity	11,013,834	7,612,178

The Group had external borrowings at 31 December 2024 of KShs 5.3 billion (2023 – Kshs 5.1 billion).

	Notes	2024	2023
Group		KShs'000	KShs'000
Cash and cash equivalents	48	10,017,580	4,865,824
Gross debt - Lease liability	14 (a)	(199,533)	(309,577)
Gross debt - Borrowings	39	(5,271,369)	(5,081,164)
Net debt		4,546,678	(524,917)
Total equity		11,013,834	7,612,178
Net debt to equity ratio		0%	7%
Company			
Cash and cash equivalents	48	44,234	41,527
Gross debt – related party loan	28	(751,705)	(273,076)
Gross debt - Borrowings	39	(5,165,766)	(4,955,891)
Net debt		(5,873,237)	(5,187,440)
Total equity		3,708,454	3,604,898
Net debt to equity ratio		158%	144%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
52. RISK MANAGEMENT FRAMEWORK (continued)

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the group are subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as these arise.

The group is also subject to insurance solvency regulations and has complied with all the solvency regulations except CIC General Uganda Limited which did not meet the minimum capital requirement at 31 December 2024 as per the insurance regulatory commission of Uganda. The Group is taking remedial action to ensure this is cured in 2024.

Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the group faces, due to the nature of its investments and liabilities, is interest rate risk. The group manages these positions within an ALM framework that has been developed to achieve long–term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of the group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The Group's ALM is:

- 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
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

53. INSURANCE AND FINANCIAL RISK

53.1 Insurance

The principal risk the group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by frequency of the claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines as well as the use of reinsurance arrangements.

The group purchases reinsurance as a part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and a non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the group to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

1. Life insurance contracts

Life insurance contracts offered by the group include: whole life and term assurance. Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability. Few contracts have a surrender value. This includes group life and ordinary life premiums.

Pensions are contracts where retirement benefits are expressed in the form of an annuity payable at retirement age. If death occurs before retirement, contracts generally return the value of the fund accumulated or premiums. Most contracts give the policyholder the option at retirement to take a cash sum at guaranteed conversion rates allowing the policyholders the option of taking the more valuable of the two. Provision of additional death benefits may be provided by cancellation of units or through supplementary term assurance contracts. This includes the direct participating contracts.

Guaranteed annuities are single premium products which pay a specified payment to the policyholder whilst they and/or their spouse are still alive. Payments are generally either fixed or increased each year at a specified rate or in line with the rate of inflation. Most contracts guarantee an income for a minimum period, usually of five years, irrespective of death.

Death benefits of endowment products are subject to a guaranteed minimum amount. The maturity value usually depends on the investment performance of the underlying assets. For contracts with DPF, the guaranteed minimum may be increased by the addition of bonuses. These are set at a level that takes account of expected market fluctuations, such that the cost of the guarantee is generally met by the investment performance of the assets backing the liability. However, in circumstances where there has been a significant fall in investment markets, the guaranteed maturity benefits may exceed investment performance and these guarantees become valuable to the policyholder.

The main risks that the Group is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

The group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the group to pursue third parties for payment of some or all costs. The group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the group.

For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Groupwide reinsurance limits of Kshs. 3,000,000 on any single life insured insured are in place.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

1. Life insurance contracts (Continued)

For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Group charges for death and disability risks on a yearly basis. Under these contracts the group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the group

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely or to exercise guaranteed annuity options. As a result, the amount of insurance risk is also subject to contract holder behavior.

The following tables show the concentration of life insurance contract liabilities and investment contract liabilities by type of contract.

	Gross			Reinsurance*	
	Insurance contract liabilities	Direct participating	Total insurance contract liabilities	Reinsurance assets	Net liabilities
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
31 December 2024					
Ordinary life	5,362,798	-	5,362,798	2,105	5,364,903
Group life	8,893,510	-	8,893,510	(1,481,050)	7,412,460
Total insurance liabilities	14,256,308	-	14,256,308	(1,478,945)	12,777,363
Deposit administration	-	14,935,180	14,935,180		14,935,180
Total	14,256,308	14,935,180	29,191,488	(1,478,945)	27,712,543

	Gross			Reinsurance*	
	Insurance contract liabilities	Direct participating	Total insurance contract liabilities	Reinsurance assets	Net liabilities
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
31 December 2023					
Ordinary life	4,007,320	-	4,007,320	-	4,007,320
Group life	8,286,933	-	8,286,933	(1,262,289)	7,024,644
Total insurance liabilities	12,294,253	-	12,294,253	(1,262,289)	11,031,964
Deposit administration	-	10,870,586	10,870,586	-	10,870,586
Total	12,294,253	10,870,586	23,164,839	(1,262,289)	21,902,550

**The direct participating contracts (deposit administration) are not reinsured.*

53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

1. Life insurance contracts (Continued)

Key Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

- **Mortality and morbidity rates**

Assumptions are based on standard industry and national tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the group's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

- **Longevity**

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

- **Investment return**

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

- **Expenses**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

- **Lapse and surrender rates**

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

- **Discount rate**

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the group's own risk exposure. A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

1. Life insurance contracts (Continued)

Key Assumptions (continued)

The assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the group are listed below:

	Mortality and Morbidity rates		Discount rates/ Investment return				
	2024	2023	2024 and 2023			2022	2021
Insurance contracts			YR1 LAPSE	YR2 LAPSE	YR3 LAPSE		
Annuities*	KE 2007 – 2010 Tables for Assured Lives	KE 2007 – 2010 Tables for Assured Lives	-	-	-	13.2%	13.2%
Life assurance*	KE 2007 – 2010 Tables for Assured Lives	KE 2007 – 2010 Tables for Assured Lives	15%	10%	5%	Yield curve	Yield curve

Valuation age is taken as the number of complete years of age "curtate age" at the date of valuation. The period of valuation has been taken as the original term to maturity less curtate duration at the valuation date

***The Annuities and life assurance balances are included in the life insurance contract liabilities.**

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivity analysis is presented in note 2 (B).

2. Non-life insurance contracts

The Group principally issues the following types of general insurance contracts: motor, household, commercial and business interruption. Healthcare contracts provide medical expense coverage to policyholders and are not guaranteed as renewable. Risks under non–life insurance policies usually cover twelve months duration.

For general insurance contracts, {the most significant risks arise when there is fire, motor accidents, property losses or medical claims for longer tail claims that take some years to settle, there is also inflation risk. For healthcare contracts, the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements. These risks do not vary significantly in relation to the location of the risk insured by the group, type of risk insured and by industry.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

2. Non-life insurance contracts (Continued)

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The group uses commercially available proprietary risk management software to assess catastrophe exposure. However, there is always a risk that the assumptions and techniques used in these models are unreliable or that claims arising from an unmodelled event are greater than those arising from a modelled event.

