



**CIC INSURANCE GROUP PLC
ANNUAL REPORT & FINANCIAL
STATEMENTS**

2025

The journey so far...!





CIC TRAVEL INSURANCE

We keep our word

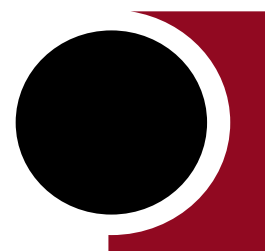
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CIC GROUP

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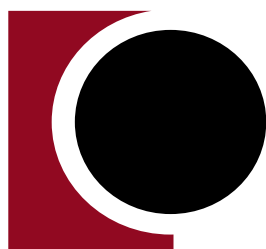
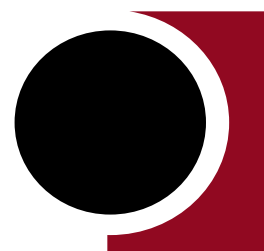
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EasyBima

EasyBima is a **monthly motor** insurance cover that enables you to pay for your motor vehicle insurance on a monthly basis, easing your financial burden.

To find out more, SMS **"EasyBima"** to **22471**.

CIC INSURANCE GROUP PLC

☎ 0703 099 120 @ callc@cic.co.ke

GENERAL | LIFE | HEALTH | ASSET

www.cic.co.ke   

KENYA | SOUTH SUDAN | UGANDA | MALAWI



We keep our word



CORPORATE INFORMATION

CORPORATE INFORMATION

The CIC Insurance group plc and its subsidiaries corporate information for the year ended 31 December 2025

DIRECTORS

Dr. Nelson Kuria: Group Chairman
James Njue: Group Vice Chairman
Patrick Nyaga: Group Managing Director & Chief Executive Officer
Gordon Owuor
Michael Wambia
Dr. Rogers Kinoti
Julius Mwatu
Sharon Kisire
Ludia Rono
Agnes Gathaiya

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 Managing Director & CEO
Philip Kimani: Group Chief Finance 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: MD Designate-CIC Microinsurance
Julius Ndugire: Managing Director: CIC Africa Insurance (SS) Limited
Zachary Wambugu: Managing Director: CIC Africa Co-operatives Limited Malawi
James Kinyua: Managing Director: CIC Africa (Uganda) Limited
Gail Odongo: General Counsel and Group Company Secretary
Muyesu Luvai: Director, Special Projects
Susan Robi: Director, Risk and Compliance
Richard Nyakenogo: Director, Co-operatives
Henry Njerenga: Director, Branch & Distribution
Joyce Mwashigadi: Director, People & Culture
Dr. Lydia Kiburu: Group Director, Business Excellence
Collins Kiriyo: Ag. Director, Internal Audit
Cyril Juma- Ag. Group Actuary

AUDITOR

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

**PRINCIPAL
BANKER**

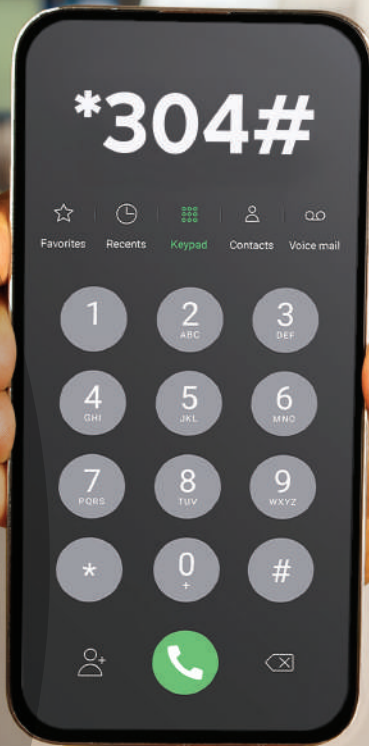
The Co-operative Bank of Kenya Limited
P. O. Box 67881 - 00100
Nairobi, Kenya

**CONSULTING
ACTUARIES**

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



**One code for
everything CIC**

**Save. Protect. Invest
No data. No stress**

Dial *304# - It's that Simple

OUR REPORTING ECOSYSTEM

This Annual Report and Financial Statements 2025 contains information on our financial and non-financial performance for the financial year 2025. 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 line with globally recognised best practices and applicable statutory and regulatory requirements, including the Companies Act, 2015, Capital Markets Authority guidelines, and the Nairobi Securities Exchange Listings Manual. It further aligns with international reporting and accounting frameworks, notably the International Integrated Reporting Council (IIRC) Framework and IFRS Accounting Standards. The report also references leading sustainability frameworks, including the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (SDGs)

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 2025.

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 30th March, 2026 and signed on its behalf by:

Dr. Nelson Kuria, OGW, MBS
Group Chairman

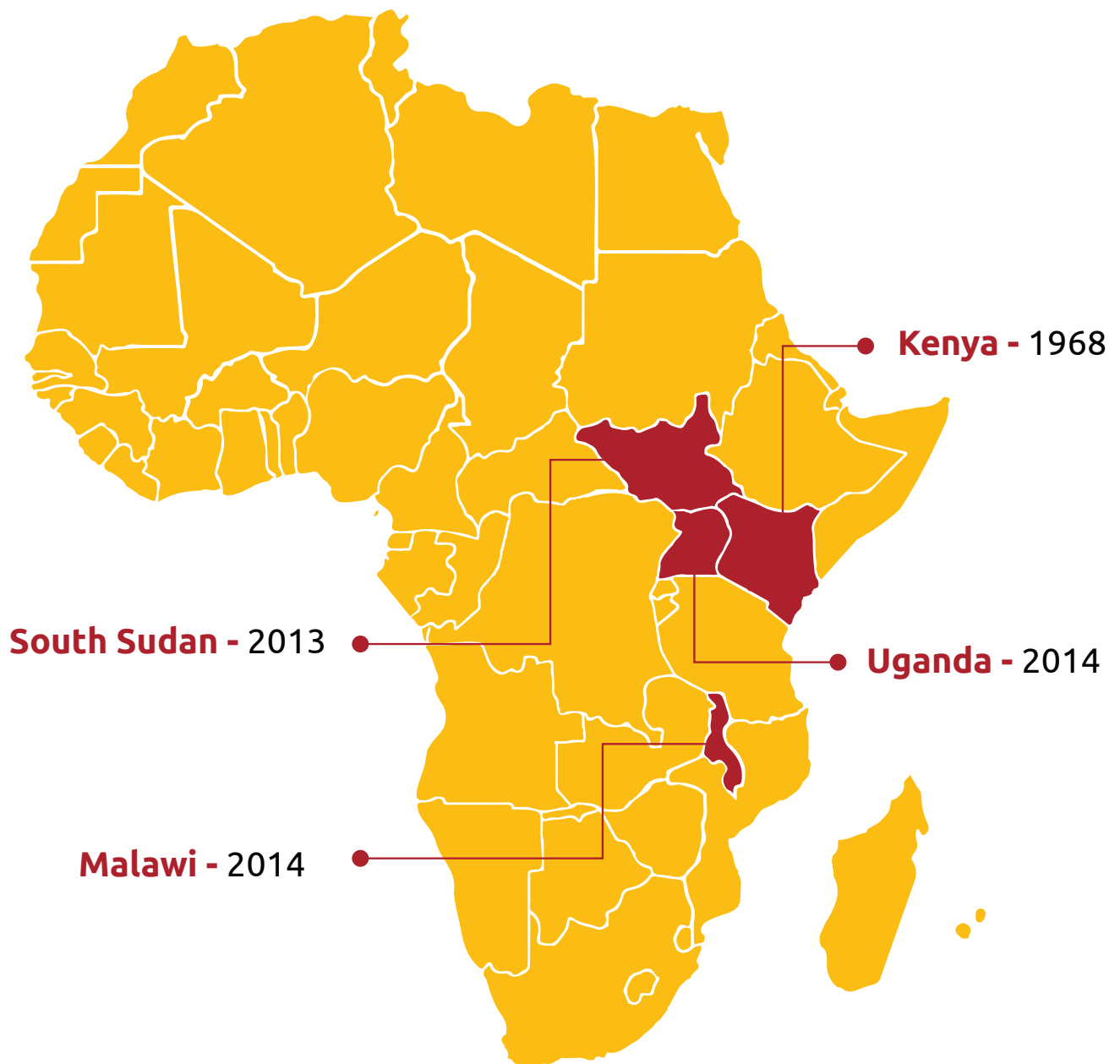
Patrick Nyaga
Group MD & CEO

FCPA, Julius Mwatu
Director

CIC AT A GLANCE

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.



Vision

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

Our Purpose (Mission)

Enable people achieve financial freedom

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

- **Trust & Integrity** - We keep our word
- **Human Centred Innovation** - We pioneer solutions that transforms lives
- **Resourceful Collaborations** - We achieve the impossible together
- **Inclusive Impact** - We create prosperity for every community
- **Velocity and Excellence** - We deliver exceptional results with unstoppable momentum.
- **Empathy & Cooperative Spirit** - We honor our cooperative heritage

CIC GROUP QUICK FACTS

29.46B

Insurance Revenue

19.89B

Claims Paid

6590

Co-operative Board members trained

1.25B

Profit before tax

73.7B

Total Assets

13.50%

Unit Trust Market Share as at Q4 2025

195B

Assets Under Management



5.6%

As at Q4 2025 Life Assurance Market share

Over

8000 Agents and brokers



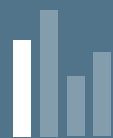
9.1%

As at Q4 2025 General Business Market share

1068 Employees



38 Cooperative training engagements



OVER

2M. Lives covered



43M

Cumulatively spent on educating needy students

4

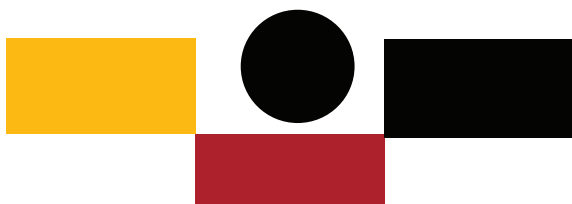
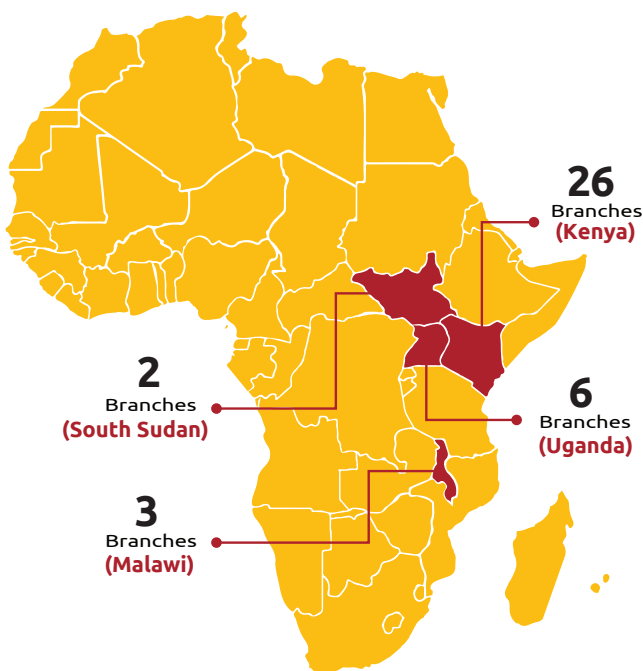
Countries

82%

Leadership
Corporate
Governance Score

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



Investment in Digital

- 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 issue (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
- AKI Group Life Best Practice. Fire Award • Winner Insurance Category 2018

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

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



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

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



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.

2024

- 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



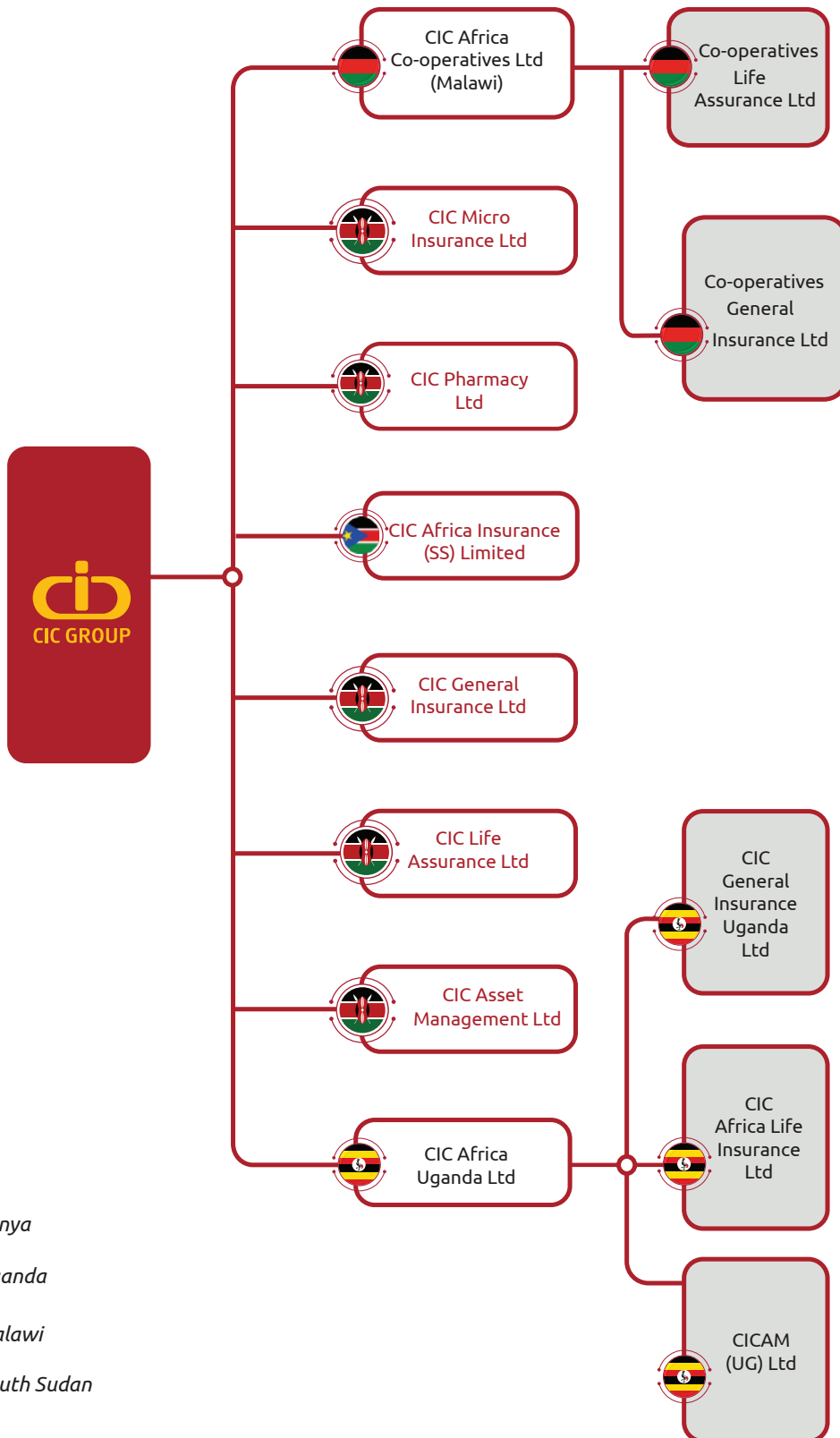
2025

- Launched the CIC Pharmacy Regional products diversification: South Sudan (hotel combined policy) and Malawi (Tiwale education policy, Sunga savings policy, Nkuta funeral policy, Malesa investment policy).
- Obtained our Microinsurance license





COMPANY GROUP STRUCTURE & SHAREHOLDING

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.



NOTE

-  Kenya
-  Uganda
-  Malawi
-  South Sudan

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:



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.



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.



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.



Pharmaceutical Services:

CIC Pharmacy provides comprehensive pharmaceutical services that adhere to industry best practices and regulatory guidelines. Our goal is to ensure our clients have easy access to reliable, safe, and efficient healthcare solutions.



Microinsurance

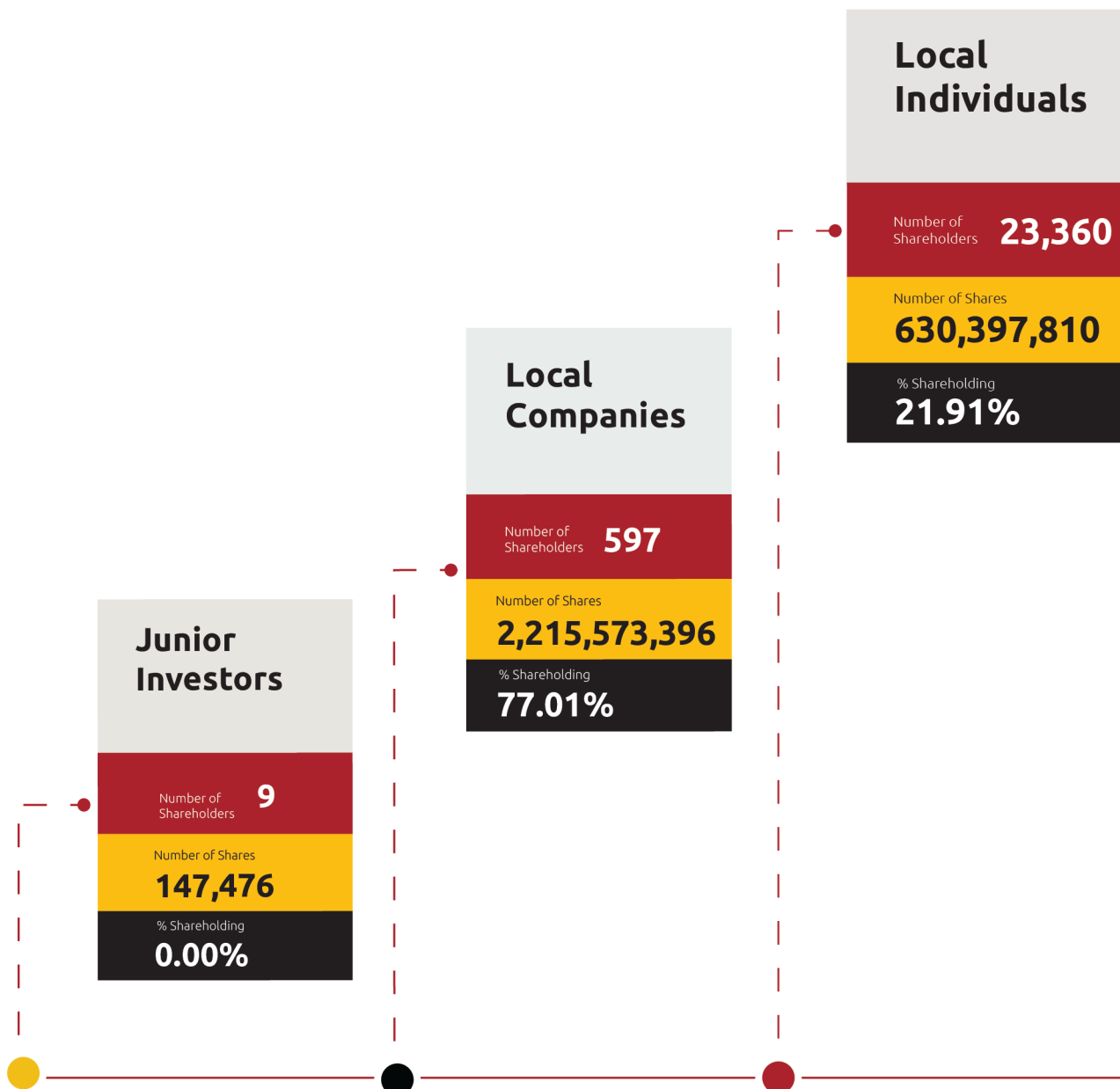
Coopcare product, Livestock, Biashara Salama, Jikingo, Group Funeral Expense and personal accident cover for students on attachment.

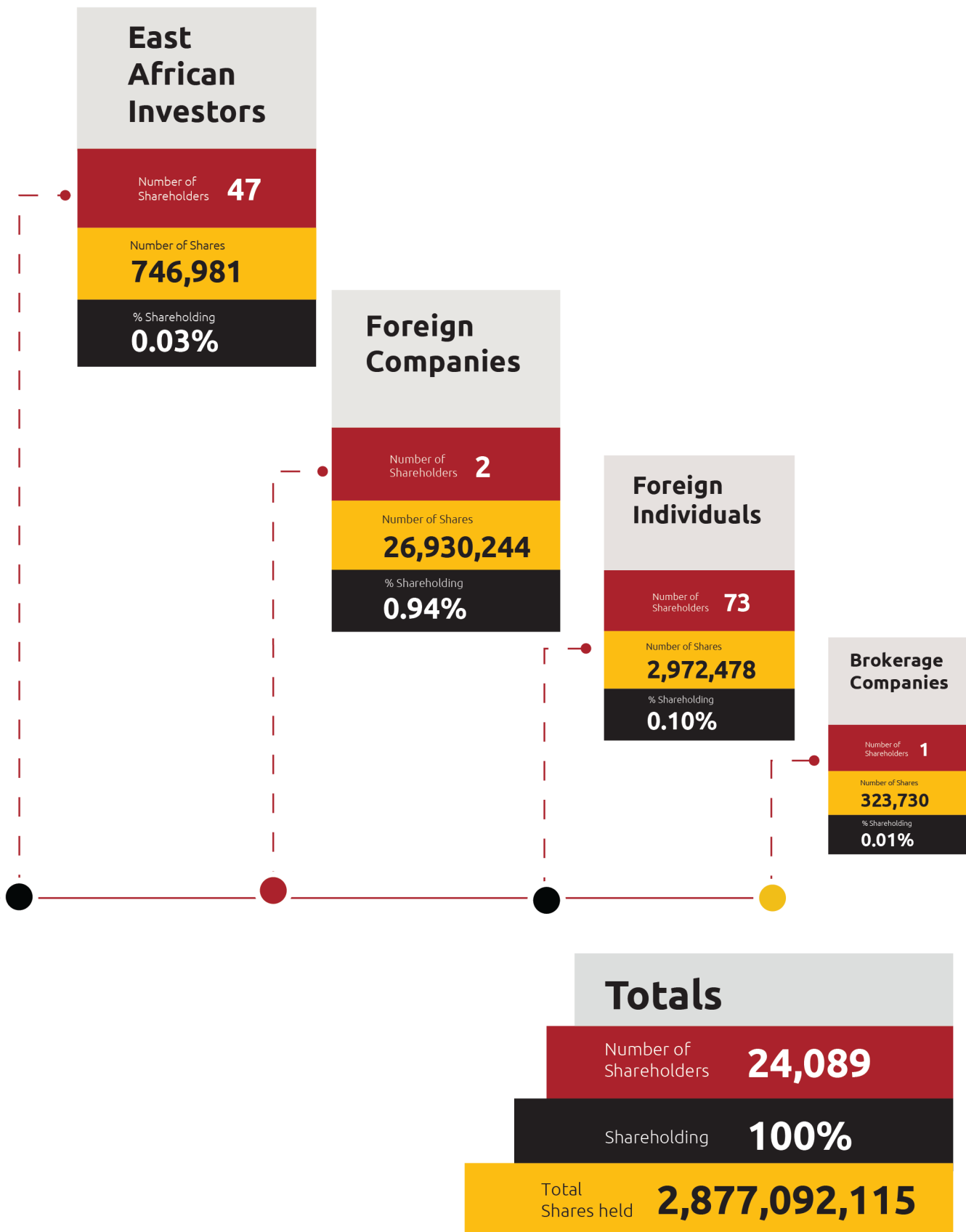
The key services provided include:

- Risk Assessment and Underwriting
- Claims Processing and Settlement
- Policy Management
- Investment management
- Financial Planning and Retirement Solutions
- Insurance Education and Training Programs
- Loss Prevention
- Fraud Prevention

SHARE HOLDER STRUCTURE

Summary of Shareholding as at
31st December 2025





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AWARDS AND ACCOLADES - 2025



KENYA

Project Management Institute Awards

1st Runners Up

Project of the year under 10M (Implementation of impact system for microinsurance)

Fire Awards

1st Runners Up

Insurance category

2nd Runners Up

ESG Reporting (GRI) category

Think Business Awards

Winner

Training Award

2nd Runners Up

Fraud Detection and prevention (CIC General Business)

2nd Runners Up

Claims Settlements (CIC Life Assurance)

Kenya National Chamber of Commerce and Industry Awards

Winner

Best Insurance Service Provider

AKI Awards

Winner

Most improved Company 2024 (Life Insurance Awards)

Winner

Highest growth in number of life policies 2024 (Life Insurance Agents Awards)

Winner

Company of the Year 2025 (Group Life Best Practice Award)

SUDAN

South Sudan National Chamber of Commerce - Quality Awards

Winner

Insurance and Life Insurance Company of the Year





LEADERSHIP



Dr. Nelson Kuria

GROUP CHAIRMAN



The Group recorded a revenue of KSh 29.5 billion, representing a 12% increase from KSh 26.3 billion in 2024. Total assets grew by 19% to KSh 73.7 billion, while Assets Under Management increased by 28% to KSh 195 billion.

MESSAGE FROM THE GROUP CHAIRMAN

Dear Shareholders,

It is my privilege, on behalf of the Board of Directors, to present the Annual Report and Financial Statements of CIC Insurance Group Plc for the year ended 31 December 2025.

This report highlights the Group's financial performance, strategic progress, and continued commitment to creating long-term value for our shareholders and stakeholders. It further reflects our unwavering dedication to sound governance, accountability, and sustainable growth.

Financial Performance

Despite a dynamic operating environment, CIC Insurance Group delivered solid topline growth during the year under review. The Group recorded revenue of KSh 29.5 billion, representing a 12% increase from KSh 26.3 billion in 2024. Total assets grew by 19% to KSh 73.7 billion, while Assets Under Management increased by 28% to KSh 195 billion. These results demonstrate sustained customer confidence, expansion across key markets, and the resilience of the Group's diversified business model.

Profit Before Tax for the year stood at KSh 1.25 billion, compared to KSh 3.9 billion in 2024. The decline in profitability was largely attributable to the non-recurrence of a significant one-off gain recognised in the prior year, together with elevated claims experienced during the year.

Notwithstanding this decline, the Board remains confident in the underlying strength of the business, the Group's capital position, and our long-term strategic direction as we commence implementation of our 2026–2030 strategic plan.

Operating Environment

The Kenyan economy remained relatively stable during 2025, supported by improved macroeconomic fundamentals and a more predictable policy environment. GDP growth averaged approximately 4.8%–5.0%, while inflation remained contained at 4.1%, within the Central Bank of Kenya's target range.

The Kenya Shilling appreciated marginally by 0.2% against the US Dollar to close at KSh 129.0, supported by improved foreign exchange reserves, diaspora remittances, and stronger tourism inflows. This macroeconomic stability contributed to a more balanced operating environment for businesses.

Within the financial services sector, institutions continued to operate in an environment characterised by evolving regulatory requirements, increasing governance expectations, and rapidly changing customer preferences. While the insurance industry continues to offer significant growth opportunities, profitability across the sector remained sensitive to claims experience, pricing adequacy, and cost pressures.

Against this backdrop, the Board remains focused on ensuring that the Group is well-positioned to navigate emerging risks while capitalising on available opportunities.

Governance and Oversight

At CIC Insurance Group, strong corporate governance remains central to the Board's stewardship mandate and our long-term success. As a listed financial services institution operating in a highly regulated environment, we remain committed to maintaining the highest standards of integrity, accountability, and ethical leadership.

Throughout the year, the Board continued to provide strategic oversight while ensuring the Group maintains robust governance structures aligned to regulatory requirements and international best practices. Our governance framework promotes disciplined decision-making, prudent capital allocation, and effective risk management, all of which are critical to protecting stakeholder interests and sustaining long-term performance.

The Board also continues to oversee the integration of Environmental, Social, and Governance (ESG) considerations into the Group's strategic agenda, recognising that responsible business practices are fundamental to long-term value creation.

Reflecting on Our 2021–2025 Strategic Journey

The year 2025 marked the conclusion of the Group's 2021–2025 strategic cycle — a period during which CIC Insurance Group demonstrated resilience, strengthened its financial position, and expanded its market presence.

Over the last five years, the Group has made significant progress in strengthening its core businesses, deepening its engagement with the cooperative movement, enhancing its product portfolio, and investing in digital transformation initiatives aimed at improving operational efficiency and customer experience.

We have also continued to strengthen our footprint across the region, with operations in Kenya, Uganda, Malawi, and South Sudan, while maintaining our leadership position within the cooperative insurance ecosystem.

This progress reflects the dedication of our employees, the trust of our customers, and the continued support of our shareholders.



The Board remains confident in the underlying strength of the business, the Groups' capital position and our long term strategic direction



Group Revenue Growth

+12% to Kshs 29.5B

Total Assets Growth

+19% to Kshs 73.7B

MESSAGE FROM THE GROUP CHAIRMAN

Our Future Direction

As we enter a new strategic cycle, we do so with confidence, clarity of purpose, and optimism for the future.

Our 2026–2030 EDGE Strategy will guide the next phase of the Group's growth and transformation. The strategy is designed to position CIC Insurance Group for sustained success in an increasingly dynamic and competitive financial services landscape.

Anchored on the EDGE framework, the strategy prioritises:

- Exceptional customer focus
- Digital transformation and innovation
- Driving sustainable growth
- Embedding an empowered One CIC culture

Through this strategy, we will continue strengthening our partnerships within the cooperative movement while broadening our reach to new customer segments and markets across the region.

Delivering Shareholder Value

Delivering sustainable returns to shareholders remains a core priority for the Board and Management. The continued growth in the Group's asset base and market presence reflects the strength of our business model and disciplined strategic execution. Through prudent financial management and disciplined capital allocation, the Group has maintained a strong balance sheet while continuing to invest in innovation, operational excellence, and future growth initiatives.

Consistent with this commitment, the Board remains focused on balancing shareholder returns through dividend distributions while preserving sufficient capital to support future expansion and strategic investments.

Appreciation

On behalf of the Board, I wish to express my sincere appreciation to my fellow Directors for their steadfast guidance, commitment, and stewardship throughout the year.

I also extend heartfelt gratitude to the Group Managing Director & CEO, management team, and all employees for their dedication, resilience, and hard work in executing the Group's strategy.

Finally, I thank our shareholders, customers, business partners, regulators, and all stakeholders for your continued trust and confidence in CIC Insurance Group.

Conclusion

As we look to the future, I remain confident that CIC Insurance Group is well-positioned to build on its strong foundation, deliver sustainable growth, and create enduring value for all stakeholders.

Together, we will continue advancing our purpose of enabling individuals, businesses, and communities to achieve financial freedom and prosperity.

Thank you.

Dr. Nelson Kuria, OGW, MBS
Group Chairman

UJUMBE KUTOKA KWA MWENYEKITI WA KUNDI

Wapendwa Wadau,

Kwa niaba ya Bodi ya Wakurugenzi, ni heshima kwangu kuwasilisha Ripoti ya Mwaka na Taarifa za Kifedha za CIC Insurance Group Plc kwa mwaka ulioishia tarehe 31 Desemba 2025.

Ripoti hii inaangazia utendaji wa kifedha wa Kundi, maendeleo ya kimkakati, na dhamira endelevu ya kuunda thamani ya muda mrefu kwa wanahisa na wadau wetu. Inaendelea kuonyesha kujitolea kwetu kusikotererereka kwa uongozi bora, uwajibikaji, na ukuaji endelevu.

Utendaji wa Kifedha

Licha ya mazingira ya uendeshaji yanayobadikabadilika, CIC Insurance Group ilirekodi ukuaji imara wa mapato ya jumla katika mwaka uliofanyiwa tathmini.

Kundi hili lilirekodi mapato ya shilingi bilioni 29.5, yanayowakilisha ongezeko la asilimia 12 kutoka shilingi bilioni 26.3 katika mwaka wa 2024. Jumla ya mali iliongezeka kwa asilimia 19 hadi shilingi bilioni 73.7, huku Mali Zilizo chini ya Usimamizi zikiongezeka kwa asilimia 28 hadi shilingi bilioni 195. Matokeo haya yanaonyesha imani endelevu ya wateja, upanuzi katika masoko muhimu, na uthabiti wa mtindo mseto wa biashara ya kundi hili.

Faida kabla ya ushuru wa mwaka ilikuwa shilingi bilioni 1.25, ikilinganishwa na shilingi bilioni 3.9 katika mwaka wa 2024. Kupungua kwa faida kulichangiwa kwa kiasi kikubwa na kutokuwepo tena kwa faida kubwa ya mara moja iliyopatikana katika mwaka uliopita, pamoja na ongezeko katika madai ya fidia ya bima mwaka huu.

Licha ya kupungua huku, Bodi inasalia na imani katika nguvu za kimsingi za biashara, nafasi ya mtaji wa Kundi, na mwelekeo wetu wa kimkakati wa muda mrefu tunapoanza utekelezaji wa mpango wetu wa kimkakati wa 2026–2030.

Mazingira ya Uendeshaji

Uchumi wa Kenya uliendelea kuwa thabiti kiasi mwaka wa 2025, ukiungwa mkono na misingi bora ya kiuchumi na mazingira bora ya sera yanayotabirika. Ukuaji wa Pato la Taifa ulikuwa wastani wa takriban 4.8% hadi 5.0%, huku mfumuko wa bei ukisalia kudhibitiwa kwa 4.1%, katika kiwango kinacholengwa na Benki Kuu ya Kenya.

Shilingi ya Kenya iliimarika kidogo kwa 0.2% dhidi ya Dola za Marekani ikifunga kwa shilingi 129.0. Hili liliungwa mkono na, kuimarishwa kwa akiba za fedha za kigeni, uhamishaji wa fedha kutoka diaspora, na kuongezeka kwa mapato ya utalii. Utulivu huu wa kiuchumi ulichangia mazingira bora ya uendeshaji kwa biashara.

Katika sekta ya huduma za kifedha, taasisi ziliendelea kufanya kazi katika mazingira yaliyojulikana kwa mahitaji ya udhibiti yanayobadilika, matarajio ya utawala yanayoongezeka, na mapendeleo ya wateja yanayobadilika kwa kasi. Ingawa sekta ya bima inaendelea kutoa fursa kubwa za ukuaji, faida katika sekta nzima ilisalia kujikita kwa uzoefu wa madai ya fidia za bima, utoshelevu wa bei, na shinikizo la gharama.

Kwa muktadha huu, Bodi inaendelea kujikita katika kuhakikisha kwamba Kundi liko katika nafasi nzuri ya kukabiliana na hatari zinazojitokeza huku likinufaika kikamilifu na fursa zilizopo.

Utawala na Usimamizi

Katika CIC Insurance Group, uongozi bora wa kampuni unasalia kuwa kiini cha wajibu wa usimamizi wa Bodi na mafanikio yetu ya muda mrefu.

Kama taasisi ya huduma za kifedha iliyoorodheshwa na inayofanya kazi katika mazingira yanayodhibitiwa kikanuni, tunaendelea kujitolea kudumisha viwango vya juu kabisa vya uadilifu, uwajibikaji, na uongozi wa maadili.

Mwaka huu, Bodi imeendelea kutoa usimamizi wa kimkakati huku ikihakikisha Kundi linadumisha mifumo imara ya uongozi inayojikita katika mahitaji ya udhibiti na mbinu bora za kimataifa. Mfumo wetu wa uongozi unakuza utoaji maamuzi wenye nidhamu, mgawanyo makini wa mtaji, na usimamizi madhubuti wa hatari. Haya yote yakiwa muhimu kwa kulinda maslahi ya wadau na kudumisha utendaji wa muda mrefu.

Bodi pia inaendelea kusimamia ujumuishaji wa masuala ya Mazingira, ya Kijamii, na Uongozi (ESG) katika ajenda ya kimkakati ya Kikundi, ikitambua kwamba mbinu za biashara zenye uwajibikaji ni muhimu sana katika uundaji wa thamani ya muda mrefu.



Bodi inasalia na imani katika nguvu za kimsingi za biashara, nafasi ya mtaji wa kundi, na mwelekeo wetu wa kimkakati wa muda mrefu



**Ongezeko ya mapato ya shilingi
+12% hadi Kshs 29.5B**

**Ongezeko la jumla ya mali
+19% hadi Kshs 73.7B**

UJUMBE KUTOKA KWA MWENYEKITI WA KUNDI

Kutafakari Safari Yetu ya Kimkakati ya 2021 hadi 2025

Mwaka 2025 ndio uliokuwa mwisho wa mzunguko wa kimkakati wa Kundi wa 2021–2025 — kipindi ambacho CIC Insurance Group ilionyesha ustahimilivu, na kuimarisha nafasi yake ya kifedha, na kupanua uwepo wake katika soko.

Katika miaka mitano iliyopita, Kundi limepiga hatua kubwa katika kuimarisha wajibu wake wa msingi, kuimarisha ushirikiano wake na harakati za vyama vya ushirika, kuboresha mfululizo wa bidhaa zake, na kuwekeza katika mipango ya mabadiliko ya kidijitali inayolenga kuboresha ufanisi wa uendeshaji wa shughuli zake na uzoefu wa mteja.

Vilevile tumeendelea kuimarisha uwepo wetu katika kanda. Tumeweza kuendesha shughuli zetu za kibiashara nchini Kenya, Uganda, Malawi, na Sudan Kusini, huku tukidumisha nafasi yetu ya uongozi ndani ya mfumo wa bima za ushirika.

Hatua hizi zinaonyesha kujitolea kwa wafanyakazi wetu, imani ya wateja wetu, na msaada endelevu kutoka kwa wanahisa wetu.

Mwelekeo wetu wa Baadaye

Tunaingia katika mzunguko mpya wa kimkakati, kwa ujasiri, kwa uwazi wa madhumuni, na kwa matumaini makuu kuhusu siku zijazo. Mkakati wetu wa EDGE wa 2026–2030 utaongoza awamu inayofuata ya ukuaji na mageuzi ya Kundi. Mkakati huu umeundwa ili kuweka CIC Insurance Group katika mafanikio endelevu katika mazingira ya kifedha yanayozidi kuwa na mabadiliko na ushindani mkubwa.

Huku ukijikita katika mfumo wa EDGE, mkakati huu unajikita katika:

- Kuzingatia wateja kwa kiwango cha kipekee
- Mabadiliko ya kidijitali na ubunifu
- Kukuza ukuaji endelevu
- Kujenga na kuimarisha utamaduni wa CIC

Kupitia kwa mkakati huu, tutaendelea kuimarisha ushirikiano wetu ndani ya harakati za ushirika huku tukielekea kupanua uwezo wetu wa kuwafikia wateja wapya na masoko katika kanda.

Kutoa Thamani kwa Wanahisa

Bodi ya Usimamizi imehakikisha kuwa swala la wanahisa kupata faida endelevu limepewa kipaumbele.

Kuendelea kukua kwa mali ya kimsingi ya Kundi na uwepo wake sokoni unaonyesha nguvu ya mtindo wetu wa kibiashara na utekelezaji wa kimkakati unaotekelezwa kwa nidhamu. Kupitia usimamizi wa kifedha wa busara na ugavi wa mtaji wenye nidhamu, Kundi hili limeweza kuwa na mizania ya kifedha iliyo dhabiti huku likiendelea kuwekeza katika uvumbuzi, ubora wa uendeshaji, na mipango ya ukuaji wa baadaye.

Bodi vilevile inaendelea kusawazisha faida kwa wanahisa kupitia mgawanyo wa gawio, huku ikihifadhi mtaji wa kutosha kusaidia upanuzi wa baadaye na uwekezaji wa kimkakati.

Shukrani

Kwa niaba ya Bodi, ningependa kutoa shukrani zangu za dhati kwa wakurugenzi wenzangu kwa mwongozo wao thabiti, kujitolea kwao, na usimamizi wao mzuri wa rasilimali kwa mwaka mzima.

Vilevile ninatoa shukrani za dhati kwa Mkurugenzi Mtendaji wa Kundi na Afisa Mtendaji Mkuu, timu ya uongozi, na wafanyakazi wote kwa kujitolea kwao, ustahimilivu, na bidii katika kutekeleza mkakati wa Kundi.

Hatimaye, ninawashukuru wanahisa wetu, wateja wetu, washirika wa kibiashara, mamlaka za udhibiti, na wadau wote kwa kuendelea kuwa na imani na CIC Insurance Group.

Hitimisho

Tunapotazamia siku za usoni, ninaendelea kuamini kwamba CIC Insurance Group iko katika nafasi nzuri ya kujenga msingi imara, kutoa ukuaji endelevu na kuunda thamani ya kudumu kwa wadau wote.

