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FINANCIAL CAPITAL

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FOREWORD

THE THEME TO OUR REPORT

The theme to our 2023 integrated report is "ENDLESS POSSIBILITIES". In this report we share the story of our business which is marked by significant progress and achievements across the three East African countries in which we operate. It was also the second year of implementation of our 2022-2024 strategy involving consolidation of our strategic moves towards attaining the goals that we set for ourselves.

SUBSIDIARY REALIGNMENT

During the year ICEA LION General Insurance Kenya Limited acquired ICEA LION General Insurance Company (UG) Limited with effect from 1 January 2023. Our report therefore consolidates our general businesses in Kenya, Uganda and Tanzania.

OUR BUSINESS PERFORMANCE

The year 2023 has been a remarkable one for our business and the ICEA LION Group. The General businesses in Kenya, Uganda and Tanzania reported topline growths of 19%, 5% and 27% respectively. In addition the Group and Company Profit Before Tax grew by 74% and 60% respectively to close at Kshs 1.65 Billion and Kshs 1.4 billion respectively. The report also captures various key metrics of our business both financial and non-financial in the section "A snapshot of ICEA LION General" as well as how we create value across the 6 capitals in the section "Our Value Creation".

OUR PEOPLE

The right people at the right positions remains our greatest asset as a business. In 2023, various key initiatives involving our staff were carried out among them being the Engagement Survey, the Culture Campaign and the Graduates Management Trainees Program.

• Engagement Survey

During the year, we conducted an **Employee Engagement Survey dubbed** "Your Voice Matters". Based on this survey, 93%of our employees feel connected and are committed to ICEA LION General (Compared to a High performance Norm score of 88%) while 94% of our employees are aware and can demonstrate the required behaviors and are happy to recommend ICEA LION General to others.

• The Culture Campaign

Our business started a culture transformation journey in 2023 dubbed "It Starts with Us". This journey entailed identification of Red and Green behaviors being the behaviors to never do and those that we committed to always do. The Culture launch was kick started on 25th July 2023. In a bid to make the behaviors known and stick, the business organized for all employees to attend culture change team-building sessions in September 2023.

• The Graduate Management Trainees Program

This Program was rolled out in the Kenya business in 2023 with a commitment to not only offer employment opportunities for new graduates but also to ensure that we keep building a strong talent bench for our business.

OUR CUSTOMERS

We have over the past year undertaken a review of our brand and are pleased to report that we unveiled a lively Brand Thematic Campaign, "What's Your Plan?" on 19th February 2024. The "What's Your Plan?" campaign introduces a fresh perspective with its inclusive, optimistic tone and bold, vivid colours, resonating with the diverse aspirations of its target audience. Departing from the conventional conservatism of the insurance and investments sector, ICEA LION positions itself as a contemporary lifestyle brand, empowering individuals to realize their dreams and aspirations. The core theme revolves around the significance of planning for the future, framing insurance, and investments as integral components of everyday life.

OUR ROLE IN SUSTAINABILITY

In the dynamic landscape of Environmental, Social, and Governance (ESG) considerations, ICEA LION Group is steadfast in its commitment to sustainability, innovation, and thought leadership. The year 2023 marked significant milestones, symbolizing our dedication to ESG principles across various facets of our operations.

One of the foundational pillars of our commitment is the strategic appointment of a Group ESG Specialist and ESG Champions drawn from our different business units. This dynamic team is instrumental in integrating and operationalizing ESG principles within our business framework. Recognizing the importance of knowledge dissemination, ESG Training sessions were conducted for the Board, Group Executives, and ESG Champions, ensuring a comprehensive understanding and alignment with our sustainability objectives.

Our Group CEO, Mr. Philip Lopokoiyit, emerged as a trailblazer in the realm of sustainable insurance. His appointment as the first Chairperson of the Nairobi Declaration on Sustainable Insurance (NDSI) and subsequent elevation to the Vice Chairperson of the UNEP, FI Principles for Sustainable Insurance (PSI) Board attests to our leadership in shaping ESG discourse regionally and globally.

One of the significant milestone was our involvement in the re-launch of the Africa Financial Alliance on Climate Change (AFAC), an initiative led by AfDB during the Inaugural Africa Climate Summit (ACS) in Nairobi. NDSI serving as the Insurance Partner for AFAC, our CEO's participation in his capacity as the NDSI chair displayed our dedication to driving transformative change within the financial sector.

Another impactful contributions extended to COP28, where our CEO addressed audiences in the NDSI event titled 'Thirty Months On: Assessing Progress and Prospects of the Nairobi Declaration for Sustainable Insurance.' This insightful session, held on December 3, 2023, delved into the achievements and future prospects of the NDSI.

Our comprehensive engagement in ESG initiatives, our leadership appointments, and our active participation in global forums reaffirm ICEA LION Group's commitment to sustainability, environmental responsibility, and societal well-being. We look forward to the continued integration of ESG principles into our business operations and the positive impact this will have on our stakeholders and the broader community.

IN CONCLUSION

We trust that the readers of this report including all our stakeholders will find the report useful in helping them understand our business, our strategy, our purpose for existence as well as our aspirations. We are confident that "endless possibilities" lie ahead of the ICEA LION Group as we continue making a mark and positively impacting the lives of all our stakeholders as well as our environment.



ABOUT OUR REPORT

OUR REPORTING SCOPE AND BOUNDARY

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

The integrated report includes the Company ICEA LION General Insurance Company Limited and the Subsidiaries, ICEA LION General Insurance Company Tanzania Limited and ICEA LION General Insurance Company Uganda Limited together referred to as the 'Group' and unless otherwise stated, this report covers the financial period, 1 January 2023 to 31 December 2023.

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

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

OUR REPORTING FRAMEWORKS

This report has been prepared in compliance with the International Integrated Reporting Council (IIRC) Framework. The ICEA LION Integrated Report Lab and Leadership Team have considered the IIRC guiding principles, key elements and concepts; and with the guidance of the Board of Directors applied these to the preparation of this report. This report is also aligned with the parameters of the Global Reporting Initiative (GRI), Kenya Companies Act, 2015, The Corporate Governance Code for the Private Sector, as well as guidance issued by the Insurance Regulatory Authority on Corporate Governance. The financial statements have been prepared in accordance with IFRS Accounting Standards.



FORWARD-LOOKING STATEMENTS

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

ASSURANCE

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

DIRECTOR'S STATEMENT OF RESPONSIBILITY

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

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

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

On the recommendation of the Board Audit and Risk management committee, the Board approved and authorised for issue the integrated report on 15th March 2024.

J Wangai Chairman J. K Kimeu

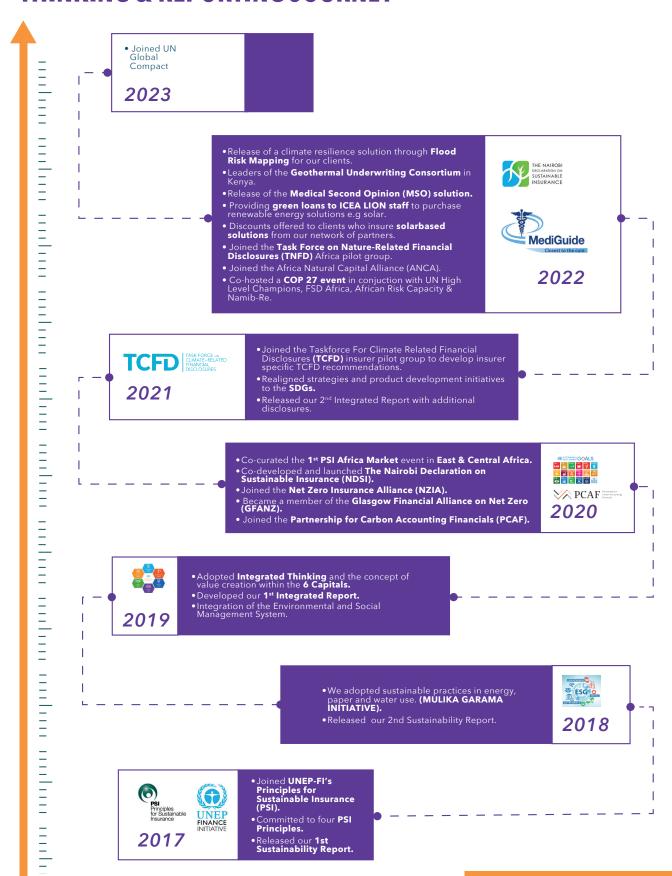
Director

P.Lopokoiyit

Chief Executive Officer and Principal Officer



OUR SUSTAINABILITY, INTEGRATED THINKING & REPORTING JOURNEY





HOW TO READ OUR REPORT

	SECTION	COMMENTARY	KEY CONCEPTS	FRAMEWORKS APPLIED
1.	Our Business	Describes our history, staff complement, our Mission, Vision and Values and our Geographical Presence	About Us	 King IV Code <ir>Framework Of the International Reporting Council (IIRC)</ir> Global Reporting Initiative (GRI)
2.	Perspective from the Board	Our Board Chairman and the Chairmen of the various Board Committees describe key aspects with respect to our business as well as the Board and Board committee activities during the year	Board Chairman Statement and Board Committee Chairman Statement	 The Corporate Governance Code (CGC) King IV Code IIRC
3.	Perspectives from the Leadership Team	The leadership team describes our operating context and key aspects we have focused on in 2023.	Operating Context	 IFRS Companies Act King IV Code GRI IIRC CGC
4.	Our Strategy	2023 was our second year of implementation of our 3 year strategy for the period 2022-2024. In this section we highlight the key pillars of this strategy and key achievements in 2023.	Our Business Model Our Strategy	King IV Code IIRC
5.	Our Approach to Value Creation and Safeguarding Value	The report describes how we create value across the 6 Capitals and also the link between this and the SDGs. Details of our key activities and outcomes in each of these capitals are also described	How We Create Value A Snapshot of ICEA LION General	King IVGRIIIRC
6.	Our Governance	This section presents a detailed view of the Group's corporate governance practices	Corporate Governance Statement	CGCKing IVGRIIIRC
7.	Annual Financial Statements	This section sets out the Group's fully audited financial statements	Financial Statements	IFRSCompanies ActIncome Tax ActIRA guidelines

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A SNAPSHOT OF ICEA LION GENERAL