The group has also Limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the group's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

The table below sets out the concentration of insurance contract liabilities by type of contract:

	31 December 2024			31 December 2023		
	Insurance contract liabilities	Reinsurance contract assets	Net liabilities	Insurance contract liabilities	Reinsurance contract assets	Net liabilities
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Non-medical	8,674,658	(3,485,081)	5,189,577	7,998,087	(2,402,096)	5,595,991
Medical	3,975,959	(94,696)	3,881,263	3,064,351	(69,608)	2,994,743
Total	12,650,617	(3,579,777)	9,070,840	11,062,438	(2,471,704)	8,590,734

Key Assumptions

The principal assumption underlying the liability estimates is that the group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The non–life insurance claim liabilities are sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.1 Insurance (Continued)

2. Non-life insurance contracts (Continued)

Sensitivities (Continued)

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period. The sensitivity analysis is presented in note 2 (B).

53.2 Financial risk

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the group's exposure to credit risk:

- A Group credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's audit and risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Net exposure limits are set for each counterparty or group of counterparties, and industry segment (i.e., limits are set for investments and cash deposits, and minimum credit ratings for investments that may be held).
- The Group maintains strict control limits by amount and terms on net open derivative positions. The amounts subject to credit risk are limited to the fair value of "in the money" financial assets against which the Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period of 120 days specified in the policy document until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.
- The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2024 and 2023 is the carrying amounts as presented in the statement of financial position.

The Group issues unit–linked investment policies in several its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds, as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no credit risk on unit–linked financial assets.

The group actively manages its product mix to ensure that there is no significant concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
The Group's internal rating process

The Group's investment team prepares internal ratings for financial instruments (Financial assets at amortised cost- Government securities, Financial Assets at amortised cost- Corporate Bonds, Financial Assets at amortised cost-Loan and Receivables, Financial Assets at amortised cost-Commercial Papers, Due from related party, Deposits with financial institutions, and Cash and bank balances) in which counterparties are rated using internal grades. The ratings are determined incorporating both qualitative and quantitative information from external party ratings supplemented with information specific to the counterparty and other external information that could affect the counterparty's behavior. These information sources are first used to determine whether an instrument has had a significant increase in credit risk.

The Group's internal credit rating grades for the above assets with exception of staff loans is as described below.

Internal rating grade	Internal rating description
0	High grade
1	High grade
2	Standard grade
3	Sub-standard grade
4	Past due but not impaired
5	Individually impaired

For staff loans, the credit rating is based on whether the staff is still in employment. The loan is given a 'high grade' rating if the staff is still in employment, and a 'past due but not impaired' rating in instances where the staff is no longer employed with the Group.

The Group's internal credit rating grades is as follows:

Asset class	Drivers of change in credit quality	Qualitative indicators assessed
Receivables arising from direct and reinsurance arrangements	30 days past due	Company closure, significant decline in the industry which the client operates, listing on credit reference bureau, inability to service debt, loss of income, among others.
Cash at bank and deposits with financial institutions	Downgrade to tie four	Bank closure, bank run, default on debt, credit rating downgrade, material adverse mention or investigation, change in bank tier, negative change in debt ratios, debt covenant breach, regulator actions among others.
Government Securities	Downgrade from investment grade to non-investment grade as per the external ratings	Credit rating downgrade, adverse political instability, military coup / attempt / civil turmoil, hyper inflationary trajectory, external war, significant fall in tax collection rates, significant natural disaster events, warnings from Bretton Woods Institutions, debt restructure, currency devaluation, unemployment rate growth among others.
Corporate Debt	Default in contractual cash flows	Credit rating downgrades, significant adverse political turmoil in country of major operations, significant fall in revenue collection, significant natural disaster events, debt restructure, material Adverse change (Change in business model; significant change in priority staff), significant court process interference on business model, insolvency, government agency takeover, financial covenant breach, material representation inaccuracy or warranty breach, material adverse mention, investigation among others.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
a) Credit risk (Continued)
The Group's internal rating process

Asset class	Drivers of change in credit quality	Qualitative indicators assessed
Equities - Dividend Income	Default in contractual cash flows	Company closure, default on debt, credit rating downgrade, adverse material mention, change in balance sheet debt composition, debt covenant breach, adverse change in business model, company insolvency among others.
Staff/ Non-Staff Loans	Default in contractual cashflows	Listing on credit reference bureau, inability to service debt, loss of income, death, permanent disability, imprisonment, number of months in arrears among others.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted. The Company performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Significant increase in credit risk, default and cure

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or portfolio of instruments (Financial assets at amortised cost- Government securities, Financial Assets at amortised cost- Corporate Bonds, Financial Assets at amortised cost-Loans, Due from related party, Deposits with financial institutions, Other receivables and Cash and cash equivalents) is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Group also considers a variety of instances that may indicate unlikeness to pay by assessing whether there has been a significant increase in credit risk. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. The Group considers a financial asset in default when contractual payments are 90 days past due. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a lifetime ECL. This more applicable to financial assets arising from investments with financial institution. Such events include:

- Internal rating of the counterparty indicating default or near default for all asset classes
- The counterparty having past due liabilities to public creditors or employees for all asset classes except for staff loans.
- The counterparty filing for bankruptcy application for all asset classes
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts of financial difficulties for all asset classes except for staff loans.

The Group considers a financial instrument defaulted and, therefore, credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Group's policy to consider the financial instrument as "cured" and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

The group actively manages its product mix to ensure there is no significant concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
a) Credit risk (Continued)

Collaterals and other credit enhancements

The amount and type of collateral required depends on assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each collateral, which applies only to staff loan advances. The main type of collaterals are as follows:

- For mortgages, legal charge over property to the extent of loan advanced.
- For car loans, the value of the motor vehicle.

Management monitors the market value of the collateral and may request additional collateral in accordance with underlying agreement.

The Group does not physically repose properties but engages its legal department in collaboration with external agents to recover funds to settle outstanding debt. Because of this practice, the properties or motor vehicles are not recorded in the balance sheet and not treated as non-current asset held for sale.

The fair values of the collaterals equal to the outstanding loan balances at the end of each financial reporting period since the Group is only interested in recovering the loan balance.

Impairment losses on financial investments subject to impairment assessment.

i) Debt instruments measured at FVOCI

(a) Group

The table below shows the fair values of the group's debt instruments at FVOCI by credit risk, based on the group's internal credit rating system.