Kwa pamoja, tutaendeleza dhamira yetu ya kuwawezesha watu binafsi, biashara, na jamii kufikia uhuru wa kifedha na ustawi.

Asanteni.

Dkt. Nelson Kuria, OGW, MBS
Mwenyekiti wa Kundi

BOARD OF DIRECTORS



Dr. Nelson Kuria, OGW, MBS: Group Chairman

Dr. Nelson Kuria aged 72, 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 59, 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: Group Managing Director and Chief Executive Officer

Mr. Patrick Nyaga, aged 58, 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 69, 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



Mr. Michael Ondinya Wambia: Director

Mr. Michael Ondinya Wambia, aged 57, 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 49, 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 57, 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 53, 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) 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.



BOARD OF DIRECTORS



Ludia Rono: Director

Director Ludia Rono, aged 60, 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.

Agnes Gathaiya: Director

Director Agnes Gathaiya, aged 53, joined the Group Board as an Independent Non-Executive Director on 18th August, 2025. She is the immediate former Country Director for Google East Africa and brings over 30 years of executive leadership across technology, finance, and governance. Director Agnes has held senior roles at Deloitte, SAP, Chase Bank, Safaricom, and Pesalink, and currently serves on the boards of Lewa Wildlife Conservancy, Simba Corporation, and One Acre Fund. A Certified Corporate Governance Professional, she holds an MBA from USIU/Columbia University, a BSc in Economics from Bryn Mawr College (USA), and is an alumna of Harvard's Women in Leadership Program. Recognized among the Top 25 CEOs Leading with Integrity and Ethics (2025), she has also been featured in the Top 25 Most Powerful Women in C-Suite (2021) and the Top 200 Women in Fintech (2019).





Mr. Patrick Nyaga

GROUP MANAGING DIRECTOR & CEO



Our regional operations remained an important contributor to the Group's growth strategy. CIC Malawi recorded 15% growth in insurance revenue to Ksh 1.36 Billion. South Sudan insurance revenue grew by 28% from the previous period.

GROUP MANAGING DIRECTOR & CEO'S STATEMENT

Dear Shareholders,

I am pleased to present the Annual Report and Financial Statements of CIC Insurance Group Plc for the year ended 31 December 2025.

Despite a dynamic and evolving operating environment, CIC Insurance Group delivered resilient performance during the year, underpinned by disciplined execution, strategic focus, and the continued strength of our diversified business model.

The Group recorded insurance revenue of KSh 29.5 billion, representing a 12% growth from KSh 26.3 billion in 2024. Total assets increased by 19% to KSh 73.7 billion, while Assets Under Management grew by 28% to KSh 195 billion, reflecting sustained momentum in our asset management business.

Profit Before Tax stood at KSh 1.25 billion, compared to KSh 3.9 billion in the prior year. The 2024 financial year included a significant one-off fair value gain on investment property following land revaluation, which did not recur in 2025. Excluding this non-recurring gain, the Group's underlying performance remained resilient, with profitability during the year impacted primarily by elevated claims within the life insurance business, particularly Group Life, alongside strategic investments made to support long-term growth.

Our 2025 performance reflects the resilience of our business and the progress we continue to make in strengthening the organisation for the future.

Operating Environment

The operating environment in 2025 remained dynamic, shaped by evolving inflation and interest rate cycles, increasing regulatory expectations, and continued shifts in customer behaviour.

Globally, insurers continued to experience pressure from elevated claims experience and catastrophe-related risks, while digital disruption continued to reshape customer expectations and competitive dynamics across the financial services industry. Across our key markets, economic performance remained broadly stable.

In Kenya, GDP growth remained within the 4.8%–5.0% range, supported by continued recovery in construction, manufacturing, and financial services, while inflation remained contained at 4.1%, within the Central Bank's target range.

Uganda recorded steady growth of approximately 6.3%, while Malawi's economy improved modestly despite persistent inflationary pressures. South Sudan maintained positive growth momentum, supported by oil production, albeit within a volatile macroeconomic environment.

Against this backdrop, our ability to remain agile, disciplined, and customer-focused enabled us to navigate these challenges while sustaining topline growth.

Financial Performance Overview Kenya Subsidiaries

General Insurance Business

The General Insurance business delivered strong topline growth, with insurance revenue increasing by 18% to KSh 18.89 billion, driven by successful new business acquisition and continued market expansion.

Profit Before Tax stood at KSh 1.05 billion, reflecting a decline of 14% from the prior year due to elevated claims experience. Claims expenses rose to KSh 12.9 billion, underscoring our commitment to prompt and efficient claims settlement.

The business maintained a strong balance sheet, with total assets growing by 12% to KSh 19.19 billion.

CIC Life Assurance

CIC Life recorded insurance revenue growth of 4% to KSh 7.13 billion, supported by sustained demand for life products. Profit Before Tax stood at KSh 253 million, impacted by increased claims experience, with claims expenses rising 39% to KSh 4.5 billion during the year.

Deposit administration funds increased by 31% to KSh 18.77 billion, further strengthening our position in long-term savings solutions.

CIC Asset Management

CIC Asset Management remained a standout performer and a key contributor to Group profitability.

Assets Under Management increased by 28% to KSh 195 billion, while Profit Before Tax rose by 41% to KSh 1.06 billion, driven by higher fund management fees and strong fund performance.

Regional Subsidiaries

Our regional operations remained an important contributor to the Group's growth strategy.

- CIC Malawi recorded 15% growth in insurance revenue to KSh 1.36 billion,
- CIC South Sudan delivered 28% growth in insurance revenue to KSh 860 million,
- CIC Uganda recorded a decline in insurance revenue to KSh 1.22 billion, reflecting market challenges during the year.

The Group continues to strengthen its regional footprint through product diversification and market expansion initiatives, including plans to establish an asset management business in Uganda.

Balance Sheet Optimisation and Capital Management
Balance sheet optimisation remained a central focus during the latter part of our 2021–2025 strategic cycle.

Following the successful land disposals concluded during 2025, subsequent to the reporting period, the Group completed the sale of an additional portion of its land held in Kiambu on 31 March 2026, generating proceeds of approximately KSh 1.5 billion.

These proceeds were applied towards partial repayment of the Group's bank loan with Co-operative Bank of Kenya, resulting in:

- A significant reduction in outstanding borrowings ahead of scheduled repayment timelines,
- Full regularisation of loan arrears,
- Improved liquidity across the Group.

This transaction marks another important milestone in the Group's broader balance sheet optimisation agenda and further strengthens our financial flexibility going forward.

GROUP MANAGING DIRECTOR & CEO'S STATEMENT

Strategic Focus and Future Outlook

The year 2025 marked the successful conclusion of our 2021–2025 strategic cycle, during which the Group significantly strengthened its operational capabilities, expanded its product offering, enhanced customer experience, and invested meaningfully in digital transformation.

Key achievements during this period included:

- Launch of our Microinsurance subsidiary,
- Establishment of a dedicated pharmacy subsidiary,
- Introduction of a USD-denominated global investment fund,
- Launch of our EasyBima digital platform,
- Rollout of the CIC Invest App and Group USSD platform.

Building on this foundation, we have now launched our 2026–2030 strategic plan – EDGE, which will guide the next phase of CIC Group's transformation and growth.

The EDGE strategy is anchored on:

- Exceptional Customer Focus
- Digital Transformation
- Driving Sustainable Growth
- Embedding One CIC Culture

As we execute this strategy, our focus will remain on disciplined execution, innovation, operational excellence, and sustainable value creation.

Risk Management and Sustainability

Risk management remains fundamental to our long-term resilience. During 2025, we continued strengthening our Enterprise Risk Management framework, enhancing oversight across climate risk, cyber risk, regulatory compliance, capital adequacy, and third-party risk management.

Sustainability also remains integral to our strategy.

We continue embedding environmental, social, and governance considerations into our decision-making processes while supporting community development, financial inclusion, and cooperative empowerment through our sustainability initiatives and the CIC Foundation.

Acknowledgements

I extend my sincere appreciation to the Board of Directors for their strategic guidance and unwavering support throughout the year.

I also thank our employees across the Group for their dedication, professionalism, and commitment to serving our customers and delivering on our strategic priorities.

Finally, I thank our shareholders, customers, cooperative partners, regulators, and business partners for your continued trust and partnership.

Together, we remain committed to building a stronger, more agile, and future-ready CIC Insurance Group.

Thank you.

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

UJUMBE KUTOKA KWA MKURUGENZI MTENDAJI NA AFISA MTENDAJI MKUU WA KUNDI

Wapendwa Wadau,

Nina furaha kuwasilisha Ripoti ya Mwaka na Taarifa za Fedha za CIC Insurance Group Plc za mwaka ulioishia tarehe 31 Desemba 2025.

Licha ya mazingira ya uendeshaji kubadilikabadilika, CIC Insurance Group ilipata matokeo madhubuti katika mwaka huu, yakichangiwa na uwajibikaji katika utendaji, malengo ya kimbakati, na uimara wa mfumo wetu wa biashara uliogawanyika katika nyanja mbalimbali.

Kundi hili lilirekodi mapato ya shilingi bilioni 29.5, yanayowakilisha ukuaji wa asilimia 12 kutoka shilingi bilioni 26.3 katika mwaka wa 2024. Jumla ya mali iliongezeka kwa asilimia 19% hadi shilingi bilioni 73.7, huku mali zilizo chini ya usimamizi zikikua kwa asilimia 28% hadi shilingi bilioni 195. Hili lilichochea na msukumo unaoendelea katika biashara yetu ya usimamizi wa mali.

Faida kabla ya ushuru ilikuwa shilingi bilioni 1.25, ikilinganishwa na shilingi bilioni 3.9 mwaka uliopita. Mwaka wa kifedha wa 2024 ulikuwa na faida ya mara moja ya thamani halisi kwenye mali ya uwekezaji kufuatia tathmini mpya ya ardhi swala ambalo halikutokea tena katika mwaka 2025. Bila kujumuisha faida hiyo isiyojirudia, matokeo ya kimsingi ya Kikundi yalibaki madhubuti, huku faida katika mwaka huu ikiathiriwa zaidi na ongezeko la madai ya fidia katika biashara ya bima ya maisha, hususan Bima ya Maisha ya Kikundi, pamoja na uwekezaji wa kimbakati uliofanywa ili kuwezesha ukuaji wa muda mrefu.

Matokeo yetu ya mwaka 2025 yanaonyesha ustahimilivu wa biashara yetu na hatua tunazoendelea kupiga katika kuliimarisha shirika hili kwa ajili ya siku zijazo.

Mazingira ya Uendeshaji

Mazingira ya uendeshaji mnamo mwaka 2025 yalisalia kuwa yenye kubadilika, yakichochea na kubadilikabadilika kwa mfumuko wa bei na viwango vya riba, kuongezeka kwa matarajio ya kisheria, na mabadiliko endelevu ya tabia za wateja.

Kimataifa, makampuni ya bima yaliendelea kupata shinikizo kutokana na ongezeko la madai ya fidia na hatari zinazohusiana na majanga, huku mapinduzi ya kidijitali yakiendelea kubadilisha matarajio ya wateja na hali ya ushindani katika sekta ya huduma za kifedha.

Katika masoko yetu makuu, hali ya uchumi iliendelea kuwa imara kwa kiasi kikubwa.

Nchini Kenya, ukuaji wa Pato la Kitaifa ulisalia katika kiwango cha kati ya asilimia 4.8% na asilimia 5.0%, hili likisaidiwa na ufufuaji endelevu katika sekta za ujenji, utengenezaji, na huduma za kifedha, huku mfumuko wa bei ukidhibitiwa katika kiwango cha asilimia 4.1%, ndani ya lengo la Benki Kuu.

Nchi ya Uganda ilirekodi ukuaji thabiti wa takriban asilimia 6.3%, huku uchumi wa Malawi ukiimarika kwa kiasi kidogo licha ya shinikizo la mfumuko wa bei lililodumu kwa muda mrefu. Nchi ya Sudan Kusini iliendelea kuwa na kasi chanya ya ukuaji, hili likiwezesha na uzalishaji wa mafuta, japo ndani ya mazingira tete ya uchumi mkuu. Katika muktadha huu, uwezo wetu wa kuwa wepesi wa kubadilika au wanyumbufu, wenye nidhamu, na wanaomjali mteja ulituwzesha kukabiliana na changamoto hizi huku tukiendeleza ukuaji wa mapato ghafi.

Muhtasari wa Matokeo ya Kifedha

Mashirika Tanzu ya Kenya

Biashara ya Bima ya Jumla

Biashara ya Jumla ya Bima ilipata ukuaji mkubwa wa mapato ghafi, huku mapato ya bima yakiongezeka kwa asilimia 18% hadi shilingi

bilioni 18.89. Hili lilichochea na mafanikio ya kupata biashara mpya na upanuzi wa soko unaoendelea.

Kabla ya ushuru, faida ilifikia shilingi bilioni 1.05. Ilipungua kwa asilimia 14% kutoka mwaka uliopita kutokana na ongezeko katika madai ya fidia. Gharama ya madai ya fidia ilipanda hadi shilingi bilioni 12.9. Hili linaonyesha kujitolea kwetu katika kulipa madai ya fidia kwa haraka na ufanisi.

Biashara iliendelea kuwa na mizania madhubuti ya fedha, huku jumla ya mali ikikua kwa asilimia 12% hadi shilingi bilioni 19.19. Bima ya Maisha ya CIC

Bima ya Maisha ya CIC ilirekodi ukuaji wa mapato ya bima wa asilimia 4% hadi shilingi bilioni 7.13. Hili lilisaidiwa na mahitaji endelevu ya bidhaa za bima ya maisha.

Faida Kabla ya Ushuru ilifikia shilingi milioni 253, ikiathiriwa na ongezeko la madai ya fidia, huku gharama za madai ya fidia zikipanda kwa asilimia 39% hadi shilingi bilioni 4.5 katika kipindi cha mwaka huo.

Fedha za usimamizi wa amana ziliongezeka kwa asilimia 31% hadi shilingi bilioni 18.77, jambo lililoimarisha zaidi nafasi yetu katika utoaji wa suluhu za akiba za muda mrefu.

CIC Asset Management (Kitengo cha Usimamizi wa Mali)

CIC Asset Management iliendelea kuwa na matokeo bora zaidi. Ndiyo iliyochangia pakubwa zaidi faida ya Kikundi.

Mali Zinazosimamiwa ziliongezeka kwa asilimia 28% hadi shilingi bilioni 195, huku Faida Kabla ya Ushuru ikipanda kwa 41% hadi shilingi bilioni 1.06. Hili lilichochea na ongezeko la ada za usimamizi wa hazina na matokeo mazuri ya hazina hizo.

Mashirika Tanzu ya Kikanda

Shughuli zetu za kikanda ziliendelea kuchangia pakubwa katika mkakati wa ukuaji wa Kikundi.

- CIC Malawi ilirekodi ukuaji wa asilimia 15% katika mapato ya bima hadi ikafikia shilingi bilioni 1.36,
- CIC Sudan Kusini ilipata ukuaji wa asilimia 28% katika mapato ya bima hadi ikafikia shilingi milioni 860,
- CIC Uganda nayo ilirekodi kupungua kwa mapato ya bima hadi shilingi bilioni 1.22, ikidhihirisha changamoto za soko katika kipindi cha mwaka huu.

Kundi hili linaendelea kuimarisha uwepo wake kikanda kupitia mseto wa bidhaa na mipango ya upanuzi wa soko, ikiwemo mipango ya kuanzisha biashara ya usimamizi wa mali nchini Uganda.

Uboreshaji wa Mizania ya Fedha na Usimamizi wa Mtaji

Uboreshaji wa Mizania ya Fedha uliendelea kuwa lengo kuu katika kipindi cha mwisho cha mzunguko wetu wa mkakati wa mwaka wa 2021 hadi 2025.

Baada ya kufanikiwa katika mauzo ya ardhi yaliyokamilika mwaka wa 2025, kufuatia kipindi cha kutoa ripoti, Kikundi kilikamilisha uuzaji wa sehemu nyingine ya ardhi yake iliyoko Kiambu mnamo tarehe 31 Machi 2026, na kupata kipato ya takriban shilingi bilioni 1.5.

Mapato haya yalitumika kulipia sehemu ya mkopo wa benki wa Kikundi katika Benki ya Co-operative ya Kenya, na kusababisha:

UJUMBE KUTOKA KWA MKURUGENZI MTENDAJI NA AFISA MTENDAJI MKUU WA KUNDI

- Kupungua kwa kiasi kikubwa kwa mikopo ambayo haijalipwa kabla ya muda uliopangwa wa malipo,
- Kurejeshwa kikamilifu kwa malimbikizo ya mikopo katika hali ya kawaida,
- Kuboresha ukwasi katika kikundi kizima.

Muamala huu ni hatua nyingine muhimu katika ajenda pana ya Kikundi ya uboreshaji wa mizania ya fedha na unaimarisha zaidi unyumbufu wetu wa kifedha tunapoendelea mbele.

Mtazamo wa Kimkakati na Matarajio ya Baadaye

Mwaka wa 2025 uliashiria kukamilika kwa mafanikio kwa mzunguko wetu wa kimkakati wa 2021 hadi 2025, ambapo katika kipindi hicho Kikundi kiliimarisha kwa kiasi kikubwa uwezo wake wa kiutendaji, kupanua utoaji wa bidhaa, kuboresha utoaji wa huduma kwa mteja, na kuwekeza kwa dhati katika mabadiliko ya kidijitali.

Mafanikio makuu katika kipindi hiki ni pamoja na:

- Uzinduzi wa kampuni yetu tanzu ya Bima Ndogo,
- Kuanzishwa kwa kampuni tanzu maalum ya duka la dawa,
- Kuanzishwa wa hazina ya uwekezaji wa kimataifa unaotumia sarafu ya dola ya Marekani (USD),
- Uzinduzi wa jukwaa letu la kidijitali la EasyBima,
- Utekelezaji wa programu ya CIC Invest na mfumo wa USSD wa Kikundi.

Katika msingi huu, sasa tumezindua mpango mkakati wetu wa 2026 hadi 2030 yaani EDGE, ambao utaongoza awamu ijayo ya mabadiliko na ukuaji wa Kikundi cha CIC.

Mkakati wa EDGE umejikita katika:

- Kuzingatia wateja kwa kiwango cha kipekee
- Mabadiliko ya Kidijitali
- Kukuza ukuaji endelevu
- Kujenga Utamaduni wa CIC Moja

Tunapoendelea kutekeleza mkakati huu, msisitizo wetu utasalia kwa utekelezaji wa nidhamu, uvumbuzi, ubora wa kiutendaji, na utengenezaji wa thamani endelevu.

Usimamizi wa Hatari na Uendelevu

Usimamizi wa hatari unasalia kuwa msingi wa ustahimilivu wetu wa muda mrefu.

Katika kipindi cha mwaka wa 2025, tuliendelea kuimarisha mfumo wetu wa Usimamizi wa Hatari za Biashara, tukiongeza uangalizi katika hatari za tabianchi, hatari za kimtandao, uzingatiaji wa kanuni, utoshelevu wa mtaji, na usimamizi wa hatari za washirika wa nje.

Vilevile, uendelevu unasalia kuwa sehemu muhimu ya mkakati wetu. Tunaendelea kujumuisha vigezo vya kimazingira, kijamii, na utawala bora katika michakato yetu ya kufanya maamuzi, huku tukisaidia maendeleo ya kijamii, ujumuishaji wa kifedha, na uwezesaji wa vyama vya ushirika kupitia mipango yetu ya uendelevu na wakfu wa CIC.

Shukrani

Ninatoa shukrani zangu za dhati kwa Bodi ya Wakurugenzi kwa mwongozo wao wa kimkakati na msaada wao thabiti katika kipindi kizima cha mwaka huu.

Pia, ninawashukuru wafanyakazi wetu katika Kikundi kizima kwa kujitolea kwao, weledi wao wa kazi, na kwa kuwahudumia wateja wetu na kutekeleza vipaumbele vyetu vya kimkakati.

Hatimaye, ninawashukuru wanahisa wetu, wateja, wabia wa ushirika, wasimamizi, na wabia wa kibiashara kwa kuendelea kutuamini na kwa ushirikiano wenu.

Pamoja, tunaendelea kujitolea katika kujenga Kikundi cha Bima cha CIC kilicho imara zaidi, chenye wepesi wa kubadilika, na kilicho tayari kwa siku zijazo.

Asanteni.

Bw. Patrick Nyaga

**Mkurugenzi Mtendaji wa Kikundi na Afisa Mkuu Mtendaji
CIC Insurance Group Plc**

BOARD OF MANAGEMENT



Patrick Nyaga

Mr. Patrick Nyaga, aged 58 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 45, 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 twenty 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.



Fred Ruoro

Mr. Fred aged 46, 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).



Meshack Miyogo

Mr. Meshack Miyogo aged 43, is the Managing Director CIC Life Assurance Ltd. He 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 (AIK) from the College of Insurance. He is an Associate Member of the Institute of Insurance Kenya (IIK) in good standing. His experiences cuts across Banking and Insurance on Matters Sales Growth, Sales Management, business development, and Strategic Leadership.



BOARD OF MANAGEMENT



Humphrey Gathungu

Mr. Humphrey Gathungu aged 49, 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..

Julius Ndugire

Mr. Julius Ndugire aged 39, 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 49 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 (AIK) 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.



BOARD OF MANAGEMENT



James Kinyua

Mr. Kinyua aged 39 is the Managing Director of CIC Africa (Uganda) Limited. He has over 15 years of experience in the insurance and financial services sector. He possesses strong expertise in business development, market expansion, operational excellence, and strategic leadership. Prior to assuming his current role, James held various leadership roles within CIC Group where he played an instrumental role in advancing strategic initiatives, strengthening distribution channels, and enhancing operational performance. Earlier in his career, he gained valuable industry experience working with ICEA LION Group and Unaitas Sacco, where he held roles and responsible for delivering value to customers and stakeholders. James holds a Bachelor of Economics and Finance from Kenyatta University and is currently a finalist pursuing a Master's in Economics Policy Management at the University of Nairobi. He also holds a Diploma in Insurance from the College of Insurance and is an Associate Member of the Insurance Institute of Kenya (IIK) as well as a member of the Institute of Directors of Kenya.

Gail Odongo

Ms. Odongo aged 53, 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.



Muyesu Luvai

Mr. Muyesu Luvai aged 47, is the Director, Special Projects. 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.

Susan Robi

Ms. Susan Robi aged 47, is the Director, Risk and Compliance. She is an Advocate of the High Court of Kenya holding a Bachelor of Laws(LLB) Degree from the Makerere University and a Masters in Law and Finance from Goethe University (Institute of law and Finance)in Frankfurt Germany. Professionally Ms. Robi holds a Post Graduate Diploma from the Kenya School of Law and has over 10 years of experience in various capacities and industries ranging from both Local and International Law Practice, Insurance, Finance, Pensions and Risk Management. Ms. Robi joined CIC Insurance Group Plc in 2011.



BOARD OF MANAGEMENT



Richard Nyakenogo

Mr. Richard Nyakenogo aged 58, 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 (AIK), 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.

Michael Mugo

Mr. Michael Mugo aged 55, is the MD Designate- 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 48, is the Directors, 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)

Dr. Lydia Kiburu

Dr. Lydia Kiburu aged 56 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. Lydia served as Group Director of Business Transformation, Brand, and Culture at Equity Group Holdings. Dr. Lydia 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.



BOARD OF MANAGEMENT



Henry Njerenga

Mr. Henry Njerenga, 56, 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.

Collins Kiriyo

Mr. Collins Kiriyo Ajire, 38, is the Acting Director, Internal Audit. He has over twelve years of audit experience, including more than eight years in the insurance industry. He joined CIC Insurance Group PLC in 2023. Mr. Ajire holds a Bachelor of Commerce degree and is a Certified Public Accountant of Kenya (CPAK). He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Internal Auditors (IIA) – Kenya Chapter.



Cyril Juma

Cyril aged 30, is the Ag. Group Actuary. He holds a BSc in Actuarial Science from Maseno University. He is a member of the Institute and Faculty of Actuaries (IFoA) in the UK and a member of The Actuarial Society of Kenya (TASK). Cyril joined CIC Insurance Group in 2019.





CIC FAMILY MEDISURE

We keep our word





DELIVERING SUSTAINABLE VALUE

DELIVERING SUSTAINABLE VALUE

Delivering sustainable value for us means generating consistent financial performance while strengthening the resilience of our customers, communities and markets in which we operate. Our 2026-2030 EDGE Strategy is the framework guiding our long-term growth and competitiveness. Our strategy aims to drive sustainable growth, while delivering exceptional customer experience, embracing digital transformation across all our operations and promoting an empowered workforce.

OUR VALUE DRIVERS

Our ability to create and sustain value over the short, medium and long term is anchored in our strategy, a resilient business model, and the effective deployment of key resources and capabilities. These value drivers enable us to convert inputs into measurable outcomes — generating financial returns while advancing our broader economic, social and environmental commitments.

As a responsible insurer, sustainability is embedded in how we allocate capital, manage risk, design products and serve our stakeholders. Our value creation approach reflects the interconnected nature of our operating environment and recognises that long-term performance depends on strengthening the ecosystem in which we operate.

We frame our value creation journey through the six capitals that underpin our business model. By responsibly managing and enhancing these capitals, we seek to balance profitability with resilience, innovation, and positive impact, delivering lasting value to our stakeholders.

The six capitals that drive our value creation include:

FINANCIAL CAPITAL Enabling Growth and Stability.



Financial capital enables us to sustain our operations, underwrite risk, honour claims obligations, and invest in long-term growth.

In 2025, the Group continued to strengthen its financial position, with total assets reaching KSh 73.7 billion and assets under management growing to KSh 195 billion reflecting strong operational performance and prudent financial management. There was a decline in profit before tax to KSh 1.25 billion primarily driven by a non-recurrence of a significant one-off gain recognized in the 2024 financials and elevated claims.

These resources enable the Group to pay claims, reward shareholders, and reinvest in strategic initiatives such as product innovation and digital transformation.

However, sustaining financial capital requires balancing short-term profitability with long-term investments in technology, people, and sustainability initiatives that strengthen the organisation’s future competitiveness.

MANUFACTURED CAPITAL Strengthening Digital and Operational Infrastructure.



Manufactured capital represents the physical and digital infrastructure that enables us to deliver insurance solutions efficiently, securely and at scale. It includes our branch network, digital platforms, core systems, claims infrastructure, and operational technology ecosystem.

As an insurer operating across multiple markets and customer segments, our manufactured capital underpins service reliability, speed, risk control and customer experience.

Manufactured capital includes the infrastructure and technology platforms that enable CIC to deliver insurance and financial services efficiently across its markets.

The Group operates through a network of branches across Kenya and regional subsidiaries, supported by digital platforms that facilitate policy administration, claims processing, and customer engagement.

In addition to our traditional infrastructure, the Group expanded its physical service ecosystem through the establishment of CIC Pharmacy Limited, a wholly owned subsidiary operating within the retail healthcare space. The pharmacy currently operates a full-service outlet in Nairobi, with plans to scale to additional locations across the country. This investment extends our manufactured capital into healthcare delivery, complementing our insurance offerings and strengthening our end-to-end health value proposition.

During the year, we continued to strengthen our digital infrastructure to expand access to insurance solutions and improve service delivery. Through the EasyBima four new products were launched to the platform in 2025 — Motor Commercial, Family Medisure, Senior Medisure, and Marine — broadening the range of accessible and affordable insurance solutions available to customers.

We also enhanced customer accessibility through the launch of the CIC Asset Management (CICAM) USSD platform, providing a convenient channel for clients to interact with investment services.

Further technological advancements included the rollout of the AML system, CICAM Enhanced Mobile App (MVP2), designed to improve user experience and digital service capabilities, as well as the launch of the CICAM Chatbot to support real-time customer engagement and inquiries. These enhancements strengthen our digital ecosystem and support our broader strategy of leveraging technology to improve operational efficiency, customer convenience, and market reach.

DELIVERING SUSTAINABLE VALUE

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INTELLECTUAL CAPITAL Driving Innovation and Expertise.



Intellectual capital reflects the knowledge-based assets and organisational capability that enable us to innovate, manage risk, improve decision-making, and execute our strategy.

The knowledge and brand reputation developed over more than five decades in the insurance sector enable the Group to design innovative insurance products, strengthen underwriting capabilities, and manage complex financial and operational risks.

Our intellectual capital also supports the development of specialised solutions for cooperative societies, SMEs, and individuals who may otherwise face barriers to accessing insurance protection. Continuous investment in technology, analytics, and product development ensures that CIC remains responsive to evolving market needs while maintaining strong governance and risk management practices.

HUMAN CAPITAL Empowering People to Deliver Value.

Human capital is central to our ability to execute strategy and deliver value to customers. The Group’s workforce of 1068 comprising 52% male and 48% female employees plays a critical role in developing products, managing risk, and serving customers across our markets. CIC invests in employee training, leadership development, and wellness programmes to build a skilled, motivated, and inclusive workforce aligned with our THRIVE values.



To further strengthen employee well-being, CIC implemented targeted wellness initiatives throughout the year aimed at supporting the physical, mental, and social health of employees. These included monthly “Wellness Nuggets” and structured wellness talks covering key topics such as mental health awareness, substance abuse, and men’s health, delivered across Kenya, Uganda, Malawi, and South Sudan. The sessions recorded an average participation of approximately 550 employees, reflecting strong engagement across the Group. In addition, the Group organised an annual medical camp, which reached 329 employees, providing access to

health screenings and preventive care services. These initiatives underscore our commitment to fostering a healthy, informed, and resilient workforce.

These investments strengthen organisational capability and innovation while enhancing employee engagement and retention. Although such initiatives require financial resources, they contribute significantly to long-term organisational performance and customer satisfaction.

SOCIAL AND RELATIONSHIP CAPITAL Strengthening Cooperative Partnerships.



Our Co-operative heritage continues to shape our relationships with stakeholders, particularly cooperative societies, customers, regulators, and community partners. The Group works closely with co-operative institutions and maintains a wide distribution network of over 8000 agents and brokers, enabling us to provide financial protection to individuals, businesses, and cooperative members across our markets.

During the year, CIC supported communities through the CIC Foundation, which invests in education, healthcare, youth development, and community empowerment programmes. Initiatives such as scholarship programmes, mentorship sessions for university students, healthcare fundraising initiatives, and literacy support programmes contribute to strengthening social resilience.

We continue to strengthen social and relationship capital through sustained engagement with the co-operative movement across Kenya. During the year, the Group conducted 38 training engagements, while also supporting individual co-operatives through governance training for their board members. These initiatives reached 6,590 board members from more than 6,000 active co-operatives representing over 10 million members across 36 counties. In addition, CIC supported the creation of more than 100 co-operatives nationwide, with a particular focus on Meru, Narok, Nakuru, and the Western region. Through these engagements, CIC enhanced the sustainability of new SACCOs by providing governance training, insuring their loans and assets, facilitating investment of surplus funds through CIC Asset Management, and ensuring timely settlement of claims.

Across the country, CIC branches actively supported the co-operative sector through participation in Ushirika Day celebrations, AGMs, education days, board meetings, and engagements with county co-operative directorates, while also taking part in open days for agricultural co-operatives such as Meru Central Dairy. The Co-operative division, supported by relationship managers across all branches, attended over 1,300 AGMs, education days, and board meetings in 2025, alongside providing financial support and participation in key co-operative events such as anniversaries, branch openings, member open days, and rebranding activities, further reinforcing CIC’s longstanding partnership with the co-operative movement. Through these partnerships, CIC contributes to broader socio-economic development while strengthening trust and long-term stakeholder relationships.

DELIVERING SUSTAINABLE VALUE

NATURAL CAPITAL

Supporting Environmental Sustainability.



Natural capital represents the environmental resources that support economic activity and societal well-being. As an insurer, we play a critical role in supporting climate resilience by providing financial protection against environmental and climate-related risks. The Group continues to work on integrating environmental considerations into underwriting, investment decisions, and operational practices.

Community-based initiatives such as tree planting and environmental conservation activities further demonstrate our commitment to sustainable environmental stewardship. While these initiatives require investment and operational adjustments, they strengthen the Group's ability to manage climate-related risks and contribute to long-term environmental sustainability.

The interaction of these six capitals enables us to generate outcomes that extend beyond financial performance. Through our products, services, and community initiatives, we contribute to financial security, economic empowerment, and social development across our markets. Our cooperative heritage reminds us that value creation is measured not only by financial returns but also by the positive impact we have on the communities we serve. By responsibly managing our capitals, balancing strategic trade-offs, and embedding sustainability into our decision-making processes, CIC Insurance Group continues to create long-term value for shareholders, customers, employees, and society.



One code for
everything CIC

Save. Protect. Invest
No data. No stress

Dial ***304#** - It's that Simple

SUMMARY OF OUR VALUE DRIVERS

CAPITAL	INPUTS 1 st JAN 2025	WHAT WE DO TO CREATE VALUE	OUTPUTS 31 st DEC 2025	OUTCOMES	STAKEHOLDERS	OUR STRATEGIES TO IMPROVE OUTCOMES
Human	893 staff Spend employee skills, knowledge, and expertise Ksh 40M Employee well-being initiatives	Operational efficiency Healthy work environment 12,935 online training hours completed Championing employee wellness Focus on DEIB	1068 staff in 2025 2.99B Employee salaries and benefits 46 employees promoted	Employee turnover 12% Decrease in employee turnover 4%	Employees Board of Directors	Employee engagement and well being Transforming our culture to one CIC culture. 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
Financial	Equity- 11B Assets under management: 152B Deposits administration: 10.9B Cash and cash equivalent: 823M EBITDA: 4.8B Total Assets: 61.9B Investment return 8.8B	Effective risk management Compliance operations	19% Growth in total assets 12% Growth in insurance revenue 69% reduction in PBT 28% Growth in AUM	Equity- 11.8 B Assets under management: 195 B Cash and cash equivalent: 12.91B EBITDA 1.99B Total Assets: 73.7B Investment return 6.2B	Shareholders Customers Regulators Government institutions	Operational efficiency Prudent underwriting and risk pricing Strategic investment portfolio management Cost reduction through digitization.
Intellectual	Institutional knowledge 58 years of delivering innovative insurance solutions Strong Enterprise-Wide Risk Management Framework Strong brand Strong governance framework Product design and actuarial capability	Efficient operations Marketing campaigns	Innovative insurance products Strong pricing and underwriting models Effective internal controls and risk management	Added 4 products (Motor Commercial, Family Medisure, Senior Medisure and Marine) to the EasyBima platform.	Customers Co-operatives Society Employees Regulators	Investing in our digital transformation Constitution of the CIC digital team Strategic marketing and brand-building initiatives

SUMMARY OF OUR VALUE DRIVERS

CAPITAL	INPUTS 1 st JAN 2025	WHAT WE DO TO CREATE VALUE	OUTPUTS 31 st DEC 2025	OUTCOMES	STAKEHOLDERS	OUR STRATEGIES TO IMPROVE OUTCOMES
Social & Relationship	Over 7000 agents and brokers 16.3B claims paid 3.12B commission paid 8.22M in CSR Over 2 Million lives covered 3.2B Tax paid Established customer base and Cooperative networks	Operational efficiency Co-operative Strategy Customer Experience Customer focus 38 trainings undertaken by CIC to co-operatives to over 6,500 board members representing more than 10M members in more than 6,000 active Co-operatives countrywide 14 customer experience trainings to staff Stakeholder engagement forums e.g. investor briefings and AGMs	Over 8,000 agents and brokers 19.89B claims paid 3.73B commission paid 9.39M spend in CSR in 2025 Ksh 4.3M to support 88 students through the CIC Foundation education program. Over 2Million lives covered. Launch of the USD-denominated CIC Global Balanced Special Fund	Revenue growth and profitability Product innovation (rolled out the easy bima platform) Centralized customer complaints 1.5% growth in social media platform engagement. Strong brand Net promoter score of 136% CIC Global Balanced Special Fund grown to over 400,000 USD	Customers Society Co-operatives Suppliers Strategic alliances & partnerships Regulators Employees	Transparent communication with stakeholders Leverage on data & analytics to identify pain points and preferences through surveys, interviews and reviews for enhanced customer experience. Continuous 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
Manufactured	34 branches 3 regional offices Digital channels and apps	Robust IT systems	Upgraded and efficient technological infrastructure Well-maintained office facilities 285M Investment in ICT infrastructure Establishment of the CIC pharmacy AML system implementation Launch of CICAM USSD, chatbot and enhanced mobile app. Launched four new products in Malawi (Tiwale education policy, Sunga savings policy, Nkuta funeral policy and Malesa investment policy)	34 branches 3 regional offices	Customers Employees	Continuous enhancement of our digital channels

SUMMARY OF OUR VALUE DRIVERS

CAPITAL	INPUTS 1 st JAN 2025	WHAT WE DO TO CREATE VALUE	OUTPUTS 31 st DEC 2025	OUTCOMES	STAKEHOLDERS	OUR STRATEGIES TO IMPROVE OUTCOMES
Natural	7.4 M - Office electricity expense 20.4 M – Building electricity expense 6.55M Water bill expense Sustainable business practices	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. 4.97M - Office electricity expense 21.6M Building electricity expense 9.26M Water bill expense	131M 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

Through these partnerships, CIC contributes to broader 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
<p>SHAREHOLDERS (OWNERS)</p>	<p>A shareholder is a person, company or institution that own shares in CIC Insurance Group Plc.</p> <p>Shareholders exercise their role as follows;</p> <ul style="list-style-type: none"> • Contribute capital. • Participate in AGMs • Approval of audited accounts • Election of directors • Approval of directors remuneration • Appointment of external auditors • Approval of dividends payment 	<ul style="list-style-type: none"> • Strong financial performance • Maximum shareholder returns • Transparent communication and reporting • Strong corporate governance • Commitment to sustainability • Long term sustainable value 	<ul style="list-style-type: none"> • 2025 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.
<p>CO-OPERATIVES</p>	<p>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.</p>	<ul style="list-style-type: none"> • Tailored insurance and financial solutions • Training and capacity building • Sustainability and social impact. • Responsive customer practices • Community engagement • Collaborative partnerships 	<ul style="list-style-type: none"> • Implemented the co-operatives strategy • Offered 38 training sessions to Co-operatives • Supported Ushirika day celebration activities • Supported creation of 100 Co-operatives

STAKEHOLDERS VALUE CREATION

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.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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. auditor during the AGM.
EMPLOYEES	The group has 1068 employees. 52% are female while 48% are male.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Regular Jipashe (staff magazine) updates Employee engagement & Satisfaction surveys Quarterly automated performance appraisals. Digital learning solutions- (LinkedIn Solutions). Jumuika: Intranet (Policies) 2023 performance incentive and bonus awards. Career growth planning and mentorship. Clear career growth Equitable remuneration Clear, fair and equitable performance management framework Health, safety and security policy as well as Safety & Health Committee to provide safety at work.

STAKEHOLDERS VALUE CREATION

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.	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Awareness creation on products and services • Technological advancements • 14 Customer experience training for staff • Digital interaction through social media • Responsible marketing and advertisement • Introduction of a 24/7 Contact Centre to assist client any day, any time. • Efficient Complaint Management including speedy follow up and closure, and root cause analysis of the problems to prevent them from reoccurring. • Implementation First Call Resolution. • Enhancement of the Virtual Branch for better management of prospects. • Implementation of CICAM chatbot via WhatsApp. • Implementation of Social Media tools for better customer engagement and effective Social Media Management.
REGULATORS AND GOVERNMENT INSTITUTIONS	These are our regulators: <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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.

STAKEHOLDERS VALUE CREATION

STAKEHOLDER CATEGORY	Who they are at CIC	Identified Needs & Expectations	How we met the needs and expectations during the year
STRATEGIC ALLIANCES AND PARTNERSHIPS	These include: <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Advocacy and representation • Information and education • Access to resources • Collaboration and partnerships 	<ul style="list-style-type: none"> • 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.
SERVICE PROVIDERS & SUPPLIERS	Outsourcing companies, providers of business support services i.e. Consulting companies: <ul style="list-style-type: none"> • As required or dictated by performance contracts and/or agreements. • To obtain products or services required for conducting the company's business. • To maintain an ideal and timeous service for operations. • To encourage responsible practices across our client, local procurement, supplier conduct and environmental considerations. • To include critical suppliers in cross-functional teams to contribute expertise and advice 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Socially and responsible initiatives • Job creation and economic development • Consideration of public health and safety • Affordable and accessible products and services 	<ul style="list-style-type: none"> • CSR Activities • CIC Foundation education scholarship • Job creation through our employees, agents, brokers etc.