Human Capital

Aspect	2023	2022	Increase or Decrease
ICEA LION General Group Employees	278	276	A
Women in our workforce	51%	51%	
Women in Senior Management	38%	33%	A
Proportion of staff who are engaged (based on Employee Engagement Survey)	93%	N/A	
Staff Fatalities	NIL	1	
Employees with disabilities	NIL	NIL	

Intellectual Capital

Aspect	2023	2022	Increase or Decrease
No of Customer Portals	12	11	A
No of products distributed digitally	4	4	

No of customers on our social media platforms							
	2024 2023 2022						
Facebook	70,513	69,745	67,432				
Twitter	12,544	12,225	10,600				
LinkedIn	32,132	30,836	24,500				
Instagram	9,106	8,447	7,400				
YouTube	1,950	1,840	1,620	A			

Social & Relationship Capital

Aspect	2023	2022	Increase or Decrease
No of Customers	31,859	30,916	A
No of Agents	1,418	1,376	A
No of Brokers	164	166	▼

Natural Capital

Aspect	2023	2022	Increase or Decrease
Water	11,028	8,463	
Consumption (Ksh)			
Waste Recycled	5,972kg	-	

Manufactured Capital

Aspect	2023	2022	Increase or Decrease
Investment Properties- Commercial	2	2	·
Investment Properties- Residential	1	1	·
No of Branches	18	18	-

Financial Capital

Aspect	2023 Ksh 000'	2022 Ksh 000'	Increase or Decrease
Insurance Revenue Group	10,887,918	7,870,475	A
Sum Insured (Group)	3,441,455,677	3,654,624,187	•
Taxes Paid	501,507	280,364	
Levies Paid (Company)	139,514	123,048	
Profit Before Tax	1,650,277	945,792	
Group Increase in cash and cash equivalents	915,381	(494,687)	A



ABOUT US

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

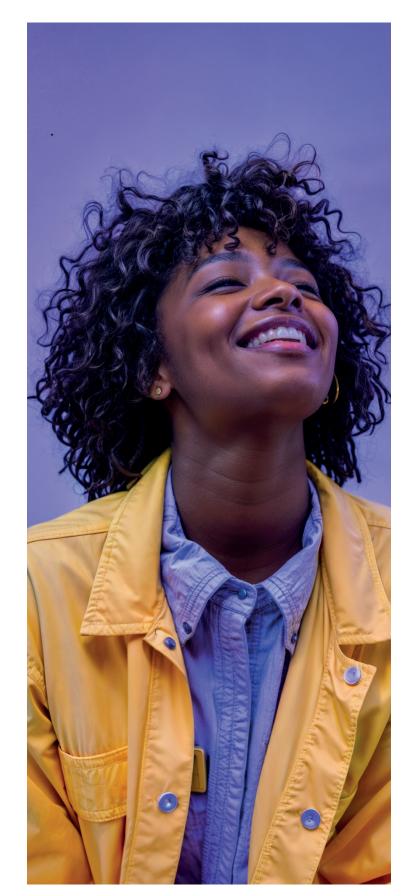
The Group was formed as a result of a business reorganization involving Insurance Company of East Africa Limited (ICEA) and Lion of Kenya Insurance Company Limited (LOK) in January 2012. We are one of the largest providers of insurance and financial services in East Africa with well-established operations in Kenya, Uganda and Tanzania.

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

We have done so by firmly keeping an eye on the future and embracing innovation to craft financial products and services that we know meet our clients' diverse and dynamic needs in today's constantly changing world. ICEA LION Group is a member of First Chartered Securities (FCS), a private investment holding company with interests in financial services, logistics, real estate, manufacturing and agriculture. Over the years, the Group has built impressive investment portfolios in these spheres.

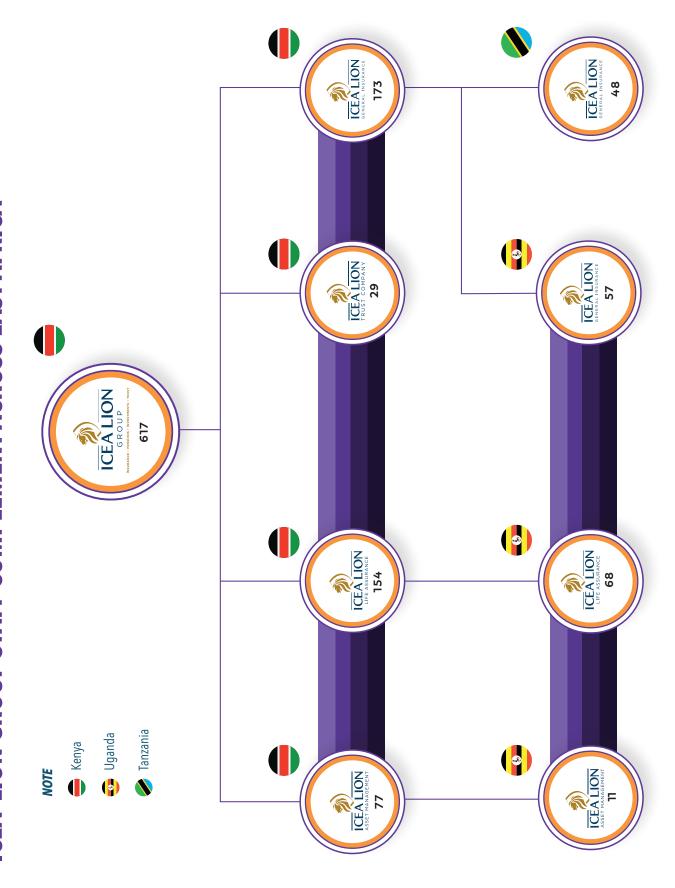
ICEA LION Group companies are owned by ICEA LION Insurance Holdings Limited. Our non-life and life companies are ICEA LION General Insurance Company Ltd and ICEA LION Life Assurance Company Ltd respectively. ICEA LION Asset Management Ltd and ICEA LION Trust Company Limited Ltd are our investment and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

The insurance and investment subsidiaries in Tanzania and Uganda, previously controlled separately by Lion of Kenya (LOK) and Insurance Company of East Africa (ICEA) respectively, also form part of ICEA LION Group. In 2021, US-based global financial services leader Prudential Financial, Inc. through Leapfrog Strategic Africa Investments (LSAI) acquired a 24% stake in ICEA LION Insurance Holdings Limited. This partnership is expected to support the ICEA LION Group's strategy of focusing on customer connectivity, growth and innovation, digitization, development of new products and enhancement of operating synergies throughout its various operations.





ICEA LION GROUP STAFF COMPLEMENT ACROSS EAST AFRICA

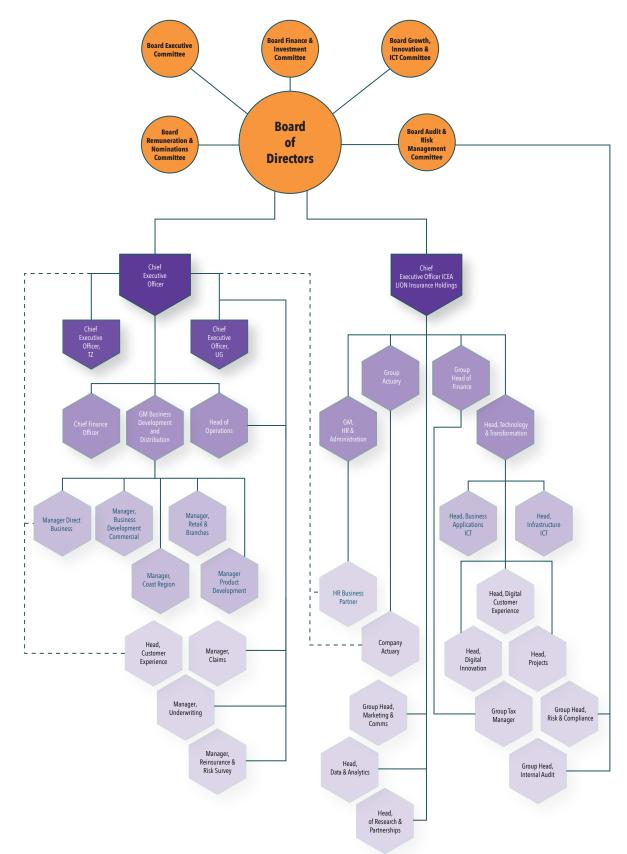








OUR LEADERSHIP STRUCTURE





OUR REGIONAL FOOTPRINT

KENYA =

RIVERSIDE PARK - CHIROMO ROAD

KENYA HEAD OFFICE ICEA LION CENTRI

WESTLANDS
P.O. BOX 30190 - 00100 NAIROBI
TEL: +254 (0) 20 2750000
MOBILE: +254 719 071000 | 730 151000
CONTACT CENTRE: 0719 071999
FMAII: INFO@ICFAI ION COM

UPPER HILL BRANCH

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

NYERI BRANC

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

KENYATTA AVENUE BRANCI

GROUND FLOOR, JKUATTOWERS
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 27501302
MOBILE: +254 719 071302

MOMBASA ROAD BRANCH

1STFLOOR, TULIP HOUSE
P.O. BOX 46143 - 00100 NAIROBI
TEL: +254 (0) 20 2751850
MOBILE: +254 719 071850

THIKA BRANCI

4TH FLOOR, ZURI CENTRE
KENYAITA HIGHWAY
P.O. BOX 30190 - 00100 NAIROBI, KENYA
MOBILE: +254 719 071824

UNIVERSITY WAY BRANCH

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

KISUMU BRANCH

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

MERU BRANC

1ST FLOOR, ROYAL BUSINESS PARK TOM MBOYA STREET MOBILE: +254 719 071905

WESTLANDS BRANCH

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

ELDORET BRANCH

SAKONG HOUSE - KENYATTA STREET
P.O. BOX 4807 - 00100, ELDORET
MOBILE: +254 719 071551

MOMBASA TOWN BRANC

ACACIA CENTRE

2ND FLOOR, STANDARD CHARTERED

BUILDING

P.O. BOX 90101 - 80100, MOMBASA

MOBILE: +254 719 071701

KAREN BRANCH

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

NAKURU BRANCI

1ST FLOOR, SEGUTON BUILDING, KENYATTA AVENUE P.O. BOX 3066 - 20100, NAKURU MOBILE: +254 719 071600

MOMBASA NYALI BRANG

2ND FLOOR, NYALI CENTRE,
SOUTH WING LINKS ROAD
P.O. BOX 90101 - 80100, MOMBASA
MOBILE: +254 719 071890

KAKAMEGA BRANC

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

NANYUKI BRANCH

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

KISII BRANC

P.O. BOX 3122 - 40100

KISUMU MOBILE: +254 719 071092

WAUMINI PLAZA, KISII

OPPOSITE OURU CENTRE

UGANDA •

HEAD OFFICE

GROUND, 1ST & 2ND FLOORS
PLOT 2 & 4A - NAKASERO ROAD
P. O. BOX 33953, KAMPALA
TEL: +256 414 232337 / 341 495
TOLL FREE: 0800 100 120 / 311
EMAIL: INFO@ICEA.CO.UG
WEBSITE: WWW.ICEA.CO.UG

RWENZORI COURTS BUILDING.