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
Internal rating grade	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
High grade	18,298,733			18,298,733	13,582,244
Standard grade	-	-	-	-	-
Total gross amount	18,298,733	-	-	18,298,733	13,582,244
ECL	(1,202)			(1,202)	(2,870)
Total net amount	18,297,531	-	-	18,297,531	13,579,374

Movement of ECL:	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
ECL at start of year	(2,870)	-	-	(2,870)	-
Charge/(credit through P&L)	1,668	-	-	1,668	(2,870)
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(1,202)	-	-	(1,202)	(2,870)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
a) Credit risk (Continued)

Debt instruments at amortised cost*

The table below shows the credit quality and maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances.
Details of the Group's grading system are explained above.

ii) Financial assets at amortised cost: Corporate bonds

Group

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
Internal rating grade	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	86,368	-	-	86,368	6,222
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	6,252	6,252	7,258
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	82,615
Total Gross	86,368	-	6,252	92,620	96,095
ECL	-	-	(3,464)	(3,464)	(449)
Total Net Amount	86,368	-	2,788	89,156	95,646

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	-	-	(449)	(449)	(83,408)
Charge /(credit) through profit or loss	-	-	(3,015)	(3,015)	344
Write off	-	-	-	-	82,615
Movement between 12m ECL and LTECL	-	-	-	-	-
	-	-	(3,464)	(3,464)	(449)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
a) Credit risk (Continued)
iii) Financial assets at amortised cost: Government securities

Group

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
Internal rating grade	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	10,914,547	-	-	10,914,547	10,754,066
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	10,914,547	-	-	10,914,547	10,754,066
ECL	(1,488)	-	-	(1,488)	(847)
Total Net Amount	10,913,059	-	-	10,913,059	10,753,219

Management assessed that there is low probability of default on these financial instruments as they are sovereign debts and there has been no history of default from the Government of Kenya. The movement in ECL is as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	(847)	-	-	(847)	(375)
Charge/(credit) through profit or loss	(641)	-	-	(641)	(472)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(1,488)	-	-	(1,488)	(847)

iv) Financial Assets at amortised cost-Loan receivables

Group

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
Internal rating grade	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	89,561	-	-	89,561	124,966
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	89,561	-	-	89,561	124,966
ECL	(11,521)	-	-	(11,521)	(11,575)
Total Net Amount	78,040	-	-	78,040	113,391

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
a) Credit risk (Continued)

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(11,575)	-	-	(11,575)	(11,463)
Charge/(credit) through P&L	54	-	-	54	(112)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(11,521)	-	-	(11,521)	(11,575)

v) Financial Assets at amortised cost-Loan Receivables
(b) COMPANY

Internal rating grade	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	16,351	-	-	16,351	15,907
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	16,351	-	-	16,351	15,907
ECL	(288)	-	-	(288)	(288)
Total Net Amount	16,063	-	-	16,063	15,619

Analysis of the ECL is as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	(288)	-	-	(288)	(288)
Charge through profit or loss	-	-	-	-	-
Movement between 12m ECL and LTECL	-	-	-	-	-
	(288)	-	-	(288)	(288)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

vi) Deposits with financial institutions

(a) Group

Internal rating grade	STAGE 1 KShs'000	STAGE 2 KShs'000	STAGE 3 KShs'000	Total 2024 KShs'000	Total 2023 KShs'000
Performing					
High grade	11,695,759	-	-	11,695,759	7,600,907
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	11,695,759	-	-	11,695,759	7,600,907
ECL	(5,736)	-	-	(5,736)	(27,617)
Total Net Amount	11,690,023	-	-	11,690,023	7,573,290

An analysis of changes in the ECLs is, as follows:

	STAGE 1 KShs'000	STAGE 2 KShs'000	STAGE 3 KShs'000	Total 2024 KShs'000	Total 2023 KShs'000
ECL at start of year	(27,617)	-	-	(27,617)	(32,007)
Additional impairment	21,881	-	-	21,881	4,390
Unwind of discount	-	-	-	-	-
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(5,736)	-	-	(5,736)	(27,617)

(b) Deposits with financial institutions - Company

Internal rating grade	STAGE 1 KShs'000	STAGE 2 KShs'000	STAGE 3 KShs'000	Total 2024 KShs'000	Total 2023 KShs'000
Performing					
High grade	64,111	-	-	64,111	117,638
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	64,111	-	-	64,111	117,638
ECL	(33)	-	-	(33)	(70)
Total Net Amount	64,078	-	-	64,078	117,568

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(70)	-	-	(70)	(82)
Additional impairment	37	-	-	37	12
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(33)	-	-	(33)	(70)

vii) Financial assets at amortised cost -Receivables from related parties

(a) Group

Internal rating grade	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	260,795	-	-	260,795	188,620
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	260,795	-	-	260,795	188,620
ECL	(6,982)	-	-	(6,982)	(5,573)
Total net Amount	253,813	-	-	253,813	183,047

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	(5,573)	-	-	(5,573)	(2,541)
Charge/(credit) through profit or loss	(1,409)	-	-	(1,409)	(3,032)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(6,982)	-	-	(6,982)	(5,573)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

(b) Company

Internal rating grade	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	479,909	-	-	479,909	401,976
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	479,909	-	-	479,909	401,976
ECL	(2,400)	-	-	(2,400)	(1,996)
Total Net Amount	477,509	-	-	477,509	399,980

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	(1,996)	-	-	(1,996)	(1,783)
Charge/(credit) through profit or loss	(404)	-	-	(404)	(213)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(2,400)	-	-	(2,400)	(1,996)

viii) Financial assets at amortised cost - Other receivables

(a) Group

Internal rating grade	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	942,569	-	-	942,569	864,827
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	942,569	-	-	942,569	864,827
ECL	(14,088)	-	-	(14,088)	(12,393)
Total Net Amount	928,481	-	-	928,481	852,434

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(12,393)	-	-	(12,393)	(8,746)
Charge through profit or loss	(1,695)	-	-	(1,695)	(3,647)
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(14,088)	-	-	(14,088)	(12,393)

ix) Financial assets at amortised cost – Cash and bank balances

(a) Group

Internal rating grade	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Performing					
High grade	824,342	-	-	824,342	282,777
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	824,342	-	-	824,342	282,777
ECL	(1,012)	-	-	(1,012)	(1,012)
Total Net Amount	823,330	-	-	823,330	281,765