RISK INTELLIGENCE AS A FOUNDATION FOR SUSTAINABLE PERFORMANCE

In 2025, CIC Insurance Group continued to advance its risk governance and compliance maturity as a core enabler of sustainable growth. As a diversified insurance and financial services group, we recognize that long-term value creation depends on disciplined risk-taking, regulatory integrity, and forward-looking resilience.

The Group's Enterprise Risk Management (ERM) framework integrates financial, operational, strategic, regulatory, technological, and ESG risks into decision-making processes. During the year, we enhanced our risk analytics capability and expanded compliance monitoring automation across subsidiaries.

Risk and Compliance operates independently of revenue-generating units and reports functionally to the Board Audit Risk & Compliance Committee, ensuring objective oversight.

2025 Risk Governance Architecture

Governance Level	2025 Focus Areas	Sustainability Impact
Board Audit Risk & Compliance Committee	Oversight of risk appetite, capital adequacy, ESG risk integration, regulatory exposure.	Protects stakeholder capital and reinforces accountability.
Group Executive Senior Management	Embedding risk-adjusted performance metrics and compliance ownership.	Aligns strategy with prudent risk-taking.
Risk & Compliance Function	Enterprise risk monitoring, regulatory liaison, horizon scanning.	Ensures resilience and regulatory confidence.
First Line (Business Units)	Risk ownership, control implementation, reporting of Key Risk Indicators (KRIs).	Promotes operational sustainability.
Internal Audit (Third Line)	Independent assurance over controls and governance.	Enhances transparency and continuous improvement.

Evolution of Risk Focus in 2025

In 2025, our risk oversight moved beyond traditional operational and financial exposures to incorporate sustainability-driven risks and systemic uncertainties.

Risk Theme	2025 Risk Outlook	Key Enhancements Implemented
Climate & Environmental Risk	Increasing exposure to extreme weather events affecting underwriting and investments.	Climate stress and scenario stress testing integrated into actuarial and investment models.
Digital & Cyber Risk	Rising sophistication of cyber threats and data privacy regulations.	Advanced threat detection tools and enhanced cyber simulation exercises.
Regulatory & Conduct Risk	Heightened regulatory scrutiny and ESG disclosure requirements.	Heightened compliance tracking system and regulatory trackers.
Liquidity & Capital Risk	Market volatility impacting investment returns and policyholder confidence.	Strengthened capital buffers and liquidity stress testing.
Third-Party & Outsourcing Risk	Increased reliance on third party vendors.	Enhances transparency and continuous improvement.
Socioeconomic & Geopolitical Risk	Inflationary pressures and regional instability.	Enhanced scenario modelling and portfolio diversification strategies.

RISK INTELLIGENCE AS A FOUNDATION FOR SUSTAINABLE PERFORMANCE

Compliance & Regulatory Stewardship

CIC Insurance Group maintained strong regulatory compliance across all subsidiaries during 2025. All statutory filings were submitted and no material enforcement actions were recorded during the reporting period.

2025 Compliance Highlights

Governance Level	2025 Focus Areas
Regulatory Returns	On-time submissions of Regulatory Filing.
AML/CFT Monitoring	Enhanced transaction monitoring with zero material breaches.
Policy Reviews	Critical policies reviewed and updated.
Whistleblowing Reports	All cases were investigated independently and resolved within SLA timelines.

The Group continued to maintain a zero-tolerance stance toward fraud, corruption, money laundering, and unethical conduct. The whistleblowing framework remains independently administered to ensure objectivity and protection of reporters.

Risk Integration into Sustainability Strategy

In alignment with our sustainability agenda, risk management in 2025 increasingly incorporated Environmental, Social, and Governance (ESG) considerations:

Data governance strengthened to protect customer and stakeholder information.

Product governance processes reviewed to ensure fair customer outcomes.

Operational Resilience & Business Continuity

Operational Resilience & Business Continuity

Operational continuity remained a strategic priority in 2025. The Group conducted:

- Full-scale Business Continuity Plan (BCP) simulations.
- Disaster Recovery Plan (DRP) testing across critical systems.
- Vulnerability assessment and Penetration Testing exercises across the group systems.

Resilience Area	2025 Status
Business Continuity Testing	Successfully completed annual simulation
Disaster Recovery Testing	Recovery time objectives tested.
Vulnerability Assessment and Penetration Testing	Conducted twice during the year

Operational Resilience & Business Continuity

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- Disaster Recovery Plan (DRP) testing across critical systems.
- Vulnerability assessment and Penetration Testing exercises across the group systems.

Forward Outlook – 2026 and Beyond

Looking ahead, CIC Insurance Group will prioritize:

- Integration of advanced risk analytics and AI-driven monitoring.
- Expanded climate-related financial disclosures.
- Strengthening risk governance across distribution channels.
- Continuous enhancement of capital resilience in volatile markets.

CIC Insurance Group's 2025 risk and compliance performance reflects a disciplined, forward-looking approach that balances growth with prudence. By embedding sustainability risks into enterprise decision-making, strengthening governance oversight, and maintaining regulatory integrity, the Group continues to safeguard stakeholder value while positioning itself for resilient and responsible growth.



CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

At CIC Insurance Group Plc, strong corporate governance is both a strategic priority and an expression of who we are. We recognise that effective governance is essential to our long term stability and success, particularly in a dynamic and highly regulated insurance environment. By upholding transparency, accountability, fairness, and ethical conduct, we build the trust that enables us to serve policyholders, shareholders, employees, regulators, and the communities that rely on us.

Our governance framework is grounded in the principles of fairness, accuracy, transparency, accountability, and responsibility. These principles guide the way we make decisions, exercise oversight, manage risks, and ensure compliance with the laws and standards that define our operating environment. They also reflect the values that shape our culture and our purpose of helping people secure their financial futures.

The Group complies with all applicable legal and regulatory requirements, including the Companies Act 2015, the Insurance Act, the Capital Markets Authority Act, the CMA Code of Corporate Governance for Issuers, the Capital Markets (Public Offers, Listing and Disclosures) Regulations 2023, and our Memorandum and Articles of Association. We further adhere to the Nairobi Securities Exchange listing rules and the ethical obligations set out in our Code of Conduct and the Constitution of Kenya.

Our commitment to sustainable value creation is reflected in the governance practices we have institutionalised — practices that reinforce integrity, protect stakeholder interests, and align our operations with the Group's mission and strategic objectives. The Board of Directors provides leadership and oversight, ensuring that governance principles guide our relationships with shareholders, customers, employees, and all other stakeholders. The Board remains fully accountable for the governance of the Company and upholds its fiduciary duties with diligence and integrity.

This Statement outlines the Group's governance structure, policies, and practices, including the roles and responsibilities of the Board, management, and key committees.

It also highlights our approach to risk management, internal controls, regulatory compliance, and ethical conduct. Strong governance enables us to adapt to changing market conditions, respond proactively to emerging risks, and pursue opportunities for sustainable growth while maintaining our reputation as a responsible and trusted insurer.

Through this continued commitment, we aim to strengthen stakeholder value, enhance operational performance, and give customers confidence that CIC remains a reliable partner in securing their financial wellbeing.

STATEMENT OF COMMITMENT

The Board of CIC Insurance Group Plc remains firmly committed to upholding strong corporate governance, recognising that ethical culture, competitive performance, robust controls, and organisational legitimacy are the foundations of sustainable value creation and long term success.

The Board understands that sound governance and effective risk management are central to achieving the Group's strategic objectives and sustaining performance in a dynamic operating environment.

In carrying out their statutory responsibilities, Directors are required to promote the long term success of the Company for the benefit of

all stakeholders. This responsibility calls for thoughtful consideration of the long term implications of Board decisions, the legitimate interests of employees, and the strengthening of relationships with customers, suppliers, regulators, and other stakeholders. It also entails assessing the impact of the Company's operations on the community and the environment, while maintaining the highest standards of ethical business conduct and protecting the Company's reputation.

The Board remains dedicated to continuously reviewing, strengthening, and refining the Company's governance principles, processes, and practices. This ongoing commitment ensures continued alignment with applicable governance guidelines and supports the effective application of governance standards throughout the Group's operations.

GENERAL GOVERNANCE FRAMEWORK

The Group's governance framework defines the strategic direction of the organisation 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 against clear objectives and is subject to ongoing oversight by the Board.

CIC Insurance Group Plc has institutionalised a comprehensive governance framework across strategic and operational levels, aligned with global best practices. The Board confirms that this framework is designed to achieve the following objectives:

- 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.

Provide a platform for regular review of the Group's governance structure against national and universally accepted guidelines and best practices.

Drive an Empowered One CIC Culture strengthening employee engagement, retaining critical talent and empowering all employees.

Strategic oversight rests 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.

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.

CORPORATE GOVERNANCE STATEMENT

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>.

OUR BOARD

Board Responsibilities

The Board is collectively responsible for setting the Group's vision, strategic direction, values, and governance. It provides leadership to ensure:

Sustainable long term success through objective and informed strategic judgment;
 Effective succession planning and ensuring the right leadership capability to execute strategy;
 Appropriate governance structures for sound management and operational effectiveness;
 Ongoing monitoring of business performance supported by effective internal controls and risk mitigation;
 Ethical conduct and full compliance with laws, regulations, and standards.

The Chairman, together with the Group Managing Director & Chief Executive Officer and the Company Secretary, oversees the annual Board Work Plan and sets Board agendas to support effective governance throughout the year. The Board acts in the interests of shareholders while considering the needs of employees, customers, suppliers, regulators, and the wider community.

The Board's responsibilities include:

- i. Setting the tone for the Group's values, ethical conduct, and responsible corporate citizenship;
 - ii. Approving the Group's mission, vision, strategy, goals, and risk policy plans;
 - iii. Ensuring adequate financial and human resources are in place to achieve strategic objectives;
 - iii. Reviewing and approving Board succession plans and appointments of Non Executive Directors;
 - iv. Reviewing financial and governance reports and approving the Annual Report and Group results;
 - v. Declaring interim dividends and recommending final dividends;
 - vi. Approving Group budgets proposed by the executive management team;
 - vi. Establishing and maintaining an appropriate governance and oversight framework;
 - vii. Reviewing the sufficiency, effectiveness, and integrity of risk management and internal controls;
 - viii. Approving performance objectives, monitoring achievements, and overseeing public disclosures;
 - viii. Overseeing reporting to shareholders on strategy, governance, performance, and disclosure processes;
- Providing oversight over the activities and governance of the Group's subsidiaries;
 Monitoring performance against targets and operational objectives;

- xiv. Ensuring effective, timely, and fair resolution of disputes;
- xv. Monitoring the Group's relationships with stakeholders;
- xvi. Overseeing sustainability and ESG related matters, including environmental, social, and governance risks and opportunities;
- xvii. Providing oversight of data governance, cybersecurity, and technology related risks.

COMPOSITION AND DIRECTORS' APPOINTMENT

The composition of the Board is shaped by the Group's business model, shareholding structure, and governance framework, including the Board Charter and the Memorandum and Articles of Association. These foundational documents guide the Board's structure, size, and composition to ensure effective leadership and oversight.

The Group is committed to maintaining a Board whose members collectively offer the skills, expertise, and experience required to fulfil their responsibilities. A well balanced Board is essential for navigating the complexity of the insurance and financial services sector and supporting the Group's long term strategic direction.

To uphold strong governance, the Group seeks to ensure that the Board reflects a broad mix of professional backgrounds, knowledge areas, and perspectives. This diversity strengthens oversight, enhances decision making, encourages innovation, and contributes to a resilient governance process.

The following guiding principles inform the Board's composition:

- Independence and Objectivity – Appointing independent directors who provide impartial oversight and support objective decision making;
- Appropriate Board Size – Ensuring the Board is suitably sized to discharge its responsibilities and support the Group's strategic objectives.
- Succession Planning – Maintaining continuity through structured and forward looking succession plans.
- Diversity of Skills and Experience – Sustaining a wide range of skills, knowledge, and experience to meet the operational and strategic needs of the business.

By applying these principles, the Group ensures that the Board remains effective in guiding the business toward sustainable growth, supported by transparency, accountability, and sound governance standards.

During the period under review, the Board comprised ten (10) directors: five (5) independent directors, one (1) executive director, and five (5) shareholder representatives. As at the end of the 2025 financial year, the Board continued to comprise ten (10) directors.

CORPORATE GOVERNANCE STATEMENT

BOARD OF DIRECTORS				
Position and Name	Executive	Non-Executive	Independence	Director Since
Group Chairman: 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: Agnes Gathaiya		√	Independent	18-August-2025
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

CATEGORIES OF DIRECTORS

The Board's composition includes the following categories of directors:

- i. **Executive Director** – A Director who also holds an executive management role within the Company. Currently this position is held by the Group Managing Director & Group Chief Executive Officer.
- ii. **Independent Non Executive Director** – A director who does not hold an executive role, is not employed by the Company, and has no relationships that could impair independent judgment. An Independent Non Executive Director may, however, hold shares in the Company.
- ii. **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.

APPOINTMENT, TENURE, AND RE ELECTION OF DIRECTORS

Appointment, Tenure, and Re election of Directors

The following principles guide the appointment, tenure, and re election of directors:

- **Re election of Non Executive Directors** – Re election after a three year term is not automatic. The Board conducts a comprehensive performance evaluation before recommending any director for re election, and shareholders are provided with all relevant information to support informed voting.
- **Tenure of Independent Non Executive Directors** – Independent Non Executive Directors may serve for a maximum of six (6) years, subject to any applicable regulatory approvals.
- **New Director Appointments** – Upon appointment, each director receives a formal letter outlining their duties, responsibilities, expected time commitment, and Board and Committee participation expectations.

BOARD COMMITTEES

The Board delegates specialist responsibilities to five (5) standing Committees Audit & Risk, Finance & Investment, Governance, Nomination & Human Resources and the Information Communication & Technology Committee. Each Committee operates under approved Terms of Reference that define its mandate. While Committees provide recommendations, the Board retains full decision making authority.

Committee membership is structured to leverage the skills, experience, and expertise of directors while ensuring a balanced distribution of responsibilities. Meetings are generally aligned with the Board meeting cycle unless specific circumstances require earlier review or convening of special meetings based on an agenda. Each Committee reports to the Board at the next scheduled meeting, presenting matters for consideration, adoption, or approval.

A summary of the roles, responsibilities, membership, and meeting activities for each of the four Committees is outlined in the sections that follow.

CORPORATE GOVERNANCE STATEMENT

	Governance, Nomination & Human Resources	Audit & Risk	Finance & Investment	Information, Communication & Technology (ICT)
Roles and Responsibilities of Board Committees	<p>Oversees the overall governance structure, policies, and practices of the Board, ensuring alignment with best governance practices.</p> <p>Evaluates and reviews the composition, balance, and effectiveness of the Board, making recommendations to enhance performance and effectiveness.</p> <p>Identifies, assesses, and recommends suitable candidates for Board appointments, ensuring appropriate skill sets, experience, and diversity.</p> <p>Manages succession planning for the Board and senior executive management, ensuring a structured and continuous leadership pipeline.</p> <p>Reviews and advises on executive appointments, leadership succession plans, and professional development initiatives for senior management.</p> <p>Provides strategic oversight of the Group’s Human Resource policies, frameworks, and practices.</p> <p>Reviews and recommends policies related to recruitment, retention, compensation, benefits, performance management, and employee development.</p> <p>Reviews senior management appointments, ensuring alignment with organizational strategy and objectives.</p> <p>Evaluates senior management performance and recommends appropriate compensation and benefits structures.</p> <p>Oversees annual staff performance assessments, ensuring consistency with organizational objectives and recommending benefit allocations accordingly.</p>	<p>Oversees financial reporting processes, ensuring the integrity, accuracy, and reliability of financial statements.</p> <p>Reviews significant financial reporting issues and judgments made in connection with the preparation of financial statements.</p> <p>Provides recommendations to the Board regarding the fairness, transparency, and completeness of the Annual Report, including long-term viability statements.</p> <p>Evaluates and monitors the independence, objectivity, and effectiveness of external auditors and the overall external audit process.</p> <p>Reviews and monitors internal control systems, financial management practices, and compliance with applicable laws and regulations.</p> <p>Oversees the effectiveness and independence of the internal audit function.</p> <p>Ensures robust oversight of risk management frameworks, reviewing principal risks and ensuring effective risk mitigation strategies are in place.</p>	<p>Provides strategic oversight on matters relating to the financial management, investment activities and sustainability of the Group.</p> <p>Reviews and advises on investment guidelines, asset allocation strategies, and financing policies.</p> <p>Monitors the performance of the Group’s investments, ensuring adherence to approved guidelines and objectives.</p> <p>Reviews and recommends dividend policies and declarations to the Board.</p> <p>Assesses and advises on capital allocation strategies, including corporate acquisitions, disposals, joint ventures, and other significant financial and strategic decisions.</p> <p>Reviews and monitors financial performance, providing recommendations on budgeting and financial planning matters.</p> <p>Monitor business growth and business sustainability.</p>	<p>Overseeing IT governance, digital transformation and data analytics initiatives across CIC Group</p> <p>Promoting ethical IT practices and fostering innovation</p> <p>Implementing an IT control framework and monitoring significant IT investments.</p> <p>Ensuring that business change initiatives align with the Group’s strategic objectives.</p> <p>Establish an IT governance framework with clear accountability for technology investment decisions.</p> <p>Ensure that a Return on Investment methodology is used for evaluating IT projects.</p> <p>Oversee cybersecurity measures and ensure data security.</p> <p>Ensure that business transformation initiatives are aligned with strategic goals.</p> <p>Develop and oversee a robust data analytics framework to support strategic decision making.</p> <p>Ensure the adoption and scalability of an agile delivery culture that supports operational excellence.</p>

CORPORATE GOVERNANCE STATEMENT

	Governance, Nomination & Human Resources	Audit & Risk	Finance & Investment	Information, Communication & Technology (ICT)
Membership	<p>The Governance and Nomination Committee comprised of six (6) members.</p> <p>The members during the reporting period were:</p> <ul style="list-style-type: none"> • Dr. Nelson Kuria—Chairman • Mr. Gordon Owuor • Mr. Michael Wambia • Mr. James Njue • Mr. Patrick Nyaga • Mrs. Sharon Kisire 	<p>The Committee is comprised of four members, three of whom, including the chairman are independent non-executive directors..</p> <p>The members during the reporting period were:</p> <ul style="list-style-type: none"> • Mr. Julius Mwatu - Chairman • Dr. Rogers Kinoti • Mr. Johnson Kegohi • Mrs. Sharon Kisire 	<p>The Committee comprised of five (5) members.</p> <p>The members during the reporting period were:</p> <ul style="list-style-type: none"> • Ms. Ludia Rono – Chairman • Dr. Rogers Kinoti • Mr. Cornelius Ashira • Mr. Edwin Otieno • Mr. Patrick Nyaga 	<p>The Committee comprised of four (4) members.</p> <p>The members during the reporting period were:</p> <ul style="list-style-type: none"> • Agnes Gathaiya • Patrick Nyaga • Lydia Rono • Julius Mwatus
Meetings	<p>The Committee meets at least four times a year. During the period under consideration, the committee met three times.</p>	<p>The Committee meets at least four times a year. During the period under consideration, the committee met three times.</p>	<p>The Committee meets at least four times in a year. During the period under consideration, the committee met four (4) times.</p>	<p>The Committee meets at least four times in a year. During the period under consideration, the committee met One(1) times at its inaugural meeting in Q4 2025.</p>

Key Activities of the Audit and Risk Committee in 2025

A. Financial Reporting & External Audit Oversight

- Reviewed and recommended for Board approval the half year results and annual audited financial statements, including management's significant accounting judgements and disclosures.
- Considered going concern and viability assessments, stress/scenario analyses, and related disclosures.
- Reviewed the external auditor's management letter, monitored timely remediation of findings, and tracked closure of repeat issues.
- Assessed the independence, objectivity, and effectiveness of the external auditor (including non audit services, partner rotation, and fee mix) and recommended the auditor's re appointment to shareholders.
- Monitored key IFRS developments applicable to insurers (e.g., IFRS 17/IFRS 9 interactions and disclosure quality) and the adequacy of related internal controls over financial reporting.

B. Internal Audit, Controls & Assurance

- Reviewed and approved the risk based Internal Audit plan for the year ending 31 December 2025, confirming coverage of core financial, operational, IT, and conduct risks.
- Monitored quarterly Internal Audit reports, tracked management action plans, and evaluated the effectiveness of internal controls across the Group.
- Reviewed the organisational independence, resources, and competency of Internal Audit, including conformance with professional standards and the audit charter.
- Considered the assurance map/combined assurance across internal audit, risk, compliance, and external audit to avoid duplication and address coverage gaps.

CORPORATE GOVERNANCE STATEMENT

C. Risk Management & Actuarial Matters

- Reviewed the Enterprise Risk Management (ERM) framework, risk appetite statement, and principal risks with associated mitigation strategies; escalated material changes to the Board.
- Oversaw insurance risk themes (pricing, underwriting, claims, reinsurance, concentration risk), market/credit/liquidity risks, and operational risks (including model and vendor risk).
- Received reports from the Group Actuary on reserving adequacy, assumptions, stress testing, and liability valuation linkages to IFRS 17 disclosures.

D. Regulatory Compliance & Legal/Conduct Oversight

- Reviewed compliance with financial control procedures and regulatory requirements, including filings and prudential ratios where applicable.
- Monitored regulatory correspondence (e.g., IRA and CMA), remediation of supervisory recommendations, and status of undertakings provided to regulators.
- Oversaw whistleblowing arrangements (independence, accessibility, and responsiveness) and reviewed themes, root

causes, and remediation arising from investigations.

- Considered conduct of business and fair customer outcomes (claims handling timeliness, complaints, disclosures), including any thematic reviews.

E. Technology, Data & Cybersecurity

- Reviewed IT general controls, cybersecurity posture, and data governance, including privacy controls and resilience testing; monitored significant incidents and remedial actions.
- Considered emerging AI/analytics risks, model validation practices, and accountability for algorithmic decision making relevant to underwriting, pricing, and claims.

F. Related Party, Fraud & Other Oversight

- Reviewed related party transaction controls and disclosures, ensuring compliance with policy, arm's length terms, and approval thresholds.
- Monitored the Group's fraud risk management, including case trends, prevention controls, and reporting to the Authority where required.
- Considered tax compliance and significant tax exposures/contingencies as part of financial reporting oversight.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

Directors	Board Meeting		Audit & Risk Committee Meeting		Finance & Investment Committee Meetings		Governance, Nomination & HR Committee Meetings		Information, Communication & Technology Committee Meetings	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
Dr. Nelson Kuria	6	6	*	*	*	*	5	5	*	*
James Njue	6	6	*	*	*	*	5	5	*	*
Agnes Gathaiya	6	1	*	*	*	*	*	*	1	1
Gordon Owuor	6	6	*	*	*	*	5	5	*	*
Michael Wambia	6	6	*	*	*	*	5	5	*	*
Ludia Rono	6	6	*	*	4	4	*	*	1	1
Julius Mwatu	6	6	6	6	*	*	*	*	1	1
Patrick Nyaga	6	6	*	*	4	4	5	5	1	1
Dr. Rogers Kinoti	6	6	6	6	4	4	*	*	*	*
Sharon Kisire	6	6	6	6	*	*	5	5	*	*
Johnson Kegohi	*	*	6	6	*	*	*	*	*	*
Cornelius Ashira	*	*	*	*	4	4	*	*	*	*
Edwin Otieno	*	*	*	*	4	4	*	*	*	*

Notes:

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

CORPORATE GOVERNANCE STATEMENT

Board Diversity

The Board recognises that diversity strengthens governance, broadening perspectives and enhancing the quality of oversight and decision making. A diverse Board is better equipped to anticipate market developments, respond to emerging risks, and identify opportunities that support sustainable growth.

The Board's collective expertise spans Business Management, Banking and Finance, Actuarial Science, Accounting, Communications, Economics, Marketing, Project Management, Risk Management, Human Resources, Legal and Governance. In shaping Board composition, directors consider the mix of skills, capabilities, and experience required to meet the Group's current and future strategic needs.

Director Independence

The Board places a premium on independent judgment as a statutory and regulatory expectation for effective oversight. In line with the CMA Code of Corporate Governance for Issuers (2015) and the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, the Company subjects directors to annual independence and fitness assessments that consider the nature and extent of any relationships with the Group and any external interests that could impair objective judgment. The Board also ensures completion and review of the fit and proper declarations required for directors and key persons, and engages with the Capital Markets Authority as part of the continuing listing and disclosure obligations applicable to issuers. These processes—together with rotation practices and ongoing disclosures—provide objective evidence that directors remain free of management influence, conflicts, or other circumstances that could compromise independence, thereby supporting credible governance and market integrity.

Tenure

Shareholders may nominate candidates for election or re election at the Annual General Meeting. In accordance with the Memorandum and Articles of Association, one third (1/3) of directors retire by rotation each year, with those longest in office since appointment or last election presenting themselves for re election.

Board Workplan

The Board operates under an annual Workplan that structures its activities, ensures regulatory compliance, and aligns the timing of Board and Committee meetings with key business and governance milestones.

Succession Planning

The Board adopts a proactive approach to succession planning to ensure continuity, capability, and resilience. The Governance Nominations & Human Resource Committee assesses potential candidates based on qualifications, experience, and alignment with Board requirements. All shortlisted candidates undergo due diligence and regulatory approval prior to appointment or election.

Director Induction

New directors participate in a structured induction programme covering the Group's business model, governance framework, strategy, and regulatory obligations. This enables directors to contribute effectively from appointment and aligns with the Group's Induction Policy.

Separation of Roles: Chairman and GMD & CEO

The roles of Chairman and Group Managing Director & Chief Executive Officer are separate to preserve Board independence and ensure clear accountability. The Chairman, an Independent Non-Executive Director leads Governance processes and the Board's mandate. The GMD & CEO leads day-to-day operations and executes the Board-approved strategy.

Duties of the Group Chairman

The Chairman provides leadership to the Board and ensures effective governance. Key responsibilities include:

- Guiding the Board's work and setting agendas in consultation with the GMD & CEO and Company Secretary;
- Ensuring timely, relevant information flow for informed decision making;
- Promoting a culture of constructive debate and ethical leadership;
- Leading the Board evaluation process and supporting continuous governance improvement
- Representing the Group in key stakeholder engagements;
- Overseeing governance compliance, Board effectiveness, and Committee independence

Supporting crisis oversight and ensuring strategic risks are addressed.

Role of the GMD & CEO

The GMD & CEO is responsible for executing strategy and driving operational performance across the Group. Core responsibilities include:

- Translating strategy into actionable plans and delivering on financial and operational objectives.
- Overseeing business unit performance, risk management and operational efficiency.
- Reporting to the Board on financial, strategic and regulatory matters.

Leading people, culture and organisational capability;

- Ensuring robust governance, compliance and internal control environments.
- Engaging regulators, investors, partners and other external stakeholders.
- Undergoing annual performance evaluation against agreed objectives.

Board Capacity Building

To maintain effectiveness, the Group implements a structured Board Capacity Building Programme that includes:

- Ongoing training on governance, risk, regulatory developments, and industry trends;
- Participation in local and international governance forums

Periodic briefings from external experts

- Comprehensive induction for new directors and refresher sessions for all members
- Annual Board evaluations to identify improvement areas
- During the year, Directors undertook training exceeding the 24-hour minimum required under the Code of Corporate Governance.

CORPORATE GOVERNANCE STATEMENT

The trainings undertaken during the year 2025 are as follows:-

No.	Training
1.	'Leading the Board' Programme – Strathmore Business School training
2.	ICT Governance training – Virtual training conducted for all Board members (Kenya and Regions)
3.	Audit Training – Training conducted for Audit & Risk Committee Chairs from 7th to 9th October 2025
4.	Digital Transformation and Governance in a Technology Driven World – Training scheduled for Directors in Malawi South Sudan and Uganda
5.	AML/CFT Training – Training for Uganda Board & Senior Management conducted on 29th October 2025 orga-nized by the Financial Intelligence Authority
6.	HR Committee trainings
7.	Role of AI in Board meetings - The role of AI in board meetings is emerging as a key trend, with applications in agenda preparation, real-time transcription, data analysis, and compliance monitoring—enhancing efficiency while raising important considerations around ethics, accountability, and data privacy
8.	Insurance Training – Virtual Insurance training conducted for all Kenyan and regional Directors by Dr. Monehin and Mr. James Nyokangi
9.	Culture and Industry Overview, Strategic Pillars – Training facilitated by Dr. Wale during the Board retreat.

Board Remuneration

The Group's Remuneration Policy ensures director compensation is transparent, competitive, and aligned to responsibilities.

- Non-Executive Directors receive fixed fees and Committee retainers based on engagement levels.
- Remuneration is benchmarked against industry peers and reviewed regularly.
- Significant changes are subject to shareholder approval at the Annual General meeting.

Board Evaluation

Annual evaluations assess the effectiveness of the Board, its Committees, and individual directors. The process focuses on strategic oversight, risk governance, and contribution to Board work. The Group periodically engages independent evaluators to ensure objectivity. Outcomes inform development plans to strengthen governance.

Board Skills Matrix

In 2025, the Governance, Nominations & Human Resource Committee introduced a Board Skills Matrix to align Board capability with the Group's strategy and regulatory expectations. The matrix maps each Director's competencies—covering insurance and financial services, strategy and capital allocation, risk and audit, technology and data (including AI/cyber), ESG and sustainability, legal and governance, and people and culture—against the target capability profile for both long term and near term priorities. It is applied through an annual assessment to:

- Verify that collective skills and experience support the Group's strategic objectives;
- Identify gaps and succession needs;
- Guide targeted director development; and
- Inform future appointments to maintain appropriate independence, diversity, and stakeholder confidence.

The Board through the Governance Nomination & Human Resource Committee endeavours to track skills coverage, development activities, and any adjustments made to keep Board composition fit for purpose and aligned with stakeholder and regulatory expectations

Access to Information and Independent Advice

Directors may seek independent professional advice through the Chairman or Company Secretary. They have unrestricted access to management information necessary for informed oversight.

Secretary to the Board

The General Counsel & Group Company Secretary ensures the Board's governance processes comply with legal and regulatory obligations. The Secretary supports Board meetings, maintains governance records, and facilitates communication between directors, management, and shareholders.

Shareholder Relations

The Group prioritises transparent, timely, and accurate communication with shareholders. Key practices include:

1. Adoption of international accounting standards for transparency;
2. Clear delineation of Board and management roles;
3. Compliance with all relevant laws and governance codes;
4. Strategic initiatives promoting long term sustainability;
5. Timely financial disclosures;
6. Strengthened audit processes and auditor independence.

Shareholder engagement is facilitated through the website, the AGM, annual reports, regulatory disclosures, investor briefings, press releases, and dedicated support from the Business Excellence (BEX) Department.

OPINION REPORT ON THE BOARD EVALUATION EXERCISE CIC INSURANCE GROUP FOR THE YEAR 2025

We, in our capacity as independent and accredited governance practitioners, conducted a comprehensive Board Evaluation of CIC Insurance Group for the period 2025. The evaluation covered the Board, its Committees and key governance roles including the Chairperson, Group Chief Executive Officer and Corporate Secretary. The assessment was undertaken with reference to applicable regulatory requirements, governance codes and evolving best practices within the insurance sector. A detailed report has been prepared and submitted outlining the outcomes of the evaluation together with key observations and forward-looking recommendations. The evaluation was undertaken using an enhanced methodology that reflects a deliberate shift from traditional compliance-based assessments toward a more insight-driven and developmental governance review. The process was anchored on a qualitative and experience-based evaluation framework that incorporated open-ended questionnaires designed to elicit reflective responses on how directors exercise judgment, engage in strategic deliberation and respond to complex governance scenarios. This approach was complemented by one-on-one engagements with directors which enabled validation of themes and consolidation of insights across the Board. In addition, the evaluation integrated scenario-based analysis and crisis governance considerations, allowing for an assessment of the Board's readiness to respond to low-probability, high-impact risks. The findings of the evaluation indicate that the CIC Board operates within a structured and progressively maturing governance framework.

The Board demonstrates strong alignment to its strategic direction anchored on the 2026–2030 plan and actively engages in guiding long-term priorities and key organizational initiatives. There is clear evidence of disciplined separation between governance and management, enabling the Board to focus on strategic oversight while maintaining effective collaboration with executive leadership. Directors consistently reflect a high level of awareness of their fiduciary responsibilities which is supported by a governance culture grounded in integrity and accountability. The evaluation further confirms that the Board benefits from effective committee structures, structured engagement mechanisms and reliable information flows that support informed decision-making. The committees are functional and aligned to organizational priorities thus enabling deeper engagement on specialized areas such as risk, finance, governance and human capital. The Board demonstrates increasing integration of risk considerations into its deliberations, alongside a growing focus on areas such as digital transformation, sustainability and emerging risk trends.

There is also evidence of constructive Board–management engagement which supports alignment between strategic direction and operational execution. The Board has also demonstrated adaptability in responding to strategic and operational challenges with evidence of structured engagement in key decisions relating to business transformation, capital management and subsidiary oversight. The evaluation also identified areas for continued enhancement which are developmental in nature and aligned to the Board's progression toward higher governance maturity. These include strengthening consistency in the internalization of strategy across all directors, enhancing structured follow-through on Board decisions and deepening the linkage between governance decisions and measurable organizational outcomes. There is also scope to advance more proactive and forward-looking risk governance practices, further optimize governance efficiency and information flow and accelerate the adoption of digital and data-driven governance tools. Based on the evaluation conducted, it is our considered professional opinion that CIC Insurance Group is governed by a competent, effective and well-functioning Board that continues to discharge its responsibilities in line with applicable governance standards and regulatory expectations. The Board demonstrates strong foundational governance capabilities with clear evidence of strategic engagement, ethical leadership and structured oversight. The identified recommendations are intended to build on these strengths and support the Board's continued evolution toward a more integrated and high-impact governance model.

Wyne and Associates



Prof Kenneth Wyne Mutuma
10th April 2026

CORPORATE GOVERNANCE STATEMENT

Minority Shareholder Protection

We are committed to safeguarding the rights and interests of minority shareholders and ensuring that all shareholders are treated equitably. Minority shareholders are protected from any adverse actions by controlling or majority shareholders through transparent governance structures, independent Board oversight, and adherence to established approval processes for related party transactions and key corporate decisions. The Company provides minority shareholders with equal access to timely and accurate information through annual reports, investor briefings, the Company website, and the Annual General Meeting, where they are afforded an opportunity to raise concerns and seek clarification. In addition, minority shareholders have access to formal channels of redress, including escalation through the Investor Relations team and applicable regulatory frameworks, thereby ensuring their interests are considered in decision-making and that their rights are not prejudiced.

Accountability, Risk Management and Internal Control

The Group operates a structured Enterprise Risk Management (ERM) framework covering strategic, financial, operational, regulatory, technology, cyber, and ESG risks. The Audit & Risk Committee oversees risk governance, including:

1. Annual review of the risk framework;
2. Continuous risk identification and assessment;
3. Development and monitoring of mitigation plans;
4. Tracking key risk indicators;
5. Regular Board reporting;
6. Embedding risk culture across all business units.

Risk Governance is supported by the Three Lines of Defense Model

- First Line – Business units
- Second Line – Risk and Compliance
- Third Line – Internal Audit

Integrity of Reporting

Strong internal controls ensure the accuracy, reliability, and compliance of financial and corporate reporting. The Board obtains assurance from the GMD & CEO and CFO on:

1. Proper maintenance of financial records;
2. Compliance with accounting standards and regulatory requirements;
3. Effectiveness of internal controls.

The external auditor, PwC, provides an independent audit opinion and presents the report to shareholders at the AGM.

Internal Audit

Internal Audit provides independent assurance on governance, risk management, and internal controls. Its responsibilities include:

- Conducting Risk-Based audits
- Ensuring compliance with internal and regulatory requirements
- Reviewing operational and financial controls
- Performing fraud and investigative audits
- Reporting findings to management and the Board
- Tracking implementation of recommendations.

External Audit

PwC performs the external audit in accordance with IFRS and regulatory requirements, issuing an independent opinion on the financial statements and participating in the AGM to engage with shareholders.

LEGAL & COMPLIANCE AUDIT

Purpose and Regulatory Basis.

The Legal & Compliance Audit independently evaluates the Group's frameworks, controls and operational practices against applicable Kenyan statutes and regulations and recognized global benchmarks. The review considers: the CMA Code of Corporate Governance Practices for Issuers of Securities, 2015; the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 and NSE continuing obligations; the Insurance (Corporate Governance) Guidelines, 2022 under the Insurance Act and Directors' duties under the Companies Act, 2015 and the Retirements Benefits Authority governance standards.

Scope of the Legal & Compliance Audit.

Independent counsel and compliance professionals provided legal advisory services comprising a Legal and Compliance Audit of CIC Insurance Group PLC and its subsidiaries namely CIC Life Assurance LTD, CIC General Insurance LTD & CIC Asset Management LTD. The Audit covered the Group's operation for the last Twenty-Four (24) months and included a review of compliance with the following areas:

- a. Corporate governance and company law, including compliance with the Companies Act, Board and Committee Charters, the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, IRA Corporate Governance Guidelines and the Retirement Benefits Authority governance standards.
- b. Fund management and retirement benefits regulations including the Retirement Benefits Act and regulations, Capital Markets Act and regulations, trust deeds, scheme rules, investment guidelines, custody of assets and reporting obligations.
- c. Consumer protection and market conduct, including compliance with the Data Protection Act, 2019, sector – specific consumer protection guidelines and fair treatment of customers.
- d. Anti-Money Laundering and Countering the Finance of Terrorism (AML/CFT), including compliance with the Prevention of Terrorism and Anti-Money Laundering Act (POCAMLA), the Prevention of Terrorism Act, AML/CFT policies, customer due diligence, transaction monitoring and reporting to the Financial Reporting Centre.
- d. Employment and other cross-cutting laws, including labour laws, social security legislation, competition law, environmental law, land law and intellectual property law
- e. Litigation and dispute management, including actual, pending or threatened litigation arbitration, mediation and employment disputes.

CORPORATE GOVERNANCE STATEMENT

Objectives of the Engagement

- Regulatory compliance monitoring and filings across CMA, NSE, IRA and Companies Act requirements, including timely submissions, disclosure quality and evidence of 'apply-and-explain' against the CMA Code.
- Continuous disclosure and market conduct: processes to identify material information, manage confidentiality and release announcements in line with disclosure rules and listing obligations.
- Contracting and legal risk: lifecycle controls (approval thresholds, legal review, related-party safeguards, termination/indemnity clauses) with specific attention to issuer-related party rules.
- Financial services and insurance regulation: compliance with IRA governance guidelines for control functions (Risk, Compliance, Internal Audit, Actuarial) and prudential expectations, where applicable.
- Anti-bribery and integrity controls: policy design, risk assessment, third-party due diligence, gifts and hospitality controls, investigations and disciplinary protocols (aligned to ISO 37001).
- Compliance management system maturity: leadership commitment, roles and accountabilities, risk-based planning, training coverage, monitoring, corrective action and continual improvement.
- Data privacy, information security and insider trading: alignment between insider-dealing controls (closed periods, pre-clearance) and continuous disclosure; linkage of privacy/security controls to regulatory risk.

Whistleblowing and ethics: channel independence, confidentiality, case handling, root-cause remediation and periodic Board reporting.

Output and Deliverables.

- Independent Legal & Compliance Audit Report (2025) with two (2) year look-back highlighting findings, ratings, root causes, regulatory impact and a prioritized remediation roadmap.
- A management representation of findings to the Board, through Audit, Risk and Compliance Committee and the full Board.

A Compliance Matrix and Action Plan Tracker.

Oversight and Assurance.

Progress on the action plan tracker is independently validated through Internal Audit's follow-up reviews, with status reported to the Audit & Risk Committee and escalated to the Board until closure of all findings.

GOVERNANCE AUDIT

Objective and Standards.

The Governance Audit provides an independent assessment of the Group's governance instruments, structures and practices against the CMA Code of Corporate Governance for Issuers (2015), the Insurance (Corporate Governance) Guidelines, 2022, the Companies Act, 2015 and recognized standards (King IV; G20/OECD Principles). The audit follows the profession's Kenyan practice as advanced by the Institute of Certified Secretaries (ICPSK).