JINJA ROAD BRANCH

3RD FLOOR, PRIME PLAZA

LIRA BRANCH

GROUND FLOOR,
UNIVERSAL INTERLINK BUILDING,
OLWOL ROAD,
TEL: +256 393 225828

BUGANDA ROAD BRANCH

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

GULU BRANCH

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

LUMUMBA AVENUE BRANCH

3RD FLOOR, RUMEE BUILDING TEL: +256 414 236927

MBALE BRANCH

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

KAMPALA ROAD BRANCH

GROUND FLOOR, ZEBRA PLAZA TEL: +256 392 000115

KABALE BRANCH

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

ARUA BRANCH

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

MBARARA BRANCH

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

MBARARA BRANCH

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

TANZANIA®

HEAD OFFICE

PLOT 331 KAMBARAGE (OR GARDEN) ROAD,
MIKOCHENI A
P. O. BOX 1948 DAR ES SALAAM
TEL: +255 22 2774999, 2775039,
2775059
FAX: +255 22 2775094
E-MAIL: INSURANCE@ICEALION.CO.TZ

WEBSITE: WWW.ICEALION.CO.TZ

DODOMA

PSSSF DODOMA PLAZA
STREET/AVENUE: BENJAMIN MKAPA/UDOM
ROAD
P. O. BOX NO: 2895
TEL: +255757548302
EMAIL: INSURANCE@ICEALION.CO.TZ

ARUSHA

OFFICES 105 & 106, PLOT 58 BLOCK E, SOKOINE ROAD P. O. BOX 10117 ARUSHA TEL: +255 27 2548762; FAX +255 27 2548767

EMAIL: ARUSHA@ICEALION.CO.TZ

MWANZA

NBC BUILDING LIBERTY STREET, 1ST FLOOR
P. O. BOX 855 MWANZA
TEL: +255 28 2502492; FAX +255 28
2502623
EMAIL: MWANZA@ICEALION.CO.TZ

MBEYA

KISANGANI GENERAL ENTERPRISE LTD
BUILDING 2 MBEYADAR ES SALAAM HIGHWAY
P. O. BOX 1926 MBEYA
TEL: +255 25 2503372; FAX +255 25
2503373
EMAIL: MBEYA@ICEALION.CO.TZ

MOROGORO

2D COMPLEX
1ST FLOOR, OLD DAR ES SALAAM ROAD
MOROGORO - TANZANIA
TEL: +255 225 500210 FAX:+255 25
2503373
EMAIL: INSURANCE@ICEALION.CO.TZ

ZANZIBAR

MUZAMMIL CENTRE
GROUND FLOOR, OFFICE NO.05A,
MLANDEGE STREET
ZANZIBAR-TANZANIA
TEL: +255 225 500210 FAX:+255 25 250



HOW WE CREATE VALUE

Embracing the International Integrated Reporting Council (IIRC) framework, we employ the six capitals approach to illustrate the creation and transformation of value within our organization, ultimately contributing to the long-term viability of the Group. The accompanying table delineates the relationship between the capitals and our business model.

SOCIAL CAPITAL

INITIATIVE

Our Medical Second Opinion (MSO) saw a decline from 47 policies in 2022 to 17 in 2023. We will embark on higher engagement & promotion of this

The Group Investment through our investment company, ICEA LION Asset Management (ILAM) investment in Acorn Student Accommodation (ASA) Real Estate Investment Trusts (REIT) Supplemental Offer grew to KES 302 Million in 2023 from 290 Million in 2022

Approximate number of orphans supported by the Milele Trust portfolio through the ICEA LION Trust Company (ILTC) is 107 saving the Government welfare a total amount of KES 2.568Million (107*12months*KES2,000 per month)

In 2023 we issued 6 Group Policies Incorporating Work and Injury Benefit Assurance (WIBA) products against Occupational Safety and Health Standards.

In 2023 we issued 1,450 Annuity policies (A product to the underserved, senior citizens). Saving the Government welfare KES 34.8 Million (1450*12months*KES2000 per month)

In 2023 we issued 4,500 Child Endowment Assurance (ICEA) policies (An education product for children even when parents have passed on) saving the government welfare KES 108 Million (4,500*12months*KES 2,000 per month)

In 2023 our premium of De-risking, Inclusion and Value enhancement of Pastoral economies in the horn of Africa Project (DRIVE) was KES 150,602,547. This is an index-based Livestock insurance product for pastoralists which has been implemented as an asset protection drought insurance cover whose aim is to keep the livestock alive.

In 2023, the Marketing & Communication department, Risk & Compliance and the ICEA LION Asset Management Company, came up with a disclaimer for people looking to invest through our MMF solution as a requirement by CMA. This disclaimer appears in all our social media

ALIGNMENT TO SDG















ALIGNMENT TO OTHER SUSTAINABILITY PRINCIPLES

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



Principles for Sustainable Insurance



THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE





NATURAL CAPITAL

INITIATIVE **ALIGNMENT TO** ALIGNMENT TO OTHER SUSTAINABILITY PRINCIPLES SDG ICEA LION Group became early adopters of Task Force on Nature • Alignment to United Nations Environmental Program Finance Initiative Principles for Related Financial Disclosures (TNFD) Sustainable Insurance (UNEP, FI PSI) • Alignment to the Nairobi Declaration on Sustainable Insurance (NDSI) We participated & spoke in first the in-person UNEP, FI Africa & Middle East Roundtable post Covid We participated & spoke in the Inaugural Africa Climate Summit (ACS) in Nairobi Principles for Sustainable We participated and spoke during COP 28 in Dubai Insurance ILAM ESG Investing Client sensitization in October 2021 Our Safari plan product uptake (product insuring lodges alongside Mara River) increased from 153 policies in 2022 to 196 in 2023 with a claim reduction from 96 to 71 respectively. This is as a result of incorporating flood risk mapping and early warning. THE NAIROBI DECLARATION ON ILTC Milele Trust portfolio invested in the ACORN greenbond worth SUSTAINABLE INSURANCE KES .6.79m. In addition, some of our clients (where ILTC holds administration mandate) invested in the ACORN greenbond worth KES 7.9m. We have integrated solutions within our current program structure to underwrite Electric vehicles and Solar Insurance Solutions and





CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

It is my great honour to issue my statement on the integrated report of ICEA LION General Insurance Company Limited and its subsidiaries for the year ended 31 December 2023.

SUBSIDIARY REALIGNMENT

During the year, ICEA LION General Insurance Kenya Limited acquired ICEA LION General Insurance Company (UG) Limited with effect from 1 January 2023. Our report therefore consolidates our general businesses in Kenya, Uganda and Tanzania.

OUR BUSINESS AND INDUSTRY PERFORMANCE

The business has performed remarkably well from a top line and profitability perspective.



KENYA BUSINESS

Our Kenya business outperformed the market from a top line growth perspective based on Insurance Regulatory Authority (IRA) Quarter 3 data to record a 20% growth rate while the industry grew at a growth rate of 14.4%.

Based on this report, the industry underwriting profitability dropped to a loss of Kshs 4 billion as at Quarter 3 2023 compared to a loss of Kshs 2.26 Billion as at Quarter 3 of 2022. The motor commercial class contributed the largest drop from a profit of Kshs 835million to a loss of Kshs 3.1billion. The underwriting profitability of the motor private class on the other hand marginally improved from a loss of Kshs 2.89 billion to a loss of Kshs 2.39 billion. The underwriting loss on the medical class worsened from a loss of Kshs 849 million to a loss of Kshs 1.4 billion. The most profitable class was Workmens Compensation with an underwriting profit of Kshs 1.9billion followed by Fire Industrial with an underwriting profit of Kshs 1 billion.

From a profit of **Kshs 835 million** to a loss of **Kshs 3.1 billion** for Motor Commercial class. The underwriting profitability of the motor private class on the other hand marginally improved from a loss of **Kshs 2.89 billion** to a loss of **Kshs 2.39 billion**.

The underwriting loss on the medical class worsened from a loss of **Kshs 849 million** to a loss of **Kshs 1.4 billion**. The most profitable class was Workmens Compensation with an underwriting profit of **Kshs 1.9billion** followed by Fire Industrial with an underwriting profit of Kshs 1 billion.

ICEA LION General Kenya motor private class as at 31st December 2023 on the other hand has remarkably improved its profitability while the motor commercial class has reported a decline in profitability despite the class closing the year with a profit.

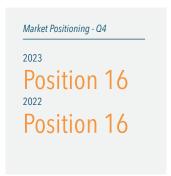
Our Kenya business reported an improved market share including medical business at 4.58% up from 4.35% and excluding medical business at 6.68% from 6.15%. We remain focused and committed to profitable growth.

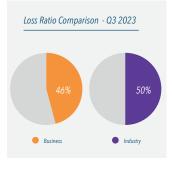
TANZANIA BUSINESS

Our Tanzania business reported a topline growth rate of 26.9% compared to an industry growth rate of 9.76% based on the industry Quarter 4, 2023 statistics report and maintained its 16th position in the market with a market share of 2.42% up from 2.09% as at Quarter 4,2022.













UGANDA BUSINESS

The Uganda business reported a decline in growth rate to 1.4% as at Quarter 3, 2023 compared with a growth rate of 20% in 2022. On the other hand, the industry grew by 6.7% as at Quarter 3,2023 compared with a growth rate of 19% in 2022.



The drop in our business growth rate was deliberate to lower our non-profitable book. Consequently our business reported a lower loss ratio at 46% compared to the industry average loss ratio at 50%. Our business closed Q3,2023 with a market share of 3.70% compared to a market share of 3.89% as at Q3,2022. From a market positioning, our Uganda business dropped two places to close at Position 8 compared to position 6 as at Q3,2022.