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2024	Total 2023
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	(1,012)	-	-	(1,012)	(1,012)
Charge/(credit) through profit or loss	-	-	-	-	-
Movement between 12m ECL and LTECL	-	-	-	-	-
	(1,012)	-	-	(1,012)	(1,012)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

The table below indicates the maximum exposure of assets bearing credit risk:

Group

	2024	2023
	KShs'000	KShs'000
Corporate bonds at amortised cost	89,156	95,646
Government securities at amortised cost	10,913,059	10,753,219
	78,040	113,391
	18,297,531	13,579,374
	29,224	22,796
Equity instruments at fair value through profit or loss	931,739	647,506
Investment in collective Schemes	1,253,553	1,368,501
Reinsurance contract assets	5,058,722	3,733,993
Other receivables	928,481	852,434
Due from related parties	253,813	183,047
Deposits with financial institutions	11,690,023	7,573,290
Cash and cash equivalents	823,330	281,765
Total	50,346,671	39,204,962

Company

Loans receivable	16,063	15,619
Other receivables	41,814	61,535
Due from related parties	477,509	399,980
Investment in collective Schemes	16,411	14,501
Deposits with financial institutions	64,078	117,568
Cash and cash equivalents	44,234	41,527
Total	660,109	650,730

Short term business

Impaired financial assets

At 31 December 2024, there are no impaired insurance assets.

For assets to be classified as" past–due and impaired" contractual payments must be in arrears for more than 120 days. No collateral is held as security for any past due or impaired assets.

The group records impairment allowances for receivables arising out of direct insurance arrangements and reinsurance arrangements in a separate impairment allowance account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

a) Credit risk (Continued)

Short term business

Impaired financial assets

Collateral

No collateral is held in respect of the receivables that are past due but not impaired.

Financial assets neither past due nor impaired

There were no financial assets that are neither impaired nor past due as at 31 December 2024.

b. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the group's exposure to liquidity risk:

- A group liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the group. Compliance with the policy is monitored and exposures and breaches are reported to the group risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The group's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the group based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
b. Liquidity risk (continued)

GROUP

The table below provides a contractual maturity analysis of the group's financial assets and liabilities:

	31 December 2024					
	No stated maturity	6 months or on demand	6 months and 1 year	1 year and 5 years	More than 5 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Financial assets						
Financial assets at amortised cost- Corporate Bonds	-	-	-	107,161	5,039	112,200
Financial assets at amortised cost -Government securities	-	184,655	201,634	5,244,489	14,575,879	20,206,657
Financial assets at amortised cost -Loans receivable	-	16,098	176	6,704	24,048	47,026
Financial assets at fair value through other comprehensive income -Government securities	-	108,266	1,020,342	5,392,918	22,263,110	28,784,636
Investments in collective investment schemes at fair value through Profit or loss	-	-	323,957	-	-	323,957
Equity investments at fair value through profit or loss	919,559	-	-	-	-	919,559
Equity investments at fair value through other comprehensive income	18,958	-	-	-	-	18,958
Reinsurance contract assets	-	4,223,135	-	-	-	4,223,135
Other receivables	-	767,015	250	-	-	767,265
Due from related parties	-	253,813	-	-	-	253,813
Deposits with financial institutions	-	9,899,335	167,037	382,757	-	10,449,129
Cash and cash equivalents	-	762,326	-	-	-	762,326
Total financial assets	938,517	16,214,643	1,713,396	11,134,029	36,868,076	66,868,661
Financial liabilities						
Borrowings	-	-	5,165,766	-	-	5,165,766
Lease Liability	-	31,650	49,064	134,353	1,073	216,140
Other payables	-	2,202,405	-	-	-	2,202,405
Insurance contract liabilities	-	11,086,855	-	-	-	11,086,855
Bank guarantees	-	-	-	582,220	-	582,220
Total financial liabilities	-	13,320,910	5,214,830	716,573	1,073	19,253,386
Net liquidity (gap)	938,517	2,893,733	(3,501,434)	10,417,456	36,867,003	47,615,275

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
b. Liquidity risk (continued)

GROUP	31 December 2023					
	No stated maturity	6 months or on demand	6 months and 1 year	1 year and 5 years	More than 5 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Financial assets						
Financial assets at amortised cost-Corporate Bonds	-	-	-	102,875	24,429	127,304
Financial assets at amortised cost -Government securities	-	-	455,550	6,647,527	9,099,799	16,202,876
Financial assets at amortised cost -Loans receivable	-	99,075	246	4,224	27,332	130,877
Financial assets at fair value through other comprehensive income -Government securities	-	-	20,315	4,548,500	14,035,456	18,604,271
Investments in collective investment schemes at fair value through Profit or loss	-	135,767	1,232,734	-	-	1,368,501
Equity investments at fair value through profit or loss	647,506	-	-	-	-	647,506
Equity investments at fair value through other comprehensive income	22,796	-	-	-	-	22,796
Reinsurance contract assets	-	1,719,043	1,438,721	-	-	3,157,764
Other receivables	-	843,416	9,018	-	-	852,434
Due from related parties	-	183,047	-	-	-	183,047
Deposits with financial institutions	-	4,117,372	2,579,393	876,525	-	7,573,290
Cash and cash equivalents	-	281,765	-	-	-	281,765
Total financial assets	670,302	7,379,485	5,735,977	12,179,651	23,187,016	49,152,431
Financial liabilities						
Borrowings	-	-	5,081,164	-	-	5,081,164
Lease Liability	-	42,823	79,237	265,978	-	388,038
Other payables	-	2,034,225	-	-	-	2,034,225
Insurance contract liabilities	-	16,565,080	9,767,950	-	-	26,333,030
Bank guarantees	-	-	-	1,347,213	-	1,347,213
Total financial liabilities	-	18,642,128	14,928,351	1,613,191	-	35,183,670
Net liquidity (gap)	670,302	(11,262,643)	(9,192,374)	10,566,460	23,187,016	13,968,761

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
b. Liquidity risk (continued)

COMPANY

						31 December 2024
	No stated maturity	6 months or on demand	6 months and 1 year	1 year and 5 years	More than 5 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Financial assets						
Financial assets at amortised cost -Loans receivable	-	16,063	-	-	-	16,063
Investments in collective investment schemes at fair value through Profit or loss	-	-	16,411	-	-	16,411
Other receivables	-	41,814	-	-	-	41,814
Due from related parties	-	477,509	-	-	-	477,509
Deposits with financial institutions	-	67,282	-	-	-	67,282
Cash and cash equivalents	-	44,234	-	-	-	44,234
Total financial assets	-	646,902	16,411	-	-	663,313
Financial liabilities						
Borrowings	-	5,165,766	-	-	-	5,165,766
Related party loan	-		751,705	-	-	751,705
Other payables	-	602,516	-	-	-	602,516
Due to related parties	-	361,471	-	-	-	361,471
Total financial liabilities	-	6,129,753	751,705	-	-	6,881,458
Net liquidity (gap)	-	(5,482,851)	(735,294)	-	-	(6,218,145)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
53. INSURANCE AND FINANCIAL RISK (CONTINUED)
53.2 Financial risk (Continued)
b. Liquidity risk (continued)