Scope of Work

- Board constitution and composition (independence, diversity of skills/experience, succession pipelines and renewal mechanisms).

- Leadership, ethics and corporate citizenship (tone from the top, Code of Conduct, whistleblowing channels and anti-bribery posture). Strategy, risk and performance (strategy-setting clarity, risk appetite and alignment to performance objectives, oversight of principal risks and resilience).
- Governing structures and delegation (Board/Committee mandates, annual workplan coverage and efficacy of delegation to management with robust reporting lines).
- Transparency and disclosure (quality, timeliness and completeness of regulated disclosures and shareholder communications under CMA Regulations and NSE obligations).
- Stakeholder relationships (shareholder engagement, customer outcomes, regulator interactions and employee voice mechanisms).
- Sustainability and ESG (integration of ESG, climate- and conduct-related risks into governance and reporting).

Deliverables

- Independent Governance Audit Report (2025) addressing governance design and effectiveness, significance-rated findings, maturity observations and prioritized recommendations.
- Governance Improvement Plan with owners, timelines and metrics, integrated into the Board Workplan and Committee calendars.

Follow-up Review Protocol specifying how closure will be validated.

Board and Management Response

The Board has mandated enhanced director continuous development and induction; clearer Committee charters and cross-committee handshakes; stronger disclosure controls and market-conduct training to reflect 2023 CMA obligations; and deeper oversight of ESG, data/cyber and AI governance in line with global best practice.

REPORT OF THE INDEPENDENT GOVERNANCE AUDITOR TO THE SHAREHOLDERS OF CIC INSURANCE GROUP PLC

Introduction

We have conducted a Governance Audit of CIC Insurance Group PLC (“the Group”) for the financial year ended 31st December 2025. The Audit comprised an assessment of the governance practices, structures, systems, and processes established by the Board to support the application of sound corporate governance principles and compliance with applicable legal and regulatory requirements.

Board Responsibility

The Board of Directors is responsible for establishing and maintaining effective governance structures, systems, and practices that support sound corporate governance within the Group.

This includes ensuring proper Board composition and independence, ethical leadership, effective oversight of risk management and internal controls, transparency and disclosure, protection of shareholder rights, stakeholder engagement, compliance with applicable laws and regulations, and integration of sustainability into the Group’s operations.

Governance Auditor’s Responsibility

Our responsibility is to express an independent opinion on the adequacy and effectiveness of the governance framework established by the Board. We conducted our audit in accordance with the Governance Audit Standards issued by the Institute of Certified Secretaries of Kenya (ICPSK), the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, and other applicable legal and regulatory frameworks.

We have complied with the ethical requirements of the ICPSK Code of Conduct, including independence and the fundamental principles of integrity, objectivity, professional competence, and due care.

These standards require that we plan and perform the audit to obtain reasonable assurance that governance structures are in place, governance practices are effectively implemented, and the Board is discharging its oversight responsibilities appropriately. We believe that the audit evidence obtained provides a reasonable basis for our opinion.

Opinion

In our opinion, the Board of CIC Insurance Group PLC has established governance structures, systems, and practices that are substantially compliant with applicable legal and regulatory requirements and are aligned, in all material respects, with recognized principles of good corporate governance. The Group demonstrates a sound governance framework supported by established Board structures, policies, and oversight mechanisms.

However, the Audit noted areas where governance practices may be further strengthened, particularly in supporting continued alignment with the Group’s long-term strategy and effective Board oversight, enhancing the quality and integration of disclosures, and progressively advancing stakeholder engagement and sustainability practices. These observations do not indicate material non-compliance but represent opportunities for continued enhancement in line with evolving governance standards.

Accordingly, we issue an UNQUALIFIED OPINION.

Yours faithfully,
For: Bellmac Consulting LLP



FCS. Anne Otunga
Practicing Certificate No: P/CPSB/1246
Date: 13th April, 2026

CORPORATE GOVERNANCE STATEMENT

Capital Markets Authority (CMA) Corporate Governance Assessment

Annually the CMA, as part of its statutory activities, undertakes an assessment of the Group's status of implementation of the Code of Corporate Governance Practices for Issuers of Securities to the Public. During the year 2024, the Group was assessed on seven (7) pillars, the outcome of which is outlined below:

PILLAR	SCORE	RATING
Commitment to Good Corporate Governance	85%	Leadership
Board Operations & Control	75%	Leadership
Rights of Shareholders	85%	Leadership
Stakeholder Relations	86%	Leadership
Ethics & Social Responsibility	85%	Leadership
Accountability, Risk Management & Internal Control	90%	Leadership
Transparency and Disclosure	83%	Leadership
Overall Weighted Score	82%	Leadership

CODE OF CONDUCT

The Group's Code of Conduct anchors our commitment to ethical behaviour, integrity, and accountability across all levels of the organisation. It sets the standards that guide directors, employees, and stakeholders in fulfilling their responsibilities, ensuring that the Group operates with transparency and in full compliance with applicable laws, regulations, and governance expectations.

Core principles of the Code include:

- Ethical business practices grounded in honesty, fairness and transparency.
- Zero tolerance for bribery, corruption and any form of unethical conduct.
- Protection of confidential information and strict adherence to data privacy regulations.
- Commitment to fair competition and responsible market conduct.
- Full disclosure and management of conflicts of interest.
- Promotion of diversity, equity, inclusion and respect in the workplace.
- Availability of confidential reporting mechanisms and protection of whistle blowers.

The Code is embedded in our culture through regular training and continuous awareness initiatives. Non compliance may result in disciplinary action, including termination and, where necessary, legal or regulatory consequences.

Conflict of Interest

To safeguard the integrity of decision making, directors, officers, and employees must avoid situations in which personal interests conflict with the interests of the Group. The Group maintains a clear and structured Conflict of Interest Framework to enforce transparency and uphold stakeholder.

Key components include:

- Mandatory and timely disclosure of actual or potential conflicts to the Chairman and Company Secretary
- Maintenance of a formal Conflict of Interest Register.
- Recusal from any discussions or decisions where a conflict exists
- Conflict of interest declaration as a standing agenda item at all Board and Committee meetings
- Periodic assessments conducted by the Risk and Compliance function through structured questionnaires.

Failure to disclose a conflict or acting in a manner contrary to the Group's interests may result in disciplinary or legal action.

Dispute Resolution

The Company is committed to fair, timely, and transparent resolution of disputes in accordance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public. The Board promotes proactive engagement and open communication to address concerns early and minimise escalation.

The Group's Dispute Resolution Policy provides a structured process for handling disputes through internal review, negotiation, and mediation, with recourse to legal proceedings only where necessary. This framework ensures the equitable treatment of all shareholders, including the protection of minority shareholders' interests, and reinforces the Company's commitment to accountability, stakeholder confidence, and sound governance.

CIC INSURANCE GROUP PLC- LEGAL AND COMPLIANCE AUDIT OPINION

1. Introduction

The Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the “Code”), requires the Board of an issuer of securities to ensure that a comprehensive independent legal audit is carried out at least once every two years by a legal professional in good standing with the Law Society of Kenya, and that the findings from the audits are acted upon and any non-compliance issues arising corrected as necessary.

2. The Scope of the Legal and Compliance Audit

In line with the Code and to ensure that CIC Insurance Group PLC (“the Company”) identifies major risks in respect of legal and compliance matters, the law firm of Mboya Wangongu and Waiyaki Advocates was engaged to carry out a comprehensive independent legal audit on the Company.

The scope of the legal audit exercise was as follows:

- To ascertain the current legal status of the Company;
- To assess compliance with applicable statutory and regulatory requirements; and
- To identify any outstanding actions or instances of non-compliance, and to recommend appropriate remedial measures.

In undertaking this mandate, we reviewed, inter alia, the Company’ Corporate Structure, Licensing and Regulatory Compliance, Borrowings and Lending Arrangements, Assets, Contractual Arrangements, Employment Matters, Data Protection Compliance, Anti-Money Laundering and Anti-Bribery Frameworks, Unclaimed Financial Assets, Insurance Matters, Litigation Portfolio, and tax legal aspects.

Our detailed findings have been set out in a legal audit report issued to the Company (the “Report”), in accordance with the agreed scope of engagement. The Report outlines the applicable regulatory requirements relating to material corporate and business actions undertaken during the financial years 2024 and 2025, together with our recommendations and proposed remedial actions.

3. Legal and Compliance Auditor’s Opinion

Based on our review, and subject to the scope and limitations of our engagement, we confirm that, for the period under review ending 31 December 2025, the Company is generally compliant with applicable laws, regulations, and standards.

Notwithstanding the foregoing, the Report identifies specific areas requiring further review and remedial action by the Company. We have provided detailed recommendations to guide the implementation of appropriate corrective measures.

Yours faithfully,
MBOYA WANGONG’U & WAIYAKI



KIMANI NJANE
knjane@lexgroupafrica.com
PARTNER
PL/SM/jb/ikn/aa

CORPORATE GOVERNANCE STATEMENT

Regulatory Compliance

Regulatory compliance is integral to the Group's governance architecture. We maintain a forward looking compliance function that monitors, interprets, and facilitates adherence to evolving legal and regulatory requirements across all jurisdictions in which the Group operates.

Our compliance framework includes:

- Continuous monitoring of regulatory developments from CMA, IRA, the Companies Act, Nairobi Securities Exchange Listing rules and other statutory bodies.
- Timely submission of statutory filings, governance reports and regulatory disclosures.
- Regular compliance training for employees, leadership and directors.
- Internal and external compliance audits with action plans implemented to strengthen controls.

This proactive approach enhances stakeholder confidence, mitigates legal risk, and reinforces the Group's reputation as a responsible and compliant organisation.

Insider Trading Restrictions

To preserve market integrity and ensure fair dealing, the Group enforces stringent insider trading restrictions aligned with CMA regulations and global best practice.

Key provisions include:

- Closed period trading restrictions before quarterly and annual financial disclosures.
- Prohibition of trading while in possession of material non public information.
- Prohibition of sharing insider information or encouraging others to trade.
- Pre approval of trades by directors and senior executives through the Company Secretary.
- Ongoing training and active monitoring by the Compliance Department.

Breaches may result in disciplinary action, regulatory sanctions, or legal penalties.

Continuous Disclosure

The Group's Continuous Disclosure Policy ensures that all stakeholders receive timely, accurate, and relevant information regarding financial performance, governance developments, and strategic initiatives.

Key objectives include:

- Full compliance with CMA disclosure requirements and other regulatory obligations
- Transparent communication of material developments through announcements, investor briefings and regulatory filings.
- Responsible handling of commercially sensitive information while ensuring compliance with insider trading rules.

Governance Policies

The Group maintains a robust suite of governance policies that support ethical conduct, informed decision-making and effective risk oversight. These include:

- Board Charter
- Code of Conduct and Ethics
- Trading and Insider Trading Policy
- Continuous Disclosure Policy
- Stakeholder Engagement Policy
- Risk Management Policy
- Procurement Policy
- Whistleblower Policy
- Interrelated Parties Transactions Policy

These policies reinforce our governance standards and ensure alignment with regulatory expectations and global good practice.

Communication with Stakeholders

The Group is committed to open, transparent, and responsive communication with stakeholders, including shareholders, regulators, employees, customers, and the public. Key communication channels include:

- CMA & Statutory filings
- Annual and interim financial reports
- Investor briefings and analyst calls
- Media engagement and public announcements
- Customer Service platforms, digital channels and social media
- The Group website for real-time updates
- and active monitoring by the Compliance Department.

We prioritise two way communication to build trust, address concerns, and ensure stakeholders remain well informed.

Annual General Meeting (AGM)

The AGM is a critical forum for shareholder engagement, governance transparency, and accountability. Key features include:

- Circulation of the Annual General Meeting Notices and materials
- Shareholder participation in Q&A Sessions and voting on key resolutions
- Presentation of financial results, governance reports and sustainability disclosures
- External auditor engagement with shareholders
- Conventional/Electronic voting, enhancing accessibility and participation.

Investor Briefings

The AGM is a critical forum for shareholder engagement, governance transparency, and accountability. Key features include:

- Transparent and accurate financial reporting
- Discussion of strategy, growth opportunities and industry trends
- Direct engagement with institutional and retail investors
- Compliance with CMA requirements on investor communication.

CORPORATE GOVERNANCE STATEMENT

Customer Service

The Group strives to deliver exceptional customer experience across all touchpoints. Through the Business Excellence (BeX) Department, we ensure efficient, responsive, and professional service. Our commitments include:

- Seamless support via digital platforms, call centres and in-person service points.
- Dedicated mechanisms to capture and resolve customer feedback and complaints
- Deployment of digital and AI-driven tools to enhance service delivery
- Strict compliance with consumer protections and industry regulations.

Information Technology

Technology drives the Group's operational excellence, resilience, and customer experience. The IT Governance Framework ensures secure, ethical, and efficient use of technology. The fundamental focus areas include:

- Cybersecurity and data protection aligned with global standards.
- Digital transformation through AI, cloud, and automation technologies.
- IT compliance, risk management, and continuous system audits.
- Strengthened disaster recovery and business continuity capabilities.

Procurement Policies

Procurement is guided by principles of fairness, transparency, and integrity. Strategic focus areas include:

- Ethical sourcing and supplier due diligence.
- Competitive bidding and use of e procurement platforms.
- Independent oversight through a Procurement and Tender Committee.
- Regular procurement audits and risk assessments.

Whistleblower Policy

The Group provides a secure, confidential, and retaliation free environment for reporting unethical behaviour. Vital areas include:

- Independent whistleblowing hotline and reporting channels.
- Confidentiality and full protection for whistleblowers.
- Prompt, impartial investigations and appropriate corrective action.
- Zero tolerance for retaliation.

Shareholding profiles consolidated top ten shareholders of the CIC Insurance Group PLC as of 31 December 2025

SHAREHOLDER	SHARES HELD	%HELD	Category
CO-OPERATIVE INSURANCE SOCIETY LIMITED	2,137,785,434	74.30	Local Company
GIDEON MAINA MURIUKI	173,851,594	6.04	Local Individual
WEDA WELTON	28,117,316	1.02	Local Individual
STANDARD CHARTERED NOMINEES NON-RESIDENT AC 9011	26,864,244	0.93	Foreign Company
NIC CUSTODIAL SERVICES A/C 077	24,029,716	0.62	Local Individual
NELSON CHEGE KURIA	17,844,310	0.59	Local Company
PATRICK NYAGA	14,187,140	0.49	Local Individual
PATEL,BALOOBHAI;PATEL,AMARJEET BALOOBHAI	12,870,000	0.45	Local Individual
KENYA REINSURANCE CORPORATION LIMITED	11,800,000	0.41	Local Company
PATRICK NJOGU KARIUKI FAMILY TRUST REGISTERED TRUSTEES	10,942,677	0.38	Local Company
SUBTOTAL	2,458,292,431	85.44	
OTHER SHAREHOLDERS	418,799,684	14.56	
TOTAL	2,877,092,115	100.00	

CORPORATE GOVERNANCE STATEMENT

Top Ten Individual Shareholders Of CIC Insurance Group PLC as of 31 Dec 2025

SHAREHOLDER	SHARES HELD	%HELD
GIDEON MAINA MURIUKI	173,851,594	6.04
WEDA WELTON	28,117,316	0.98
NELSON CHEGE KURIA	17,844,310	0.62
PATRICK NYAGA	14,187,140	0.49
PATEL, BALOOBHAI;PATEL,AMARJEET BALOOBHAI	12,870,000	0.45
CHARLES NDONGA MUCHIRI	7,649,012	0.34
NANCY WANGARI NDUNGU	6,396,500	0.27
JULIUS MICHEUH RIUNGU	5,765,760	0.22
JOYCE WANJIKU MURIUKI	5,619,504	0.20
PATEL, MEHUL KUMAR NAVINCHANDRA	5,108,640	0.20
SUBTOTAL	277,409,776	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 2025 (Comparing 2024 And 2025)

Ref	Name	Shareholding 2025	Shareholding 2024
1.	Dr. Nelson Kuria, OGW,MBS	17,844,310	16,222,100
2.	Patrick Nyaga	14,187,140	12,897,400
3.	Gordon Owuor	290,400	264,000
4.	Michael Wambia	39,600	36,000
5.	Lydia Rono	330,000	300,000
6.	James Njiru	52,800	48,000
7.	Sharon Kisire	0	0
8.	Julius Mwatu	0	0
9.	Dr. Rogers Kinoti	0	0
	TOTAL	32,744,250	29,767,500

CORPORATE GOVERNANCE STATEMENT

The CIC Insurance Group Plc Senior Management Shareholding As Of 31 December 2025

NAME	SHAREHOLDING 2025	SHAREHOLDING 2024
Patrick Nyaga	14,187,140	12,897,400
Fred Ruoro	66,970	65,900
Richard Nyakenogo	192,500	175,000
Meshack Miyogo	742,860	511,300

Distribution Schedule As Of 31 December 2025

SHAREHOLDING	NO.OF SHAREHOLDERS		SHARES HELD		%HELD	
	2025	2024	2025	2024	2025	2024
1-500	9219	6930	1,530,475	1,447,988	0.05	0.06
501-5,000	8207	6948	14,802,683	13,674,141	0.51	0.52
5,001-10,000	1581	1467	11,029,944	11,173,429	0.38	0.43
10,001-100,000	4414	4091	116,488,080	112,719,917	4.05	4.31
100,001-1,000,000	609	513	147,446,205	130,616,654	5.12	4.99
above 1,000,000	59	54	2,585,797,728	2,345,906,399	89.88	89.69
TOTAL	24089	20,003	2,877,092,115	2,615,538,528	100.00	100.00



SUSTAINABILITY AS A STRATEGIC ENABLER

SUSTAINABILITY AS A STRATEGIC ENABLER

Sustainability at CIC Group is a strategic enabler of long-term value creation, resilience, and responsible growth. Our approach is guided by the Sustainability Strategy 2025–2030, which aims to position CIC as an impact and growth catalyst for sustainable insurance and investment in Africa by integrating sustainability considerations into core business decision-making, underwriting, investments, operations, and governance.

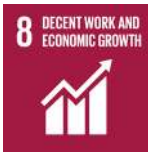










The Strategy is anchored on four pillars: Environmental Stewardship, Social Responsibility, Economic Resilience, and Responsible Governance, which together respond to our operating context across Kenya, Uganda, South Sudan, and Malawi, and the evolving expectations of our stakeholders.

Our sustainability priorities are further guided by the Group’s material topics, identified through a stakeholder engagement and materiality assessment process. The key issues that shape our sustainability agenda include climate risk management, pollution, water stewardship, workforce health and safety, working conditions, sustainable products and services, and our impact on communities. These topics inform our strategic focus areas, risk management approaches, and disclosures, ensuring that we address the environmental, social, and governance issues most relevant to our business and stakeholders.

2025 marked a transition from strategy design to execution, with defined milestones, KPIs, and accountability mechanisms embedded across the Group.

OUR COMMITMENTS

Our sustainability focus areas are informed by stakeholder engagement across internal and external stakeholders, assessment of economic, environmental, and social impacts, risks, and opportunities and alignment to the Group’s strategy, regulatory expectations, and African market realities. The resulting priorities underpin the six strategic goals and the related targets set out in the Sustainability Strategy, which guide performance tracking and disclosures.

Goal	Target	Related SDGs
Encourage community development through CIC Foundation	i. Increase the proportion of revenue spent on Social Investment	
Support local entrepreneurship	i. Increase microbusiness proportion at CIC Group	
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.	  
Promote diversity, equality and inclusion	i. Achieve gender balance across the workforce. ii. Increase the representation of PWD at CIC Group.	 
Improve Employee Engagement Index	i. Improve employee engagement Index	 
Enhance customer engagement	i. Improve Customer Satisfaction index and Net Promoter Score	 

SUSTAINABILITY AS A STRATEGIC ENABLER

Governance Architecture for Sustainability

CIC's sustainability agenda is governed through a structured framework that ensures clear accountability, effective oversight, and alignment with the Group's strategic objectives. The Board of Directors provides strategic direction and oversight, while the Board of Management drives implementation through senior leadership. A Sustainability Secretariat coordinates sustainability initiatives and reporting across the Group, supported by Sustainability Champions across the business units to operationalise sustainability at all levels. The Group applies global reporting frameworks, including GRI and Integrated Reporting, and is progressively aligning with IFRS S1 and S2 to strengthen disclosure quality.



CIC Group Chairman Mr. Nelson Kuria during the CIC Foundation 10th Anniversary

MANAGING ENVIRONMENTAL RISKS AND OPPORTUNITIES

Environmental conservation remains an important pillar of our sustainability strategy, particularly as communities increasingly experience the impacts of climate change and environmental degradation. As part of its commitment to responsible environmental management, CIC Insurance Group continues to implement initiatives aimed at reducing its environmental footprint while supporting community-based environmental conservation efforts.

In 2025, CIC participated in the Ushirika Tree Planting Initiative, which brought together cooperative organisations, partners, and community members to increase tree cover and restore green spaces. The activity contributed to national efforts to promote reforestation, strengthen ecosystem resilience, and support long-term environmental sustainability.

The CIC South Sudan team brought this commitment to life in the heart of Juba through a hands-on tree planting initiative rooted in purpose and community.

Partnering with the Central Equatoria State Ministry of Agriculture, Environment and Forestry, the team supported greening campaigns by planting 1,005 tree seedlings at Jubek Model Secondary School. The initiative focused on nurturing both shade and fruit trees that will improve air quality, provide cooling cover for students, and contribute to local food resilience over time.

CIC Group remains committed to environmental stewardship and active community engagement, working consistently with stakeholders toward a greener and more sustainable future for generations to come.

In addition to community environmental initiatives, the Group conducted an energy audit across its facilities to assess electricity consumption patterns and identify opportunities to improve energy efficiency. The audit provided insights into areas where operational practices could be optimised to reduce energy consumption and associated emissions.

To complement the audit, we also undertook electrical testing and inspection of our facilities to identify potential power leaks and inefficiencies within electrical systems. These inspections help ensure safe and efficient energy use while supporting efforts to minimise unnecessary energy loss.

In addition, the Group strengthened its waste management practices through the responsible disposal and recycling of obsolete electronic equipment. During the year, we partnered with a licensed recycling provider to safely process various end-of-life electronic assets, including laptops, monitors, CPUs, UPS batteries, and other ICT equipment. Through this initiative, approximately 3,751.6 kilograms of electronic waste (e-waste) were collected and processed through certified recycling procedures, resulting in an estimated 5,172.4 kilograms of avoided CO₂ emissions. The recycling process ensured that 97% of the materials were recovered for reuse, with only a minimal proportion directed to landfill, supporting responsible waste management and resource recovery while ensuring compliance with environmental regulations and international recycling standards.

Through these initiatives, CIC continues to enhance operational efficiency, promote responsible resource management, and contribute to broader efforts to address environmental challenges while building a more sustainable future.

SUSTAINABILITY AS A STRATEGIC ENABLER



The CIC South Sudan team in high spirits at the Jubek Model Secondary School tree planting exercise

EMPOWERING PEOPLE

Empowering people and strengthening communities lies at the heart of our purpose and Co-operative heritage. We recognise that sustainable business success is closely linked to the well-being and resilience of the people and institutions we serve. Our social impact agenda therefore, focuses on creating opportunities, promoting financial inclusion, supporting livelihoods, and fostering inclusive growth across our markets.

Through our insurance, investment, and microinsurance solutions, CIC enables individuals, businesses, and cooperative societies to manage risk, build financial security, and pursue economic opportunities with confidence. Beyond our core business, we invest in initiatives that promote education, healthcare and community development, recognising that strong communities form the foundation of long-term economic resilience.

Our social impact efforts are implemented through three key focus areas: the Workplace, the Marketplace, and Society. These areas reflect our commitment to empowering our employees, delivering responsible and inclusive financial solutions to customers, and supporting community development initiatives that improve livelihoods and expand opportunities. Through these efforts, CIC continues to strengthen trust, promote inclusive prosperity, and contribute to sustainable development across the markets in which we operate.



Mr. James Njue, CIC Group Vice-chairman at a stakeholders meeting in Nairobi.

THE WORKPLACE

Our people are at the centre of delivering our strategy and sustaining long-term value creation. Guided by our cooperative heritage and THRIVE values, we strive to create a workplace that empowers employees, promotes collaboration, and supports continuous growth. We are committed to building an inclusive, high-performance culture where employees are equipped with the skills, opportunities, and support needed to thrive. Through purposeful engagement, learning, and talent development initiatives, we strengthen our workforce capability to drive innovation, resilience, and service excellence across the Group.

Employee Engagement and Culture

Our people are the foundation of our ability to deliver sustainable value to our stakeholders. Our approach to employee engagement therefore focuses on building a culture that empowers employees, encourages collaboration, and aligns individual performance with the Group's strategic objectives.

Our organisational culture is guided by our THRIVE values — Trust and Integrity, Human Centeredness, Resourceful Collaboration, Inclusive Impact, Velocity and Excellence, and Empathy and Cooperative Spirit. These values reflect our corporate identity and our cooperative heritage, reinforcing a workplace environment built on mutual respect, accountability, and shared purpose.

To strengthen alignment across the organisation, the Group continues to promote the One CIC culture, which fosters collaboration across business units and regional operations. Through internal communication platforms, leadership engagement forums, and team-based initiatives, employees are encouraged to contribute ideas, share knowledge, and actively participate in shaping the organisation's future.

During the year under review, CIC continued to monitor employee engagement through:

- Employee engagement initiatives during the year included staff engagement forums, leadership town halls, monthly wellness nuggets and talks and the annual medical camp. These initiatives enable employees to remain informed about the Group's strategy, contribute feedback to management, and participate actively in driving organisational performance.
- To further strengthen employee engagement, the Group

SUSTAINABILITY AS A STRATEGIC ENABLER

monitors several key workforce indicators, including: Employee turnover rate: 12% and the percentage of employees participating in engagement initiatives: 51%.

- Looking ahead, CIC will continue to strengthen its employee engagement strategy by enhancing internal communication platforms and promoting leadership engagement across all levels. These initiatives will support the development of a motivated and high-performing workforce capable of delivering on the Group's strategic ambitions while sustaining a culture that reflects CIC's values.

Employee learning, development and up-skilling

Developing the capabilities of our people is central to delivering exceptional stakeholder experience, and achieving long-term organisational resilience. As the insurance and financial services sector continues to evolve due to digital transformation and regulatory developments, we remain committed to equipping our workforce with the skills and knowledge required to thrive in a dynamic environment.

Through structured training programmes, professional certifications, leadership development initiatives, and continuous learning opportunities, we seek to build a workforce that is agile, knowledgeable, and aligned with the Group's strategic priorities.

During the year under review, the Group invested approximately 39.99M Kshs in employee learning and development initiatives. These investments supported a wide range of training programmes covering technical insurance skills, regulatory compliance, leadership capability, digital transformation, risk management, customer experience, and sustainability awareness. A total of 1033 employees participated in various training programmes across the Group.

Collectively, employees completed 12,935 cumulative virtual learning hours during the year, reflecting the Group's commitment to continuous professional development.

The Group also recognises the importance of career growth and internal mobility in sustaining employee engagement. During the year, 46 employees (8.7% increase from 2024) were promoted across different functions and business units, reflecting our commitment to recognising talent and providing opportunities for career progression.

Beyond training participation, CIC continues to monitor key learning and development indicators to ensure the effectiveness of our capability-building initiatives. These include:

- Internal promotion rate: 4.3%

During the year under review, CIC continued to monitor employee engagement through:

- Employee engagement initiatives during the year included staff engagement forums, leadership town halls, monthly wellness nuggets and talks and the annual medical camp. These initiatives enable employees to remain informed about the Group's strategy, contribute feedback to management, and participate actively in driving organisational performance.
- To further strengthen employee engagement, the Group monitors several key workforce indicators, including: Employee turnover rate: 12% and the percentage of employees participating in engagement initiatives: 51%.
- Looking ahead, CIC will continue to strengthen its employee engagement strategy by enhancing internal communication platforms and promoting leadership engagement across all levels. These initiatives will support the development of a motivated and high-performing workforce capable of delivering on the Group's strategic ambitions while sustaining a culture that reflects CIC's values.

Employee Wellness

We recognize that employee wellness extends beyond the workplace. As part of our commitment to holistic well-being, we actively promote physical fitness through participation in industry-wide sporting activities.

During the year, we participated in the AKI Games Finals 2025, an annual event organized by the Association of Kenya Insurers. Our teams delivered an outstanding performance across multiple disciplines, which culminated in CIC Group being recognized as 2nd overall among all participating insurance companies, reflecting the strong team spirit that defines our organization. We remain committed to investing in initiatives that support the physical and social well-being of our employees.



THE MARKETPLACE

Marketplace activities focus on delivering financial protection, promoting financial inclusion, and building trusted relationships with customers, intermediaries, partners, and regulators. We recognise that our success is closely linked to the economic resilience of the individuals, businesses, and institutions we serve.

Our marketplace approach is anchored on responsible product development, strong customer engagement, financial inclusion, and maintaining high standards of service delivery. During the year under review, the Group continued to strengthen its customer experience, expand its distribution channels, and enhance product innovation to respond to evolving market needs across Kenya and our regional markets.

Customer Experience and Engagement

Customer engagement is central to delivering our strategy and sustaining long-term value creation. Guided by our purpose of enabling people to achieve financial freedom, we seek to build trusted and lasting relationships with customers by providing accessible, reliable, and customer-centric insurance and financial solutions.

During the year under review, we continued to strengthen our marketplace presence by providing insurance protection to over one million lives and serving over *** corporate clients and *** individual customers across our markets. This broad customer base reflects the strength of our distribution network and our commitment to expanding financial inclusion.

Maintaining high standards of service delivery remains a key priority. The Group continuously monitors customer satisfaction. During the year, we recorded a Net Promoter Score (NPS) of 136%, reflecting the progress made in strengthening service quality and responsiveness across the organisation.

We continue to enhance our customer experience by actively engaging our intermediaries, including agents and brokers, who serve as key touchpoints in our customer journey. Through continuous training, performance support, and closer collaboration, we are strengthening service delivery and ensuring consistent, customer-centric experiences across our distribution channels.

SUSTAINABILITY AS A STRATEGIC ENABLER



MD CIC General Business engages intermediaries during the 2025 intermediaries breakfast

Digital transformation is also playing an increasingly important role in enhancing customer engagement. Through investments in digital platforms and distribution channels, CIC is improving convenience and accessibility for customers. Platforms such as Easy-Bima simplify access to insurance products. As a result, the Group recorded a 1.5% growth in digital customer interactions during the year.

Through these initiatives, CIC continues to deepen customer trust while strengthening its market position.

Responsible Products, Customer Protection and Training

Responsible product design and strong customer protection practices are fundamental to maintaining trust and delivering fair outcomes for our customers and partners. We are committed to ensuring that our products are transparent, accessible, and aligned with the needs of our customers.

Our product governance framework integrates customer insights, risk management considerations, and regulatory requirements to ensure that insurance solutions remain suitable for their intended markets throughout their lifecycle.

A key pillar of our customer protection approach is stakeholder education and capacity building. Throughout the year, CIC Group conducted a wide range of training and sensitisation programmes targeting farmers, cooperative leaders, financial institutions, insurance intermediaries, and education sector stakeholders. These initiatives are designed to strengthen product awareness, promote responsible insurance adoption, and improve risk management practices across the markets we serve.

Through our General Business, we conducted 49 customer engagement and education sessions across several counties including Kiambu, Murang'a, Chuka, Nyahururu, Runyenjes, Kutus, Limuru, Joska, Kangari, and Kakamega. These sessions focused on building awareness of livestock, poultry, crop, and general agricultural insurance products while educating farmers on agricultural risk management and livestock husbandry practices.

CIC also extended its awareness initiatives to the education sector through engagements with school leaders and other stakeholders. Through sensitisation sessions and presentations delivered during national education forums, including engagements with over 500 secondary school principals during the KESSHA conference.

Through these stakeholder training and education initiatives, we

continue to empower customers, partners, and intermediaries with the knowledge required to make informed decisions about risk management and insurance protection.

Looking ahead, CIC will continue to expand stakeholder education initiatives across agricultural value chains, financial institutions, cooperative networks, and the education sector. These initiatives will further strengthen customer protection, promote financial inclusion, and support the responsible uptake of insurance solutions across the communities we serve.

THE SOCIETY

CIC Insurance Group's approach to community investment is anchored in its cooperative heritage and sustainability strategy, which recognises the critical role businesses play in fostering resilient and inclusive communities. Through the CIC Foundation, the Group supports initiatives that promote education, entrepreneurship, youth empowerment, and community welfare while strengthening the cooperative movement. These initiatives align with the Group's broader sustainability ambition of acting as an impact and growth catalyst for sustainable insurance and investment in Africa, by investing in programmes that empower individuals and contribute to long-term social development across the markets in which CIC operates. In line with the Group's sustainability targets, CIC continues to expand its social investment efforts through partnerships, community engagement, and capacity-building initiatives that create shared value for society and the business.

Strengthening the Co-operatives Movement

Our co-operative heritage remains central to our approach to creating shared value within society. We continue to play a catalytic role in strengthening governance, enhancing financial resilience, and promoting sustainable growth across co-operative institutions in Kenya. Through targeted capacity-building, financial solutions, and continuous engagement, we contribute to the long-term sustainability of co-operatives that collectively serve millions of members across the country.

During the year, we implemented a co-operative capacity-building programme, delivering 38 training engagements comprising 36 regional co-operative leaders' trainings, one national co-operative leaders' conference, and one CEOs summit. These initiatives were complemented by governance-focused training for board members of individual co-operatives. In total, 6,590 board members were trained across 36 counties, representing over 6,000 active co-operatives and indirectly impacting more than 10 million members.

Beyond training, we supported the creation of more than 100 co-operatives nationwide, with a strategic focus on regions including Meru, Narok, Nakuru, and Western Kenya. Our support extended beyond formation to strengthening operational sustainability through tailored insurance solutions, including coverage for loans and assets. In addition, we facilitated the investment of surplus funds through CIC Asset Management, enabling co-operatives to optimise returns while maintaining financial stability.

In addition, CIC provided both financial and technical support for key co-operative events, including anniversaries, branch openings, member open days, and rebranding initiatives. These efforts reflect our long-standing commitment to nurturing strong, resilient co-operative institutions while deepening our relationships within the ecosystem.

Through these integrated interventions, we continue to drive meaningful socio-economic impact by strengthening governance structures, enhancing financial inclusion, and supporting the growth of co-operatives as key engines of economic empowerment and community development across Kenya.

SUSTAINABILITY AS A STRATEGIC ENABLER



Group MD and CEO making a presentation during the 2025 CIS delegates training

Promoting Literacy and Cultural Inclusion

Access to literacy resources remains a challenge in many communities, particularly where language barriers limit the availability of educational materials. CIC partly sponsored the 2025 Run for the Bibleless, an annual fundraising event organised by BTL to support literacy improvement and scripture translation initiatives. The event aimed at raising Sh 5 million to support bible translation to underserved Kenyan communities. The event mobilised significant community participation, attracting over 24,000 participants across Nairobi, Nakuru, and Eldoret, including families, churches, corporate organisations, and volunteers.

Through its sponsorship, CIC contributed to expanding access to reading resources in local languages while supporting initiatives that strengthen literacy and cultural inclusion.

Education Access and Empowerment

Education is a critical enabler of social mobility and long-term community development. Guided by its cooperative heritage and commitment to empowering communities, CIC Insurance Group invests in initiatives that expand access to education, nurture future leaders, and equip young people with the knowledge and skills required to thrive in society and the economy. Through the CIC Foundation and strategic partnerships, the Group supports scholarships, mentorship programmes, and fundraising initiatives that reduce financial barriers to education and promote access to learning opportunities.

A key component of this commitment is the CIC Foundation Secondary School Scholarship Programme, which supports academically talented but financially disadvantaged students. In 2025, the programme supported 66 secondary school students, with KSh 3.6 million invested in school fees, ensuring that beneficiaries remained enrolled and able to continue their education without disruption.

The Foundation also monitors students' progress and provides mentorship support to encourage academic success and personal development. Over the past decade, the Foundation has invested more than KSh 43 million in education support programmes, reflecting a sustained effort to expand opportunities for young people and strengthen the country's human capital. These investments have enabled hundreds of students to access quality secondary education and pursue their academic aspirations.

Beyond financial assistance, CIC continues to strengthen education outcomes through mentorship and career development programmes. In 2025, the CIC Foundation held mentorship sessions at Cooperative University of Kenya and Zetech University, equipping students with guidance on career readiness, leadership development, and opportunities within the financial services and insurance sectors.



Senior Business Partner Peter Mwenda speaking to Cooperative University students during the mentorship session

CIC also supports education-focused fundraising initiatives and institutional partnerships that provide scholarships and learning opportunities to disadvantaged students. Through sponsorship of events such as the Old Starehian Society Charity Golf

Tournament and the ICPAK Charity Golf Tournament, the Group contributes to programmes that enable students to access secondary and professional education while nurturing future professionals.

Through these initiatives, CIC continues to promote inclusive access to education, empower young people with knowledge and skills, and contribute to building resilient and prosperous communities.

Promoting Community Health

CIC's cooperative heritage places strong emphasis on mutual support within communities. During the 2025 Ushirika celebrations, CIC staff participated in a blood donation drive in Nairobi, supporting efforts to increase the availability of blood for transfusion in Kenyan hospitals.

The initiative brought together cooperative members from different sectors in a collective effort to support healthcare systems and save lives. By participating in this activity, CIC reinforced the cooperative principle of concern for the community while contributing to life-saving healthcare services.



A section of CIC staff at the blood donation center in Nairobi

SUSTAINABILITY AS A STRATEGIC ENABLER

In the same spectrum, we supported Operation Ear Drop Kenya, an initiative dedicated to improving ear and hearing healthcare for underprivileged children and vulnerable populations. The Operation Ear Drop Charity Golf Tournament was held at the Royal Nairobi Golf Club. The event mobilised corporate partners and community members to raise funds and awareness for hearing care services, helping to expand access to treatment, surgery, and rehabilitation programmes that improve communication, learning, and overall quality of life for affected children.



Supporting Youth Talent and Sports Development

In 2025, CIC supported the Mulembe Golf Tournament, an initiative that brought together junior golfers, clubs, and community members to promote youth talent development. The sponsorship provided a platform for young golfers to compete across different age categories, gain exposure to professional coaching, and develop their skills in a competitive environment. Beyond nurturing talent, the tournament strengthened community relationships and promoted sportsmanship among participants.

CIC Group also demonstrated its commitment to community development and youth engagement by sponsoring the Kabeberi Sevens rugby tournament held at the RFUEA Grounds in Nairobi. Through this sponsorship, CIC not only supported the growth of sports but also provided a platform for young athletes to showcase their talent, fostering teamwork, discipline, and healthy competition.

Partnering for Community Welfare and Child Support

CIC continues to collaborate with organisations that support vulnerable children and strengthen community welfare initiatives. One such partnership was the Parklands Golf Club Charity Golf Tournament, which raises funds for 48 community-based care institutions that support disadvantaged children. Through its sponsorship of the 2025 tournament, CIC contributed to initiatives that support children's education, healthcare, and general welfare. The partnership demonstrates the role of corporate collaboration in strengthening social support systems and improving the lives of vulnerable members of society.

Empowering Girls Through Menstrual Health Support

Access to menstrual health products remains a significant barrier to consistent school attendance for many girls in underserved communities. Without adequate support, girls often face absenteeism during their menstrual cycles, which can negatively affect their academic performance, confidence, and overall well-being. Recognising this challenge, CIC Group undertook a charity drive aimed at promoting dignity, health, and uninterrupted learning for girls in school. Through a collective effort involving our teams and partners, we mobilised and donated sanitary products to support girls in need. In total, 2,052 sanitary packs were distributed to 1,600 girls at Kangemi Primary School in Nairobi, helping to address period poverty and reduce barriers to education. By supporting menstrual health and hygiene, CIC Group contributes to creating a more inclusive learning environment where girls can remain in school with dignity and confidence. This initiative reflects our broader commitment to expanding access to education and empowering girls to thrive both in and beyond the classroom.