STRATEGIC OVERVIEW

The year 2023 marked the second year of implementation of our 2022-2024 strategy. Our three businesses have made remarkable strides not just in topline growth but profitable growth. Key aspects executed in 2023 include the Culture Transformation Project as well as the Employee Engagement Survey. These projects are a testament that the group seeks to ensure our most important asset being the right talent in the right seats is given utmost attention. The group has also been undergoing a process to review our brand and we are happy to report that our brand campaign was unveiled on **19th February 2024.**

OUR SUSTAINABILITY JOURNEY

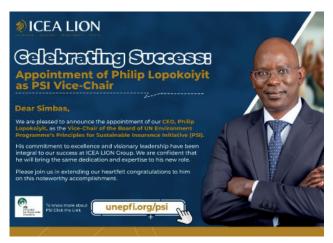
(i) PARTICIPATION IN THE DRIVE PROJECT

In 2023 and beyond, ICEA LION was part of the De-risking, Inclusion and Value enhancement of Pastoral economies in the Horn of Africa Project (DRIVE). This is an index-based livestock insurance product for pastoralists which has been implemented as an asset protection drought insurance cover whose aim is to keep the livestock alive. The program is supported by the Government of Kenya, Ministry of Agriculture and Livestock development through insurance premium subsidies to the pastoralists. We are participating in the project as key underwriters. The project managed to achieve sales of 74,552 policies in 2023 and now provides insurance to 25,000 pastoralist groups protecting 226,041 tropical livestock units in ten counties mostly within the Arid and Semi-Arid areas of Kenya.

(ii) APPOINTMENT AS VICE CHAIR UNEP PSI

During the year Mr Philip Lopokoiyit was appointed as the Vice Chair to the UN Environmental Programmes Principles for Sustainable Insurance Initiative (PSI) Board. I take this opportunity in congratulating Philip on his appointment and wish him the very best as he serves on this role.





IFRS 17 IMPLEMENTATION

During the year our businesses implemented a new International Financial Reporting Standard, IFRS 17 on Insurance Contracts. This standard has transformed the way we report our performance as well as infused new aspects of running our business. I would like to take this opportunity to commend the Leadership team and the staff involved in this project for their excellent execution.

LEADERSHIP TRANSITION:

APPOINTMENT OF MR AMBROSE KIBUUKA AS THE CHIEF EXECUTIVE OFFICER AND PRINCIPAL OFFICER UGANDA GENERAL BUSINESS

On 15 November 2023, Mr Ambrose Kibuuka was appointed as the Chief Executive Officer and Principal Officer of ICEA LION General Insurance Company Uganda Limited. Ambrose took over from Gabriel Kuria who has served the business in this capacity over the last 6 years. Ambrose joins the business from Mayfair Insurance Company Uganda Limited where he was serving as an Executive Director. He previously worked with GA Insurance Uganda Limited and Sanlam General Insurance Uganda serving as General Manager in both institutions for two and four years respectively. Prior to that Ambrose worked for UAP Old Mutual where he began his insurance career rising from Graduate Trainee to Assistant Underwriting Manager. Ambrose brings a wealth of experience in the Uganda General Insurance Business in Management, Business Strategy, Business Development, Underwriting and Claims as well as Talent Management having spent over 10 years in various senior executive roles within the General Insurance Industry. His broad exposure and experience within General Insurance will be of great benefit to the Company and the ICEA LION Group.

Ambrose Kibuuka (Incoming CEO)



Ambrose holds a Bachelor of Statistics degree from Makerere University and is an associate of the Chartered Insurance Institute(ACII), London, and a Fellow of the Insurance Training College (FTIC), Uganda. He has also attended a Leadership Development Program (LDP), Stellenbosch University, South Africa.

I wish to take this opportunity to thank Mr Gabriel Kuria for his immense contribution to the General business in Uganda and the Group. I also extend my heartfelt wishes to Mr Ambrose Kibuuka as he settles in his new role and wish him the very best in his new role.

Gabriel Kuria (Outgoing CEO)



2024 AND BEYOND

As a group we have set stretch targets for ourselves in 2024 and do also appreciate the tough operating environment that the businesses are continuously facing. Two key projects in 2024 are the roll out of the Brand Thematic Campaign which will also embed the celebration of 60 years since the formation of the Insurance Company of East Africa and development of the 2025-2027 strategy. I am confident that our teams will execute these key aspects seamlessly.

ICEA LION @ 60

The year 2024 marks 60 years since the formation of the Insurance Company of East Africa (ICEA). ICEA LION General Insurance was formed following a business reorganization between Lion of Kenya and ICEA in 2012. As a group, we look forward to marking this big milestone in our history that will culminate in various customer, staff and stakeholders' engagements and celebrations.

IN CLOSING

We are confident that we have what it takes to continue offering seamless services to our customers and offering financial and insurance solutions in line with our brand promise "Through every life changing moment, 'We're Better Together".

Our business has made remarkable strides in 2023, and this would not have been possible without the great support from my fellow directors, shareholders, our customers, our partners and all our stakeholders, our leadership team as well as the entire staff fraternity. I take this opportunity to thank each and every one who has contributed to this immense success.

I conclude with this quote,

"The path to success is a challenging one, but hard work and determination are certain to make the journey just a little bit smoother."



BOARD OF DIRECTORS



JOSEPH WANGAI M N C E



JAMES NDEGWA M N E



ALTERNATE DIRECTOR PATRICK MUGAMBI





DIRECTOR DIRECTOR JOHN KIMEU DAVID HUTCHISON M A I F

MA



DIRECTOR MARIAM ABDULLAHI M



MUGWE MANGA M F I



ANDREW NDEGWA M A N I E



DIRECTOR JOSEPH MUIRURI M A F N I



DIRECTOR **DOUG LACEY** M A F N I E



DIRECTOR KAIRO THUO M

DIRECTOR

M

ERNEST NDEGWA



ALTERNATE DIRECTOR NORMAN KELLY M A F N I E



COMMITTEE KEY

- M Main Board
- A Audit Risk & Compliance
- **C** Chairman
- **E** Executive
- N Nomination & Renumeration
- F Finace & Investment
- I Growth, Innovation and ICT



CHIEF EXECUTIVE OFFICER STATEMENT

To our esteemed Customers, Shareholders, Board of Directors, all our Partners and our Stakeholders at large, it gives me great pleasure to share key highlights of our business operations in 2023 as well as highlight a few key matters relating to 2024 and beyond.

Subsidiary Re-alignment

The group has been in the process of transferring ownership of ICEA LION General Uganda Limited from ICEA LION Life Assurance Company Limited to ICEA LION General Insurance Company Limited. This process was completed w.e.f. 1 January 2023. Our 2023 report is thus the inaugural report that consolidates all the general business operations in Kenya, Uganda and Tanzania.

Operating Environment

The operating environment in Kenya has been characterized by increase in interest rates, drop in the Nairobi Securities Exchanges Indices, increase in inflation rates, weakening of the Shilling against major currencies and a slight increase in the GDP growth rate in comparison with 2022.



The tough Economic times have thus resulted in a decline in the disposable income for our customers that would be available for purchase of our insurance products. Despite the tough operating environment, as a business we remain cognizant that even though "We Can't Direct the Wind, We can Adjust the Sails".

Our Performance

Our business has reported a strong performance with the Top Line registering a 19% growth for the Kenya business, 27% growth for the Tanzania business and 5% growth for the Uganda business.

From a Profit Before Tax perspective the Group reported a growth of 74% to close at **Kshs 1.65 Billion** while the Company reported a growth of 60% to close at **Kshs 1.4 Billion**.

The achievement of these results would not have been possible without the immense support of all our customers, our partners, and our staff, our Board of directors, our shareholders and our stakeholders.

Our Strategy

The year 2023 was the second year of implementation of our 2022-2024 strategy. The execution of our strategy dubbed 10by 2 has seen us grow our business both from a topline perspective and the profitability perspective. Our strategy is pinned on 5 strategic pillars which are described in detail under section "where and how we operate" of this report. In my statement this year I will single out three of the strategic pillars namely:

- Obsessed with Customer experience and outcomes (Our Customers)
- Talented and Capable people committed to timely and progressive solution delivery (Our People)
- Championing Internal and External Partnerships for Dynamic Scalable results (Our Partnerships)

Our Customers

ICEA LION Group has been undergoing a review of our brand for the last few years. The review has culminated in the unveiling of a lively Brand Thematic Campaign, "What's Your Plan?" which was unveiled on 19th February 2024. The campaign underscores the company's dedication to expanding its market influence by driving growth in the insurance and investments sector through innovative solutions and a forward-thinking approach.

In a constantly evolving landscape, traditional industries like insurance and investment are navigating a dynamic marketplace fueled by a new generation of discerning and diverse consumers. The surge of Medium and Small Enterprises (MSMEs) has further diversified market needs, compelling companies such as ICEA LION to adapt and introduce novel products and services to meet the demands of emerging consumer segments, gaining a competitive edge in the process.



The "What's Your Plan?" campaign introduces a fresh perspective with its inclusive, optimistic tone, bold and vivid colours, resonating with the diverse aspirations of its target audience. Departing from the conventional conservatism of the insurance and investments sector, ICEA LION positions itself as a contemporary lifestyle brand, empowering individuals to realize their dreams and aspirations. The core theme revolves around the significance of planning for the future, framing insurance, and investments as integral components of everyday life.

Despite the awareness of the need for it, many individuals fail to adequately safeguard their future or secure their assets with insurance and investment products and services. Our campaign aims to inspire action by addressing the hesitations that have kept people from taking the first step. ICEA LION is the go-to destination for those seeking a plan, alleviating feelings of anxiety, guilt, insecurity, and exposure.

Our campaign radiates optimism and vibrancy, reflecting the aspirations of our audience. By embracing bold colours, ICEA LION emerges as a modern brand, illustrating how life becomes more fulfilling with a plan. This sets us apart in the industry, empowering customers to choose insurance and investment plans from ICEA LION that firmly place them in control of their future'









Our People

The right people in the right positions remains our greatest asset as a business. During the year, we engaged in key initiatives relating to our people, the key ones being:-

a). Employee Engagement Survey

The voice of our employees remains pivotal in execution of our strategy. During the year, we conducted an Employee Engagement Survey dubbed "Your Voice Matters". Based on this survey, 93% of our employees feel connected and are committed to ICEA LION General while 94% of our employees are aware and can demonstrate the required behaviors and Employees are happy to recommend ICEA LION General to others.