COMPANY

	31 December 2023					
	No stated maturity	6 months or on demand	6 months and 1 year	1 year and 5 years	More than 5 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Financial assets						
Financial assets at amortised cost -Loans receivable	-	15,619	-	-	-	15,619
Investments in collective investment schemes at fair value through Profit or loss	-		14,50	-	-	14,501
Other receivables	-	61,535	-	-	-	61,535
Due from related parties	-	399,980	-	-	-	399,980
Deposits with financial institutions	-	123,446	-	-	-	123,446
Cash and cash equivalents	-	41,527	-	-	-	41,527
Total financial assets	-	642,107	14,501	-	-	656,608
Financial liabilities						
Borrowings	-	4,955,891	-	-	-	4,955,891
Related party loan	-	-	273,076	-	-	273,076
Other payables	-	289,176	-	-	-	289,176
Due to related parties	-	655,970	-	-	-	655,970
Total financial liabilities	-	5,901,037	273,076	-	-	6,174,113
Net liquidity (gap)	**-**	(5,258,930)	(258,575)	**-**	**-**	(5,517,505)

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The group's market risk policy sets out the assessment and determination of what constitutes market risk for the group. Compliance with the policy is monitored and exposures and breaches are reported to the group risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The group stipulates diversification benchmarks by type of instrument, as the group is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds as the policy benefits are directly linked to the value of the assets in the fund. The group's exposure to market risk on this business is Limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

b. Liquidity risk (continued)

i. Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Kenya Shilling and its exposure to foreign exchange risk arise primarily with respect to US Dollar (USD), Uganda Shillings (UGSH), Malawian Kwacha (MK) and South Sudan Pound (SSP).

The group's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. This mitigates the foreign currency exchange rate risk for the overseas operations. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance contract liabilities are expected to be settled.

The group has no significant concentration of currency risk.

		31st December 2024		31st December 2023	
	Increase/ (decrease) in variables	Impact on PBT	Impact on Equity	Impact on PBT	Impact on Equity
		KShs'000'	KShs'000'	KShs'000'	KShs'000'
Currency					
SSP	10%	(29,456)	(75,678)	(29,456)	(75,678)
SSP	-10%	35,787	84,346	35,787	84,346
UGSH	10%	3,985	(2,567	3,985	(2,567
UGSH	-10%	(4,092)	(42,784)	(4,092)	(42,784)
MK	10%	(15,678)	((30,234)	(15,678)	((30,234)
MK	-10%	20,567	33,869	20,567	33,869

The holding's s financial assets are primarily denominated in the same currencies as its liabilities hence not exposed to the currency risks.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. Interest on floating rate instruments is re–priced at intervals of less than one year. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. The Financial assets at amortised cost- Deposits and commercial papers and staff loans are not affected by interest rate risk because the rates are agreed at the beginning of the contract financial instruments and insurance contracts described in this note, the sensitivity is solely associated with the former, as the carrying amounts of the latter are not directly affected by changes in market risks.

The Group's management monitors the sensitivity of reported interest rate movement monthly by assessing the expected changes in the different portfolios due to a parallel movement in all yield curves of financial assets and financial liabilities. The Group is not exposed to interest rate risk as all financial assets are at fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

53. INSURANCE AND FINANCIAL RISK (CONTINUED)

53.2 Financial risk (Continued)

b. Liquidity risk (continued)

ii. Interest rate risk (continued)

Government securities at fair value through other comprehensive income represents 63% of total government securities investments. If the bond market interest rate had increased/ decreased by 1%, with all other variables held constant, and all the other factors held constant, the comprehensive income for the year would increase/decrease by KShs 629,370,000.

iii. Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by 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, classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income investments. Exposure to equity shares in aggregate are monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes. Investments held are listed and traded on the Nairobi Securities Exchange Limited (NSE).

The Group has a defined investment policy which sets limits on the Group's exposure to equities both in aggregate terms and by industry. This policy of diversification is used to manage the Group's price risk arising from its investments in equity securities.

Investment management meetings are held monthly. At these meetings, senior managers meet to discuss investment return and concentration of the equity investments.

Equity investment through profit or loss represent 97% (2023: 97%) of total equity investments. If equity market indices had increased/ decreased by 5%, with all other variables held constant, and all the Group's equity investments moving according to the historical correlation with the index, the profit for the year would increase/decrease by KShs 46,587,000 (2023: KShs 32,375,000).

54. FAIR VALUE MEASUREMENT

The group specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities. This level includes equity securities and debt instruments listed on the Nairobi securities exchange.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly as prices or indirectly as derived from prices.
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components, property, equipment and investment property.

This hierarchy requires the use of observable market data when available. The group considers relevant and observable market prices in its valuations where possible.

There were no transfers between Level 1 and level 2 during the year.

The table below shows an analysis the fair value of assets by level in the fair value hierarchy. However, it does not include instruments whose fair value approximates the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
54. FAIR VALUE MEASUREMENT (Continued)

GROUP

31-Dec-24	Level 1	Level 2	Level 3	Total	Carrying amounts
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Recurring fair value Measurements					
Equity investments classified:					
-at fair value through profit or loss	931,739	-	-	931,739	931,739
- at fair value through OCI	-	29,224	-	29,224	29,224
Government securities classified at fair value through OCI	18,297,531	-	-	18,297,531	18,297,531
Investments in collective investment schemes at fair value through profit or loss	-	1,253,553	-	1,253,553	1,253,553
Owner occupied property and equipment	-	-	780,750	780,750	780,750
Investment properties	-	-	3,726,499	3,726,499	3,726,499
Inventories			5,056,000	5,056,000	5,056,000
Non-recurring fair value Measurements – fair value of assets not measured at fair value					
Corporate bonds	-	89,156	-	89,156	89,156
Government securities at amortised cost	11,676,973	-	-	11,676,973	10,913,059
Loan receivables	-	-	78,040	78,040	78,040
Total assets at fair value	30,906,243	1,371,933	9,641,289	41,919,465	41,155,551
Liabilities					
Investment contract liabilities	-	98,924	-	98,924	98,924
Total liabilities at fair value	-	98,924	-	98,924	98,924