United by a shared purpose, CIC staff rally behind girls' education, helping create opportunities for young girls to flourish

OPERATING ENVIRONMENT

OPERATING ENVIRONMENT

According to the Kenya National Bureau of Statistics (KNBS), the Kenyan economy expanded by 4.9% in Q3'2025, higher than the 4.2% growth recorded in Q3'2024. The improved performance was largely driven by accelerated growth in key sectors, with Mining and Quarrying rebounding to 16.6% in Q3'2025 from a 12.2% contraction in Q3'2024, Construction expanding by 6.7% in Q3'2025 from a 2.6% contraction in Q3'2024, and Electricity and Water Supply growing by 3.6% in Q3'2025 from 0.9% in Q3'2024. However, the Agriculture and Forestry sector, the main contributor to GDP, recorded a slower growth of 3.2% in Q3'2025, down from 4.2% in Q3'2024, while several service-oriented sectors experienced moderated growth rates, including Information and Communication, which slowed to 4.5% in Q3'2025 from 6.1% in Q3'2024, and Professional Services, which moderated to 6.1% from 7.8%. Despite the moderation, the economy demonstrated resilience supported by recovery in extractive, construction, and selected service sectors. Growth is expected to range between 4.8% and 5.0% in 2025 and 2026, supported by agriculture, manufacturing, financial services, and construction, as well as a recovery in private sector credit amid easing monetary policy, although geopolitical risks may temper momentum.

The inflation rate for the year 2025 averaged at 4.1%, compared to 4.5% recorded in 2024. Notably, the year-on-year inflation in December 2025 remained unchanged from the 4.5% recorded in November 2025. The headline inflation in December 2025 was majorly driven by increases in prices of commodities in the following categories: Food & Non-Alcoholic Beverages, Transport sector and Housing, Water, Electricity, Gas & other fuels by 7.8%, 5.2% and 1.6% respectively. For the last 30 months, Kenya's inflation has persistently remained within the Central Bank of Kenya (CBK) target range of 2.5% - 7.5%, owing to a stronger Shilling and stable fuel. With the continued easing of monetary policy following the MPC's observation that its earlier measures had stabilized the Shilling and anchored inflation, the focus has now shifted to lowering borrowing costs, supporting the private sector, and promoting economic growth. Going forward, inflation is expected to remain within the CBK's preferred range of 2.5%-7.5%, mainly on the back of a stable currency and stable fuel prices. Additionally, favourable weather conditions will also contribute to stabilizing food prices, further supporting stable inflation rates.

The Kenya Shilling appreciated by 0.2% against the US Dollar to close at Kshs 129.0 in 2025, compared to Kshs 129.3 at the end of 2024 a significant moderation from the 17.4% appreciation recorded in 2024. This stability has been achieved despite significant global shocks including US trade tariffs and Middle East conflicts, underscoring the strength of Kenya's foreign exchange management framework. The appreciation of the Kenyan shilling in 2025 was driven by diaspora remittances, tourism inflow receipts and improved forex reserves. Kenya's forex reserves improved to close the year at USD 12.4 billion (5.3 months of import cover) compared to USD 9.2 billion (4.7 months) at the end of 2024.

During the year, the Kenyan equities market was on an upward trajectory, with NSE 20 gaining the most by 52.5%, while NASI, NSE 10 and NSE 25 gained by 48.9%, 48.0% and 47.4% respectively. During the year, equities turnover increased by 40.6% to close the year at USD 1.1 bn, from USD 0.8 bn recorded in 2024. Foreign investors remained net sellers, with a net outflow of USD 92.9 mn, compared to net outflows of USD 16.9 mn recorded in 2024.

UGANDA

The Ugandan economic activity remained steady, with average growth of 6.3% during the first three quarters of 2025, compared to 6.1% during similar period in 2024. Growth for FY2025/26 is projected at 6.5 to 7.0%, underpinned by continued public investment, infrastructure and oil related developments, government initiatives, improving global conditions, prudent monetary policy, and robust private sector activity. Over the medium term, growth is expected to average around 8.0%. However, domestic growth could be lower on account of evolving geopolitical tensions, which could dampen global growth, disrupt trade routes and supply chains, and exert upward pressure on commodity prices, particularly oil. On the upside, stronger than-anticipated investment in the extractive sector, a more robust global recovery, and easing trade tensions could result in higher than-projected economic growth.

Inflation remains subdued and well anchored, with headline and core inflation averaging 3.6 percent and 3.9 percent, respectively, over the past twelve months, well within the 5 percent medium term policy target. November 2025 data show further moderation in inflation with headline and core inflation recorded at 3.1 percent and core 3.2 percent, reflecting stable food supplies, prudent monetary policy and a stable exchange rate. Annual Core inflation is projected to average between 4.0 percent and 4.5 percent in FY 2025/26 and gradually converge towards the 5 percent target in the medium term.

The Uganda Shilling appreciated year-over-year and quarter-over-quarter in December 2025, supported by prudent monetary policy, market reforms that improved liquidity, price discovery and new instruments that moderated spot market pressures and strong export receipts from coffee and base metals, although it registered volatility during the month on account of hedging activity in the interbank money market by some offshore players.

MALAWI

Real GDP in Malawi for 2025 has been projected to grow by 2.7 percent in 2025, a downward revision from an earlier projection of 2.8 percent. The downward revision reflects the weak performance in key sectors, including manufacturing, wholesale and retail trade, mining and quarrying, and transportation and storage services. The downward revision notwithstanding, the 2025 growth estimate of 2.7 percent represents an improvement from a growth of 1.7 percent registered in 2024. The optimism is anchored on prospects of an improved growth in the agriculture, mining, manufacturing, wholesale and retail, transportation and storage, accommodation and food service activities, and information and communication industry, in alignment with the economic recovery plan which is prioritising these sectors. In 2026, the domestic economy is expected to strengthen and grow by 3.8 percent.

The Malawi kwacha generally appreciated against most of the country's trading partner currencies in the quarter under review. However, the local currency remained stable against the United States dollar and traded at K1,750.37 per dollar at end December 2025. The kwacha appreciated by 2.0 percent and 0.4 percent against the British pound and euro, respectively and traded at K2,423.25 per pound and K2,103.32 per euro. Meanwhile, the euro weakened from favourable prospects of interest differentials between the US and the Eurozone and by subdued economic activity coupled with persistent trade uncertainties. Total foreign exchange reserves were estimated to have declined to US\$511.8 million (2.0 months of imports) at the end of the third quarter of 2025, from US\$559.9 million (2.2 months of imports) recorded at the end of the previous

OPERATING ENVIRONMENT

quarter and compared to US\$560.3 million (2.2 months of imports) reported at the close of the corresponding quarter of 2024.

Headline inflation slightly edged up in the third quarter of 2025 and averaged 28.1 percent from 28.0 percent recorded in the second quarter of 2025. The outcome was mainly on account of a rise in non-food prices during the review period emanating from persistent foreign exchange supply challenges on the market. Non-food inflation rose to 20.1 percent from 19.8 percent registered in the preceding quarter. On the contrary, the food category receded to 33.1 percent in the third quarter of 2025 from 33.4 percent recorded in the second quarter of 2025.

SOUTH SUDAN

With the resumption of oil exports, the South Sudan economic outlook is moderately positive. Real GDP is projected to grow by 4.0% in 2024/25 and 12.1% in 2025/26, supported by improved economic activity on account of increased oil production and exports on the supply side. On the demand side, growth will be supported by an increase in public and private consumption and investment.

The CPI increased from 50,834.14 points in December 2024 to

74,492.62 points as at 31st December 2025, a 47% 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, with the index closing at 222.15 units as at 31 December 2025.

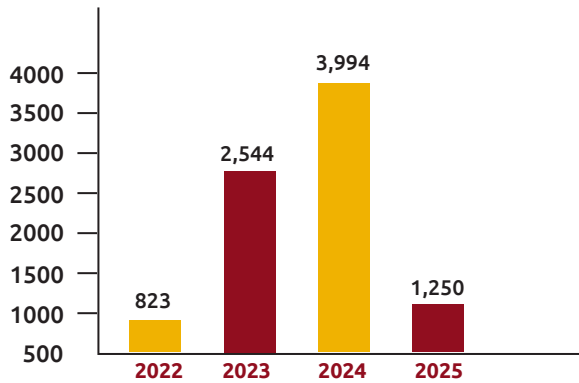
The South Sudan pound depreciated by 16% and 16% against the US Dollar and Kshs. The SSP closed at SSP/ USD 4,554.8727 and SSP/Kshs 35.31 as at 31st December 2025 compared to SSP/USD 3,939.5856 and SSP/Kshs 30.47 as at 31st December 2024. (Data from Bank of South Sudan).



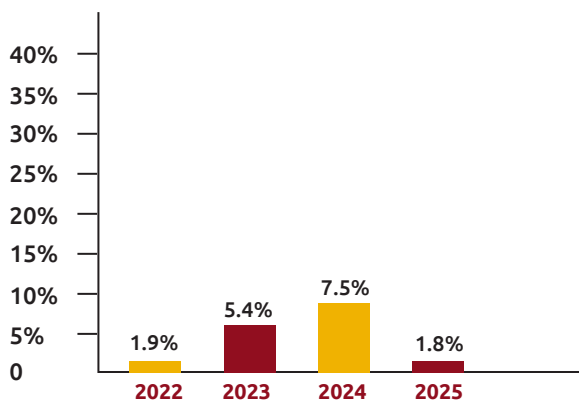
Mr. Patrick Nyaga - Group MD & CEO speaks to delegates at the CIS Meeting.

BUSINESS PERFORMANCE REVIEW

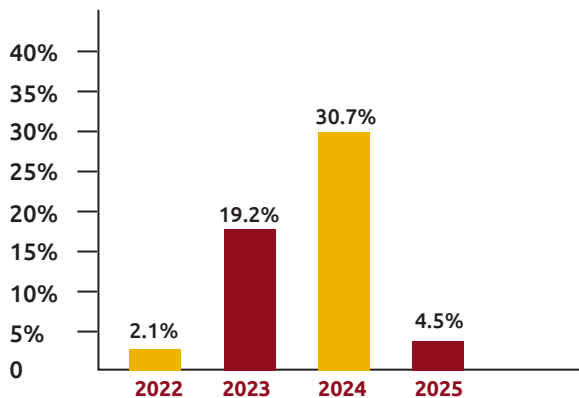
PBT
Kshs Millions



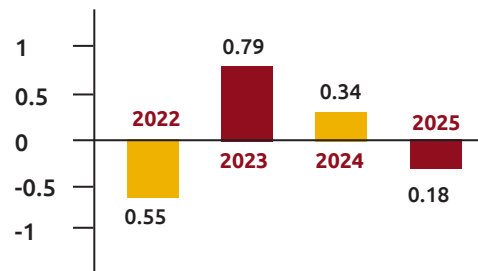
Return on Assets
Kshs Billions



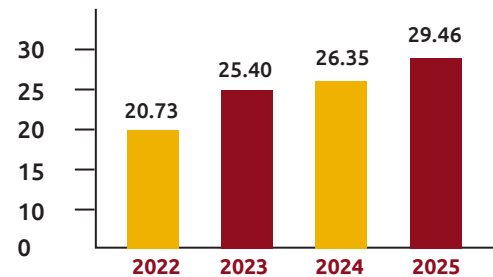
Return on Equity
Kshs Billions



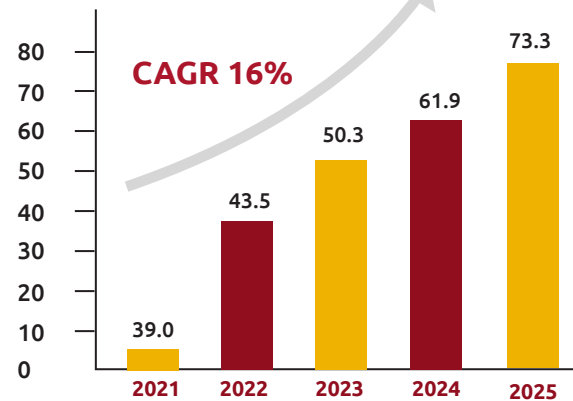
Insurance Service Results
Kshs Billions



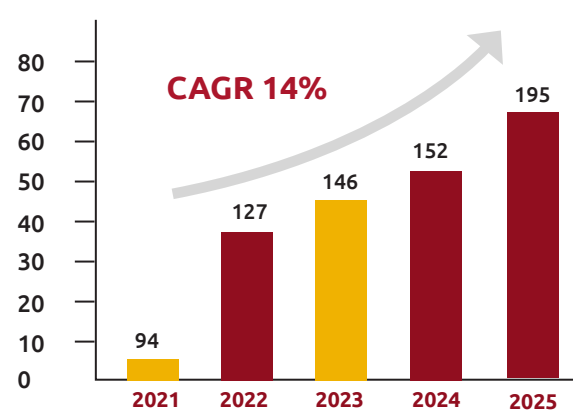
Insurance Revenue
Kshs Billions



Total Assets
Kshs Billions



Assets Under Management
Kshs Billions



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025, 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 8.

2. DIRECTORATE

The directors who held office during the year and to the date of this report are set out on page 8.

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 2025 of KShs 374 million (2024: KShs 345 million)

5. GROUP AND COMPANY RESULTS

The table below highlights some of the key performance indicators:

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Profit before income tax	1,250,433	3,993,720	1,267,708	618,593
Income tax expense	(736,612)	(1,139,087)	(53,953)	(170,036)
Profit for the year	513,821	2,854,633	1,213,755	448,557
Total comprehensive income for the year	1,176,491	3,746,657	1,183,538	448,557
Total assets	73,747,539	61,937,727	11,816,043	10,589,913
Equity attributable to owners of the parent	11,922,893	11,071,853	4,546,993	3,708,455

6. BUSINESS REVIEW

KENYA

The Kenyan economy recorded an average growth of 4.5% in the period between January to September 2025, with Q3'2025 GDP coming in at 4.0%, down from the 6.0% in Q3'2024. The performance in Q3'2025 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 Q3'2024 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 2025 is expected to come in at a range of 4.8% - 5.0%, a decline from the 5.6% expansion witnessed in 2024. In 2026, 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 2025, 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 2024. However, the year-on-year inflation rate increased slightly by 0.2% points to 3.0%, in December 2025 from the 2.8% recorded in November 2025. Key to note, the overall inflation rates throughout 2025, remained within the Central Bank's target range of 2.5% and 7.5%, hitting its lowest in October 2025 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 2026, 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 2025, 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 2025, compared to Kshs 156.5 at the end of 2024, a contrast to the 26.8% depreciation recorded in 2024. 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 2025 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 2025 to a range of 4.25%-4.50%, from a range of 5.25%-5.50% in the beginning of 2025. 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 2024.

In 2025, 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 2024. Foreign investors remained net sellers.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

UGANDA

The Ugandan economy continues to demonstrate resilience. Uganda's economy recorded 6.1% growth in FY 2024/24 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).

MALAWI

Malawi's economic situation remains challenging. A severe drought in 2025 has exacerbated macroeconomic imbalances and added to successive poor harvests and high food prices. Real GDP is projected to grow only 1.8% in 2025, and an acceleration is expected in 2026 (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. With effect from 2024, the Malawi economy is hyperinflationary in accordance with the criteria of IAS 29. Further disclosures are included in Note 1(j) and Note 55 of the financial statements.

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 2024–June 2025) reflecting mainly lower oil exports. With effect from 2024, the South Sudan economy is hyperinflationary in accordance with the criteria of IAS 29. Further disclosures are included in Note 1(j) and Note 55 of the financial statements.

FINANCIAL PERFORMANCE

Group

Insurance revenue grew by 12% from KShs.26.3 billion in 2024 to KShs.29.5 billion in 2025 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 41% in line with increase in assets under management. The insurance service expense grew by 16% in line with growth in underwritten risks. Other operating expenses increased from Kshs 1.7 billion to Kshs 2.05 billion, a 19% increase in line with the overall business growth.

The group recorded a profit before tax of Kshs 1.25 billion, down from a profit before tax of Kshs 3.99 billion in 2024. This was largely attributed to the growth in insurance revenue offset by reduced investment return during the year driven by the one-off fair value gains on investment properties that was recorded in 2024. The insurance service expenses also grew by 16% due to an increase in claims expenses, hence impacting the insurance service result and overall profit. The group's total assets grew by 19% from Kshs 61.9 billion in 2024 to Kshs 73.7 billion in line with the growth in businesses, particularly increase in investment assets from Kshs 43.3 billion to Kshs 54.3 billion.

Company

The Company received dividend income from subsidiaries amounting to Kshs 1.9 billion (2024: Kshs 385 million). There were no fair value gains on investment property in 2025 (2024: 1.0 billion). This was a one-off gain on the Kiambu land. Finance cost on external borrowings decreased from Kshs 564 million in 2024 to Kshs 487 million in 2025 due to principal repayments 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 39 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
30 March 2026
Nairobi, Kenya

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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 2024 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 2025, the Board was composed of the following Directors:

EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
	James Njue (Vice Chairman)	Nelson Kuria (Chairman)
Patrick Nyaga*	Michael Wambia	Rogers Kinoti
	Gordon Owuor	Julius Mwatu
	Agnes Gathaiya**	Sharon Kisire
		Ludia Rono

* Group Managing Director & CEO

**Appointed in September 2025

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025.

Group Directors 2025 emoluments (KShs)

NAME	DESIGNATION	SALARY	ALLOWANCES	GRATUITY	RETAINER	SITTING ALLOWANCE	HONORARIA	BOARD EXPENSES	TOTAL
Patrick Nyaga	GMD & CEO	52,458,807	36,109,156	10,653,173	-	-	-	-	99,221,136
Nelson Kuria	Chairman	-	-	-	3,723,600	3,313,386	1,080,991	303,351	8,421,328
James Njue	V/Chairman	-	-	-	3,723,600	1,759,229	1,055,254	279,888	6,817,971
Michael Wambia	Director	-	-	-	1,441,329	1,937,025	1,042,384	411,008	4,831,746
Gordon Owuor	Director	-	-	-	1,441,329	1,766,975	1,042,384	347,869	4,598,557
Julius Mwatu	Director	-	-	-	1,441,329	1,594,971	1,042,384	468,400	4,547,084
Rogers Kinoti	Director	-	-	-	1,390,154	1,465,962	1,029,516	292,485	4,178,117
Sharon Kisire	Director	-	-	-	1,390,154	1,465,962	1,029,516	463,785	4,349,417
Ludia Rono	Director	-	-	-	1,441,329	1,249,003	1,042,384	278,638	4,011,354
Agnes Gathaiya	Director	-	-	-	360,332	533,612	-	324,972	1,218,916
Grand Total		52,458,807	36,109,156	10,653,173	16,353,156	15,086,125	8,364,813	3,170,396	142,195,626

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
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
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

* GMD & CEO Group Managing Director & CEO

The Group will not propose to make any changes to the non-executive remuneration level in 2026.

By Order of the Board



30 March 2026
Gail Odongo
Group Company Secretary



FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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 30 March 2026 and signed on its behalf by:



Nelson Kuria
Group Chairman



Patrick Nyaga
Group MD & CEO



FCPA Julius Mwatu
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 96 to 223, which comprise the consolidated statement of financial position at 31 December 2025 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 2025, 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 2025 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) as applicable to audits of financial statements of public interest entities and 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
<p>Valuation of insurance contract liabilities</p> <p>As disclosed 1(e), 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.</p> <p>(a) For the life insurance contract liabilities</p> <p>There are significant assumptions that involve high levels of judgment in determining the liabilities, in particular the following:</p> <ul style="list-style-type: none"> The mortality and longevity assumptions used in the valuation process; Selection of expense and inflation assumptions, and the split of expenses between attributable and non-attributable costs; Estimating the fulfillment cash flows representing all relevant cash flows that fall within the insurance contract boundaries; Determination of the Contractual Service Margin ('CSM'), and the CSM amortisation involves complex calculations and judgment; The selection of the appropriate discount rate used in the discounting of future cash flows; and The computation of the risk adjustment. 	<p>Our work to address the valuation of insurance contract liabilities included the following procedures:</p> <ul style="list-style-type: none"> Using our actuarial specialists, we compared the methodology, models and assumptions used against recognised actuarial practice. This included consideration of historical experience, the appropriateness of significant judgments applied, and the existence 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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
<p>Valuation of insurance contract liabilities (continued) (b) For the general insurance contract liabilities</p> <p>General insurance contract liabilities are highly uncertain and require considerable judgment and interpretation to determine their valuation.</p> <p>Our assessment of the related audit risk is focused on the following areas:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 2025 and performed rejections 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 and Statement of directors' responsibilities which we obtained prior to the date of this auditor's report and the rest of the other information in the Annual 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 Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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.

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 87 to 88 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the Directors' remuneration report on pages 89 to 90 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
2 April 2026



UNIQUE CODE: 89927260402

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP	
		2025	2024
		KShs'000	KShs'000
Insurance revenue	4 (a)	29,457,840	26,348,750
Insurance service expenses	4 (b)	(28,210,877)	(24,231,278)
Net expenses from reinsurance contracts held	4 (c)	(1,423,011)	(1,773,489)
Insurance service result		(176,048)	343,983
Interest revenue calculated using the effective interest method	6	5,442,511	6,046,353
Other investment income	6	227,726	210,529
Net gains on FVTPL investments	7 (a)	466,363	186,904
Net (losses)/ gains from fair value adjustments to investment properties	7 (a)	(99,796)	1,010,000
Foreign exchange gain	7 (a)	135,653	1,365,025
Allowance for expected credit losses	9 (d)	(15,600)	16,843
Investment result		6,156,857	8,835,654
Net finance expenses from insurance contracts	8	(4,745,445)	(5,303,219)
Net finance income from reinsurance contract held	8	186,286	286,386
Net investment result		1,597,698	3,818,821
Revenue from asset management services	5	1,782,872	1,267,493
Revenue from land and pharmaceutical sales	5	267,761	-
Cost of sales	5	(233,642)	-
Other gains	7 (b)	498,566	311,898
Other operating expenses	9 (a)	(2,048,959)	(1,724,706)
Gain on monetary position	55	65,664	552,914
Operating profit		1,753,912	4,570,403
Other finance costs	10	(503,479)	(578,201)
Share of profit of associate company	18	-	1,518
Profit before income tax		1,250,433	3,993,720
Income tax expense	11	(736,612)	(1,139,087)
Profit for the year		513,821	2,854,633
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gain on equity instruments at fair value through other comprehensive income	24	(19,354)	4,580
Loss on revaluation of building	13 (a)	(35,197)	-
Total items that will not be subsequently reclassified to profit or loss		(54,551)	4,580
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange currency translation differences		(61,756)	(566,910)
Fair value gain on debt instruments at fair value through OCI	23 (a)	914,564	1,735,681
Income tax thereon	17 (a)	(135,587)	(281,327)
Total items that may be subsequently reclassified to profit or loss		717,221	887,444
Total other comprehensive income for the year		662,670	892,024
Total comprehensive income for the year		1,176,491	3,746,657
Basic and diluted earnings per share (Kshs)	12	0.21	1.04

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	KShs'000	KShs'000
PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
ORDINARY EQUITY HOLDERS OF THE PARENT	588,567	2,716,408
NON - CONTROLLING INTERESTS	(74,746)	138,225
	513,821	2,854,633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		
ATTRIBUTABLE TO:		
ORDINARY EQUITY HOLDERS OF THE PARENT	1,196,040	3,724,036
NON-CONTROLLING INTERESTS	(19,549)	22,621
	1,176,491	3,746,657

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	2025	2024
		KShs'000	KShs'000
ASSETS			
Property and equipment	13 (a)	1,168,105	1,113,946
Right of use-asset	14 (a)	130,035	145,571
Investment properties	15 (a)	3,321,952	3,726,499
Inventories	15 (c)	4,995,200	5,056,000
Intangible assets	16 (a)	310,456	286,579
Deferred income tax	17 (a)	869,634	979,172
Investment in associate	18	-	107,177
Financial assets at amortised cost- Corporate bonds	20	204,750	89,156
Financial assets at amortised cost -Government securities	21	12,140,207	10,913,059
Financial assets at amortised cost -Loans receivable	22	68,843	78,040
Financial assets at fair value through other comprehensive income - Government securities	23 (a)	24,151,531	18,297,531
Financial assets at fair value through other comprehensive income – Unquoted equity instruments	24	121,389	29,224
Financial assets at fair value through profit or loss – Quoted equity instruments	25	1,995,892	931,739
Investments in collective investment schemes at fair value through profit or loss	26 (a)	1,451,846	1,253,553
Reinsurance contract assets	42	4,954,022	5,058,722
Current income tax	11(b)	252,487	176,112
Other receivables	27 (a)	2,113,555	928,481
Due from related parties	28	244,665	253,813
Assets held for sale	15 (d)	333,000	-
Deposits with financial institutions	29 (a)	14,192,821	11,690,023
Cash and cash equivalents	48	727,149	823,330
Total assets		73,747,539	61,937,727
EQUITY AND LIABILITIES			
Equity			
Share capital	30	2,877,078	2,615,578
Share premium	31	162,179	162,179
Statutory reserve	32	2,476,970	2,300,170
Contingency reserve	33	3,549	3,549
Revaluation surplus	34	332,759	367,956
Foreign currency translation reserve	35	(1,142,186)	(1,025,233)
Fair value reserve	36	695,952	(63,671)
Retained earnings	37	6,516,592	6,711,325
Equity attributable the owners of the parent		11,922,893	11,071,853
Non-controlling interest	38	(77,567)	(58,018)
Total equity		11,845,326	11,013,835
LIABILITIES			
Deferred income tax	17	1,090,658	1,014,886
Insurance contract liabilities	42	52,676,984	41,842,105
Investment contract liabilities	49	90,718	98,924
Lease liability	14 (a)	172,773	199,533
Borrowings	39	5,024,829	5,271,369
Other payables	40 (a)	2,813,350	2,484,432
Current income tax	11 (b)	32,901	12,643
Total liabilities		61,902,213	50,923,892
Total equity and liabilities		73,747,539	61,937,727

The financial statements were approved by the Board of Directors on 30 March 2026 and signed on its behalf by:



Dr. Nelson Kuria
Group Chairman



Patrick Nyaga
Group MD & CEO



FCPA Julius Mwatu
Director

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	COMPANY	
		2025	2024
		KShs'000	KShs'000
Interest revenue calculated using the effective interest method	6 (b)(i)	8,579	5,547
Other investment income	6 (b)(ii)	1,934,000	385,000
Revenue from land sales	5	256,047	-
Net gains on FVTPL investments	7 (c)	4,283	1,910
Net gains from fair value adjustments to investment properties	7 (c)	-	1,010,000
Other gains	7 (c)	13,254	3,089
Allowance for expected credit losses	9 (d)	(1,859)	(430)
Total Income		2,214,304	1,405,116
Cost of sales	5	(224,500)	-
Operating and other expenses	9 (c)	(141,900)	(183,296)
Operating profit		1,847,904	1,221,820
Finance cost	10 (b)	(580,196)	(604,745)
Share of profit of associate company	18	-	1,518
Profit before income tax		1,267,708	618,593
Income tax expense	11	(53,953)	(170,036)
Profit for the year		1,213,755	448,557
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value loss on equity instruments at fair value through other comprehensive income		(30,217)	-
Total comprehensive income for the year		1,183,538	448,557

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

		2025	2024
		KShs'000	KShs'000
	Notes		
ASSETS			
Property and equipment	13 (b)	72,314	76,308
Inventories	15(c)	4,995,200	5,056,000
Intangible assets	16 (b)	59,949	50,130
Deferred income tax	17 (b)	355,826	409,779
Investment in associate	18	-	107,177
Investment in unquoted shares	24	76,960	-
Investment in subsidiaries	19	4,249,410	4,228,410
Financial assets at amortised cost -Loans receivable	22	17,153	16,063
Investments in collective investment schemes through profit or loss	26(b)	20,694	16,411
Current income tax	11 (b)	2,000	2,000
Other receivables	27 (b)	1,048,849	41,814
Due from related parties	28	471,270	477,509
Related party loan receivable	28	386,668	-
Deposits with financial institutions	29 (b)	43,175	64,078
Cash and cash equivalents	48	16,575	44,234
Total assets		11,816,043	10,589,913
EQUITY AND LIABILITIES			
EQUITY			
Share capital	30	2,877,078	2,615,578
Share premium	31	162,179	162,179
Fair value reserve	36	(30,217)	-
Retained earnings	37	1,537,953	930,698
Total equity		4,546,993	3,708,455
LIABILITIES			
Due to related parties	28	888,287	361,471
Related party loan	28	585,190	751,705
Borrowings	39	4,917,914	5,165,766
Other payables	40 (b)	877,659	602,516
Total liabilities		7,269,050	6,881,458
Total equity and liabilities		11,816,043	10,589,913

The financial statements were approved by the Board of Directors on 30 March 2026 and signed on its behalf by:



Dr. Nelson Kuria
Group Chairman



Patrick Nyaga
Group MD & CEO



FCPA Julius Mwatu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital KSh's'000	Share premium KSh's'000	Statutory fund KSh's'000	Revaluation surplus KSh's'000	Contingency Reserve KSh's'000	Foreign reserve Ksh'000	Fair value Reserve KSh's'000	Retained earnings KSh's'000	Due to equity holders of the parent KSh's'000	Non-controlling interests KSh's'000	Total KSh's'000
At 1 January 2025	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
Contingency reserve	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	176,800	-	-	-	-	411,767	588,567	(74,746)	513,821
Other comprehensive income/(loss) for the year	-	-	-	(35,197)	-	(116,953)	759,623	-	607,473	55,197	662,670
Total comprehensive income for the year	-	-	176,800	(35,197)	-	(116,953)	759,623	411,767	1,196,040	(19,549)	1,176,491
Dividends paid	-	-	-	-	-	-	-	(345,000)	(345,000)	-	(345,000)
Bonus share issued (Note 30)	261,500	-	-	-	-	-	-	(261,500)	-	-	-
At 31 December 2025	2,877,078	162,179	2,476,970	332,759	3,549	(1,142,186)	695,952	6,516,592	11,922,893	(77,567)	11,845,326

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital KShs'000 (Note 30)	Share premium KShs'000 (Note 31)	Statutory fund KShs'000 (Note 32)	Revaluation Surplus KShs'000 (Note 34)	Contingency Reserve KShs'000 (Note 33)	Foreign currency translation reserve Ksh'000 (Note 35)	Fair value Reserve KShs'000 (Note 36)	Retained earnings KShs'000 (Note 37)	Due to equity holders of the parent KShs'000	Non-controlling interests KShs'000 (Note 38)	Total KShs'000
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

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share Capital	Share premium	Fair value reserve	Retained Earnings	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
	(Note 30)	(Note 31)	(Note 36)	(Note 37)	
At 1 January 2025	2,615,578	162,179	-	930,698	3,708,455
Profit for the year	-	-	-	1,213,755	1,213,755
Other comprehensive income for the year	-	-	(30,217)	-	(30,217)
Total comprehensive loss for the year	-	-	(30,217)	1,213,755	1,183,538
Dividend paid	-	-	-	(345,000)	(345,000)
Bonus shares issued (Note 30)	261,500	-	-	(261,500)	-
At 31 December 2025	2,877,078	162,179	(30,217)	1,537,953	4,546,993
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 income 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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
		KShs'000	KShs'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	47 (a)	5,961,576	4,068,379
Purchase of corporate bonds	20	(128,154)	(29)
Proceeds from maturity of corporate bonds	20	13,260	2,486
Purchase of government securities at amortised cost	21	(1,773,934)	(783,461)
Maturities of government securities at amortised cost	21	618,609	584,384
Purchase of government securities at fair value through other comprehensive income	23	(7,818,565)	(4,906,678)
Maturity of government securities at fair value through other comprehensive income	23	2,879,750	1,925,870
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	(534,980)	(139,240)
Proceeds from sale of equity investments at fair value through profit or loss	25	46,883	24,548
Additions to collective investment schemes	26(a)	(1,034,613)	(639,623)
Proceeds from disposal of collective investment scheme	26(a)	996,094	771,934
Increase in deposits with financial institutions (excluding cash and cash equivalents)	29	477,500	515,339
Interest paid on leases	14(a)	(20,377)	(29,235)
Interest received	6(a)	5,442,511	6,046,353
Dividend received	6(a)	68,487	46,515
Income tax paid	11 (b)	(743,063)	(975,949)
Repayment of interest portion of borrowings	39	(696,645)	(13,694)
Net cash generated from operating activities		3,754,339	6,495,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	13(a)	(172,481)	(128,234)
Proceeds from disposal of property and equipment		1,972	1,362
Purchase of intangible assets	16(a)	(82,985)	(49,342)
Net cash used in investing activities		(253,494)	(176,214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	39	-	107,272
Repayment of principal portion of borrowings	39	(54,249)	(462,012)
Dividends paid		(345,000)	(345,000)
Repayment of principal portion of lease liability	14(a)	(60,237)	(86,963)
Net cash used in financing activities		(459,486)	(786,703)
INCREASE IN CASH AND CASH EQUIVALENTS		3,041,359	5,532,124
Effect of foreign exchange translations		(145,219)	(380,368)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		10,017,580	4,865,824
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	48	12,913,720	10,0175,80

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
		KShs'000	KShs'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	47 (b)	(450,303)	266,529
Additions to collective investments	26 (b)	(300,000)	-
Maturity of collective investments	26 (b)	300,000	-
Mortgage loan repaid	22 (b)	-	619
Other staff loans repaid	22 (b)	40	98
Other staff loans advanced	22 (b)	-	-
Decrease in deposits with financial institutions (excluding cash and cash equivalents)	29	20,903	53,527
Interest received	6	2,511	5,547
Dividend received	6(b)(ii)	1,934,000	385,000
Repayment of interest portion of borrowings	39	(680,314)	-
Net cash generated from operating activities		826,837	711,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	13(b)	(24,940)	(8,873)
Purchase of intangible assets	16(b)	(28,707)	-
Payment for acquisition of a subsidiary	19	(21,000)	-
Net cash used in investing activities		(74,647)	(8,873)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of borrowings	39	(54,249)	(354,740)
Issue of intercompany loan receivables		(380,600)	-
Dividend paid to shareholders		(345,000)	(345,000)
Net cash used in financing activities		(779,849)	(699,740)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(27,659)	2,707
CASH AND CASH EQUIVALENTS AT 1 JANUARY		44,234	41,527
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	48	16,575	44,234

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 (i.e. years ending 31 December 2025), and (ii) forthcoming requirements, being standards and amendments that became or will become effective on or after 1 January 2025.

(i) New standards and amendments – applicable 1 January 2025

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2025:

International Financial Reporting Standards and amendments effective for the first time for December 2025 year-ends		
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 2024)	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.

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
Amendment to IFRS 9, "Financial Instruments" and IFRS7, "Financial Instruments: Disclosures" – Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2025)	These amendments: <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025)	<p>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.</p> <p>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.</p> <p>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'.</p>
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027 (Published May 2025)	<p>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.</p> <p>IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements</p>
Amendment to IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	Annual periods beginning on or after 1 January 2027 or when IFRS 19 will be applicable	<p>These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:</p> <ul style="list-style-type: none"> • IFRS 18 Presentation and Disclosure in Financial Statements; • Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); • International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); • Lack of Exchangeability (Amendments to IAS 21); and • Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after 1 January 2027	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after 1 January 2027	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The above standards are not expected to have a significant impact on the Group's and Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2025. 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.

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 Microinsurance Limited, CIC Pharmacy 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 2025.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations and goodwill (CONTINUED)

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.

(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)
Microinsurance 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)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance contracts (CONTINUED)

(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.

(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:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- 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.

(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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance Contracts (CONTINUED)

(v) Modification (CONTINUED)

(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 derecognised 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.

(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 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance contracts (CONTINUED)

(vii) Measurement (CONTINUED)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance contracts (CONTINUED)

(vii) Measurement (CONTINUED)

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:

- the quantity of benefits provided by contracts in the group;
- the expected coverage duration of contracts in the group; and
- 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.

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:

- expected incurred claims and expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- 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 using 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:

- the LRC; and
- the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

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

- the remaining coverage; and
- 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:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period (if applicable);
- decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period;
- increased for accretion of interest (if applicable); and
- 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance contracts (CONTINUED)

(vii) Measurement (CONTINUED)

- (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.

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.

Insurance revenue – contracts measured under the PAA

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Insurance contracts (CONTINUED)

(viii) Presentation (CONTINUED)

Insurance service expenses (CONTINUED)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue from contract with customers (CONTINUED)

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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Taxation

Deferred income tax (Continued)

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:

- profit or loss from continuing operations attributable to the parent entity; and
- 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.

(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.

The results and financial position of each group entity (are translated into the presentation currency as follows:

- 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 2025, 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Property and equipment (CONTINUED)

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. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Intangible assets (CONTINUED)

appropriate, and are treated as changes in accounting estimates. 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 recognised 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Accounting for leases (CONTINUED)

The Group as the lessor – Investment properties leasing arrangements (Continued)

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.

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 and non-current assets held for sale

Land held for sale (Inventories)

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.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for

sale are presented separately from the other assets in the statement of financial position.

(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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

(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 Managing Director & Chief Executive Officer). The Group Managing Director & 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 Pharmacy, 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 88% (2024: 87%) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Fair value measurement (CONTINUED)

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.

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
- 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.

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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Financial instruments (CONTINUED)

- 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Financial instruments (CONTINUED)

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.

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

The Group'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 2025

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.

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 2024, 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 2025: 30% (2024: 30%) is incurred.

(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.

Some investment contracts issued by the Group contain DPF, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets.

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.

(ab) 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 2025

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.

(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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

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.

(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.

(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.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

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.

(n) 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 previous year, the results of the impairment assessment tests performed on the investment in the associate did not result in impairment as detailed in Note 18.

(o) 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.

(p) 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.

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 2025, the Group's total carrying amount of:

- Insurance contracts issued that are liabilities was KShs 52.68 billion (2024: KShs 41.84 billion)
- Reinsurance contracts issued that are assets was KShs 4.95 billion (2024: KShs 5.05 billion)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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.

Contracts measured under PAA – General insurance contracts

	As at 31 December 2025				As at 31 December 2024			
	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	7,766,364				6,942,478			
Reinsurance contract assets	(1,614,932)				(1,443,120)			
Net insurance contract liabilities	6,151,432				5,499,358			
<i>Average claim cost - 10% increase</i>								
Insurance contract liabilities		416,111	(416,111)	(291,278)		399,861	(399,861)	(279,903)
Reinsurance contract assets		(126,255)	126,255	88,379		(95,904)	95,904	67,133
Net insurance contract liabilities		289,856	(289,856)	(202,899)		303,957	(303,957)	(212,770)
<i>Discount rate - 1% increase</i>								
Insurance contract liabilities		(124,396)	124,396	87,077		(119,539)	119,539	83,677
Reinsurance contract assets		36,585	(36,585)	(25,610)		27,790	(27,790)	(19,453)
Net insurance contract liabilities		(87,811)	87,811	61,467		(91,749)	91,749	64,224

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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)

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.

Life insurance contracts

As at 31 December 2025									
	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	13,533,315	5,165,461	18,698,776						
Reinsurance contract assets	(1,529,611)	-	(1,529,611)						
Net insurance contract liabilities	12,003,704	5,165,461	17,169,165						
<i>Lapse/surrender - 10% increase</i>									
Insurance contract liabilities				23,874	(11,106)	12,768	5,154,355	(12,768)	(8,938)
Reinsurance contract assets				(4,818)	-	(4,818)	-	4,818	3,372
Net insurance contract liabilities				19,056	(11,106)	7,950	5,154,355	(7,950)	(5,565)
<i>Mortality rate - 1% increase</i>									
Insurance contract liabilities				405,852	(188,814)	217,038	4,976,647	(217,038)	(151,927)
Reinsurance contract assets				(81,897)	-	(81,897)	-	81,897	57,328
Net insurance contract liabilities				323,955	(188,814)	135,141	4,976,647	(135,141)	(94,599)
<i>Expenses rate - 5% increase</i>									
Insurance contract liabilities				121,330	(56,446)	64,884	5,109,015	(64,884)	(45,419)
Reinsurance contract assets				(23,731)	-	(23,731)	-	23,731	16,612
Net insurance contract liabilities				97,599	(56,446)	41,153	5,109,015	(41,153)	(28,807)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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 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	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)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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)

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 2025	9.21%	9.96%	10.70%	10.47%	10.64%	11.43%	12.54%	12.85%	12.89%	12.60%
31 December 2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%
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 2025	14.90%	15.75%	16.01%	16.30%	16.52%	16.71%	16.86%	16.99%	17.11%	17.22%
31 December 2024	14.93%	14.95%	15.80%	15.78%	16.04%	16.26%	16.44%	16.60%	16.74%	16.50%
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 2025	27.00%	28.95%	30.50%	31.55%	32.14%	33.62%	34.80%	34.92%	35.30%	35.70%
31 December 2024	26.00%	28.75%	30.00%	31.24%	32.00%	33.31%	34.00%	34.78%	35.00%	35.00%
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
31 December 2025	9.21%	9.96%	10.70%	10.47%	10.64%	11.43%	12.54%	12.85%	12.89%	12.60%
31 December 2024	11.41%	12.30%	13.44%	14.16%	14.14%	13.87%	13.60%	13.47%	13.61%	13.60%

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% (2024: 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, microinsurance business 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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. SEGMENT INFORMATION (CONTINUED)

The various products and services that the reporting segments derive their revenues from have been described as follows.