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of our employees feel connected and are committed to ICEA LION General while

94%

of our employees are aware and can demonstrate the required behaviors and Employees are happy to recommend ICEA LION General to others

Our business employee engagement at **93%** was above High Perfomance Norm Engagement level at **88%**. This survey has enabled us to identify aspects of our business that our employees are happy about and those that they desire we improve. As a group we have cascaded the results of this survey to our staff with a commitment that we will all work together towards seeing the desired change.



b). Graduate Management Trainees Program (GMT)

The group launched the Graduate Management Trainees Program in March 2023 which saw 10 Graduates onboarded in the group with 4 of these Graduates being allocated to the General business in Kenya. I take this opportunity to welcome this team to the Simba Family and wish them the very best as they learn various aspects of our business.



Our GMT team and CEO

c). Culture Launch

Our business started a culture transformation journey in 2023 dubbed "It Starts with Us". This journey entailed identification of Red and Green behaviours being the behaviours to never do and those that we committed to always do. The Culture launch was kick started on 25th July 2023. Our Group Chairman and Company Chairman led the management and staff fraternity in signing off the commitment to this Journey.



ICEA LION Insurance Holdings Chairman-Mr James Ndegwa



ICEA LION General Insurance Company Limited Chairman, Mr Joe Wangai

d). Learning and Development

In recognition of our pursuit for Learning and Development, this year I recognize Moses Chege who achieved his ACII (Associate Member of the Chartered Insurance Institute).



Moses Chege

I also recognize the team of **25** staff who went through the Leadership Masterclass: Coaching for High Performance facilitated by CDI Africa. Out of the **25** staff who went through this program, 14 of them came from the General business. Our business remains committed to ensuring that we continuously upskills our talent for high performance.



ICEA LION Coaching program

Our Partnerships

a). ESG

Together with being at the forefront in driving sustainability at the industry level, the business has also embedded ESG in our strategy. The business has continued to provide leadership as well as participate on many ESG initiatives among them being:-

- The Nairobi Declaration on Sustainable Insurance (NDSI)
- THE NAIROB DECLARATION OF SUSTAINABLE INSURANCE
- UNEP FI PSI (Principles for Sustainable Insurance),
- environment programme finance initiative

 Principles for Sustainable Insurance
- 3. Task Force on Nature Related Financial Disclosures (TNFD)
- T N F D
- 4. Africa Natural Capital Alliance (ANCA)



5. Africa Financial Alliance on Climate Change (AFAC)



6. United Nations Global Compact



7. Africa Climate Risk Insurance on Adaptation

For more details on our participation and outcomes in 2023 please refer to section "Our Value Creation" of our report



b). Partnerships -King of the Course Series

The business continued with its King of the Course Golf Series across the country as we continue cementing our partnership with various business supporters. The 7th Leg of the 2023 ICEA LION King of the Course golf series was concluded at Nyali Golf & Country Club. Congratulations to Veronica Muthiani, our reigning 'Winner of Winners,' 2023.

King of the Course Series Winners.



Our CEO hands over the Winning Cup to Mr Samuel Muchiri at Nanyuki King of the course series



 ${\it Muli Kavita emerges victorious at the Thika Greens tournament.}$



General Manager Business Development and Operations Mr. Asman Mugambi hands over a gift to Ms. Sarah Tuwei at Mombasa King of the course series.



Our CEO hands over a winning gift to Mr Deputy Governor John Barorot at Eldoret King of the course series

Our CEO hands over the Winning Cup to Ms Veronica Muthiani at Mombasa King of the course series.





Our CEO hands over the Winning Cup to Mr Nathan Ogweno at Mombasa King of the course series.

IN CLOSING

The year 2023 was an eventful one for our business and we went against the headwinds to deliver great results in all our 3 General businesses in Kenya, Uganda and Tanzania. This would not have been possible without the immense support given by our Board of Directors, our Shareholders, the Leadership team, our staff fraternity, our Customers, our Partners and all our Stakeholders. I take this opportunity to say Asante Sana!.





OUR LEADERSHIP TEAM



PHILIP LOPOKOIYIT



ZIPPORAH CHEGE **CHIEF FINANCE OFFICER**



JANE MUIRU **HEAD - OPERATIONS**



PETER MUKURIA GM, BUSINESS DEVELOPMENT



CHARLES KAGIMA MANAGER-COAST REGION



JENNIFER KAMOTHO MANAGER, BUSINESS DEVELOPMENT COMMERCIAL



RADCLIFFE NYAMMAI



ANDREW MUTURI MANAGER, BUSINESS DEVELOPMENT-DIRECT



EVELYN MUSUNZAR MANAGER, BUSINESS DEVELOPMENT-RETAIL &



ANTHONY MURAGE MANAGER-PRODUCT DEVELOPMENT

OUR **SHARED SERVICE TEAM**



LYDIA MWIRIGI MANAGER-CLAIMS



LUCY KARANJA



JOHN NJENGA MANAGER-UNDERWRITING MANAGER-REINSURANCE



JOY OMONDI **HEAD ACTURIAL**



MARYLEEN THOME **HEAD, CUSTOMER EXPERIENCE**



SARAH KINYANJUI **HUMAN RESOURCES BUSINESS PARTNER**



NAOMI MUNYI **HEAD OF FINANCE-ICEA** LION INSURANCE HOLDINGS



JULIANA NGULI **GM-HUMAN RESOURCES &** ADMINISTRATION



ANTHONY MUTURI **GROUP ACTUARY**



CYNTHIA KANTAI **GROUP MARKETING** & COMMUNICATION



DIVINAH OGOTI **DEPUTY RISK AND** COMPLIANCE MANAGER



KEVIN KOMBO GROUP INTERNAL AUDITOR



MARTIN KARIITHI **HEAD - DATA & ANALYTICS**



PAUL KIOI **GM TECHNOLOGY &** TRANSFORMATION



CAROLINE MAINA **HEAD-ICT BUSINESS APPLICATIONS**

OUR

TEAM

SUBSIDIARIES



DAVID TOO ICT INFRASTUCTURE



JACQUELINE OCHIENG **HEAD OF RESEARCH**



JOHN WANJOGU **HEAD - DIGITAL CUSTOMER EXPERIENCE**



ABIUD MULONGO **GROUP HEAD DIGITAL**



LEONARD SHALAKHA **GROUP TAX** COMPLIANCE MANAGER



MERCY MBUGUA PROJECTS OFFICER



JARED AWANDO **CEO ICEA LION GENERAL TANZANIA**



ALFRED MTAKI **CFO ICEA LION GENERAL TANZANIA**



AMBROSE KIBUUKA **CEO ICEA LION GENERAL UGANDA**



ISA BANANIGA **CFO ICEA LION GENERAL UGANDA**



CHIEF FINANCE OFFICER'S STATEMENT

It gives me great pleasure to give an overview of the financial performance of our business for the year ended 31 December 2023.

ECONOMIC ENVIRONMENT

The business was faced with a tough operating environment in 2023 but managed to close the year with a great performance which included growing at a rate faster than that of the industry. The weakening of the shilling, increase in interest rates, drop in stock prices at the Nairobi Securities Exchange among others characterized our operating environment in 2023. These factors had mixed results on our business performance.

The increase in interest rates resulted to higher interest income for our investments in deposits and at the same time resulted in revaluation losses on our Government Securities held for trading. The continued decline in major stock prices for the past two years has resulted in close to a 50% decline in our investments in equities between 2021 and 2023.

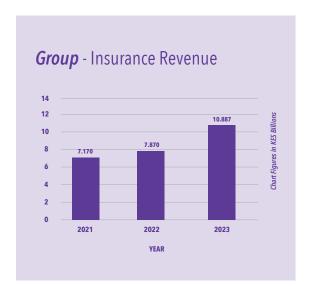


IFRS 17, INSURANCE CONTRACTS

The group successfully implemented IFRS 17 and this integrated report therefore forms the first set of financial statements under this new financial reporting standard. Various disclosures have been made in this report to enable the users of financial statements compare what the result would have been under IFRS 4, Insurance Contracts and the impact of the new accounting standard IFRS 17.

OUR PERFORMANCE

Given the implementation of IFRS 17 as highlighted above, my statement on our summary performance will give a view of the performance under both standards.

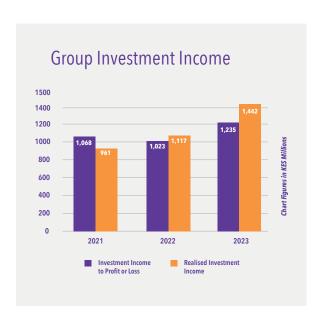




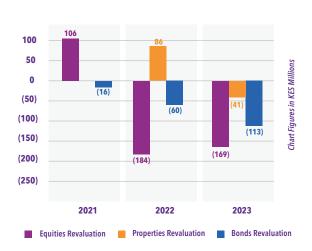




• IFRS 17 Key Performance Metrics



Revaluation of Assets



Please refer to pages **30** to **34** for a summary of our performance highlights.

OUR GLOBAL CREDIT RATING

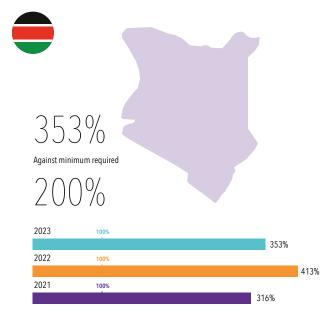
On 28 June 2023, GCR Ratings maintained ICEA LION General Insurance Company's national scale financial strength rating to AAA (KE) Stable Outlook. This is the highest rating in the region. The rating was underpinned by very strong adjusted capitalization, above average earnings supported by low exposures to market and credit risks and moderately strong business profile.



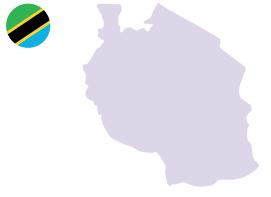
OUR SOLVENCY

Our businesses have maintained strong Capital Adequacy Ratio on the back of improved earnings over the years and we are confident that the three businesses are well capitalized to support current and future growth.