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

31-Dec-23	Level 1	Level 2	Level 3	Total	Carrying amounts
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Recurring fair value Measurements					
Equity investments classified:					
-at fair value through profit or loss	647,506	-	-	647,506	647,506
- at fair value through OCI	-	22,796	-	22,796	22,796
Government securities classified at fair value through OCI	13,579,374	-	-	13,579,374	13,579,374
Investments in collective investment schemes at fair value through profit or loss	-	1,368,501	-	1,368,501	1,368,501
Owner occupied property and equipment	-	-	821,883	821,883	821,883
Investment properties	-	-	7,761,640	7,761,640	7,761,640
Inventories					
Non-recurring fair value Measurements – fair value of assets not measured at fair value					
Corporate bonds	-	129,644	-	129,644	95,646
Government securities at amortised cost	11,396,415	-	-	11,396,415	10,753,219
Loan receivables	-	-	113,391	113,391	113,391
Total assets at fair value	25,623,295	1,520,941	8,696,914	35,841,150	35,163,956
Liabilities					
Investment contract liabilities	-	141,273	-	141,273	141,273
Total liabilities at fair value	-	141,273	-	141,273	141,273

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
54. FAIR VALUE MEASUREMENT (Continued)

COMPANY

	Level 1	Level 2	Level 3	Total	Carrying amounts
2024	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**	**KShs'000**
Recurring fair value measurements					
Inventories	-	-	5,056,000	5,056,000	5,056,000
Fair value of assets not measured at fair value					
Loan receivables	-	-	16,063	16,063	16,063
Total assets at fair value	-	-	5,072,063	5,072,063	5,072,063
2023					
Recurring fair value measurements					
Investment properties	-	-	4,046,000	4,046,000	4,046,000
Fair value of assets not measured at fair value					
Loan receivables	-	-	15,619	15,619	15,619
Total assets at fair value	-	-	4,061,619	4,061,619	4,061,619

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
54. FAIR VALUE MEASUREMENT (continued)

Valuation methods used in determining the fair value of assets and liabilities

Instrument	Applicable Level	Valuation methods	Inputs
Loans and receivables at amortised cost	2	Discounted cash flow model (DCF)	Average Market interest rates 13%
Corporate bonds at amortised cost	2	Discounted cash flow model (DCF)	Interest rates
Equity investments classified as fair value through OCI	2	Net Asset Value	Current unit price of underlying unitised assets and interest rates.
Investments in collective investment schemes at fair value through profit or loss	2	Net Asset Value	Current unit price of underlying unitised assets and interest rates.
Deposits and commercial paper	2	Net Asset Value and Discounted Cash Flow (DCF)	Current unit price of underlying unitised assets and interest rates.

The significant unobservable inputs used in the fair value measurements categorised in level 3 of the fair value hierarchy as at 31 December 2024 are as shown below.

Group

Instrument	Level	Valuation basis	Rate	Significant unobservable Inputs	Sensitivity of input to the fair value
Investment properties	3	Discounted cash flow model (DCF)	16	Discount rate used, Net Annual Rent, Annual rent growth rate	Increase/(decrease) in discount by 5% would decrease/(increase) fair value by KShs 80.1 million
Owner occupied property and equipment	3	Discounted Cash Flow (DCF)	16	Discount rate used, Net Annual Rent, Annual rent growth rate	Increase/(decrease) in discount of 5% would decrease/(increase) fair value by KShs 1.9 million.
Direct participating contracts	3	Deposits, withdrawals and investment returns from the fund.	N/A	Market value of assets of the fund	Increase/(decrease) in the market price of the assets in the fund would increase/(decrease) fair value by KShs 536 million.

Company

Instrument	Level	Valuation basis	Rate	Significant unobservable Inputs	Sensitivity of input to the fair value
Investment properties	3	Discounted cash flow model (DCF)	16	Discount rate used, Net Annual Rent, Annual rent growth rate	Increase/(decrease) in discount by 5% would decrease/(increase) fair value by KShs 80.1 million

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024
55. GAIN ON MONETARY POSITION (CIC AFRICA SOUTH SUDAN & MALAWI)

IAS 29 Financial reporting in hyperinflationary economies requires financial statements that are prepared in the currency of a hyper-inflationary economy to be stated in terms of the value of money at the end of the reporting period. The IAS 29 approach is to restate all non-monetary balances recognised in the financial statements to the year-end general purchasing power of the functional currency and requires the use of a general price index to reflect changes in purchasing power.

The restatement procedures are summarised as follows:

- Selection of a general price index - Most governments issue periodic price indices.
- Segregation of monetary and non-monetary items - Monetary items do not need to be restated, because they represent money held, to be received or to be paid.
- Restatement of non-monetary items - Non-monetary assets and liabilities are restated in terms of the measuring unit current at the end of the reporting period.
- Restatement of shareholders' equity - All components of shareholders' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later
- Restatement of the income statement - All items in comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expense were originally recorded.
- Tax - Current taxes are restated with reference to movements in the general price index.
- Calculation and proof of the monetary gain or loss – The difference between the historical cost amounts and the result from the restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of index-linked items to year end purchasing power.

Statement showing the net monetary result on account of price level changes:	2024	2023
	KShs'000	KShs'000
Monetary liabilities at 1 January	7,001,620	4,778,064
Increase in net monetary liabilities in the year	2,334,652	3,789,807
Effects of exchange rate changes	(5,845,403)	(1,158,309)
Monetary liabilities at 31 December	3,490,869	7,409,562
Expressed in purchasing power at 31 December	2,327,078	2,512,087
Loss on monetary liabilities (a)	(1,163,791)	(4,897,475)
Monetary assets at 1 January	5,604,973	4,819,122
Increase in net monetary assets in the year	2,059,217	2,506,315
Effects of exchange rate changes	(4,424,318)	(1,170,110)
Monetary assets at 31 December	3,239,872	6,155,327
Expressed in purchasing power at 31 December	2,628,995	2,730,905
Gain on monetary assets (b)	(610,877)	(3,424,422)
Net gain on monetary position (c=a+b)	552,914	1,473,053

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

56. GOING CONCERN STATUS OF THE SUBSIDIARIES AND THE COMPANY

The directors have assessed the going concern of the subsidiaries and are confident that they will continue as going concern.

57. INCORPORATION

The Company is incorporated in Kenya under the Companies Act 2015 and is domiciled in Kenya.

58. HOLDING COMPANY

The holding entity is Co-operative Insurance Society Limited which is incorporated and domiciled in Kenya.