	2025	2024
	KShs'000	KShs'000
(a) Insurance revenue		
<i>General insurance business</i>		
Non-medical	11,230,580	10,349,906
Medical	10,024,774	8,175,932
Sub – total	21,255,354	18,525,838
<i>Long term business</i>		
Ordinary life	635,158	562,742
Group life	7,567,328	7,260,170
Sub – total	8,202,486	7,822,912
Total insurance revenue	29,457,840	26,348,750

(b) Insurance service expense

	2025	2024
	KShs'000	KShs'000
<i>General insurance business</i>		
Non-medical	9,565,821	8,009,856
Medical	10,601,932	10,352,479
Sub – total	20,167,753	18,362,335
<i>Long term business</i>		
Ordinary life	601,794	385,140
Group life	7,255,121	5,313,322
Deposit administration	186,209	170,481
Sub – total	8,043,124	5,868,943
Total insurance service expenses	28,210,877	24,231,278

(c) Net expenses from reinsurance contracts held

<i>General insurance business</i>		
Medical	1,585,495	1,257,227
Non-medical	(61,340)	(120,804)
Sub – total	1,524,155	1,136,423
<i>Long term business</i>		
Ordinary life	(7,734)	9,131
Group life	(93,410)	627,935
Sub – total	(101,144)	637,066
Total net expenses from reinsurance contracts held	1,423,011	1,773,489

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 2025

3. SEGMENT INFORMATION (CONTINUED)

(d) Investment income

	2025	2024
	KShs'000	KShs'000
<i>General insurance business</i>		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost – debt instruments	162,685	207,826
Financial assets at amortised cost - corporate bonds	527	320
Debt instruments at FVOCI	807,698	691,994
Staff loan receivables	2,598	2,621
Deposits with financial institutions at amortised cost	446,615	606,900
Sub – total	1,420,123	1,509,661
(ii) Other investment income		
Dividend income from equity instruments at FVPL	39,633	26,547
Rental income from investment properties	113,854	120,700
Sub – total	153,487	147,247
<i>Long term business</i>		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost – debt instruments	2,165,157	2,930,159
Corporate bonds at amortised cost	2,209	(91)
Financial assets at fair value through other comprehensive income - debt instruments	1,158,587	864,975
Deposits with financial institutions at amortised cost	490,893	506,816
Staff loan receivables	57,262	58,574
Sub – total	3,874,108	4,360,433
(ii) Other investment income		
Dividend income	27,567	18,818
Rental income from investment properties	45,385	43,314
Sub – total	72,952	62,132

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. SEGMENT INFORMATION (CONTINUED)

(d) Investment income (CONTINUED)

	2025	2024
	KShs'000	KShs'000
<i>Asset management business</i>		
(i) Interest revenue calculated using the effective interest method		
Government securities at amortised cost	107,950	86,506
Financial assets at amortised cost - corporate bonds	1,854	1,334
Deposits with financial institutions	27,721	77,835
Sub – total	137,525	165,675
(ii) Other investment income		
Dividend income	1,287	1,150
Sub – total	1,287	1,150
<i>Other businesses</i>		
(i) Interest revenue calculated using the effective interest method		
Deposits with financial institutions	9,625	9,423
Staff loan receivables	1,130	1,161
Sub – total	10,755	10,584
Total interest revenue (i)	5,442,511	6,046,353
Total other investment income (ii)	227,726	210,529
Total investment income (i&ii)	5,670,237	6,256,882

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. SEGMENT INFORMATION (CONTINUED)

(e) Other disclosures:

31 December 2025

	General Insurance Business	Long-Term Assurance Business	Asset Management	Other Businesses	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Reportable segment profit/(loss)	219,916	217,157	767,342	(690,594)	513,821
Reportable segment total assets	19,108,837	42,374,569	1,507,441	15,961,681	78,952,528
Less intersegment balances:					
: Related party balances	-	-	-	(955,579)	(955,579)
: Investment in subsidiaries	-	-	-	(4,249,410)	(4,249,410)
Reportable segment total assets – net	19,108,837	42,374,569	1,507,441	10,756,692	73,747,539
Reportable segment total liabilities	13,007,494	38,729,877	158,855	10,961,566	62,857,792
Less: related party balances	-	-	-	(955,579)	(955,579)
Reportable segments total liabilities - net	13,007,494	38,729,877	158,855	10,005,987	61,902,213
Insurance service result	(446,414)	270,366	-	-	(176,048)
Net investment result	1,431,996	27,373	261,815	(123,486)	1,597,698
Net revenue from asset management services	-	-	1,782,872	-	1,782,872
Other net gains	59,165	426,380	-	13,021	498,566
Other expenses	(668,480)	(336,947)	(983,813)	(25,600)	(2,014,840)
Gain/(loss) on monetary position	127,573	(64,476)	-	2,567	65,664
Other finance costs and share of associate	-	-	(436)	(503,043)	(503,479)
Profit/(loss) before income tax	503,840	322,696	1,060,438	(636,541)	1,250,433
Income tax expense	(283,924)	(105,539)	(293,096)	(54,053)	(736,612)
Profit/(loss) for the year	219,916	217,157	767,342	(690,594)	513,821
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	-	-	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 2025

3. SEGMENT INFORMATION (CONTINUED)

31 December 2025

	Kenya	South Sudan	Uganda	Malawi	Inter segment eliminations	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance revenue	26,024,955	857,906	1,218,218	1,356,761	-	29,457,840
Insurance service expenses	(24,830,039)	(1,221,960)	(1,044,186)	(1,114,692)	-	(28,210,877)
Net expenses from reinsurance contracts held	(924,479)	(102,398)	(329,096)	(67,038)	-	(1,423,011)
Insurance service result	270,437	(466,452)	(155,064)	175,031	-	(176,048)
Profit/ (loss) before income tax	3,606,830	(192,155)	(225,736)	(4,506)	(1,934,000)	1,250,433
Total assets	73,916,989	1,805,858	2,000,470	1,390,357	(5,366,135)	73,747,539
31 December 2024						
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. INSURANCE SERVICE RESULT

(a) Insurance revenue

The breakdown of insurance revenue by major product lines is presented below:

2025

	Contracts not 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	Insurance revenue from contracts measured under the PAA	
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Ordinary life	307,037	27,366	166,363	134,392	-	635,158
Group life	1,259,804	78,470	846,564	261,254	5,121,236	7,567,328
Total life	1,566,841	105,836	1,012,927	395,646	5,121,236	8,202,486
Medical	-	-	-	-	10,024,774	10,024,774
Non-medical	-	-	-	-	11,230,580	11,230,580
Total general	-	-	-	-	21,255,354	21,255,354
Total	1,566,841	105,836	1,012,927	395,646	26,376,590	29,457,840

2024

	Contracts not 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	Insurance revenue from contracts measured under the PAA	
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. INSURANCE SERVICE RESULT (CONTINUED)

(b) Insurance service expenses

The breakdown of insurance service expenses by major groups of insurance contracts is presented below:

2025

	Inurred 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	143,002	262,164	-	62,236	134,392	601,794
Deposit administration	67,918	118,291	-	-	-	186,209
Group life	5,298,211	1,628,832	(46,833)	113,657	261,254	7,255,121
Total life	5,509,131	2,009,287	(46,833)	175,893	395,646	8,043,124
Medical	8,060,580	1,612,789	3,755	(84,862)	1,009,670	10,601,932
Non-medical	6,321,973	1,697,896	15,198	(3,701)	1,534,455	9,565,821
Total general	14,382,553	3,310,685	18,953	(88,563)	2,544,125	20,167,753
Total	19,891,684	5,319,972	(27,880)	87,330	2,939,771	28,210,877

2024

	Inurred claims expenses	Other directly attributable expenses	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. INSURANCE SERVICE RESULT (CONTINUED)

(c) Net expenses / (income) from reinsurance contracts held

2025

	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	
Ordinary life	(7,734)	-	-	-	-	(7,734)
Group life	2,394,823	(717,971)	(18,415)	(32,110)	(1,719,737)	(93,410)
Total life	2,387,089	(717,971)	(18,415)	(32,110)	(1,719,737)	(101,144)
Medical	130,448	(5,410)	162	(9,105)	(177,435)	(61,340)
Non-medical	2,919,178	(687,455)	(33,002)	977	(614,203)	1,585,495
Total general	3,049,626	(692,865)	(32,840)	(8,128)	(791,638)	1,524,155
Total	5,436,715	(1,410,836)	(51,255)	(40,238)	(2,511,375)	1,423,011

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	
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. INSURANCE SERVICE RESULT (CONTINUED)

(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 contracts issued	Ordinary life	Group life	Total CSM for insurance
	KShs'000	KShs'000	KShs'000
As at 31 Dec 2025			
1	167,359	786,796	954,155
2 – 3	297,589	1,284,528	1,582,117
4 – 5	270,669	941,602	1,212,271
6 – 10	517,771	654,666	1,172,437
>10	219,820	24,661	244,481
Total	1,473,208	3,692,253	5,165,461
As at 31 Dec 2024			
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

5. (i) REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	2025	2024
	KShs'000	KShs'000
(a) Asset Management business		
Fund management fees	1,604,236	1,106,314
Administration fee	178,636	161,179
Total	1,782,872	1,267,493
(b) Revenue from land sales		
Proceeds from land sales – Kiambu land	256,047	-
(c) Revenue from pharmaceutical sales		
Sales of pharmaceutical goods and services	11,714	-
Total revenue from land and pharmaceutical sales	267,761	-
Timing of revenue recognition:		
At a point in time	446,397	161,179
Over time	1,604,236	1,106,314
	2,050,633	1,267,493

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. (ii) COST OF SALES

	2025	2024
	KShs'000	KShs'000
(a) Cost of sales from land		
Amount in inventories recognized as cost of sale	199,170	-
Capitalised costs for the plot sales recognized	25,330	-
Cost of sales – Kiambu land	224,500	-
(b) Cost of sales from pharmaceutical business		
Purchase of pharmaceutical goods and services	9,142	-
Total cost of sales of land and pharmaceutical sales	233,642	-

6. INVESTMENT INCOME

a) GROUP

(i) Interest revenue calculated using the effective interest method

Government securities at amortised cost	2,435,792	3,224,490
Corporate bonds at amortised cost	4,590	1,563
Deposit with financial institutions at amortised cost	974,854	1,200,975
Staff loan receivables	60,990	62,356
Government securities at OCI	1,966,285	1,556,969
	5,442,511	6,046,353
(ii) Other investment income		
Dividend income	68,487	46,515
Rental income from investment properties	159,239	164,014
	227,726	210,529
Total	5,670,237	6,256,882
Investment income earned on financial assets analysed by category of assets:		
Financial asset at amortised cost	3,476,226	4,489,384
Financial asset at fair value through OCI	1,966,285	1,556,969
Dividend income	68,487	46,515
Investment income earned on non-financial assets	159,239	164,014
Total	5,670,237	6,256,882

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. INVESTMENT INCOME (CONTINUED)

b) COMPANY

	2025	2024
	KShs'000	KShs'000
(i) Interest revenue calculated using the effective interest method		
Interest on deposits with financial institutions	1,381	4,386
Interest on staff loans	1,130	1,161
Interest on related party loans	6,068	-
	8,579	5,547
(ii) Other investment income		
Dividend income from subsidiaries	1,934,000	385,000

7. OTHER GAINS

a) GROUP

	2025	2024
	KShs'000	KShs'000
<i>Net gains/losses from fair value adjustments to investment properties</i>		
Fair value (loss) / gain on investment properties (note 15 (a))	(99,796)	1,010,000
<i>Net gains on FVTPL investments</i>		
Fair value gain on quoted equity investments at fair value through profit or loss (note 25)	300,250	169,541
Fair value gain on investment in collective investment scheme (note 26(a))	166,113	17,363
	466,363	186,904
Foreign exchange gain	135,653	1,365,025

b) TOTAL OTHER GAINS

Medical administration fee	24,828	48,273
Fees on deposit administration schemes	268,477	192,826
Miscellaneous income*	205,261	70,799
	498,566	311,898

c) COMPANY

<i>Net gains from fair value adjustments to investment properties</i>		
Fair value gain on investment property (Note 15(b))	-	1,010,000
<i>Net losses on FVTPL investments</i>		
Fair value on investment in collective investment scheme (Note 26(b))	4,283	1,910
<i>Other net gains</i>		
Miscellaneous income	13,254	3,089
Total other gains	17,537	1,014,999

*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 2025

8. NET INSURANCE FINANCE EXPENSES

2025	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	1,367,567	174,506	15,887	1,557,960	-	-	-	-	1,557,960		
Group life	747,360	577,997	25,967	1,351,324	(55,252)	(10,276)	(1,104)	(66,632)	1,284,692		
Deposits admin	1,284,876	-	-	1,284,876	-	-	-	-	1,284,876		
Total life	3,399,803	752,503	41,854	4,194,160	(55,252)	(10,276)	(1,104)	(66,632)	4,127,528		
Non-medical	463,447	86,748	1,090	551,285	(102,711)	(16,668)	(275)	(119,654)	431,631		
Total general	463,447	86,748	1,090	551,285	(102,711)	(16,668)	(275)	(119,654)	431,631		
Total	3,863,250	839,251	42,944	4,745,445	(157,963)	(26,944)	(1,379)	(186,286)	4,559,159		

2024

	Finance expenses from insurance contracts issued				Finance income from reinsurance contracts held				Net insurance finance expenses
	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	
	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

8. NET INSURANCE FINANCE EXPENSES (CONTINUED)

Investment income and insurance finance expenses

2025

	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	719,073	1,279,507	1,924,727	895,171	411,821	212,212	5,442,511
Other investment income	16,224	56,728	-	18,142	72,152	64,480	227,726
Net gains on FVTPL investments	94,887	68,776	-	190,565	107,852	4,283	466,363
Net credit impairment losses	8,568	1,057	-	(25,312)	-	87	(15,600)
Net gains on investments in debt securities measured at FVOCI	271,283	342,160	-	215,961	116,287	(31,127)	914,564
Net gains on investments in equity securities measured at FVOCI	-	-	-	6,518	4,345	(30,217)	(19,354)
Net investment income/(expenses) - underlying assets	1,110,035	1,748,228	1,924,727	1,301,045	712,457	219,718	7,016,210
Net investment income – other investments							
Net gains from fair value adjustments to investment properties	-	-	-	(80,996)	(18,800)	-	(99,796)
Foreign exchange gain	-	2,713	-	24,417	108,523	-	135,653
Net investment income - other	-	2,713	-	(56,579)	89,723	-	35,857
Total net investment income	1,110,035	1,750,941	1,924,727	1,244,466	802,180	219,718	7,052,067
Finance expenses from insurance contracts issued	(1,557,960)	(1,351,324)	(1,284,876)	(551,285)	-	-	(4,745,445)
Finance income from reinsurance contracts held	-	66,633	-	119,653	-	-	186,286
Net insurance finance expenses	(1,557,960)	(1,284,691)	(1,284,876)	(431,632)	-	-	(4,559,159)
Summary of the amounts recognised in profit or loss							
Net investment income - underlying assets	838,752	1,406,068	1,924,727	1,078,566	591,825	281,062	6,121,000
Net investment income - other	-	2,713	-	(56,579)	89,723	-	35,857
Net insurance finance expenses	(1,557,960)	(1,284,691)	(1,284,876)	(431,632)	-	-	(4,559,159)
Net investment result	(719,208)	124,090	639,851	590,355	681,548	281,062	1,597,698
Summary of the amounts recognised in OCI							
Net investment income - underlying assets	271,283	342,160	-	222,479	120,632	(61,344)	895,210

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

8. NET INSURANCE FINANCE EXPENSES (CONTINUED)

Investment income and insurance finance expenses (CONTINUED)

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	-	-	-	-	-	1,010,000	1,010,000
Net gains from fair value adjustments to investment properties	-	26,145	-	235,306	1,103,574	-	1,365,025
Foreign exchange gain	-	26,145	-	235,306	1,103,574	1,010,000	2,375,025
Net investment income -other	-	26,145	-	1,563,101	2,154,539	1,360,468	10,575,915
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	1,740,26

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. OPERATING AND OTHER EXPENSES

(a) GROUP

	2025	2024
	KShs'000	KShs'000
Staff costs (note 7 (b))	2,991,351	2,699,003
Commission expenses*	470,734	351,744
Auditors' remuneration	51,350	49,580
Directors' emoluments – fees	31,439	30,781
Directors' other expenses (travel and accommodation)	11,535	9,624
Depreciation of property and equipment (note 13 (a))	116,577	97,790
Amortisation of intangible assets (note 16 (a))	54,702	60,707
Interest on lease liabilities	10,664	16,354
Depreciation on the right of use (note 14(a))	66,075	79,454
Premium tax	297,756	251,132
Staff welfare	482,069	402,322
Utilities	270,160	256,980
Software licence costs	155,045	155,872
Printing and stationery	82,204	59,184
Business advertising and promotion	963,511	854,008
Professional fees	472,169	404,242
Statutory levies	96,145	79,763
Professional subscriptions	6,318	13,205
Loan renewal fees	18,182	-
Kiambu land subdivision costs	-	80,691
Amortisation of loan expenses	-	17,693
Donations	14,118	7,510
Other expenses**	706,827	756,297
Total	7,368,931	6,733,936
Represented by:		
Insurance service expenses	5,319,972	5,009,230
Other operating expenses	2,048,959	1,724,706
Total	7,368,931	6,733,936

*Commission expense relate to the commission incurred by the asset management business.

**Other expenses relate to tender costs, postage, entertainment and other sundry expenses.

(b) STAFF COSTS

	2025	2024
	KShs'000	KShs'000
Staff costs include the following:		
- Salaries and allowances***	2,572,628	2,211,385
- Bonus provision	161,288	139,208
- Restructuring costs****	-	84,816
- Defined pension contribution expense	182,887	140,528
- Termination benefits expense	47,440	94,795
- Leave pay	27,108	28,271
	2,991,351	2,699,003
Number of employees	1,068	892

***Included in the staff costs is salary and allowances of KShs 99 million (2024: KShs 89 million) paid to the Group Managing Director and CEO, 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 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. OPERATING AND OTHER EXPENSES (CONTINUED)

(c) COMPANY

	2025	2024
	KShs'000	KShs'000
Depreciation of property and equipment (note 13 (b))	28,789	24,677
Amortisation of intangible assets (note 16 (b))	18,887	23,856
Auditor's remuneration	3,242	3,622
Annual General meeting expenses	2,197	2,354
Professional fees	6,245	29
Share registration cost	9,743	6,321
Amortisation of loan expenses	-	17,693
Advertisement and Promotion	10,510	7,499
Loan renewal fees	18,182	-
Kiambu land subdivision costs	-	80,691
Donations	14,118	7,209
Other expenses	29,987	9,345
	141,900	183,296

(d) The reconciliation of expected credit losses (ECL) is as follows:

GROUP: 2025

	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	(3,464)	(580)	634	(3,410)
- Loans receivables	(11,521)	(326)	-	(11,847)
- Deposits with financial institutions	(5,736)	(12,023)	-	(17,759)
- Government securities at FVOCI	(1,202)	621	-	(581)
- Government securities at amortised cost	(1,488)	(465)	-	(1,953)
- Other receivables	(14,088)	745	-	(13,343)
- Receivables from related parties	(6,982)	(3,572)	-	(10,554)
- Cash and cash equivalents	(1,012)	-	-	(1,012)
Total	(45,493)	(15,600)	634	(60,459)

GROUP: 2024

	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	(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)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9. OPERATING AND OTHER EXPENSES (CONTINUED)

(d) The reconciliation of expected credit losses (ECL) is as follows:

COMPANY: 2025

	ECL at 1 January	Charge in 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)	2,400	1,911	4,311
- Deposits with financial institutions (note 29(b))	33	(12)	21
- Other receivables	63	(40)	23
Total	2,784	1,859	4,643

The reconciliation of expected credit losses (ECL) is as follows:

COMPANY: 2024

	ECL at 1 January	Charge in 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

10. OTHER FINANCE COST

(a) GROUP

	2025	2024
	KShs'000	KShs'000
Interest expense on borrowings (note 39)	503,043	577,215
Interest expense on lease liability	436	986
	503,479	578,201

(b) COMPANY

Interest expense on borrowings (note 39)	486,711	564,615
Interest expense on related party loan (note 28 (c))	93,485	40,130
	580,196	604,745

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

11. INCOME TAX EXPENSE

GROUP

(a) Statement of profit or loss

	2025	2024
	KShs'000	KShs'000
Current income tax	686,889	667,372
Deferred income tax (note 17(a))	49,723	471,715
Income tax expense	736,612	1,139,087
COMPANY		
Statement of profit or loss and other comprehensive income		
Current income tax	-	-
Deferred income tax (note 17 (b))	53,953	170,036
Income tax expense	53,953	170,036

(b) Statement of financial position – Group

At 1 January	(163,469)	142,652
Current income tax	686,889	667,372
Income tax paid	(743,063)	(975,949)
Effect of translation	57	2,456
At 31 December	(219,586)	(163,469)
Split as follows		
Tax recoverable	(252,487)	(176,112)
Tax payable	32,901	12,643
Net	(219,586)	(163,469)
Statement of financial position – Company		
At 1 January	2,000	2,000
Paid during the year	-	-
	2,000	2,000

GROUP

(c) Reconciliation of income tax expense to expected tax based on accounting profit

	2025	2024
	KShs'000	KShs'000
Profit before income tax	1,250,433	3,993,720
Tax calculated at a tax rate of 30% (2024:30%) for Kenya, 30% (2024:30%) for Uganda, 0% for South Sudan (2024: 0%) and Malawi 30% (2024:30%)	1,014,237	1,194,609
Prior year under provision	15,155	-
Tax effect of expenses not deductible for tax*	124,842	86,293
Tax effect of income not taxable**	(417,622)	(141,815)
Taxation charge through profit or loss	736,612	1,139,087
The effective income tax rate is 59% (2024: 29%).		
COMPANY		
Profit before income tax	1,267,708	618,593
Tax calculated at a tax rate of 30% (2024: 30%)	380,312	185,578
Tax effect of income not taxable**	(580,200)	(115,500)
Tax effect of expenses not deductible for tax	238,686	99,958
Prior year over provision	15,155	-
Current income tax charge through profit or loss	53,953	170,036

The effective income tax rate is 20% (2024: 27%).

*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 2025

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

	2025	2024
	KShs'000	KShs'000
Profit attributable to ordinary shareholders	588,567	2,716,408
Weighted average number of shares (in thousands)	2,746,328	2,615,578
Earnings per share (KShs) – Basic and diluted (KShs)	0.21	1.04

There were no dilutive shares during the year (2024: Nil).

13. (a) PROPERTY AND EQUIPMENT – GROUP

2025

	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	780,750	159,080	386,210	1,122,448	7,270	2,455,758
Additions	-	19,414	86,221	52,398	14,448	172,481
Disposals	-	(1,440)	(532)	-	-	(1,972)
Loss on revaluation	(35,197)	-	-	-	-	(35,197)
Hyperinflation adjustment	22,630	4,224	4,992	16,512	1,903	50,261
Foreign exchange differences on translation	(26,659)	(578)	(612)	(2,373)	(17)	(30,239)
At 31 December	741,524	180,700	476,279	1,188,985	23,604	2,611,092
ACCUMULATED DEPRECIATION						
At 1 January	-	88,008	306,956	944,718	2,130	1,341,812
Charge for the year	-	32,700	43,361	40,516	-	116,577
Hyperinflation adjustment	-	-	(384)	(10,217)	-	(10,601)
Foreign exchange differences on translation	-	(609)	(233)	(2,132)	-	(2,974)
Elimination on disposal	-	(1,440)	(387)	-	-	(1,827)
At 31 December	-	118,659	349,313	972,885	2,130	1,442,987
CARRYING AMOUNT						
At 31 December	741,524	62,041	126,966	216,100	21,474	1,168,105

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)
Gain on revaluation	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

13. (a) PROPERTY AND EQUIPMENT – GROUP (CONTINUED)

An independent valuation of the buildings in Kenya was carried out at 31 December 2025 by Crystal Valuers Limited, registered valuers, on open market value basis. The revaluation movements during the year for the property have been disclosed under note 7. CIC Plaza in South Sudan was revalued on 31 December 2025 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).

(b) PROPERTY AND EQUIPMENT – COMPANY

2025

	Motor Vehicles	Computers	Furniture fittings & Equipment	Total
	KShs'000	KShs'000	KShs'000	KShs'000
COST				
At 1 January 2025	78,386	44,898	110,600	233,884
Additions	-	19,604	5,336	24,940
Disposals	-	(157)	-	(157)
At 31 December 2025	78,386	64,345	115,936	258,667
ACCUMULATED DEPRECIATION				
At 1 January 2025	45,204	34,304	78,068	157,576
Charge for the year	14,194	7,350	7,245	28,789
Eliminated on disposal	-	(12)	-	(12)
At 31 December 2025	59,398	41,642	85,313	186,353
CARRYING AMOUNT				
At 31 December 2025	18,988	22,703	30,623	72,314
2024				
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14. LEASES AS A LESSEE

(a) GROUP

The statement of financial position shows the following amounts relating to leases:

	2025	2024
	KShs'000	KShs'000
Buildings – office spaces	130,035	145,571
Right of use asset		
At 1 January	145,571	241,930
Renewal/additions	40,966	12,316
Amortization	(66,075)	(79,454)
Lease remeasurement	9,573	(29,221)
At 31 December	130,035	145,571
Lease liability		
At 1 January	199,533	309,577
Renewal/additions	40,966	12,316
Accretion of interest	20,377	29,235
Payment of interest	(20,377)	(29,235)
Lease payments	(60,237)	(86,963)
Effect of translation	(7,489)	(35,397)
At 31 December	172,773	199,533
Current lease liability	70,448	84,753
Non-current lease liability	102,325	114,780
	172,773	199,533
Amounts recognised in profit or loss;		
Interest on lease liabilities	20,377	29,235
Depreciation expense	66,075	79,454
Amounts recognised in statement of cash flows;		
Payment of principal portion of the lease liabilities	60,237	86,963
Payment of interest	20,377	29,235
Total cash outflow for leases	80,614	116,198

Lease liability maturity analysis

Group

2025

	Due on demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Lease liabilities	-	21,861	46,911	97,816	6,185	172,773
2024						
Lease liabilities	-	25,226	56,115	118,091	101	199,533

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. 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 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
At 1 January 2025	1,994,499	-	1,732,000	3,726,499
Foreign exchange differences on translation	28,249	-	-	28,249
Fair value loss	(52,796)	-	(47,000)	(99,796)
Transfers to held for sale	-	-	(333,000)	(333,000)
At 31 December 2025	1,969,952	-	1,352,000	3,321,952

(b) COMPANY

	Kiambu Land 2025	Kiambu Land 2024
	KShs'000	KShs'000
At 1 January	-	4,046,000
Fair value gains (note 6)	-	1,010,000
Transfers to inventories	-	(5,056,000)
At 31 December	-	-
(c) INVENTORIES – GROUP & COMPANY		
At 1 January	5,056,000	-
Capitalised costs in the year	138,370	-
Transfers from investment property	-	5,056,000
Recognition of land sale	(199,170)	-
At 31 December	4,995,200	5,056,000
(d) ASSETS HELD FOR SALE	Kajiado Land	Kajiado Land
At 1 January	-	-
Transfers from investment property	333,000	-
At 31 December	333,000	-

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 2025 and 2024 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 270 million. The property was revalued at 31 December 2025 and 2024 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 1.35 billion. The property was revalued at 31 December 2025 and 2024 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 inventory valued at KShs 4.99 billion. The property was last revalued at 2024 by Crystal Valuers Limited who are registered professional valuers, before transfer to inventories. 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 2025

15. INVESTMENT PROPERTIES (CONTINUED)

(e) Amounts recognised in profit or loss for investment properties

	2025	2024
	KShs'000	KShs'000
Rental income from operating leases	159,240	164,014
Direct operating expenses from property that generated rental income	(22,312)	(19,801)
Direct operating expenses from property that did not generate rental income	(138,370)	(80,691)
Fair value (loss) / gains	(99,796)	1,010,000

The Kiambu land is accounted for as inventories and is valued at KShs 4.99 billion (2024: KShs 5.06 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 2025, total deposits amounting to KShs 719.0 million (2024: KShs 491.0 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 494 million (2024: KShs 348 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. Part of the deposits received met the revenue recognition criteria at 31 December 2025, as disclosed in note 5(b).

Assets held for sale (land)

The asset held for sale relates to 100 acres of land held at Kajiado, valued at KShs 333 million. In 2025, the directors of CIC General Insurance Limited decided to sell a vacant land area which was originally held as investment properties. This was in line with the strategic business decision to convert static assets into cash. There is an interested party, and the sale is expected to be completed before the end of 2026. The land area is presented within total assets of the Group.

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; 16.5%
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

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	159,240

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. INVESTMENT PROPERTIES (CONTINUED)

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 willing seller;
- a reasonable period within which to negotiate the sale by taking into account the nature of the property;
- values will remain static throughout the period;
- the property will be freely exposed to the market within reasonable publicity;
- no account is taken of an individual bid by a special purchaser.

16. INTANGIBLE ASSETS

(a) GROUP 2025

	Computer Software Total	Work in progress*	Goodwill	Total
	KShs'000	KShs'000	KShs'000	KShs'000
COST				
At 1 January	553,153	128,721	98,148	780,022
Additions	20,693	62,292	-	82,985
Transfers	42,071	(42,071)	-	-
Hyperinflation adjustment	(5,769)	-	-	(5,769)
Effect of foreign currency translation	267	238	-	505
At 31 December	610,415	149,180	98,148	857,743
ACCUMULATED AMORTISATION				
At 1 January	493,443	-	-	493,443
Charge for the year	54,702	-	-	54,702
Foreign exchange differences on translation	301	-	-	301
Hyperinflation adjustment	(1,159)	-	-	(1,159)
At 31 December	547,287	-	-	547,287
CARRYING AMOUNT				
At 31 December	63,128	149,180	98,148	310,456

2024

	Computer Software	Work in progress*	Goodwill	Total
	KShs'000	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INTANGIBLE ASSETS (CONTINUED)

(a) GROUP (CONTINUED)

ACCUMULATED AMORTISATION	Computer Software	Work in progress*	Goodwill	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
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

*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 2024. 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 2025 and 2024 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.

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:		
-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 2025. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INTANGIBLE ASSETS (CONTINUED)

(b) COMPANY

	2025		Total
	Computer software	Work in progress	
	KShs'000		KShs'000
COST			
At 1 January	132,557	39,536	172,093
Additions	-	28,707	28,707
Transfers	39,536	(39,536)	-
At 31 December	172,093	28,707	200,800
ACCUMULATED AMORTISATION			
At 1 January	121,963	-	121,963
Charge for the year	18,888	-	18,888
At 31 December	140,851	-	140,851
CARRYING AMOUNT			
At 31 December	31,242	28,707	59,949

	2024		Total
	Computer software	Work in progress	
	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

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% (2024: 30%).

	2025	2024
	KShs'000	KShs'000
Deferred tax asset	869,634	979,172
Deferred tax liability	(1,090,658)	(1,014,886)
Net deferred tax asset	(221,024)	(35,714)

Deferred tax charge analyzed as follows:

Deferred tax recognized through profit or loss	(25,400)	(435,441)
Deferred tax recognized through OCI	(135,587)	(281,327)
	(160,987)	(716,768)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. DEFERRED TAXATION (CONTINUED)

(a) GROUP (CONTINUED)

Deferred tax movement:

	2024	Movement	2025
	KShs'000	KShs'000	KShs'000
Arising from:			
Unutilised tax losses	746,478	(47,230)	699,248
Property and equipment	90,065	(13,742)	76,323
Provisions for doubtful premium receivables	565,100	86,012	651,112
Revaluation of investment property	(414,498)	(461,722)	(876,220)
Life fund surplus	(1,014,767)	(74,911)	(1,089,678)
Fair value losses through OCI	(58,577)	(135,587)	(194,164)
Other deductible differences	50,485	461,870	512,355
Net deferred tax asset	(35,714)	(185,310)	(221,024)

GROUP

	2023	Movement	2024
	KShs'000	KShs'000	KShs'000
Unutilised tax losses	615,780	130,698	746,478
Property and equipment	93,734	(3,669)	90,065
Provision for doubtful premium receivables	538,816	26,284	565,100
Revaluation of 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)

Deferred tax charge analyzed as follows:

	2025	2024
	KShs'000	KShs'000
Deferred tax recognized through profit or loss	(49,723)	(471,715)
Deferred tax recognized through OCI	(135,587)	(281,327)
	(185,310)	(753,042)

Net deferred tax asset/(liability)

	2025	2024
	KShs'000	KShs'000
The deferred tax asset/(liability) has been analysed as follows;		
CIC Asset Management Limited	16,253	4,742
CIC General Insurance Limited	406,878	476,934
CIC Life Assurance Limited	(1,090,658)	(1,014,886)
CIC Microinsurance Limited	4,760	-
CIC Africa Malawi Limited	85,917	87,717
The CIC Insurance Group Limited – Company	355,826	409,779
	(221,024)	(35,714)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

17. DEFERRED TAXATION (CONTINUED)

(b) COMPANY

2025

	At 1 January	Recognized in Profit or loss	At 31 December
	KShs'000	KShs'000	KShs'000
Arising from:			
Unutilised tax losses	746,478	(52,236)	694,242
Provisions	40,101	(1,717)	38,384
Fair value gains on revaluation of investment property	(376,800)	-	(376,800)
Net deferred tax asset	409,779	(53,953)	355,826

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

18. INVESTMENT IN ASSOCIATE

The investment in Takaful Insurance of Africa Limited represents 7% (2024 – 22%) of the issued ordinary share capital of 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	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January	107,177	105,659	107,177	105,659
Share of (profit)/loss after tax	-	1,518	-	1,518
Reclassify to investment in unquoted shares	(107,177)	-	(107,177)	-
At 31 December	-	107,177	-	107,177

During the year 2025, a new investor acquired a 65% stake in Takaful Insurance of Africa Limited. This is in effect diluted all other shareholders, including CIC Insurance Group, to a combined 35% shareholding. CIC Insurance Group's shareholding was reduced from 22% to 7.4% after the investment. Without significant influence on the company, the investment is no longer an associate and has been reclassified and measured at fair value through other comprehensive income as unquoted equity instruments. Refer to Note 24 for further disclosures on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. INVESTMENT IN ASSOCIATE (CONTINUED)

	2025	2024
	KShs'000	KShs'000
Current assets	-	1,210,809
Non- current assets	-	234,973
Current liabilities	-	710,614
Non- current liabilities	-	248,000
Equity	-	487,168
Cash and cash equivalents	-	501,486
Insurance service result	-	75,355
Net investment return	-	2,104
Operating expenses	-	(70,557)
Profit from continuing operations for the year	-	6,902
Income tax expense	-	-
Profit for the year	-	6,902
Group's share of profit	-	1,518
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.

19. INVESTMENT IN SUBSIDIARIES

(a) COMPANY

	2025	2024
	KShs'000	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	268,124	268,124
789,977 ordinary shares of MK 1,000 each at cost (1KShs = MK 7.2)		
CIC Africa (Uganda) Limited*		
2,556,019,000 ordinary shares of US\$ 10,000 each at cost (1Kshs = US\$ 32.8)	800,324	779,324
	4,249,410	4,228,410

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Movement in investment in subsidiaries

	2025	2024
	KShs'000	KShs'000
As at 1 January	4,228,410	4,228,410
Acquisition of additional ordinary shares in CIC Africa (Uganda) Limited	21,000	-
As at January and 31 December	4,249,410	4,228,410

(b) COMPANY

	Country of Incorporation	Principal activity	Proportion of ordinary shares held		Proportion of Shares held by non-controlling interests	
			2025	2024	2025	2024
CIC Asset Management Limited	Kenya	Funds and assets management	100%	100%	-	-
CIC General Insurance Limited	Kenya	Underwriting general insurance business.	100%	100%	-	-
CIC Life Assurace 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-operative 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%

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

	2025	2024
	KShs'000	KShs'000
Real People Kenya Limited	5,848	6,252
Safaricom	30,173	-
Kenya Mortgage Refinance Company Limited	16,741	18,339
East African Breweries Limited	96,324	8,997
Family Bank Limited	59,074	59,032
Total gross	208,160	92,620
Allowance for expected credit losses	(3,410)	(3,464)
	204,750	89,156
The movement in the corporate bonds is as follows:		
At 1 January	92,620	96,095
Additions	128,154	29
Maturities	(13,260)	(2,486)
Write-off	(634)	-
Accrued interest on corporate bond	1,280	(1,018)
Gross	208,160	92,620
Allowance for expected credit losses (note 8(d))	(3,410)	(3,464)
At 31 December	204,750	89,156

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

20. FINANCIAL ASSETS AT AMORTISED COST- CORPORATE BONDS (CONTINUED)

	2025	2024
	KShs '000	KShs '000
Maturity analysis		
Within 1 year	13,663	-
In 1-5 years	194,497	92,620
In over 5 years	-	-
	208,160	92,620

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.

21. FINANCIAL ASSETS AT AMORTISED COSTS: GOVERNMENT SECURITIES

GROUP

	2025	2024
	KShs'000	KShs'000
At 1 January	10,914,547	10,754,066
Additions	1,773,934	783,461
Maturities	(618,609)	(584,384)
Accrued interest	66,387	42,557
Effect of foreign currency translation	5,901	(81,153)
Gross	12,142,160	10,914,547
Allowance for expected credit loss	(1,953)	(1,488)
At 31 December	12,140,207	10,913,059
Maturity analysis		
Within 1 year	466,382	431,884
In 1-5 years	4,894,310	3,941,459
In over 5 years	6,779,515	6,539,716
	12,140,207	10,913,059

Government securities at amortised cost of KShs 10.3 billion (2024: 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 348 million (2024: KShs 551 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

(i) GROUP

	2025	2024
	KShs '000	KShs '000
At 1 January	80,303	80,301
Loan repayments	(8,053)	(5,967)
Write-off	(3,435)	-
Accrued interest	5,039	5,969
	73,854	80,303
Allowance expected credit losses (note 9(d))	(12,022)	(11,696)
At 31 December	61,832	68,607

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. FINANCIAL ASSETS AT AMORTISED COST: LOANS RECEIVABLES (CONTINUED)

(a) MORTGAGE LOANS (CONTINUED)

	2025	2024
	KShs'000	KShs'000
(i) GROUP		
Maturity profile:		
Within 1 year	-	-
In 1-5 years	13,962	12,832
In over 5 years	47,870	55,775
	61,832	68,607
(ii) COMPANY		
At 1 January	13,120	12,578
Loan repayments	-	(619)
Accrued interest	1,130	1,161
	14,250	13,120
Allowance expected credit losses (note 9)	(288)	(288)
At 31 December	13,962	12,832
Maturity profile:		
Within 1 year	-	-
In 1-5 years	13,962	12,832
	13,962	12,832

(b) OTHER LOANS

	2025	2024
	KShs'000	KShs'000
(i) GROUP		
Staff loans	7,011	9,433
Movement:		
At 1 January	9,258	44,665
Loans advanced	71	197
Loan repayments	(2,493)	(35,604)
	6,836	9,258
Allowance expected credit losses (note 9)	175	175
At 31 December	7,011	9,433
Maturity profile:		
Within 1 year	3,210	3,250
In 1-5 years	-	-
In over 5 years	3,801	6,183
	7,011	9,433
Subtotal (a(i))	61,832	68,607
Subtotal (b(i))	7,011	9,433
	68,843	78,040

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. FINANCIAL ASSETS AT AMORTISED COST: LOANS RECEIVABLES (CONTINUED)

(b) OTHER LOANS (CONTINUED)

	2025	2024
	KShs '000	KShs '000
(ii) COMPANY		
At 1 January	3,231	3,329
Loans advanced	-	-
Loan repayments	(40)	(98)
At 31 December	3,191	3,231
Maturity profile:		
Within 1 year	-	-
In 1-5 years	3,191	3,231
At 31 December	3,191	3,231
Subtotal (a(ii))	13,962	12,832
Subtotal (b(ii))	3,191	3,231
	17,153	16,063

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:

	Maximum exposure to credit risk	Total collateral	Exposure to total collateral ratio	Net exposure	ECLs
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
31 December 2025					
Mortgage loans	61,832	133,458	46%	-	12,022
Other loans	7,011	37,654	19%	-	-
31 December 2024					
Mortgage loans	68,607	133,458	51%	-	11,696
Other loans	12,159	37,654	32%	-	-

Company	Maximum exposure to credit risk	Total collateral	Exposure to total collateral ratio	Net exposure	ECLs
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
31 December 2025					
Mortgage loans	14,250	12,935	91%	-	-
31 December 2024					
Mortgage loans	13,120	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 2025

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GOVERNMENT SECURITIES

(a) GROUP

	2025	2024
	KShs '000	KShs '000
At 1 January	18,298,733	13,582,244
Additions	7,818,565	4,906,678
Disposals	(2,879,750)	(1,925,870)
Fair value gain through OCI	914,564	1,735,681
Gross	24,152,112	18,298,733
Allowance for expected credit loss	(581)	(1,202)
At 31 December	24,151,531	18,297,531
Maturity analysis		
Within 1 year	332,657	1,128,608
In 1-5 years	6,481,431	6,013,117
In over 5 years	17,337,443	11,155,806
	24,151,531	18,297,531

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

	2025	2024
	KShs '000	KShs '000
Unquoted investments:		
Shares held in Takaful Insurance of Africa Limited	76,960	-
Shares held in the Oil and gas consortium	14,608	10,266
Shares held in Co-op Holding Co-operative Society Limited	29,821	18,958
	121,389	29,224
The movement in the investments is as follows:		
At 1 January	29,224	22,796
Additions	-	2,858
Interest earned	-	-
Reclassification from investment in associate	107,177	-
Fair value (loss) / gain	(19,354)	4,580
Effect of foreign currency translation	4,342	(1,010)
At 31 December	121,389	29,224

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 2025, the Group did not receive any dividends from its FVOCI equities. The Group did not dispose of or derecognise any FVOCI equity instruments in 2025.