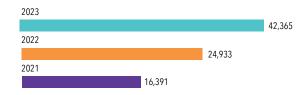
Below is a summary of the solvency ratios for our three businesses

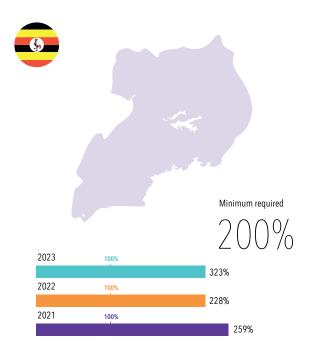






Excess Admitted assets in Kshs'000





OUR MARKET POSITIONING

Below is a summary of our General businesses market share and positioning in the industry:

Our Market Position



The Kenya business overtook one competitor in 2023 while the decline in position for our Uganda business is on account of a deliberate decision to reduce non profitable medical business.

DIVIDENDS AND SHAREHOLDERS RETURNS

The business has consistently paid dividends to the shareholders, and it has proposed an increase in dividends to Kshs 300 million for the year 2023, up from Kshs 250 million paid out for the year 2022. The business remains committed to paying a decent return to the Shareholder by continuously focusing on effective strategies to improve the business profitability.

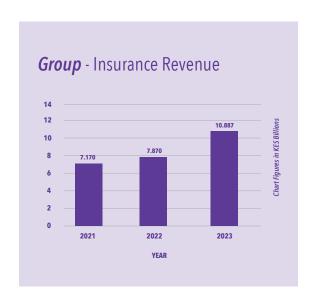
LOOKING AHEAD

As a group we continue to face tough operating environments in the three countries we are operating in but we are confident that we have the right talent and leadership for future growth and profitability. During the year 2024, we will draft our 2025 to 2027 strategy with an aim of further steering each of these businesses to offer superior and competitive services and products to our customers.



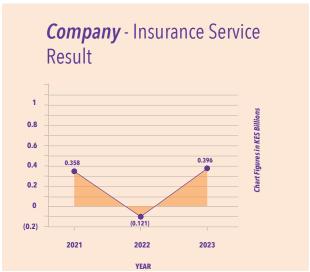
GROUP AND COMPANY 3 YEAR FINANCIAL HIGHLIGHTS

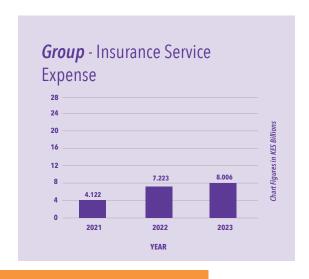
IFRS 17

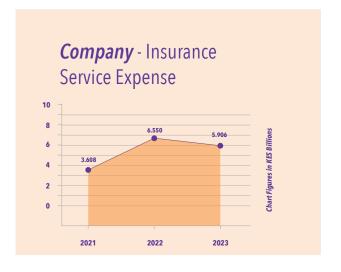








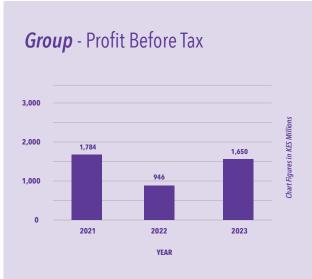




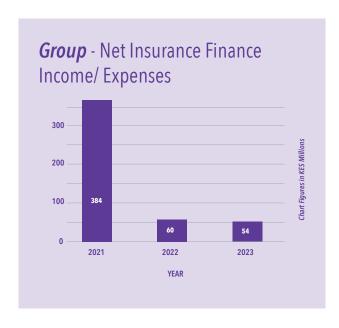


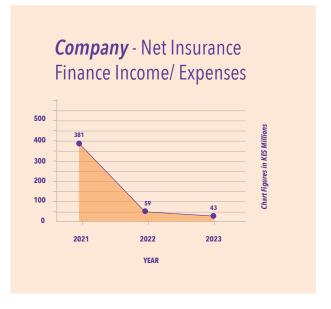














Summary Statement of Profit or Loss and Other Comprehensive Income

		Group IFRS17			Company IFRS17	
	2023	2022	2021	2023	2022	2021
Revenue	Kshs'000 restated	Kshs'000 restated	Kshs'000 restated	Kshs'000 restated	Kshs'000 restated	Kshs'000 restated
Insurance Revenue	10,887,918	7,870,475	7,170,741	8,340,636	6,990,018	6,411,326
Insurance Service Expense	(8,006,314)	(7,223,037)	(4,121,972)	(5,906,013)	(6,550,293)	(3,607,972)
Allocation of reinsurance premiums paid	(4,446,606)	(3,317,653)	(2,956,440)	(3,582,271)	(2,939,716)	(2,682,338)
Amounts recovered from insurance contracts	1,905,425	2,535,692	236,532	1,543,867	2,378,598	236,532
Insurance Service Result	340,423	(134,523)	328,861	396,219	(121,393)	357,548
Investment Return	1,235,389	1,023,062	1,125,018	967,374	944,026	1,074,225
Net insurance finance income/expenses	53,645	60,347	384,202	43,063	58,657	381,015
Profit before tax	1,650,277	945,792	1,784,204	1,409,463	880,478	1,763,436
Income Tax Expense	(501,507)	(280,364)	(492,866)	(429,633)	(258,441)	(482,363)
Profit for the year	1,148,770	665,428	1,291,338	979,830	622,037	1,281,073
Summary Statement of Financial Position						
Total Equity	8,105,977	7,125,767	6,710,808	7,439,292	6,839,178	6,491,035
Total assets	19,918,062	16,379,111	14,576,684	15,926,421	15,100,612	13,453,765
Total liabilities	11,812,085	9,253,344	7,865,876	8,487,129	8,261,434	6,962,730
Investment Assets	13,270,752	11,406,584	11,064,511	10,737,542	10,673,895	10,484,026
Key Ratios						
Loss Ratio	41%	60%	26%	41%	63%	26%
Expense Ratio	21%	21%	20%	20%	20%	20%
Return on Investment	9%	9%	10%	9%	9%	10%
Return on Equity	14%	9%	19%	13%	9%	20%

ICEA LION GENERAL INSURANCE

Summary Statement of Profit or Loss and Other Comprehensive Income

Group - IFRS 4	2023	2022	2021	2020	2019
Cloup IIII3 4	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Gross Written Premiums	11,432,705	8,248,727	7,148,276	6,677,610	6,253,833
Net Earned Premiums	5,410,856	3,924,215	3,589,683	3,401,285	3,005,595
Claims Incurred	2,619,030	1,946,373	1,710,292	1,558,676	1,285,974
Expenses	2,387,100	1,718,383	1,522,761	1,491,346	1,548,093
Underwriting Profits	348,445	191,989	289,177	391,311	237,951
Investment Income	1,263,183	1,061,523	1,125,017	809,159	1,093,698
Profit Before Tax	1,427,082	1,076,920	1,290,711	972,312	1,104,319
Taxation	416,512	318,720	344,818	289,791	218,367
Profit After Tax	1,010,570	758,200	945,893	682,521	885,952
Other Comprehensive Income	74,714	(51,251)	44	7,745	10,903
Total Comprehensive Income	1,085,289	706,949	945,937	690,266	896,855
Summary Statement of Financial Position					
Shareholders' Funds	7,672,433	6,872,333	6,365,384	5,619,447	5,129,181
Total Assets	20,969,693	17,152,218	15,270,929	14,613,780	13,789,566
Total Liabilities	13,247,250	10,279,885	8,905,545	8,994,333	8,660,385
Investment Assets	13,270,752	11,406,584	11,064,511	9,848,653	9,537,019
Key Ratios					
Loss Ratio	48%	50%	48%	46%	43%
Expense Ratio	18%	18%	19%	19%	21%
Return on Investment	10%	9%	10%	8%	11%
Return on Equity	13%	11%	15%	12%	17%



Summary Statement of Profit or Loss and Other Comprehensive Income

COMPANY -IFRS 4	2023	2022	2021	2020	2019
	Kshs'000	KShs'000	KShs'000	KShs'000	KShs'000
Gross Written Premiums	8,721,390	7,301,804	6,331,150	6,057,394	5,855,812
Net Earned Premiums	4,233,809	3,520,271	3,243,357	3,156,237	2,840,981
Claims Incurred	2,123,320	1,800,682	1,566,584	1,480,393	1,255,384
Expenses	1,714,928	1,449,686	1,319,002	1,312,865	1,385,721
Underwriting Profits	375,322	232,013	314,038	406,739	266,672
Investment Income	990,157	978,300	1,074,226	766,747	1,070,357
Profit Before Tax	1,167,848	1,040,191	1,269,134	948,603	1,113,672
Taxation	348,950	306,506	334,072	275,716	219,350
Profit After Tax	818,898	733,685	935,062	672,887	894,322
Other Comprehensive Income	(113,421)	(73,894)	(11,192)	(8,054)	12,148
Total Comprehensive Income	705,477	659,791	923,870	664,833	906,470
Summary Statement of Financial Position					
Shareholders' Funds	6,994,651	6,604,814	6,145,023	5,421,153	4,956,320
Total Assets	16,469,703	15,778,184	14,050,817	13,560,594	13,069,643
Total Liabilities	9,475,053	9,173,370	7,905,794	8,139,441	8,113,323
Investment Assets	10,737,542	10,673,895	10,484,026	9,382,645	9,152,899
Key Ratios					
Loss Ratio	50%	51%	48%	47%	44%
Expense Ratio	17%	17%	19%	18%	20%
Return on Investment	9%	9%	10%	8%	12%
Return on Equity	12%	11%	15%	12%	18%



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OPERATING CONTEXT SUB SAHARAN AFRICA

According to the Global Economic Prospects report, Sub Saharan Africa has continuously been faced by elevated costs of living which continue to limit consumption growth. In addition, high debt burdens and interest rates have narrowed fiscal space and heightened financing needs. In 2023, political instability also increased in parts of the region. The projected pickup in growth and increases in per capita income thus remain inadequate to enable the region's economies make significant progress in reducing extreme poverty.

KENYA

The Kenyan Economy is projected to have recorded a GDP growth rate of 5.5% in 2023 compared to 4.8% in 2022. The forecasted GDP growth rate in 2024 is 5.9%. There has been an overall increase in interest rates during the year while the Average Headline Inflation rates increased by 5bps. The Nairobi Securities Exchange indices dropped in 2023 with the NASI closing at 92(2022-127) and the NSE 25 closing at 2,380 (2022-3,134) representing a 24.1% and 27.6%.