59. CURRENCY

The financial statements are presented in Kenya shillings thousands (KShs '000') which is also the functional currency of the Company.

60. EVENTS AFTER REPORTING DATE

There are no events after the reporting date that would require adjustments to, or disclosure in, the financial statements.

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NOTICE OF ANNUAL GENERAL MEETING CIC INSURANCE GROUP PLC

NOTICE IS HEREBY GIVEN that the Forty Sixth (46th) Annual General Meeting of the shareholders of the CIC INSURANCE GROUP PLC ("the Company") will be held via electronic means, on Friday 9th May 2025 at 10.00am to transact the business as set out below.

AGENDA

Constitution of the Meeting

1. The Company Secretary to read the notice convening the meeting and determine if a quorum is present.

Ordinary Business

2. To receive, consider and if thought fit, adopt the Annual Report and Financial Statements for the year ended 31st December 2024 together with the Directors' and Auditors' Reports thereon.
3. To declare a first and final dividend of Kshs 0.13 per share in respect of the year ended 31st December 2024, to be paid on or before 18th June 2025, to shareholders appearing on the Register of Members at the close of business on 22nd April 2025. The register will remain closed on 23rd April 2025 for the preparation of dividend warrants.
4. Election, Rotation and Retirement of Directors.

a). Rotation of Director:

Rogers Kinoti retires by rotation in accordance with Article 127 of the Company's Articles of Association, and being eligible offers himself for re-election.

b). Rotation of Director:

Gordon Owour retires by rotation in accordance with Article 127 of the Company's Articles of Association, and being eligible offers himself for re-election.

c). That Pursuant to paragraph 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 and in accordance with the Company's Articles of Association, the shareholders approve the continuation in office of Mr. Nelson Kuria, who as at the date of this meeting will have attained the age of seventy (70), until he next comes up for retirement by rotation.

5. Board Audit Committee

In accordance with the provisions of section 1) 769) of the Companies Act 2015, the following Directors, being members of the Audit Committee of the Board, be elected to continue serving as members of the said Committee:

a). Julius Mwatu - Committee Chairperson

b). Rogers Kinoti

c). Johnson Kegohi

d). Sharon Kisire

6. Directors Remuneration Report

To approve the Directors Remuneration Report for the year ended 31st December 2024 and to authorize the Directors to fix their remuneration for the year ending 31st December 2025.

7. Appointment of Messrs. PricewaterhouseCoopers LLP, Certified Public Accountants.

To receive, consider and if thought fit appoint Messrs. PriceWaterhouseCoopers, Certified Public Accountants, having expressed their willingness to continue in office as auditors of the company in accordance with section 2) 721) of the Companies Act. No 17 of 2015 and to authorize Directors to fix their remuneration.

8. Special Business

a). To generally authorize the Board to formulate, approve and regularly review policies and procedures as a continuing obligation, as required under the Thirteenth Schedule of the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 for:

i). Remuneration

ii). Effective communication with stakeholders' policy

iii).Corporate Disclosures policies and procedures

iv).Retention and attraction of Board Members of the Company

v). Disputes Resolution for Internal & External disputes

b). To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Authorizing Resolution

NOTICE OF ANNUAL GENERAL MEETING CIC INSURANCE GROUP PLC (continued)

i). THAT in accordance with section 329 of the Companies Act 2015 ("the Act"), the directors of the Company be authorised to allot shares in the Company up to an aggregate nominal amount of Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000.00) provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date of this Resolution.

Bonus Issue

ii). THAT pursuant to Articles 166 and 167 of the Articles of Association of the Company and the Directors having so recommended, and subject to receipt of all requisite regulatory approval, the sum of Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000.00) be and is hereby capitalized from the Retained Earnings and applied in paying up in full 261,500,000 new ordinary shares of par value Kshs. 1.00 each to be allotted and distributed as fully paid bonus shares to the holders of the existing ordinary shares of the Company whose names appear in the Register of Members at the close of business on 22nd April 2025, in the proportion of one (1) new ordinary share for every ten (10) existing ordinary shares held, and that the said bonus shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

iii).THAT the Board of Directors be and are hereby authorized to take all such actions as they may deem necessary or advisable in order to carry into effect the purpose and intent of the foregoing resolutions, including without limitation the allocation of the shares issued by way of Bonus Issue, the filing of any required documentation with the Registrar of Companies, the Capital Markets Authority, the Nairobi Securities Exchange or any other regulatory authorities as well as entering into any agreement and/or other documents, and appointing any professional advisers or parties necessary to give effect to the resolutions.

c). Any Other Business

To transact any other business for which due notice has been received.

Dated at Nairobi this 14th day of April 2025

By Order of the Board,

GAIL ODONGO
GROUP COMPANY SECRETARY

NOTES:

1. In accordance with the Articles of Association and the Companies, Act, 2015, the Forty Sixth Annual General Meeting (AGM) of the CIC Insurance Group PLC ("the Company") will be held virtually on Friday 9th May 2025 at 10.00a.m.
2. We have partnered with Image Registrars Limited to facilitate the virtual AGM. Image Registrars Limited is duly registered as a Data Processor & Data Controller in line with the Data Protection Act 2019, and we have explicitly instructed them to use shareholders' personal data solely for purposes of the AGM, including but not limited to sending AGM related communication through text messages and emails.
3. Shareholders wishing to participate in the meeting should register for the AGM by doing the following:
    i). Dialing *#484*483 for all networks in Kenya, and follow the various prompts regarding the registration process; or
    ii). Sending an email request to be registered to cicgroupagm@image.co.ke; or
    iii). Shareholders with email addresses will receive a registration link via email through which they can use to register.

In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance shareholders (whether in Kenya or outside) should dial the following helpline number: (170 709 (254+ 000 170 0709/041 from 8:00 a.m. to 5:00 p.m. from Monday to Friday. A shareholder domiciled outside of Kenya can send an email to Image Registrars via cicgroupagm@image.co.ke.

4. Registration for the AGM opens on 14th April 2025 at 9:00 a.m. and will close on 7th May 2025 at 10.00 a.m.

NOTICE OF ANNUAL GENERAL MEETING CIC INSURANCE GROUP PLC (continued)

5. In accordance with Section 2)283)(c) of the Companies Act, the following documents may be viewed on the Company's website www.cic.co.ke (i) a copy of this Notice and the proxy form;

   (ii) the Company's audited financial statements for the year ended 31st December 2024.