The shares held in Takaful Insurance of Africa Limited are due to dilution of the previous shares held in the associate. The dilution arose after a new investor acquired a 65% stake in the company. The shares have been valued based on the company valuation that was conducted in 2025 at the time of the new capital injection by the new investor.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-QUOTED EQUITY INSTRUMENTS

	2025	2024
	KShs '000	KShs '000
At 1 January	931,739	647,506
Additions	534,980	139,240
Disposal	(46,883)	(24,548)
Fair value loss	576,056	169,541
At 31 December	1,995,892	931,739

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

	2025	2024
	KShs '000	KShs '000
At 1 January	1,253,553	1,368,501
Additions	1,034,613	639,623
Disposal	(996,094)	(771,934)
Fair value gain	159,774	17,363
At 31 December	1,451,846	1,253,553

(b) INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES THROUGH PROFIT OR LOSS - COMPANY

At 1 January	16,411	14,501
Additions	300,000	-
Disposals	(300,000)	-
Fair value gain	4,283	1,910
At 31 December	20,694	16,411

27. OTHER RECEIVABLES

(a) GROUP

	2025	2024
	KShs '000	KShs '000
Staff advances	16,669	18,169
Rent receivable	112,096	73,907
Prepayments	76,744	56,977
Sundry debtors	137,741	85,330
Administration fees receivable	201,502	153,588
Other deposits*	146,679	79,450
CIC Society Ltd	13,807	14,160
Pension fund receivable	169,072	234,956
Withholding tax	39,068	69,008
Other receivables	1,213,520	157,024
Allowance for expected credit losses	(13,343)	(14,088)
	2,113,555	928,481
Movement in ECL:		
1 January	14,088	12,393
(Decrease)/ Increase in expected credit losses (note 9(d))	(745)	1,695
At 31 December	13,343	14,088
(b) COMPANY		
Other receivables	1,004,981	17,587
Prepayments	39,391	19,790
CIC Society Ltd	4,500	4,500
Allowance of expected credit losses	(23)	(63)
	1,048,849	41,814

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 2025

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 10,554,000 (2024: Kshs 6,982,000). 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

	2025	2024
	KShs'000	KShs'000
Due from related companies:		
Co-operative Insurance Society Limited	255,219	260,795
Allowance for expected credit losses	(10,554)	(6,982)
	244,665	253,813
Movement in ECL:		
1 January	6,982	5,573
Increase in expected credit losses (note 9(d))	3,572	1,409
At 31 December	10,554	6,982

(a) Transaction with related parties during the year

The following transactions were carried out with related parties during the year:

	2025	2024
	KShs'000	KShs'000
Payments on behalf of related party*		
Co-operative Insurance Society Limited	5,576	72,175
CIC Africa Co-operatives Insurance Limited Malawi	49,449	31,704
Dividends paid to Co-operative Insurance Society Limited	256,348	256,348
Premium receipts from Co-operative Bank of Kenya Limited	4,600,198	4,425,854
Claims payment to Co-operative Bank of Kenya Limited	1,408,892	2,260,921
Deposits with Co-operative Bank of Kenya Limited	5,679,916	5,966,584
Loans with Co-operative Bank of Kenya Limited	4,917,914	5,165,766

* 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.

(b) Key management and director's remuneration

The remuneration of directors and other members of key management during the year were as follows:

	2025	2024
	KShs'000	KShs'000
Directors		
- Salaries	99,221	88,696
- Directors' emoluments – Fees	31,439	30,781
- Others (travel and accommodation)	11,535	9,624
	142,195	129,101
Key management staff*:		
Salaries	316,916	280,100
Leave allowance	6,783	5,049
National Social Security Fund (NSSF)	981	490
Gratuity	11,368	10,750
Contribution to defined contribution scheme	54,042	8,566
	532,285	434,056

*Included in Kenya management staff is salary and allowances of KShs 99 million (2024: KShs 89 million) paid to Group Managing Director & Chief Executive Officer, who is also a director.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

28. RELATED PARTIES (CONTINUED)

COMPANY

	2025	2024
	KShs'000	KShs'000
Due from related parties:		
Co-operative Insurance Society Limited	255,219	260,795
CIC Microinsurance Limited	10,782	-
CIC Pharmacy Limited	30,214	-
CIC Africa (Uganda) Limited	126,242	120,733
CIC Africa Co-operatives Insurance (Malawi) Limited	48,932	98,381
CIC Africa Insurance (SS) Limited	4,192	-
Allowance of expected credit losses	(4,311)	(2,400)
	471,270	477,509
Due to related parties:		
CIC Life Assurance Limited	389,282	12,396
CIC General Insurance Limited	436,266	291,394
CIC Asset Management Limited	62,739	55,743
CIC Microinsurance Limited	-	1,938
	888,287	361,471
Deposits with Co-operative Bank of Kenya Limited	-	46,496
Loans with Co-operative Bank of Kenya Limited	4,917,914	4,955,891
Related party loan payable to:		
CIC Africa (SS) Limited	313,417	269,030
CIC Asset Management Limited	271,773	482,675
Total	585,190	751,705
Movement in intercompany loan payable:		
At 1 January	751,705	273,076
Proceeds from intercompany loan - CIC Asset	-	482,100
Repayment of intercompany loan - CIC Africa SS	-	(43,602)
Repayment of intercompany loan - CIC Asset	(260,000)	-
Interest accrued	93,485	40,131
At 31 December	585,190	751,705
Related party loan payable to:		
CIC Africa (Uganda) Limited	289,945	-
CIC Africa Co-operatives Insurance (Malawi) Limited	96,723	-
Total	386,668	-
Movement in intercompany loan receivable:		
At 1 January	-	-
New loans issued	380,600	-
Interest accrued	6,068	-
At 31 December	386,668	-

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 2027, following an 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 2026 following a 1-year extension. 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 Group made a repayment of Kshs 260 million in 2025, but did not clear the loan within the initial agreed period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

28. RELATED PARTIES (CONTINUED)

The company has various related parties, most of whom are related by common shareholding.

	2025	2024
	KShs'000	KShs'000
(i) Transaction with related parties during the year – Company		
Receipts from related parties		
CIC Asset Management Limited	47,148	38,641
CIC General Insurance Limited	355,716	429,023
CIC Life Assurance Limited	711,089	361,891
CIC Africa Insurance (SS) Limited	-	8,441
Payments to related parties		
CIC Asset Management Limited	54,146	30,415
CIC General Insurance Limited	500,589	308,685
CIC Life Assurance Limited	334,203	784,195
CIC Africa (Uganda) Limited	5,509	9,215
CIC Africa Co-operatives Insurance Limited	49,449	31,704
CIC Africa Insurance (SS) Limited	-	43,602
Co-operative Insurance Society Limited	5,576	72,175

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 2025 and 31 December 2024.

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 2025

29. DEPOSITS WITH FINANCIAL INSTITUTIONS

(a) GROUP

	2025	2024
	KShs'000	KShs'000
The Co-operative Bank of Kenya Limited	5,679,916	5,966,584
KCB Bank Kenya Limited*	359,786	1,475,066
Nico Asset Managers Limited	300,164	270,231
Equity Bank of Kenya Limited	-	1,108,226
I and M Bank Limited	356,300	11,202
Middle East Bank of Kenya Limited	-	25,392
Family Bank Limited	861,996	140,785
Credit Bank Limited	245,097	228,956
FTB Bank Limited	53,743	44,236
Stanbic Bank Limited	-	14,870
Ugafode Microfinance Limited	14,584	12,004
Foundation for international assistance (Finca) Bank	4,410	694
My bucks banking Corporation	52,219	18,543
NCBA Bank Kenya PLC	-	635,395
SBM Bank Kenya Limited	1,241,342	306,798
Kingdom Bank Ltd	1,243,931	-
Absa Bank Uganda Ltd	439	361
Postbank	299,041	124,468
Housing Finance Bank Uganda	9,071	-
Sidian Bank	113,553	-
National Bank of Kenya	74,429	79,578
NBS Bank Ltd Malawi	35,540	615
First Discount House Bank Limited	62,766	2,575
Continental Asset Management Malawi	486,156	360,505
Bank of Africa	298,969	868,675
EcoBank Limited	550,732	-
Access Bank Kenya Limited Plc	85,895	-
UBA Kenya	154,949	-
Mayfair Bank	410,791	-
CIB Bank	216,730	-
Prime Bank	180,208	-
Guaranty Trust Bank	464,455	-
Diamond Trust Bank	353,368	-
	14,210,580	11,695,759
Expected credit losses allowance	(17,759)	(5,736)
Net deposits	14,192,821	11,690,023
Maturity analysis:		
Maturing within three months	12,186,571	9,194,250
Maturing after 3 months	2,024,009	2,501,509
	14,210,580	11,695,759
(i) Movement in deposits maturing after 3 months		
As at January	2,501,509	3,016,848
Net increase/(decrease)	(477,500)	(515,339)
As at December	2,024,009	2,501,509
(ii) Movement in ECL:		
(a) GROUP		
1 January	5,736	27,617
Decrease in expected credit losses (note 9)	12,023	(21,881)
At 31 December	17,759	5,736

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

29. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

(b) COMPANY

	2025	2024
	KShs'000	KShs'000
KCB Bank Kenya Limited*	43,196	58,998
The Co-operative Bank of Kenya Limited	-	5,113
Expected credit losses allowance	(21)	(33)
Net deposits	43,175	64,078
Maturity analysis:		
Maturing within 3 months	-	-
Maturing after 3 months	43,196	64,111

* With the exception of deposits with KCB Bank Kenya Limited, which are under lien, and Kshs. 300 million in KCB Bank Kenya and Kshs. 1.3 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% (2024: 2.5%).

The carrying amounts disclosed above reasonably approximate fair values at the reporting date.

30. SHARE CAPITAL

	2025		2024	
	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 (2024: 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	2,615,578	2,615,578	2,615,578	2,615,578
Issue of bonus shares	261,500	261,500	-	-
At 31 December	2,877,078	2,877,078	2,615,578	2,615,578

31. SHARE PREMIUM

	2025	2024
	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 shares amounting to 436 million shares of KShs 1 each.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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.

	2025	2024
	KShs'000	KShs'000
At 1 January	(1,025,233)	(573,927)
Other currency translation differences	(61,756)	(566,910)
NCI share in translation differences	(55,197)	115,604
Total movement in the year	(116,953)	(451,306)
At 31 December	(1,142,186)	(1,025,233)

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

	2025	2024
	KShs'000	KShs'000
At 1 January	(58,018)	(80,639)
(Loss)/ Profit for the year	(74,746)	138,225
Other comprehensive profit/ (loss) for the year	55,197	(115,604)
Total comprehensive (loss)/ income for the year	(19,549)	22,621
At 31 December	(77,567)	(58,018)

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.

	South Sudan		Malawi		Uganda	
	2025	2024	2025	2024	2025	2024
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)	(80,506)	8,164	(33,248)	8,263	(38,374)	(26,088)
NCI share of profit before income tax (KShs '000)	(59,568)	122,974	(3,325)	15,127	(11,853)	125
Dividends paid to NCI in the year (KShs '000)	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

38. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information of the subsidiaries is provided below:

	South Sudan		Malawi		Uganda	
	2025	2024	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Operating (loss)/ profit	(192,155)	396,691	(4,506)	199,231	(203,462)	43,977
(Loss)/ Profit for the year	(192,155)	396,691	(36,949)	168,075	(237,051)	2,499
Other comprehensive income	290,818	(320,332)	-	-	-	-
Total comprehensive income	98,662	76,359	(36,949)	168,075	(237,051)	2,499
Total non-current assets	471,244	495,551	161,850	117,014	95,533	110,541
Total current assets	1,334,614	1,317,968	1,228,507	834,464	1,904,937	1,723,426
Total non-current liabilities	-	-	-	-	-	-
Total current liabilities	1,937,049	1,650,198	1,112,468	641,974	1,787,990	1,407,381

39. BORROWINGS – GROUP AND COMPANY

(a) GROUP

	2025	2024
	KShs'000	KShs'000
1 January	5,271,369	5,081,164
New loans	-	107,272
Principal repayment	(54,249)	(462,012)
Interest repayment	(696,645)	(13,694)
Interest accrued	503,043	577,215
Effect of translation	1,311	(18,576)
31 December	5,024,829	5,271,369

(b) COMPANY

1 January	5,165,766	4,955,891
Principal repayment	(54,249)	(354,740)
Interest repayment	(680,314)	-
Interest accrued	486,711	564,615
31 December	4,917,914	5,165,766

The Group borrowings relate to a term loan facility from Co-operative Bank of Kenya amounting to Kshs 3.4 billion (2024: Kshs 3.4 billion). The facility carries a floating interest rate and is repayable over a 7-year tenure ending in 2032, with quarterly principal and interest repayments.

During the year, interest payments of KShs 680 million were made, settling all interest obligations falling due within the financial year. Principal repayments of Kshs 54 million were made.

As at 31 December 2025, principal instalments relating to two quarters remained outstanding as at the year end. The loan therefore had repayment delays on principal, although interest obligations were fully serviced during the year.

The loan is secured by land parcels in Kiambu (LR No 28800/951) which are classified as inventories by the Group, with a carrying value of Kshs 4.99 billion as at 31 December 2025 (Note 15(b)). The Group is in the process of disposing the Kiambu land. At 31 December 2025, deposits amounting to Kshs 719 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.

Subsequent to year end, the Group completed the sale of a portion of the secured land, and applied proceeds of approximately KShs 1.33 billion towards repayment of the loan.

The other loan was advanced to CIC Africa Uganda Limited in 2024, an amount of KShs 107 million and is repayable within 2 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

40. OTHER PAYABLES

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.

	2025	2024
	KShs'000	KShs'000
(a) GROUP		
Sundry payables	1,498,836	1,199,022
Payroll creditors	172,262	162,301
Premiums received in advance	74,587	191,829
Staff annual leave pay provision	49,652	42,084
Payroll related accruals	49,732	39,701
Service providers creditors	128,506	43,843
Other deposits***	104,123	300,378
Life agents' bond	16,942	14,478
Deposits on sale of land**	718,710	490,796
	2,813,350	2,484,432
(b) COMPANY		
Deposits on sale of land**	718,710	490,796
Sundry payables	79,773	79,527
Service providers creditors	65,500	29,853
Withholding tax payable	13,676	2,340
	877,659	602,516

*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 capiator.

Movement in restructuring costs payable

	2025	2024
	KShs'000	KShs'000
Balance at 1 January 2025	-	76,961
Additional provisions recognized in profit or loss	-	84,816
Paid in the year	-	(161,777)
Balance at 31 December	-	-

41. DIVIDENDS

	2025	2024
	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)	-	-
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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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:

	2025		2024	
	Insurance contract liabilities	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	KShs'000	KShs'000	KShs'000	KShs'000
Non-medical	9,893,846	3,304,113	8,674,658	3,485,081
Medical	4,626,581	120,298	3,975,959	94,696
Total non-life insurance contract liabilities	14,520,427	3,424,411	12,650,617	3,579,777
Ordinary life	7,767,313	9,499	5,362,798	(2,105)
Group life	10,931,463	1,520,112	8,893,510	1,481,050
Total life insurance contract liabilities	18,698,776	1,529,611	14,256,308	1,478,945
Investment contracts liabilities with DPF	19,457,781	-	14,935,180	-
Total Investment contracts liabilities with DPF	19,457,781	-	14,935,180	-
Total insurance contract liabilities	52,676,984	4,954,022	41,842,105	5,058,722

Detailed reconciliations of changes in insurance contract balances during the reporting periods are included in the subsequent notes.

SUMMARY OF THE LIABILITY FOR INCURRED CLAIMS – GENERAL INSURANCE CONTRACTS

	2025			2024		
	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	6,416,345	95,422	6,511,767	5,670,141	79,590	5,749,731
Medical	1,350,019	16,223	1,366,242	1,272,337	10,971	1,283,308
Total	7,766,364	111,645	7,878,009	6,942,478	90,561	7,033,039
Reinsurance contract assets						
Non-medical	(1,592,303)	(30,178)	(1,622,481)	(1,418,746)	(29,415)	(1,448,161)
Medical	(22,629)	(94)	(22,723)	(24,374)	(76)	(24,450)
Total	(1,614,932)	(30,272)	(1,645,204)	(1,443,120)	(29,491)	(1,472,611)
Net	6,151,432	81,373	6,232,805	5,499,358	61,070	5,560,428

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	2025							Total KShs'000
	Liability for remaining coverage (LRC)		LIC for contracts not measured under PAA	LIC for contracts measured under PAA		Assets for acquisition cash flows KShs'000	Risk adjustment KShs'000	
	LRC excl. loss component KShs'000	Loss component KShs'000	KShs'000	PV of future cash flows KShs'000	Risk adjustment KShs'000			
Net insurance contract liabilities / (assets) at 1 Jan	32,252,131	588,969	427,605	9,099,054	156,315	(681,969)	41,842,105	
Insurance revenue	(29,457,840)	-	-	-	-	-	(29,457,840)	
Insurance service expenses:								
Insurance service expenses	547,603	93,835	1,225,346	23,881,355	22,105	2,440,633	28,210,877	
Insurance finance expenses	(28,910,237)	93,835	1,225,346	23,881,355	22,105	2,440,633	(1,246,963)	
Hyperinflationary adjustment	3,980,204	30,166	28,094	709,103	(2,122)	-	4,745,445	
Translation differences	446,164	51,449	54,932	(113,356)	3,465	(21,111)	421,543	
Total changes in the comprehensive income	(178,061)	(17,707)	1,694	10,698	(784)	5,453	(178,707)	
Cash flows:	(24,661,930)	157,743	1,310,066	24,487,800	22,664	2,424,975	3,741,318	
Premiums received	37,408,987	-	-	-	-	-	37,408,987	
Claims and other expenses paid	-	-	(1,214,958)	(23,529,983)	-	-	(24,744,941)	
Insurance acquisition cash flows	(2,964,631)	-	-	-	-	(2,637,618)	(5,602,249)	
Total cash flows	34,444,356	-	(1,214,958)	(23,529,983)	-	(2,637,618)	7,061,797	
Other movements:								
Liability for guarantee	31,764	-	-	-	-	-	31,764	
Net insurance contract liabilities / (assets) at 31 Dec	42,066,321	746,712	522,713	10,056,871	178,979	(894,612)	52,676,984	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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									
2025									
	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					
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 2025

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

	2025						2024					
	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	Risk adjustment	Assets for acquisition cash flows	Total	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment	Assets for acquisition cash flows	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	KShs'000
Net insurance contract liabilities/ (assets) at 1 Jan	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
Insurance revenue	(11,230,580)	-	-	-	-	(11,230,580)	(10,349,906)	-	-	-	-	(10,349,906)
Insurance service expenses	(52,175)	34,633	8,131,205	13,540	1,438,618	9,565,821	252,284	(15,187)	6,609,416	(22,196)	1,185,539	8,009,856
Insurance finance expenses	(11,282,755)	34,633	8,131,205	13,540	1,438,618	(1,664,759)	(10,097,622)	(15,187)	6,609,416	(22,196)	1,185,539	(2,340,050)
Hyperinflationary adjustment	150,077	5,601	(53,887)	1,078	(11,774)	91,095	104,918	(3,513)	(99,963)	(773)	(4,231)	(3,562)
Translation differences	(12,420)	(1,006)	194	74	2,008	(11,150)	(218,991)	(19,088)	(152,240)	(5,709)	(5,838)	(401,866)
Total changes in the comprehensive income	(11,145,098)	39,228	8,627,657	15,832	1,428,852	(1,033,529)	(10,211,695)	(37,788)	7,014,619	(27,400)	1,175,470	(2,086,794)
Cash flows:												
Premiums received	11,775,851	-	-	-	-	11,775,851	10,854,284	-	-	-	-	10,854,284
Claims and other expenses paid	-	-	(7,881,453)	-	-	(7,881,453)	-	-	(6,597,683)	-	-	(6,597,683)
Insurance acquisition cash flows	(109,063)	-	-	-	(1,532,618)	(1,641,681)	(235,915)	-	-	-	(1,257,321)	(1,493,236)
Total cash flows	11,666,788	-	(7,881,453)	-	(1,532,618)	2,252,717	10,618,369	-	(6,597,683)	-	(1,257,321)	2,763,365
Net insurance contract liabilities/ (assets) at 31 Dec	3,810,143	108,313	6,416,345	95,422	(536,377)	9,893,846	3,288,453	69,085	5,670,141	79,590	(432,611)	8,674,658

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	2025					2024						
	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	Total				
	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment	Assets for acquisition cash flows	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment	Assets for acquisition cash flows		
	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000	KSh's'000		
Net insurance contract liabilities / (assets) at 1 Jan	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
Insurance revenue	(10,024,774)	-	-	-	-	(10,024,774)	(8,175,932)	-	-	-	-	(8,175,932)
Insurance service expenses	573,622	(116,646)	9,139,186	3,755	1,002,015	10,601,932	766,804	436,770	8,304,742	13,097	831,066	10,352,479
Insurance finance expenses	(9,451,152)	(116,646)	9,139,186	3,755	1,002,015	577,158	(7,409,128)	436,770	8,304,742	13,097	831,066	2,176,547
Hyperinflationary adjustment	300,477	47,933	(16,579)	2,352	(9,337)	324,846	(67,599)	(69,453)	(203,598)	(3,109)	(20,412)	(364,171)
Translation differences	(76,631)	(17,346)	10,027	(855)	3,445	(81,360)	(467,003)	(111,295)	(126,805)	(6,730)	26,859	(684,974)
Total changes in the comprehensive income	(9,227,306)	(86,059)	9,132,634	5,252	996,123	820,644	(7,943,730)	256,022	7,974,339	3,258	837,513	1,127,402
Cash flows:												
Premiums received	9,989,930	-	-	-	-	9,989,930	8,574,082	-	-	-	-	8,574,082
Claims and other expenses paid	-	-	(9,054,952)	-	-	(9,054,952)	-	-	(7,906,994)	-	-	(7,906,994)
Insurance acquisition cash flows	-	-	-	-	(1,105,000)	(1,105,000)	-	-	-	-	(882,882)	(882,882)
Total cash flows	9,989,930	-	(9,054,952)	-	(1,105,000)	(170,022)	8,574,082	-	(7,906,994)	-	(882,882)	(215,794)
Net insurance contract liabilities / (assets) at 31 Dec	3,420,035	198,539	1,350,019	16,223	(358,235)	4,626,581	2,657,411	284,598	1,272,337	10,971	(249,358)	3,975,959

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025	327,190	144,822	64,365	536,377
31 December 2024	263,893	116,805	51,913	432,611

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 2025	218,523	96,723	42,989	358,235
31 December 2024	152,108	67,327	29,923	249,358

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.

Gross claims development table

Accident Year	2021 and prior	2022	2023	2024	2025	Total
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimated ultimate claims cost at end of accident year	17,036,662	4,715,211	6,984,236	8,341,741	13,165,953	50,243,803
one year later	5,714,049	1,687,334	2,107,809	2,815,481	-	12,324,673
two years later	1,274,083	298,883	412,657	-	-	1,985,623
three years later	871,821	209,225	-	-	-	1,081,046
four years later	637,440	-	-	-	-	637,440
five years later	279,023	-	-	-	-	279,023
Current estimate of cumulative claims	25,813,078	6,910,653	9,504,702	11,157,222	13,165,953	66,551,608
Less: cumulative payments to date	(25,758,608)	(6,665,850)	(8,617,156)	(9,111,714)	(7,975,931)	(58,129,259)
Gross outstanding claims notified provision	18,324	82,490	307,264	700,720	1,709,985	2,818,783
Liability incurred but not reported claims	36,146	162,313	580,282	1,344,788	3,480,037	5,603,566
Gross undiscounted liabilities for incurred claims	54,470	244,803	887,546	2,045,508	5,190,022	8,422,349
Effect of discounting	(4,357)	(19,589)	(71,467)	(164,305)	(396,267)	(655,985)
Effect of the risk adjustment margin for non-financial risk	604	2,713	9,991	22,885	75,452	111,645
Total gross liabilities for incurred claims	50,717	227,927	826,070	1,904,088	4,869,207	7,878,009

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

Net claims development table

2025

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	14,566,102	3,937,902	5,704,978	6,494,397	10,443,071	41,146,450
one year later	4,842,440	1,396,566	1,701,007	2,166,548	-	10,106,561
two years later	1,086,640	247,523	336,095	-	-	1,670,258
three years later	745,460	175,094	-	-	-	920,554
four years later	548,743	-	-	-	-	548,743
five years later	236,944	-	-	-	-	236,944
Current estimate of cumulative claims	22,026,329	5,757,085	7,742,080	8,660,945	10,443,071	54,629,510
Less: cumulative payments to date	(21,979,353)	(5,551,488)	(7,025,179)	(7,080,296)	(6,328,521)	(47,964,837)
Gross outstanding claims notified provision	14,056	61,598	219,676	480,453	1,179,376	1,955,159
Liability incurred but not reported claims	32,920	143,999	497,225	1,100,196	2,935,174	4,709,514
Gross undiscounted liabilities for incurred claims	46,976	205,597	716,901	1,580,649	4,114,550	6,664,673
Effect of discounting	(3,769)	(16,494)	(57,673)	(127,033)	(308,272)	(513,241)
Effect of the risk adjustment margin for non-financial risk	475	2,081	7,333	16,105	55,379	81,373
Total gross liabilities for incurred claims	43,682	191,184	666,561	1,469,721	3,861,657	6,232,805

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

43. NON - LIFE INSURANCE CONTRACT LIABILITIES (CONTINUED)

Net 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	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

44. LIFE INSURANCE CONTRACT LIABILITIES

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Ordinary life

	2025				2024			
	Liability for remaining coverage (LRC)		Liability for incurred claims PV of future cash flows	Total	Liability for remaining coverage (LRC)		Restated Liability for incurred claims PV of future cash flows	Total
	LRC excl. loss component	Loss component			LRC excl. loss component	Loss component		
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	5,236,230	105,618	20,950	5,362,798	3,833,182	143,306	30,832	4,007,320
Insurance revenue	(635,158)	-	-	(635,158)	(562,742)	-	-	(562,742)
Insurance service expenses	(999,145)	62,191	1,538,748	601,794	(1,009,678)	(57,435)	1,452,253	385,140
	(1,634,303)	62,191	1,538,748	(33,364)	(1,572,420)	(57,435)	1,452,253	(177,602)
Insurance finance expenses	1,540,326	17,634	-	1,557,960	1,476,894	21,856	-	1,498,750
Hyperinflationary adjustment	(1,185)	221	1,200	236	(1)	-	(58)	(59)
Translation differences	1,124	23	-	1,147	(17,603)	(2,109)	76	(19,636)
Total changes in the comprehensive income	(94,038)	80,069	1,539,948	1,525,979	(113,130)	(37,688)	1,452,271	1,301,453
Cash flows:								
Premiums received	2,703,980	-	-	2,703,980	1,746,988	-	-	1,746,988
Claims and other expenses paid	-	-	(1,537,353)	(1,537,353)	-	-	(1,462,153)	(1,462,153)
Insurance acquisition cash flows	(288,091)	-	-	(288,091)	(230,810)	-	-	(230,810)
Total cash flows	2,415,889	-	(1,537,353)	878,536	1,516,178	-	(1,462,153)	54,025
Net insurance contract liabilities /(assets) at 31 Dec	7,558,081	185,687	23,545	7,767,313	5,236,230	105,618	20,950	5,362,798

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

44. LIFE INSURANCE CONTRACT LIABILITIES (CONTINUED)

Reconciliation of the measurement components of insurance contract balances group life

	2025					2024				
	Liability for remaining coverage (LRC)	PV of future cash flows	Risk adjustment	CSM	Total	Liability for remaining coverage (LRC)	PV of future cash flows	Risk adjustment	CSM	Total
Net insurance contract liabilities / (assets) at 1 Jan	4,285,329		94,390	983,079	5,362,798	3,257,621	71,801	677,898	4,007,320	
Changes that relate to current service										
CSM recognised in profit or loss for the services provided	-	-	-	(166,387)	(166,387)	-	-	(131,732)	(131,732)	(131,732)
Change in the risk adjustment for non- financial risk	-	-	(28,949)	-	(28,949)	-	(24,201)	-	(24,201)	(24,201)
Experience adjustments	78,054	-	-	-	78,054	7,676	-	-	7,676	7,676
Changes that relate to future service										
Changes in estimates that adjust the CSM	(204,731)		60,015	144,716	-	(149,810)	49,131	100,679	100,679	-
Changes in estimates that do not adjust the CSM	(360,267)		65,580	-	(294,687)	(208,643)	45,229	-	(163,414)	(163,414)
Experience adjustments	292,020		(124,140)	62,313	230,193	439,751	(99,718)	(235,659)	104,374	104,374
Contracts initially recognised in the period	(158,401)		42,817	264,232	148,648	(432,702)	35,548	426,790	426,790	29,636
Changes that relate to past service	(431,379)		44,272	477,261	84,154	(351,404)	30,190	291,810	(29,404)	(29,404)
Total changes	(353,325)		15,323	304,874	(33,128)	(343,728)	5,989	160,078	(177,661)	(177,661)
Insurance finance expenses	1,357,522		15,830	184,608	1,557,960	1,328,825	17,033	152,893	1,498,751	1,498,751
Translation differences	448		52	647	1,147	(11,413)	(433)	(7,790)	(19,636)	(19,636)
Total changes in the comprehensive income	1,004,645		31,205	490,129	1,525,979	973,684	22,589	305,181	1,301,454	1,301,454
Cash Flows:										
Premiums received	2,703,980		-	-	2,703,980	1,746,987	-	-	1,746,987	1,746,987
Claims and other expenses paid	(1,537,353)		-	-	(1,537,353)	(1,462,153)	-	-	(1,462,153)	(1,462,153)
Insurance acquisition cash flows	(288,091)		-	-	(288,091)	(230,810)	-	-	(230,810)	(230,810)
Total cash flows	878,536		-	-	878,536	54,024	-	-	54,024	54,024
Net insurance contract liabilities / (assets) at 31 Dec	6,168,510		125,595	1,473,208	7,767,313	4,285,329	94,390	983,079	5,362,798	5,362,798

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

44. LIFE INSURANCE CONTRACT LIABILITIES (CONTINUED)

Impact of contracts recognised in the year

Ordinary life

Insurance contracts issued

	2025		Total	2024		Total
	Non-onerous contracts originated	Onerous contracts originated		Non-onerous contracts originated	Onerous contracts originated	
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimates of the PV of future cash outflows	183,263	156,655	339,918	200,056	76,440	276,496
- Insurance acquisition cash flows	230,509	355,710	586,219	294,481	113,374	407,855
- Claims and other attributable expenses	413,772	512,365	926,137	494,537	189,814	684,351
Estimates of the PV of future cash outflows						
Estimates of the PV of future cash inflows	(702,206)	(382,332)	(1,084,538)	(952,015)	(165,038)	(1,117,053)
Risk adjustment for non-financial risk	24,202	18,615	42,817	30,688	4,860	35,548
CSM	264,232	-	264,232	426,790	-	426,790
Increase in insurance contract liabilities	-	148,648	148,648	-	29,636	29,636

Amounts determined on transition to IFRS 17

Insurance revenue and the CSM by transition method

Ordinary life

Insurance contracts issued

	2025		Total	2024		Total
	Contracts under the full retrospective approach at transition	Contracts under the fair value approach at transition		Contracts under the full retrospective approach at transition	Contracts under the fair value approach at transition	
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Insurance revenue	635,158	-	635,158	562,742	-	562,742
CSM as at 1 January	882,592	100,487	983,079	546,412	131,486	677,898
Changes that relate to current service						
CSM recognised in profit or loss	(166,387)	-	(166,387)	(117,698)	(14,034)	(131,732)
Changes that relate to future service						
Changes in estimates that adjust the CSM	146,955	(2,239)	144,716	(61,175)		
Contracts initially recognised in the period	264,232	-	264,232	405,409	161,854	100,679
Experience Adjustments	109,396	(47,083)	62,313	(18,389)	21,381	426,790
Total changes	354,196	(49,322)	304,874	208,147	(217,270)	(235,659)
					(48,069)	160,078
Insurance finance expenses	174,128	10,480	184,608	135,823		
Translation differences	647	-	647	(7,790)	17,070	152,893
Total amounts recognised in comprehensive income	528,971	(38,842)	490,129	336,180	-	(7,790)
					(30,999)	305,181
CSM as at 31 December	1,411,563	61,645	1,473,208	882,592	100,487	983,079

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	2025				2024							
	Liability for remaining coverage (LRC)	Liability for remaining coverage (LRC)	Liability for incurred claims	Total	Liability for remaining coverage (LRC)	Liability for incurred claims	Total	Total				
	LRC excl. loss component	Loss component	Incurred claims PV of future cash flows	Total	LRC excl. loss component	Liability for incurred claims not measured under PAA	PV of future cash flows	Risk adjustment				
	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'	KSh's '000'			
Net insurance contract liabilities / (assets) at 1 Jan	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
Insurance revenue	(7,567,328)	-	-	-	-	(7,567,328)	(7,260,170)	-	-	-	-	(7,260,170)
Insurance service expenses	839,092	113,657	1,225,346	5,072,216	4,810	7,255,121	640,949	(22,726)	1,092,694	3,613,401	(10,996)	5,313,322
Insurance finance expenses	(6,728,236)	113,657	1,225,346	5,072,216	4,810	(312,207)	(6,619,221)	(22,726)	1,092,694	3,613,401	(10,996)	(1,946,848)
Hyperinflation	(3,205)	(2,306)	54,932	(44,090)	35	5,366	32,021	(823)	(7,045)	(10,984)	(237)	12,932
Translation differences	(35)	622	1,694	477	(3)	2,755	(102,383)	(7,731)	(5,426)	(7,241)	(1,346)	(124,127)
Total changes in the comprehensive income	(5,576,474)	124,505	1,310,066	5,187,561	1,580	1,047,238	(5,681,652)	(22,722)	1,127,225	3,836,037	(12,013)	(753,125)
Cash Flows:												
Premiums received	8,027,468	-	-	-	-	8,027,468	7,138,716	-	-	-	-	7,138,716
Claims and other expenses paid	-	-	(1,214,958)	(5,056,225)	-	(6,271,183)	-	-	(984,809)	(4,105,409)	-	(5,090,218)
Insurance acquisition cash flows	(765,570)	-	-	-	-	(765,570)	(688,796)	-	-	-	-	(688,796)
Total cash flows	7,261,898	-	(1,214,958)	(5,056,225)	-	990,715	6,449,920	-	(984,809)	(4,105,409)	-	1,359,702
Net insurance contract liabilities / (assets) at 31 Dec	7,820,281	254,173	522,713	2,266,962	67,334	10,931,463	6,134,857	129,668	427,605	2,135,626	65,754	8,893,510

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

44. LIFE INSURANCE CONTRACT LIABILITIES (CONTINUED)

Reconciliation of the measurement components of insurance contract balances
Group life

	2025		Total	PV of future cash flows	Risk adjustment	CSM	Total	PV of future cash flows	Risk adjustment	CSM	Total
	KShs'000'	KShs'000'									
Net insurance contract liabilities / (assets) at 1 Jan	2,318,063	114,711	2,432,774	2,570,582	117,561	2,688,143	2,860,044	2,570,582	117,561	2,687,643	4,559,664
Changes that relate to current service											
CSM recognised in profit or loss for the services provided	-	-	(835,826)	-	-	(835,826)	(835,826)	-	-	(636,099)	(636,099)
Change in the risk adjustment for non-financial risk	-	(90,168)	(90,168)	-	(49,479)	(90,168)	-	-	(49,479)	-	(49,479)
Experience adjustments	(48,774)	-	(48,774)	(253,886)	(25,699)	(279,585)	-	(253,886)	(25,699)	(1,907)	(281,492)
	(48,774)	(90,168)	(138,942)	(253,886)	(75,178)	(329,064)	(835,826)	(253,886)	(75,178)	(638,006)	(967,070)
Changes that relate to future service											
Changes in estimates that adjust the CSM	179,513	140,103	319,616	(448,319)	88,999	(358,700)	(319,616)	(448,319)	88,999	359,320	-
Changes in estimates that do not adjust the CSM	504	19,794	20,298	(378)	26,783	26,405	-	(378)	26,783	-	26,405
Experience adjustments	165,742	(122,974)	42,768	19,396	(113,613)	(70,847)	(56,787)	19,396	(113,613)	43,610	(50,607)
Contracts initially recognised in the period	(1,352,420)	70,857	(1,281,563)	(848,443)	48,920	(1,232,623)	1,414,567	(848,443)	48,920	847,820	48,297
	(1,006,661)	107,780	(898,881)	(1,277,744)	51,089	(1,226,655)	1,038,164	(1,277,744)	51,089	1,250,750	24,095
Total changes	(1,055,435)	17,612	(1,037,823)	(1,531,630)	(24,089)	(1,555,912)	202,338	(1,531,630)	(24,089)	612,744	(942,975)
Insurance finance expenses	498,412	25,550	523,962	577,651	26,128	604,103	629,402	577,651	26,128	409,744	1,013,523
Translation differences	25,304	(6,038)	19,266	(67,829)	(4,889)	(48,563)	469	(67,829)	(4,889)	(33,965)	(106,683)
Total changes in the comprehensive income	(531,719)	37,124	(494,595)	(1,021,808)	(2,850)	(1,024,658)	832,209	(1,021,808)	(2,850)	988,523	(36,135)
Cash flows:											
Premiums received	2,868,691	-	2,868,691	1,691,026	-	1,691,026	-	1,691,026	-	-	1,691,026
Claims and other expenses paid	(1,323,403)	-	(1,323,403)	(793,931)	-	(793,931)	-	(793,931)	-	-	(793,931)
Insurance acquisition cash flows	(358,736)	-	(358,736)	(127,806)	-	(127,806)	-	(127,806)	-	-	(127,806)
Total cash flows	1,186,552	-	1,186,552	769,289	-	769,289	-	769,289	-	-	769,289
Net insurance contract liabilities / (assets) at 31 Dec	2,972,896	151,835	3,124,731	2,318,063	114,711	2,432,774	3,692,253	2,318,063	114,711	2,860,044	5,292,818