■ Kenya Key Economic statistics



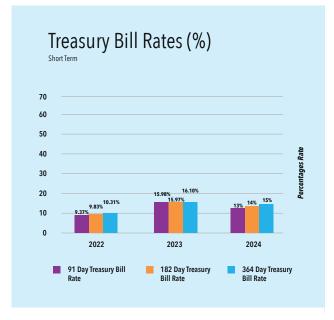




The statistics sources include (World Bank, Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) Nairobi Securities Exchange (NSE), Statista and ICEA LION Asset Management (ILAM))







Treasury Bill Rates (%)





TANZANIA

The Tanzania Economy GDP growth rate remained relatively stable at 4.8% in 2023 as compared to 2022. The economy is expected to grow by about 5.5% in 2024 but it faces risks from external geopolitical factors. The Tanzania Economy largely relies on tourism, mining, agriculture and manufacturing.

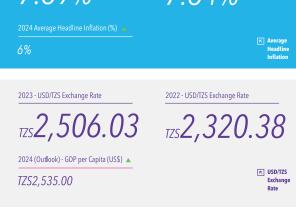
Tanzania Key Economic statistics

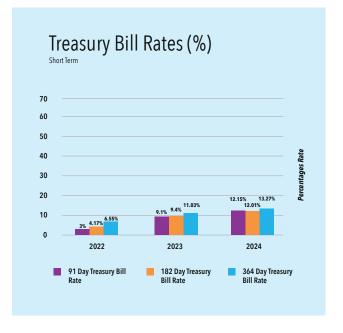




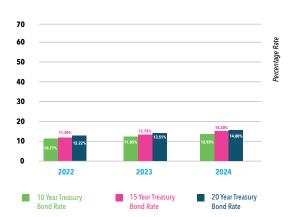








Treasury Bill Rates (%)



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

UGANDA

The Ugandan Economy witnessed a slowdown in 2023 to record a real GDP growth rate of 5.3% compared to 6.3% recorded in 2022. The interest rates and inflation rates generally declined in 2023 compared to 2022. The economy is expected to pick up in 2024 and is expected to record a real GDP growth rate of between 5.9% to 6.1%. The development of Uganda's oil sector continues to underpin investment growth, with projects such as the \$10 billion Lake Albert Oil Project and the \$4 billion East Africa Crude Oil Pipeline attracting significant investment inflows. According to the Business Insider Africa, one of the major risks to this outlook is the suspension of Uganda's eligibility under the Africa Growth & Opportunity Act (AGOA). The United States announced this decision in October 2023, which could weigh on exports in 2024, although Uganda is less exposed to the US market than others in the East African Community.



Uganda Key Economic statistics

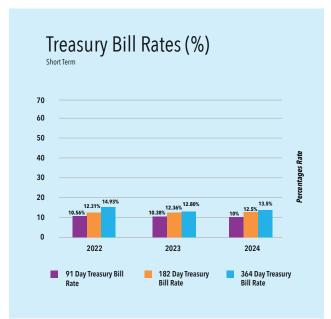




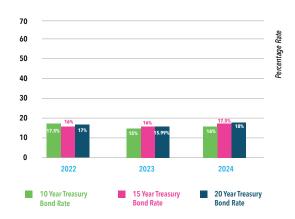








Treasury Bill Rates (%)



FORECAST

The Global Economic Prospects report cites that, increasing investment is expected to drive growth in Kenya and Uganda, partly owing to improved business confidence. Uganda will also benefit from infrastructure investment ahead of new oil production in 2025, and investment in Kenya should be boosted by increased credit to the private sector as the Government reduces domestic borrowing. In Tanzania, reforms to improve the business climate are expected to lift growth.



STAKEHOLDER MAPPING

Opening Statement

At ICEA LION, we take pleasure in fostering transparent and meaningful relationships with our diverse stakeholder community. Guided by a commitment to alignment and relevance, our Stakeholder Mapping & Communications strategy bridges our corporate objectives and the expectations of those we impact. Anchored firmly within our current Group Strategic Plan (2022-2024), this comprehensive approach ensures that our engagement efforts resonate with the dynamic landscape of our industry.

In recognizing the evolving nature of stakeholder dynamics, we dedicate ourselves to identifying and implementing tailored engagement strategies for each stakeholder group. This proactive approach strengthens our connections with key stakeholders and contributes to our sustainable growth. As a testament to our commitment, we undertake a thorough review and update of our stakeholder engagement strategies annually, aligning them seamlessly with the outcomes of the strategic planning period.

Our stakeholders are integral contributors to our success, and we view effective communication and

engagement as essential elements in our shared journey. By consistently refining and enhancing our strategies, we strive to create a positive impact, build trust, and nurture enduring partnerships that extend beyond the boundaries of the present, echoing our commitment to excellence and sustainability.

In ICEA LION's endeavour to formulate a robust strategy for engaging and overseeing its Group and Company stakeholders, the initial step involves identification and assessment of their respective needs. The individual stakeholder plans play a pivotal role in defining the roles and responsibilities of each significant stakeholder, along with a comprehensive examination of their interests, involvement, interdependencies, influence, and potential impact on the success of ICEA LION Group.

Within these plans, a proactive approach is taken to address the dynamic nature of stakeholder relationships. Special attention is given to articulating a clear methodology for identifying new stakeholders or those experiencing shifts in influence, ensuring that ICEA LIONis adeptly positioned to manage emerging challenges and opportunities. It is crucial to note that even stakeholders with minor influence are acknowledged and recognized, and uniquely managed differently to suit their level of impact.

Moreover, the stakeholder plans extend beyond mere identification to specific actionable strategies for optimizing outcomes from each stakeholder group. This involves a thorough understanding of their expectations, concerns, and aspirations, aligning ICEA LION's actions with the diverse needs of its stakeholders.

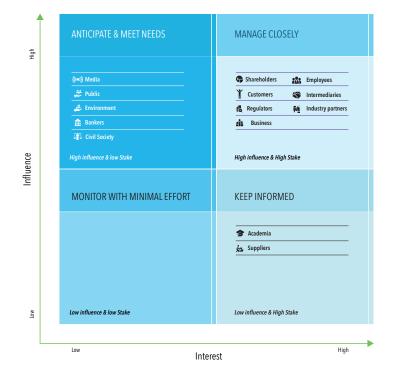
Additionally, recognizing the interconnected nature of stakeholder relationships, the plans identify, address, and manage interdependencies that may impact ICEA LION. This forward-looking approach underscores our commitment to creating a resilient and adaptive framework that responds to the current stakeholder landscape and anticipates and navigates potential challenges on the horizon.

These plans serve as dynamic roadmaps, guiding ICEA LION in fostering robust relationships, mitigating risks, and maximizing mutual benefits with each stakeholder group to pursue sustainable success.

We consider the following in identifying and confirming who an ICEA LION stakeholder is:

- i. If the stakeholder will be directly or indirectly affected by ICEALION's business activities.
- **ii.** If ICEA LION will be affected by the activities of this stakeholder.
- iii. If the stakeholder holds a position from which they can influence ICEA LION's activities.
- iv. If the stakeholder has an impact on ICEA LION's resources (human, financial etc.).
- v. If the stakeholder has special skills or capabilities that ICEA LION requires.
- vi. If the stakeholder can potentially benefit from ICEA LION's initiatives and operations or are in a position to resist an initiative or project.
- **vii.** At what point and how the stakeholder has the greatest impact on ICEA LION.

We are devoted to achieving our mission 'To Protect and Create Wealth' for every stakeholder. Our dedication to engaging stakeholders is integral to our governance and strategy, as outlined in our Stakeholder Management Plan. These directives dictate how we convey, interact, and disseminate essential information about the Group to stakeholders throughout our network in Kenya, Uganda, Tanzania and beyond. We have formulated strategies for engaging stakeholders that consider the necessary processes to identify individuals, groups, and organizations that may influence or be influenced by our business activities.





Sustainability is at the core of all our interactions.



Model Service Provider Ecosystem Our network of partners that enable us deliver on our promises.



Diversified Distribution

Development of connection **Channels** channels to enable us to attract, and retain targeted customers.



Products & Services

We deliver products and services that provide capacity and protection to retail and corporate customers to enable them manage their risk.

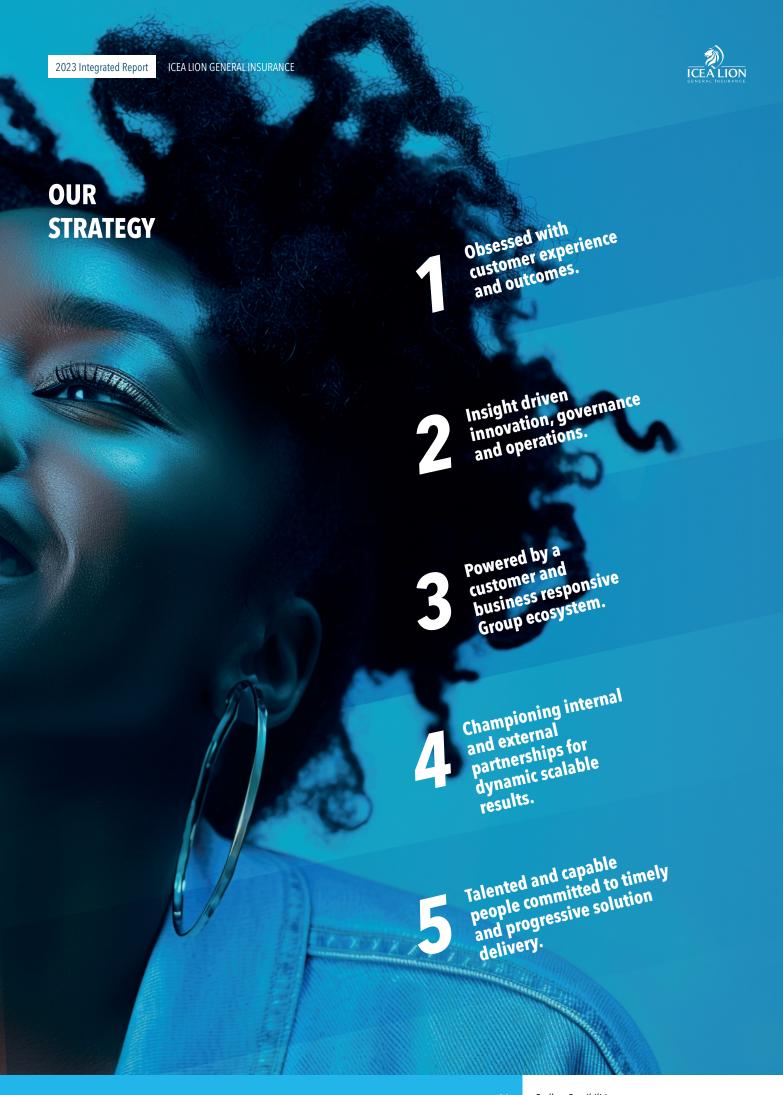


Value People \ Planet \ Profit 6 **Towards Shared** Capitals Model



Digitally - Led







Our business in 2023 was anchored by our 3 year strategy covering the period 2022-2024. This strategy is driven by 5 key strategic pillars namely:-