The reports may also be accessed upon request by dialing the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

6. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
   a). sending their written questions by email to cicgroupagm@image.co.ke
   b). shareholders who will have registered to participate in the meeting shall be able to ask questions via sms by dialing the USSD code above and selecting the option (ask Question) on the prompts
   c). to the extent possible, physically delivering their written questions with a return physical address or email address to Image Registrars Limited, Absa Towers, 5th Floor (formerly Barclays plaza), Loita Street, Nairobi, or
   d). sending their written questions with a return physical address or email address by registered post to the Company's address at P. O. Box 00200-58485 Nairobi.

Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

All questions and clarification must reach the Company on or before Thursday 8th May, 2025 at 11:00 a.m.

Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 12 hours before the start of the general meeting. A full list of all questions received and the answers thereto will be published on the Company's website not later than 12 hours before the start of the general meeting.

7. In accordance with Section 1)298) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company. A proxy form is available on the Company's website via this link: http://www.cic.co.ke. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, Absa Towers, 5th Floor (formerly Barclays Plaza), Loita Street. A proxy must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to cicgroupagm@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers, Loita Street, P.O. Box 00100 – 9287 GPO, Nairobi, so as to be received not later than 6th May, 2025 at 10:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than 6th May 2025 at 10.00 am. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 6th May, 2025 to allow time to address any issues.
8. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the live stream.
9. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USSD prompts.
10. A poll shall be conducted for all the resolutions put forward in the notice.
11. The results of the AGM shall be published on the Company's website within 24 hours following conclusion of the Annual General Meetings.

PROXY FORM

THE GROUP COMPANY SECRETARY
CIC INSURANCE GROUP PLC
CIC PLAZA, MARA ROAD, UPPERHILL NAIROBI
P. O. BOX 59485 - 00200
NAIROBI, KENYA

I/WE ____

Of ____

Being a shareholder of CIC Insurance Group Plc hereby appoint the Chairman of the Meeting or (see notes 3 and 5)

______________________ Name of proxy) in respect of my______________________________________ (Number of shares).

Please indicate here if you are appointing more than one proxy____

(see note 5) as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held electronically on 9th May, 2025 at 10.00 am and at any adjournment thereof.

Signed this__________________ day of_____________________ , 2025

Signature(s)

____

____

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

PROXY FORM *(Continued)*

Please clearly mark the box below to instruct your proxy how to vote

RESOLUTION	FOR	AGAINST	WITHHELD
Approval of the Annual Report and Financial Statements for the Year ended 31st December, 2024			
Declaration of a first and final dividend of Kshs. 0.13 per share for the year ended 31st December 2024			
Board Appointment /Rotation of Directors			
Board Rotation of Director Rotation of Director Rogers Kinoti in accordance with Article 127 of the Company's Articles of Association.			
Rotation of Director Gordon Owour in accordance with Article 127 of the Company's Articles of Association.			
Pursuant to paragraph 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, and in accordance with the Company's Articles of Association, the shareholders approve the continuation in office of Mr. Nelson Kuria, who as at the date of this meeting will have attained the age of seventy (70), until he next comes up for retirement by rotation.			
Board Audit Committee Election of the following Directors, as members of the Audit Committee of the Board. **a.** Julius Mwatu **b.** Rogers Kinoti **c.** Johnson Kegohi **d.** Sharon Kisire			
Approval of the Directors' Remuneration Report for the year ended 31st December 2024, and authorize directors to fix their remuneration for the year ending 31st December 2025.			
Appointment of Messrs. PriceWaterhouseCoopers, Certified Public Accountants, as the Auditors of the Company and authorize Directors to fix their remuneration.			
Special Business **As ordinary resolutions**			
a. Approval of the following resolutions. i. Authorization of the following policies and procedures as a continuing obligation, as required under the Thirteenth Schedule of the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023: i. Remuneration ii. Effective communication with stakeholders' policy iii. Corporate Disclosures policies and procedures iv. Retention and attention of Board Members of the Company v. Disputes Resolution for Internal & External disputes			

PROXY FORM *(Continued)*

ii. THAT subject to obtaining requisite regulatory approval, the allotment of shares to an aggregate nominal amount of Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000) be and is hereby ratified, confirmed and approved. iii. THAT subject to obtaining requisite regulatory approval, the sum of Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000) be and is hereby capitalized from the Retained Earnings and be applied in paying up in full 261,500,000 new ordinary shares of par value Kshs. 1.00 each to be allotted and distributed as fully paid bonus shares. iv. Approval and ratification of all actions of the Board of Directors of the Company to take all such actions as they deem necessary or advisable in order to carry into effect the purpose and intent of the foregoing resolutions, including without limitation the allocation of the shares issued by way of Bonus Issue, the filing of any required documentation with the Registrar of Companies, the Capital Markets Authority, the Nairobi Securities Exchange or any other regulatory authorities as well as entering into any agreement and/or other documents, and appointing any professional advisers or parties necessary to give effect to the resolutions.			

PROXY FORM *(Continued)*

ELECTRONIC COMMUNICATIONS PREFERENCE FORM

Please complete in BLOCK CAPITALS

Full name of member(s): ____

____

Address: ____

____

CDSC No (if known) ____

(This can be found on your CDSC Statement)

Mobile Number ☐

Date: ____

Signature: ____

Please tick **ONE** of the boxes below and return to Image Registrars at P.O. Box 9287-00100 Nairobi,5th floor, Absa Towers (formerly Barclays Plaza), Loita Street:

Approval of Registration
I/WE approve to register to participate in the virtual Annual General Meeting to be held on 9th May, 2025. ☐

Consent for use of the Mobile Number provided
I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM ☐

PROXY FORM *(Continued)*

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed and returned to **Image Registrars Limited**, 5th Floor, Absa Towers, Loita Street, P.O. Box 9287, GPO 00100, Nairobi, or via email to **CICGROUPAGM@image.co.ke** to arrive not later than **10:00 a.m.** on **7th May, 2025** i.e. 48 hours before the meeting or any adjournment thereof.

2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.

3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company

4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

5. To be valid the form of proxy should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars, Barclays Plaza, 5th Floor, Loita Street and address P.O.Box 9287-00100 Nairobi not later than 10.00 am on 7th May 2025 or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the meeting or adjourned meeting.

6. In the case of a company being a shareholder then this proxy form must be executed under its common seal or signed on its behalf by an officer of that company or an authorized attorney for that company.

7. A "vote withheld" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

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CIC GROUP

KENYA • SOUTH SUDAN • UGANDA • MALAWI
CIC Plaza, Mara Road, Upperhill 020 282 3000, 0703099120
callc@cic.co.ke www.cic.co.ke @CICGroupPLC CICGroupPLC
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