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

44. LIFE INSURANCE CONTRACT LIABILITIES (CONTINUED)

Impact of contracts recognised in the year

Group life

Insurance contracts issued

	2025		2024		Total
	Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts originated	Onerous contracts originated ⁴	
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Estimates of the PV of future cash outflows	516,650	-	516,650	125,721	236,914
- Insurance acquisition cash flows	1,088,715	-	1,088,715	596,764	957,831
- Claims and other attributable expenses	1,605,365	-	1,605,365	722,485	1,194,745
Estimates of the PV of future cash outflows					
Estimates of the PV of future cash inflows	(2,957,785)	-	(2,957,785)	(1,598,416)	(2,043,188)
Risk adjustment for non-financial risk	70,857	-	70,857	28,111	48,920
CSM	1,414,567	-	1,414,567	847,820	847,820
Increase in insurance contract liabilities	133,004	-	133,004	-	48,297

Amounts determined on transition to IFRS 17

Insurance revenue and the CSM by transition method

Group life

Insurance contracts issued

	2025		2024		Total
	Contracts under the full retrospective approach at transition	Contracts under the fair value approach at transition	under the full retrospective approach at transition	Onerous contracts originated ⁴	
	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Insurance revenue	1,678,173	-	1,678,173	514,395	1,770,148
CSM as at 1 January	2,860,044	-	2,860,044	1,871,521	1,871,521
Changes that relate to current service					
CSM recognised in profit or loss	(835,826)	-	(835,826)	(636,099)	(636,099)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(319,616)	-	(319,616)	359,320	359,320
Experience Adjustments	1,414,567	-	1,414,567	847,820	847,820
Contracts initially recognised in the period	(56,787)	-	(56,787)	41,703	41,703
Total changes	202,338	-	202,338	612,744	612,744
Insurance finance expenses	629,402	-	629,402	409,744	409,744
Total amounts recognised in comprehensive income	831,740	-	831,740	1,022,488	1,022,488
Translation differences	469	-	469	(33,965)	(33,965)
CSM as at 31 December	3,692,253	-	3,692,253	2,860,044	2,860,044

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

45. DIRECT PARTICIPATING FEATURES CONTRACTS (CONTINUED)

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Direct participating

	2025			2024		
	Liability for remaining coverage (LRC)	Liability for incurred claims	Total	Liability for remaining coverage (LRC)	Liability for incurred claims	Total
	Total	KShs'000'	KShs'000'	KShs'000'	KShs'000'	KShs'000'
Net insurance contract liabilities / (assets) at 1 Jan	14,935,180	-	14,935,180	10,870,586	-	10,870,586
Insurance revenue	-	-	-	-	-	-
Insurance service expenses:						
Incurred claims and other attributable expenses	-	-	-	-	-	-
Insurance service expenses	-	-	-	-	-	-
	-	-	-	-	-	-
Insurance finance expenses	-	-	-	-	-	-
Translation differences	(90,099)	-	(90,099)	(1,081,317)	-	(1,081,317)
Total changes in the comprehensive income	(90,099)	-	(90,099)	(1,081,317)	-	(1,081,317)
Other movements:						
Investment component	-	-	-	-	-	-
Liability for guarantee	31,764	-	31,764	40,290	-	40,290
Cash flows:						
Contributions received	4,383,761	-	4,383,761	5,341,003	-	5,341,003
Interest received	1,891,742	-	1,891,742	2,927,647	-	2,927,647
Withdrawals and other expenses paid	(1,694,567)	-	(1,694,567)	(3,163,029)	-	(3,163,029)
Total cash flows	4,580,936	-	4,580,936	5,105,621	-	5,105,621
Net insurance contract liabilities /(assets) at 31 Dec	19,457,781	-	19,457,781	14,935,180	-	14,935,180

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

46. REINSURANCE CONTRACT ASSETS

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued

Non-medical

	2025					2024						
	Liability for remaining coverage (LRC)	Loss recovery component	Liability for incurred claims	Risk adjustment	Liability for unamortised premium	Liability for incurred claims	Risk adjustment	Liability for unamortised premium	Total			
	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment	ARC excl. loss recovery component	Loss recovery component	PV of future cash flows	Risk adjustment	Liability for unamortised premium			
	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	2,106,435	8,601	1,418,746	29,415	(78,116)	3,485,081	734,344	12,301	12,301	37,001	(13,586)	2,402,096
Reinsurance expenses	2,929,805	-	-	-	-	2,929,805	2,774,366	-	-	-	-	2,774,366
Incurred claims recovery	(28,119)	-	(679,075)	-	-	(707,194)	(187,455)	-	-	-	-	(938,690)
Losses recovery	-	(63,769)	-	-	-	(63,769)	-	2,176	2,176	-	-	2,176
Changes to recoveries	-	-	-	(222)	(573,125)	(573,347)	-	-	-	6,464	(587,089)	(580,625)
Net income/ (expense) from reinsurance contracts held	2,901,686	(63,769)	(679,075)	(222)	(573,125)	1,585,495	2,586,911	2,176	2,176	6,464	(587,089)	1,257,227
Reinsurance finance income	-	-	(119,363)	(291)	-	(119,654)	-	-	-	(361)	-	(186,083)
Hyperinflationary adjustment	51,083	(3,442)	(20,273)	(163)	43,148	70,353	(3,183)	233	233	76	-	4,075
Translation differences	(11,650)	478	1,227	(87)	(1,421)	(11,453)	162,336	1,291	1,291	1,407	26,868	81,192
Total changes in the comprehensive income	2,941,119	(66,733)	(817,484)	(763)	(531,398)	1,524,741	2,746,064	3,700	3,700	7,586	(560,221)	1,156,411
Cash flows:												
Reinsurance premiums paid	(2,689,310)	-	23,453	-	-	(2,665,857)	(4,298,557)	-	-	-	-	(4,190,723)
Reinsurance receipts	87,772	-	620,474	-	613,838	1,322,084	180,402	-	-	-	624,751	1,951,327
Total cash flows	(2,601,538)	-	643,927	-	613,838	(1,343,773)	(4,118,155)	-	-	-	624,751	(2,239,396)
Net reinsurance contract assets/ (liabilities) at 31 Dec	1,766,854	75,334	1,592,303	30,178	(160,556)	3,304,113	2,106,435	8,601	8,601	29,415	(78,116)	3,485,081

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

46. REINSURANCE CONTRACT ASSETS

Reconciliation of the liability for remaining coverage (LRC) and liability for incurred claims (LIC) – Insurance contracts issued
Medical

	2025					2024						
	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	Risk adjustment	Assets for acquisition cash flows	Total	LRC excl. loss component	Loss component	PV of future cash flows	Risk adjustment	Assets for acquisition cash flows	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	KShs'000
Net reinsurance contract assets/ (liabilities) at 1 Jan	68,997	1,361	24,374	76	(112)	94,696	(1,828)	-	65,679	181	5,576	69,608
Reinsurance expenses	74,988	-	-	-	-	74,988	(60,600)	-	-	-	-	(60,600)
Incurred claims recovery	-	-	(117,821)	-	-	(117,821)	-	-	(63,018)	-	-	(63,018)
Losses recovery	-	1,361	-	-	-	1,361	-	(1,361)	-	-	-	(1,361)
Changes to recoveries	-	-	-	(18)	(19,850)	(19,868)	-	-	-	105	4,070	4,175
Net income / (expense) from reinsurance contracts held	74,988	1,361	(117,821)	(18)	(19,850)	(61,340)	(60,600)	(1,361)	(63,018)	105	4,070	(120,804)
Reinsurance finance income	-	-	-	-	-	-	-	-	-	-	-	-
Hyperinflationary adjustment	55,498	-	9,191	-	(5,058)	59,631	(28,302)	-	-	-	(1,613)	(29,915)
Translation differences	(339)	-	617	-	290	568	23,834	-	18,380	-	3,231	45,445
Total changes in the comprehensive income	130,147	1,361	(108,013)	(18)	(24,618)	(1,141)	(65,068)	(1,361)	(44,638)	105	5,688	(105,274)
Cash flows:												
Reinsurance premiums paid	(134,219)	-	-	-	-	(134,219)	(5,757)	-	-	-	-	(5,757)
Reinsurance receipts	-	-	109,758	-	-	109,758	-	-	85,943	-	-	85,943
Total cash flows	(134,219)	-	109,758	-	-	(24,461)	(5,757)	-	85,943	-	-	80,186
Net reinsurance contract assets/ (liabilities) at 31 Dec	73,069	-	22,629	94	24,506	120,298	68,997	1,361	24,374	76	(112)	94,696

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

46. REINSURANCE CONTRACT ASSETS (CONTINUED)

Reconciliation of the remaining coverage and incurred claims – Reinsurance contracts held

Group life

	2025					2024						
	Liability for remaining coverage (LRC)	Loss recovery component	PV of future cash flows	Risk adjustment	Liability for unamortised premium	Total	Liability for unamortised premium	Loss component	PV of future cash flows	Risk adjustment	Liability for unamortised premium	Total
	ARC excl. loss recovery component	Loss recovery component	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	669,957	11,280	791,968	7,845	-	1,481,050	128,379	16,670	1,098,830	18,410	-	1,262,289
Reinsurance expenses	1,613,584	-	-	-	-	1,613,584	1,246,485	-	-	-	-	1,246,485
Incurring claims recovery	-	-	(1,679,631)	-	-	(1,679,631)	-	-	(629,721)	-	-	(629,721)
Losses recovery	-	(24,913)	-	-	-	(24,913)	-	1,014	-	-	-	1,014
Changes to recoveries	-	-	-	(2,450)	-	(2,450)	-	-	-	10,157	-	10,157
Net income / (expense) from reinsurance contracts held	1,613,584	(24,913)	(1,679,631)	(2,450)	-	(93,410)	1,246,485	1,014	(629,721)	10,157	-	627,935
Reinsurance finance income	(21,405)	3,755	(48,263)	(719)	-	(66,632)	(14,152)	3,939	(89,964)	(126)	-	(100,303)
Hyperinflationary adjustment	1,331	314	(2,005)	12	-	(348)	1,388	327	(2,090)	13	-	(362)
Translation differences	2,048	314	(2,262)	4	-	104	27,239	110	4,190	521	-	32,060
Total changes in the comprehensive income	1,595,558	(20,530)	(1,732,161)	(3,153)	-	(160,286)	1,260,960	5,390	(717,585)	10,565	-	559,330
Cash flows:												
Reinsurance premiums paid	(1,791,282)	2,272	(466,643)	(10,757)	-	(2,266,410)	(2,388,613)	-	35,242	-	-	(2,353,371)
Reinsurance receipts	800,461	-	1,587,173	-	-	2,387,634	586,075	-	989,205	-	-	1,575,280
Total cash flows	(990,821)	2,272	1,120,530	(10,757)	-	121,224	(1,802,538)	-	1,024,447	-	-	(778,091)
Net reinsurance contract assets/ (liabilities) at 31 Dec	65,220	29,538	1,403,599	21,755	-	1,520,112	669,957	11,280	791,968	7,845	-	1,481,050

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

47. NOTES TO THE STATEMENT OF CASH FLOWS

(a) GROUP

Reconciliation of profit before taxation to cash generated from operations:

		2025	2024
		KShs'000	KShs'000
	Notes		
Profit before income tax		1,250,433	3,993,720
Expected credit losses	9(d)	15,600	(16,843)
Interest income	6	(5,442,511)	(6,046,353)
Dividend income	6	(68,487)	(46,515)
Amortisation of government securities and accrued interest	21	(66,387)	(42,557)
Interest expense	39	503,043	577,215
Depreciation on property and equipment	13 (a)	116,577	97,790
(Gain)/loss on disposal of property and equipment	13 (a)	145	(596)
Interest on leases	14(a)	20,377	29,235
Interest receivable on mortgage and other loans	22	(5,039)	(5,969)
Fair value gains on revaluation on investment property	15	99,796	(1,010,000)
Share of profits of associate	18	-	(1,518)
Amortisation of intangible assets	16(a)	54,702	60,707
Amortisation of corporate bond	20	(1,280)	1,018
Fair value loss on equity investment at fair value through profit or loss	25	(576,056)	(169,541)
Fair value gain on collective investment schemes	26(a)	(159,774)	(17,363)
Amortisation of right of use assets	14(a)	66,075	79,454
Working capital changes;			
Increase in insurance contract liabilities		10,834,879	7,614,828
Increase in other receivables		(1,185,074)	(76,047)
Decrease in inventories		60,800	-
decrease in loan receivables		9,197	35,351
Increase in other payables		328,918	450,207
Decrease in investment contract liabilities		(8,206)	(42,349)
Decrease in reinsurance contract assets		104,700	(1,324,729)
Movement in related party balances		9,148	(70,766)
Cash generated from operations		5,961,576	4,068,379

*ECL – Expected Credit Losses

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

47. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(b) Company

		2025	2024
		KShs'000	KShs'000
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
Profit before income tax		1,267,708	618,593
Adjustments for:			
Expected credit losses (note 8(d))	6	1,911	367
Interest income	10	(8,579)	(5,547)
Interest expense	13(b)	486,711	564,613
Depreciation on property and equipment	28	28,789	24,677
Related party loan interest expenses	22	93,485	40,131
Interest receivable on mortgage and other loans	26 (b)	(1,130)	(1,161)
Fair value gain on collective investment schemes		(4,283)	(1,910)
Fair value gain on investment properties		-	(1,010,000)
Share of profits of associate		-	(1,518)
Gain on disposal of property and equipment	16(b)	145	299
Amortisation of intangible assets	6	18,888	23,856
Dividend income		(1,934,000)	(385,000)
Working capital changes;			
Increase in other receivables		(1,007,035)	19,722
Decrease in inventories		60,800	-
Decrease in related party balances		531,144	(372,431)
Increase in other payables		275,143	313,340
Increase in related party loan payables		(260,000)	438,498
Cash generated from / (used in) operations		(450,303)	266,529
c) Net debt reconciliation			
This section sets out an analysis of net debt:			
Group			
Cash and cash equivalents	48	12,913,720	10,017,580
Gross debt - Lease liability	14 (a)	(172,773)	(199,533)
Gross debt – Borrowings	39	(5,024,829)	(5,271,369)
Net cash		7,716,118	4,546,678
Company			
Cash and cash equivalents	48	16,575	44,234
Gross debt – related party loan	28	(585,190)	(751,705)
Gross debt – Borrowings	39	(4,917,914)	(5,165,766)
Net debt		(5,486,529)	(5,873,237)

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 2025

48. CASH AND CASH EQUIVALENTS

	Notes	2025	2024
		KShs'000	KShs'000
Cash and cash equivalents comprise of:			
GROUP			
Cash and bank balances		727,149	823,330
Deposits with banks – original maturity; maturing within 3 months	29	12,186,571	9,194,250
		12,913,720	10,017,580
COMPANY			
Cash and bank balances		16,575	44,234
Deposits with banks – original maturity; maturing within 3 months	29	-	-
		16,575	44,234

The cash and cash equivalents disclosed above and in the statement of cash flows include KShs 14,223,000 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

The table below summarises the weighted average effective interest rates realised during the year on the principal interest-bearing investments:

a) GROUP

Liability for remaining coverage (LRC)

	2025	2024
	KShs'000'	KShs'000'
Net investment contracts liabilities at 1 January	(98,924)	(141,273)
Movement:		
Contributions received	(3,716)	(5,719)
Withdrawals/maturities	26,122	65,886
Fair value gains	(14,200)	(17,818)
Total movement	8,206	42,349
Net investment contracts liabilities at 31 December	(90,718)	(98,924)

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	2025	2024	2021
		%	%	%
Government securities	Fixed	13.46	13.46	12.00
Corporate bonds	Fixed	12.57	12.57	11.50
Mortgage loans	Fixed	6.00	6.00	6.00
Staff loans	Fixed	6.00	6.00	6.00
Policy loans	Fixed	8.00	8.00	8.00
Deposits with financial institutions	Fixed	15.39	15.39	9.25
Cash and cash equivalents	Fixed	7.00	7.00	6.75

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

51. CONTINGENCIES 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:

	2025	2024
	KShs'000	KShs'000
Committed but not contracted for	416,783	447,309

b. Commitments, operating leases and bank guarantees (CONTINUED)

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:

	2025	2024
	KShs '000	KShs '000
Within one year	89,640	81,959
After one year but not more than two years	94,033	31,380
After two year but not more than five years	215,218	55,027
Total operating lease rentals receivable	398,891	168,366

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	337,214	582,220
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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 2025

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. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

52. RISK MANAGEMENT FRAMEWORK (CONTINUED)

Capital management objectives, policies and approach (CONTINUED)

Approach to capital management (CONTINUED)

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.

	2025	2024
	KShs'000	KShs'000
Share capital	2,877,078	2,615,578
Share premium	162,179	162,179
Statutory reserve	2,476,970	2,300,170
Contingency reserve	3,549	3,549
Revaluation surplus	332,759	367,956
Translation reserve	(1,142,186)	(1,025,233)
Fair value reserve	695,952	(63,671)
Retained earnings	6,516,592	6,711,324
Equity attributable the owners of the parent	11,922,893	11,071,852
Non-controlling interest	(77,567)	(58,018)
Total equity	11,845,326	11,013,834

Group had external borrowings at 31 December 2025 of KShs 5.0 billion (2024 – Kshs 5.3 billion).

Group			
Cash and cash equivalents	48	12,913,720	10,017,580
Gross debt - Lease liability	14 (a)	(172,773)	(199,533)
Gross debt - Borrowings	39	(5,024,829)	(5,271,369)
Net cash		7,716,118	4,546,678
Total equity		11,845,326	11,013,834
Net debt to equity ratio		0%	0%
Company			
Cash and cash equivalents	48	16,575	44,234
Gross debt – related party loan	28	(585,190)	(751,705)
Gross debt - Borrowings	39	(4,917,914)	(5,165,766)
Net debt		(5,486,529)	(5,873,237)
Total equity		4,546,993	3,708,454
Net debt to equity ratio		121%	158%

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 2025 as per the insurance regulatory commission of Uganda. The Group is taking remedial action to ensure this is cured in 2025.

d. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53. INSURANCE AND FINANCIAL RISK

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.

53.1 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.1 Insurance risk (CONTINUED)

1. Life insurance contracts (CONTINUED)

The following tables show the concentration of life insurance contract liabilities and investment contract liabilities by type of contract. 31 December 2025

	Gross Insurance contract liabilities	Direct participating	Total insurance contract liabilities	Reinsurance assets	Net liabilities
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Ordinary life	7,767,313	-	7,767,313	(9,499)	7,757,814
Group life	10,931,463	-	10,931,463	(1,520,112)	9,411,351
Total insurance liabilities	18,698,776	-	18,698,776	(1,529,611)	17,169,165
Deposit administration	-	19,457,781	19,457,781	-	19,457,781
Total	18,698,776	19,457,781	38,156,557	(1,529,611)	36,626,946

31 December 2024

	Gross Insurance contract liabilities	Reinsurance* Direct participating	Total insurance contract liabilities	Reinsurance assets	Net liabilities
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
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

*The direct participating contracts (deposit administration) are not reinsured.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.1 Insurance risk (CONTINUED)

Life insurance contracts (CONTINUED)

Key Assumptions (CONTINUED)

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.

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			2022	2021
	2025	2024	2025 and 2024				
			YR1 LAPSE	YR2 LAPSE	YR3 LAPSE		
Insurance contracts							
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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.1 Insurance risk (CONTINUED)

Non-life insurance contracts (CONTINUED)

The table below sets out the concentration of insurance contract liabilities by type of contract:

	31 December 2025			31 December 2024		
	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	9,893,846	(3,304,113)	6,589,733	7,998,087	(2,402,096)	5,595,991
Medical	4,626,581	(120,298)	4,506,283	3,064,351	(69,608)	2,994,743
Total	14,520,427	(3,424,411)	11,096,016	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.

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 risks

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 2025 and 2024 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

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.
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 unlikeliness 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

(a) Credit risk (CONTINUED)

- 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.

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 2025	Total 2024
Internal rating grade	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
High grade	24,152,112	-	-	24,152,112	18,298,733
Standard grade	-	-	-	-	-
Total gross amount	24,152,112	-	-	24,152,112	18,298,733
ECL	(581)	-	-	(581)	(1,202)
Total net amount	24,151,531	-	-	24,151,531	18,297,531
	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Movement of ECL:	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(1,202)	-	-	(1,202)	(2,870)
(Charge) /credit through profit or loss	621	-	-	621	1,668
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(581)	-	-	(581)	(1,202)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (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 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Internal rating grade					
Performing					
High grade	198,260	-	-	198,260	86,368
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	9,266	9,266	6,252
Non-performing	-	-	-	-	-
Individually impaired	-	-	634	634	-
Total Gross	198,260	-	9,900	208,160	92,620
ECL	-	-	(3,410)	(3,410)	(3,464)
Total Net Amount	198,260	-	6,490	204,750	89,156

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL as at 1 January	-	-	(3,464)	(3,464)	(449)
(Charge) /credit through profit or loss	-	-	(580)	(580)	(3,015)
Write off	-	-	634	634	-
Movement between 12m ECL and LTECL	-	-	-	-	-
	-	-	(3,410)	(3,410)	(3,464)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

a. Credit risk (CONTINUED)

iii) Financial assets at amortised cost: Government securities Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Internal rating grade					
Performing					
High grade	12,142,160	-	-	12,142,160	10,914,547
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	12,142,160	-	-	12,142,160	10,914,547
ECL	(1,953)	-	-	(1,953)	(1,488)
Total Net Amount	12,140,207	-	-	12,140,207	10,913,059

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 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Internal rating grade					
ECL as at 1 January	(1,488)	-	-	(1,488)	(847)
(Charge) /credit through profit or loss	(465)	-	-	(465)	(641)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(1,953)	-	-	(1,953)	(1,488)

iv) Financial Assets at amortised cost-Loan receivables Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Internal rating grade					
High grade	80,690	-	-	80,690	89,561
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	80,690	-	-	80,690	89,561
ECL	(11,847)	-	-	(11,847)	(11,521)
Total Net Amount	68,843	-	-	68,843	78,040

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(11,521)	-	-	(11,521)	(11,575)
(Charge) /credit through profit or loss	(326)	-	-	(326)	54
Movement between 12m ECL and LTECL	-	-	-	-	-
	(11,847)	-	-	(11,847)	(11,521)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

a.Credit risk (CONTINUED)

v) Financial Assets at amortised cost-Loan Receivables

(b) COMPANY

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Internal rating grade					
Performing					
High grade	17,441	-	-	17,441	16,351
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	17,441	-	-	17,441	16,351
ECL	(288)	-	-	(288)	(288)
Total Net Amount	17,153	-	-	17,153	16,063

Analysis of the ECL is as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
ECL as at 1 January	(288)	-	-	(288)	(288)
(Charge) /credit through profit or loss	-	-	-	-	-
Movement between 12m ECL and LTECL	-	-	-	-	-
	(288)	-	-	(288)	(288)

vi) Deposits with financial institutions

(a) Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Internal rating grade					
High grade	14,210,580	-	-	14,210,580	11,695,759
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	14,210,580	-	-	14,210,580	11,695,759
ECL	(17,759)	-	-	(17,759)	(5,736)
Total Net Amount	14,192,821	-	-	14,192,821	11,690,023

An analysis of changes in the ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(5,736)	-	-	(5,736)	(27,617)
(Charge) /credit through profit or loss	(12,023)	-	-	(12,023)	21,881
Unwind of discount	-	-	-	-	-
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(17,759)	-	-	(17,759)	(5,736)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

a. Credit risk (CONTINUED)

(b) Deposits with financial institutions - Company

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Internal rating grade	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Performing					
High grade	43,196	-	-	43,196	64,111
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
Total Gross	43,196	-	-	43,196	64,111
ECL	(21)	-	-	(21)	(33)
Total Net Amount	43,175	-	-	43,175	64,078

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Internal rating grade	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
ECL at start of year	(33)	-	-	(33)	(70)
(Charge) /credit through profit or loss	12	-	-	12	37
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(21)	-	-	(21)	(33)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

a. Credit risk (CONTINUED)

vii) Financial assets at amortised cost -Receivables from related parties

(a) Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Internal rating grade	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Performing					
High grade	255,219	-	-	255,219	260,795
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	255,219	-	-	255,219	260,795
ECL	(10,554)	-	-	(10,554)	(6,982)
Total net Amount	244,665	-	-	244,665	253,813

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Internal rating grade	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
ECL as at 1 January	(6,982)	-	-	(6,982)	(5,573)
(Charge) /credit through profit or loss	(3,572)	-	-	(3,572)	(1,409)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(10,554)	-	-	(10,554)	(6,982)

(b) Company

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
Internal rating grade	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Performing					
High grade	475,581	-	-	475,581	479,909
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	475,581	-	-	475,581	479,909
ECL	(4,311)	-	-	(4,311)	(2,400)
Total Net Amount	471,270	-	-	471,270	477,509

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
ECL as at 1 January	(2,400)	-	-	(2,400)	(1,996)
(Charge) /credit through profit or loss	(1,911)	-	-	(1,911)	(404)
Movement between 12m ECL and LTECL	-	-	-	-	-
	(4,311)	-	-	(4,311)	(2,400)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

a. Credit risk (CONTINUED)

viii) Financial assets at amortised cost - Other receivables

(a) Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Internal rating grade					
Performing					
High grade	2,126,899	-	-	2,126,899	942,569
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	2,126,899	-	-	2,126,899	942,569
ECL	(13,343)	-	-	(13,343)	(14,088)
Total Net Amount	2,113,556	-	-	2,113,556	928,481

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
ECL at start of year	(14,088)	-	-	(14,088)	(12,393)
(Charge) /credit through profit or loss	745	-	-	745	(1,695)
Movement between 12m ECL and LTECL	-	-	-	-	-
ECL at end of year	(13,343)	-	-	(13,343)	(14,088)

ix) Financial assets at amortised cost – Cash and bank balances

(a) Group

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	Kshs'000	KShs'000	Kshs'000	KShs'000	KShs'000
Internal rating grade					
Performing					
High grade	728,161	-	-	728,161	824,342
Standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
Non-performing					
Individually impaired	-	-	-	-	-
Total Gross	728,161	-	-	728,161	824,342
ECL	(1,012)	-	-	(1,012)	(1,012)
Total Net Amount	727,149	-	-	727,149	823,330

An analysis of changes in ECLs is, as follows:

	STAGE 1	STAGE 2	STAGE 3	Total 2025	Total 2024
	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 2025

53.2 Financial risks (CONTINUED)

a. Credit risk (CONTINUED)

The table below indicates the maximum exposure of assets bearing credit risk:

GROUP

	2025	2024
	KShs'000	KShs'000
Corporate bonds at amortised cost	204,750	89,156
Government securities at amortised cost	12,140,207	10,913,059
Loans receivable	68,843	78,040
Government securities at fair value through OCI	24,151,531	18,297,531
Equity instruments at fair value through OCI	121,389	29,224
Equity instruments at fair value through profit or loss	1,995,892	931,739
Investment in collective Schemes	1,451,846	1,253,553
Reinsurance contract assets	4,954,022	5,058,722
Other receivables	2,113,555	928,481
Due from related parties	244,665	253,813
Deposits with financial institutions	14,192,821	11,690,023
Cash and cash equivalents	727,149	823,330
Total	62,366,670	50,346,671
Company		
Loans receivable	17,153	16,063
Other receivables	1,048,849	41,814
Due from related parties	471,270	477,509
Investment in collective Schemes	20,694	16,411
Deposits with financial institutions	43,175	64,078
Cash and cash equivalents	16,575	44,234
Total	1,617,716	660,109

Short term business

Impaired financial assets

At 31 December 2025, 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.

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 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

b. Liquidity risk (CONTINUED)

GROUP

The table below provides a contractual maturity analysis of the group's financial assets and liabilities:
31 December 2025

	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	-	-	15,329	265,659	4,255	285,243
Financial assets at amortised cost -Government securities	-	79,408	422,386	5,117,583	13,481,927	19,101,304
Financial assets at amortised cost -Loans receivable	-	17,188	176	6,704	25,718	49,786
Financial assets at fair value through other comprehensive income -Government securities	-	68,319	264,338	6,363,859	35,999,378	42,695,894
Investments in collective investment schemes at fair value through Profit or loss	-	660,633	538,828	-	-	1,199,461
Equity investments at fair value through profit or loss	1,994,756	-	-	-	-	1,994,756
Equity investments at fair value through other comprehensive income	29,821	-	-	-	-	29,821
Reinsurance contract assets	-	4,395,107	-	-	-	4,395,107
Other receivables	-	2,089,568	253	-	-	2,089,821
Due from related parties	-	244,665	-	-	-	244,665
Deposits with financial institutions	-	13,344,709	489,855	692,170	-	14,526,734
Cash and cash equivalents	-	698,941	-	-	-	698,941
Total financial assets	2,024,577	21,598,538	1,731,165	12,445,975	49,511,278	87,311,533
Financial liabilities						
Borrowings	-	-	4,917,914	-	-	4,917,914
Lease Liability	-	26,558	56,690	138,381	6,098	227,727
Other payables	-	2,697,993	-	-	-	2,697,993
Insurance contract liabilities	-	11,906,811	-	-	-	11,906,811
Total financial liabilities	-	14,631,362	4,974,604	138,381	6,098	19,750,445
Net liquidity (gap)	2,024,577	6,967,176	(3,243,439)	12,307,594	49,505,180	67,561,088

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (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
Total financial liabilities	-	13,320,910	5,214,830	134,353	1,073	18,671,166
Net liquidity (gap)	938,517	2,893,733	(3,501,434)	10,999,676	36,867,003	48,197,495

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

c. Liquidity risk (CONTINUED)

COMPANY

31 December 2025

	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	-	17,153	-	-	-	17,153
Investments in collective investment schemes at fair value through Profit or loss	-	-	20,694	-	-	20,694
Other receivables	-	1,079,063	-	-	-	1,079,063
Due from related parties	-	430,274	-	-	-	430,274
Deposits with financial institutions	-	45,334	-	-	-	45,334
Cash and cash equivalents	-	16,575	-	-	-	16,575
Total financial assets	-	1,588,399	20,694	-	-	1,609,093
Financial liabilities						
Borrowings	-	4,917,914	-	-	-	4,917,914
Related party loan	-	-	593,956	-	-	593,956
Other payables	-	876,484	-	-	-	876,484
Due to related parties	-	877,505	-	-	-	877,505
Total financial liabilities	-	6,671,903	593,956	-	-	7,265,859
Net liquidity (gap)	-	(5,083,504)	(573,262)	-	-	(5,656,766)

	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
Due to related parties	-	6,129,753	751,705	-	-	6,881,458
Total financial liabilities	-	(5,482,851)	(735,294)	-	-	(6,218,145)
Net liquidity (gap)	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

(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.

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.

	Increase/(decrease) in variables	31st December 2025		31st December 2024	
		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 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.

Government securities at fair value through other comprehensive income represents 67% 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

53.2 Financial risks (CONTINUED)

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 94% (2024: 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 99,795,000 (2024: KShs 46,587,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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.

GROUP 31-Dec-25

	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	1,995,892	-	-	1,995,892	1,995,892
- at fair value through OCI	-	-	121,389	121,389	121,389
Government securities classified at fair value through OCI	24,151,531	-	-	24,151,531	24,151,531
Investments in collective investment schemes at fair value through profit or loss	-	1,451,846	-	1,451,846	1,451,846
Owner occupied property and equipment	-	-	741,524	741,524	741,524
Investment properties	-	-	3,321,952	3,321,952	3,321,952
Non-recurring fair value Measurements – fair value of assets not measured at fair value					
Corporate bonds	-	204,750	-	204,750	204,750
Government securities at amortised cost	11,676,973	-	-	11,676,973	12,140,207
Loan receivables	-	-	68,843	68,843	68,843
Total assets at fair value	37,824,396	1,656,596	4,253,708	43,613,432	44,197,934
Liabilities					
Investment contract liabilities	-	90,718	-	90,718	90,718
Total liabilities at fair value	-	90,718	-	90,718	90,718

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

54. FAIR VALUE MEASUREMENT (CONTINUED)

GROUP (CONTINUED)

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
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	4,585,289	36,863,465	36,099,551
Liabilities					
Investment contract liabilities	-	98,924	-	98,924	98,924
Total liabilities at fair value	-	98,924	-	98,924	98,924

COMPANY

2025

	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 OCI	-	-	76,960	76,960	76,960
Investments in collective investment schemes at fair value through profit or loss	-	20,694	-	20,694	20,694
Fair value of assets not measured at fair value					
Loan receivables	-	-	17,153	17,153	17,153
Total assets at fair value	-	20,694	94,113	114,807	114,807
2024					
Recurring fair value measurements					
Investments in collective investment schemes at fair value through profit or loss	-	16,411	-	16,411	16,411
Fair value of assets not measured at fair value					
Loan receivables	-	-	16,063	16,063	16,063
Total assets at fair value	-	16,411	16,063	32,474	32,474

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 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 Investment properties	3	Valuation basis Discounted cash flow model (DCF)	16	Significant unobservable Inputs Discount rate used, Net Annual Rent, Annual rent growth rate	Sensitivity of input to the fair value Increase/(decrease) in discount by 5% would decrease/(increase) fair value by KShs 80.1 million

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 hyperinflationary 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..

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

55. GAIN ON MONETARY POSITION (CIC AFRICA SOUTH SUDAN & MALAWI) (CONTINUED)

Statement showing the net monetary result on account of price level changes:	2025	2024
	KShs'000	KShs'000
Monetary liabilities at 1 January	3,543,960	7,001,620
Increase in net monetary liabilities in the year	1,092,637	2,334,652
Effects of exchange rate changes	(343,797)	(5,845,403)
Monetary liabilities at 31 December	4,292,800	3,490,869
Expressed in purchasing power at 31 December	3,363,948	2,327,078
Loss on monetary liabilities (a)	(928,852)	(1,163,791)
Monetary assets at 1 January	3,316,736	5,604,973
Increase in net monetary assets in the year	612,636	2,059,217
Effects of exchange rate changes	(263,205)	(4,424,318)
Monetary assets at 31 December	3,666,167	3,239,872
Expressed in purchasing power at 31 December	2,802,979	2,628,995
Gain on monetary assets (b)	(863,188)	(610,877)
Net gain on monetary position (c=a+b)	65,664	552,914

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.

NOTICE OF ANNUAL GENERAL MEETING OF THE CIC INSURANCE GROUP PLC

NOTICE IS HEREBY GIVEN that the Forty Seventh (47th) Annual General Meeting of the shareholders of the CIC INSURANCE GROUP PLC ("the Company") will be held via electronic means, on Friday 8th May 2026 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 2025 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 2025, to be paid on or before 9th June 2026, to shareholders appearing on the Register of Members at the close of business on 23rd April 2026. The register will remain closed for one day on 24th April 2026 for the preparation of dividend warrants.

4. Election, Rotation and Retirement of Directors.

a) Appointment of Director

Agnes Gathaiya being an Independent Non-Executive Director appointed by the Board on 18th August 2025 in accordance with Article 132 of the Company's Articles of Association and being eligible offers herself for election.

b) Rotation of Director:

James Njue retires by rotation in accordance with Article 127 of the Company's Articles of Association, and being eligible offers himself for re-election.

c) Rotation of Director:

Michael Wambia retires by rotation in accordance with Article 127 of the Company's Articles of Association, and being eligible offers himself for re-election.

d) Rotation of Director:

Sharon Kisire retires by rotation in accordance with Article 127 of the Company's Articles of Association, and being eligible offers herself for re-election.

5. Board Audit Committee

In accordance with the provisions of section 769 (1) 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
- b. Rogers Kinoti
- c. Johnson Kegohi
- d. Sharon Kisire

6. Directors Remuneration Report

To approve the Directors Remuneration Report thereof for the year ended 31st December 2025 and to authorize the directors to fix their remuneration for the year ending 31st December 2026.

7. Appointment of Messrs. PriceWaterhouseCoopers, 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 721(2) of the Companies Act. No 17 of 2015 and to authorize Directors to fix their remuneration.

8. Special Business

Ratification of Allotment of 53,587 Additional Bonus Shares Arising from Fractional Entitlements

NOTICE OF ANNUAL GENERAL MEETING OF THE CIC INSURANCE GROUP PLC (CONTINUED)

a) To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

Authorizing Resolution

- i. THAT pursuant to Section 329 of the Companies Act, No. 17 of 2015, and Article 52 of the Articles of Association of the Company, the allotment of 53,587 additional ordinary shares (having an aggregate nominal value of Kenya Shillings Fifty-Three Thousand Five Hundred and Eighty-Seven (KShs. 53,587)) arising from the application of the bonus share ratio approved at the Annual General Meeting held on 9th May 2025 and allotted to the shareholders entitled thereto, be and is hereby ratified, confirmed, and approved. The said allotment arose from consolidation and adjustment of fractional entitlements (at the then prevailing market price), and which allotment was approved by the Board of Directors at its meeting held on 11th June 2025.
- ii. THAT the said 53,587 additional ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company, and that the actions of the Board of Directors in implementing the aforesaid allotment be and are hereby authorised, confirmed, and ratified in all respects.

9. Any Other Business.

To transact any other business for which due notice has been received.

Dated at Nairobi this 14th day of April 2026

By Order of the Board,

GAIL ODONGO
GROUP COMPANY SECRETARY

1. In accordance with the Articles of Association and the Companies Act, 2015, the Forty Seventh Annual General Meeting (AGM) of the CIC Insurance Group PLC ("the Company") will be held virtually on Friday 8th May 2026 at 10.00am.
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 *483*180# 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: (+254) 709 170 041/0709 170 000 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 2026 at 9:00 am and will close on 6th May 2026 at 10.00 am.
5. In accordance with Section 283(2)(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 2025.

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.

NOTICE OF ANNUAL GENERAL MEETING OF THE CIC INSURANCE GROUP PLC (CONTINUED)

6. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
- sending their written questions by email to cicgroupagm@image.co.ke
 - 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
 - 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
 - sending their written questions with a return physical address or email address by registered post to the Company's address at P. O. Box 58485-00200 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 7th May, 2026 at 11:00 am.

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 298(1) 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 9287 – 00100 GPO, Nairobi, so as to be received not later than 5th May, 2026 at 10:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than 5th May 2026 at 10.00 am. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 5th May, 2026 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**

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 8th May, 2026 at 10.00 am and at any adjournment thereof

Signed this _____ day of _____ 2026

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

RESOLUTION	FOR	AGAINST	WITHHELD
Approval of the Annual Report and Financial Statements for the Year ended 31st December, 2025			
Declaration of a first and final dividend of Kshs. 0.13 per share for the year ended 31st December 2025			
<p>Board Appointment of Director</p> <p>Agnes Gathaiya being an Independent Non-Executive Director appointed by the Board on 18th August 2025 in accordance with Article 132 of the Company's Articles of Association and being eligible offers herself for election.</p>			
<p>Board Rotation of Director</p> <p>Rotation of Director James Njue in accordance with Article 127 of the Company's Articles of Association.</p>			
Rotation of Director Sharon Kisire in accordance with Article 127 of the Company's Articles of Association.			
<p>Board Audit Committee</p> <p>Election of the following Directors, as members of the Audit Committee of the Board.</p> <ol style="list-style-type: none"> 1. Julius Mwatu 2. Rogers Kinoti 3. Johnson Kegohi 4. Sharon Kisire 			

RESOLUTION	FOR	AGAINST	WITHHELD
<p>Approval of the Directors Remuneration Report for the year ended 31st December 2025, and authorize directors to fix their remuneration for the year ending 31 st December 2026.</p>			
<p>Special Business</p> <p>Ratification of Allotment of 53,587 Additional Bonus Shares Arising from Fractional Entitlements THAT pursuant to Section 329 of the Companies Act, No. 17 of 2015, and Article 52 of the Articles of Association of the Company, the allotment of 53,587 additional ordinary shares (having an aggregate nominal value of Kenya Shillings Fifty-Three Thousand Five Hundred and Eighty-Seven (KShs. 53,587)) arising from the application of the bonus share ratio approved at the Annual General Meeting held on 9th May 2025 and allotted to the shareholders entitled thereto, be and is hereby ratified, confirmed, and approved. The said allotment arose from consolidation and adjustment of fractional entitlements (at the then prevailing market price), and which allotment was approved by the Board of Directors at its meeting held on 11th June</p>			
<p>THAT the said 53,587 additional ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company, and that the actions of the Board of Directors in implementing the aforesaid allotment be and are hereby authorised, confirmed, and ratified in all respects.</p>			

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 8th May, 2026.

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

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 6th May, 2026 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 6th May 2026 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.



KENYA • SOUTH SUDAN • UGANDA • MALAWI
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✉ callc@cic.co.ke 🌐 www.cic.co.ke

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