The milestones achieved in 2022 and 2023 per strategic pillar are summarized below

Customer Experience Governance

Roll out of the Customer Experience Charter 1

Obsessed with Customer Experience and Outcomes

Customer driven operational and product design

Underwriting Business Process Reengineering

Rollout of a e-policy document

Customer Understanding

Customer profiling and segmentation

Thematic Brand Campaign

Customer Experience (CX) Measurement

Deployment of a CLV model

2

Insight driven Innovation Governance and

Customer Experience

WhatsApp Chatbot

Operational efficiency projects

Suppliers Portal, Open API

Robotic Process Automation (RPA) for Underwriting

Business Growth and Distribution

Partners Portal

Agents Mobile APP

Products

Extended Warranty

Recommendation Engine for Self Service Portal

Sales team

Sales team incentive program (biased to Life Financial Advisors (FAs))

Collaborative work sites during the Agents conferences

Technology

A ready to launch digital sales App

Phase 1 Partners Portal app launch

Initiative: Identified an

insuretech to partner with to

foster Digital Distribution

Products

A collaborative products value-add with Chloride Exide

A products group recommender engine launch

4

Championing Internal and External Partnerships for Dynamic Scalable results

Our current ambitious strategy execution and realization of the objectives are critically dependent on the workforce we have in the company. The key aspects of our strategy include talent management, leadership development and organisational drivers which include culture

transformation, employee engagement and job evaluation.

During the year 2023, the business embarked on a culture transformation journey dubbed "It Starts with Us". This journey was launched in a colourful event on 25th July 2023. The event was led by our Chief Executives across the various businesses and was attended by representatives from the Board of Directors and the entire staff fraternity.

Internal Partnerships

Initiative: Creation of cross functional virtual teams to foster various strategic initiatives. e.g., the motor turn around

Initiative: Broker and intermediary engagement strategy.

5

Capable committed to timely and progressive solution delivery

Please see further details on the culture transformation journey on Page 73 of our report under the Human Capital Section.

The group also carried out an Employee Engagement Survey and details of the outcomes of this survey are summarized on Page 76 of our report under the Human Capital Section.

External Partnerships

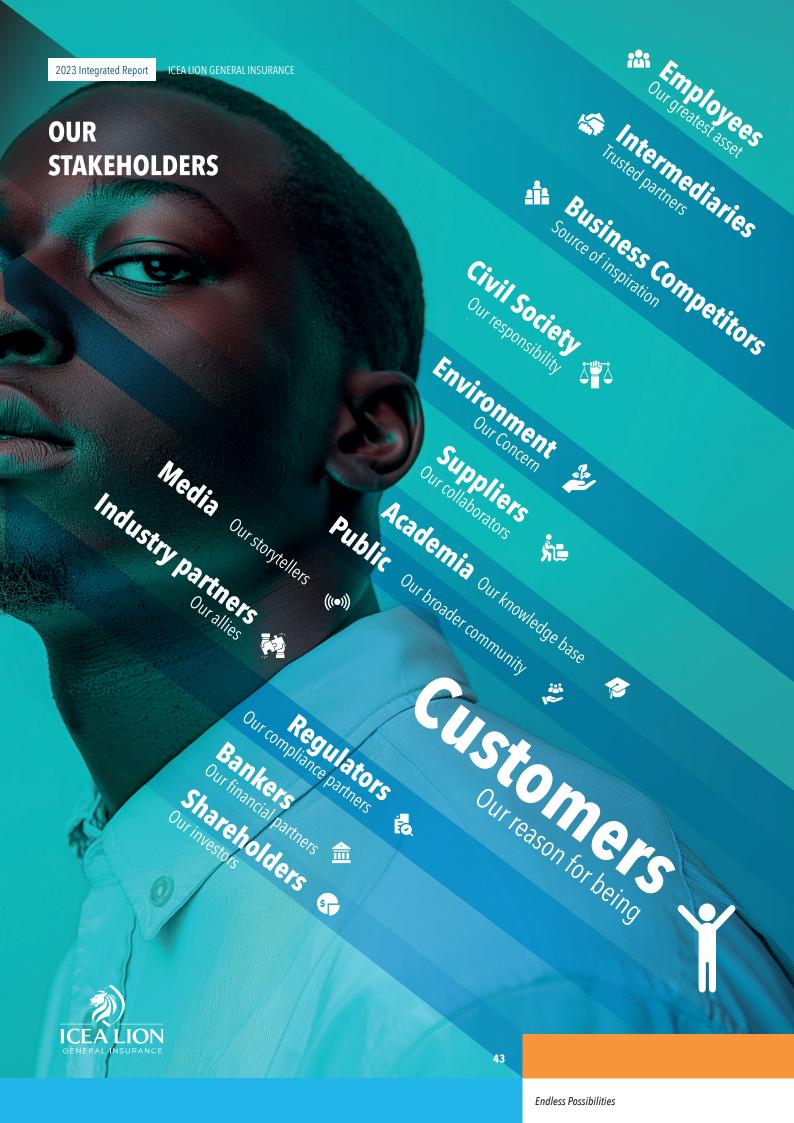
Initiative: Suppliers' engagement for reciprocal business.

Initiative: Strengthened our relations with key partners



The year 2024 marks the last year of our three strategy execution and also marks the year when we will be crafting our strategy for the next strategic cycle. The Board and management are confident that the business is on the right trajectory towards creating value in the short, medium and longterm for all out stakeholders.







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STATEMENT

58 NOMINATION & REMUNERATION COMMITTEE

STATEMENT

60 BOARD INNOVATION AND ICT COMMITTEE

STATEMENT





CHAIRMAN'S GOVERNANCE STATEMENT

On behalf of the ICEA LION General Insurance Board, it is my pleasure to share with you this comprehensive 2023 Corporate Governance Report.

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

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



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

BOARD CHARTER & WORK PLAN

Our Board Charter incorporates clauses to guarantee the adherence to best practices in corporate governance by the Board. The work plan includes a structured schedule highlighting matters exclusively reserved for the Board's consideration, ensuring comprehensive oversight of significant issues. The plan outlines the schedule of both Board and its committee meetings, along with the primary agenda items for each session. Additional special meetings are scheduled when required.



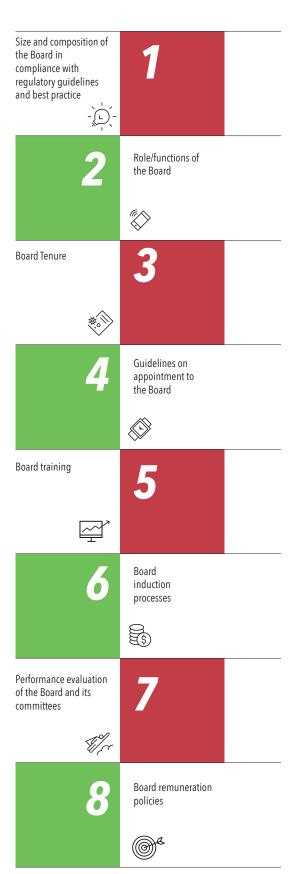
"We recognize that achieving effective corporate governance is an ongoing process, not a final destination, demanding constant dedication and enhancement. Our enduring commitment signifies our devotion to exemplary corporate governance practices and a culture promoting sustainable returns is deeply embedded in our principles."

Joe Wangai



OUR BOARD CHARTER

Key components in our Board charter include the following:



BOARD COMPOSITION & APPOINTMENTS

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

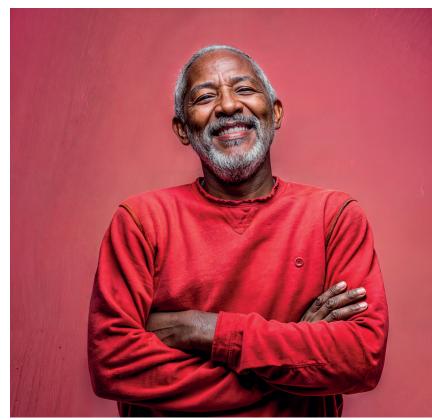
Diversity

Our Board recognizes the benefits of a diverse skills base across the Company and is supportive of initiatives that promote diversity at all levels. Despite making some strides in this regard, we as a Company still seek to increase female representation at Board level. This continues to be a target we are eager to achieve in the near future.

BOARD MEETINGS AND INFORMATION FOR DIRECTORS

In 2023, our Board convened four times on predetermined dates to assess and supervise the implementation of strategic initiatives and business plans. The meetings also involved reviewing quarterly financial results, approving financial reports, and exercising effective control over strategic, financial, operational, and compliance matters. To fulfill these responsibilities, the Board delegates authority to the Chief Executive Officer for day-to-day operations. Advance notice of Board meetings, in accordance with the Company's Articles of Association, is provided along with agendas and relevant documents to all directors. These documents include regular progress reports on business and discussion papers addressing specific issues. The Company Secretary is consistently available to address matters related to the Board and its Committees.

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





Below is the Board Members meeting

MAIN BOARD ATTENDANCE SUMMARY

Name	Designation	17.03.2023	16.06.2023	15.09.2023	24.11.2023
Mr J Wangai	Chairman	•	•	•	•
J P M Ndegwa	Member	•	•	•	•
A S M Ndegwa	Member	•	•	•	•
E M Ndegwa	Director	•	•	•	•
J K Muiruri	Member	•	•	•	•
J K Kimeu	Member	•	•	•	•
D G M Hutchison	Member	•	•	•	•
P K Mugambi	Alt Director	•	•	•	•
M. Manga	Member	•	•	•	•
Ms M. Abdullahi	Member	•	•	•	•
K. Thuo	Member	•	•	•	•
Norman Kelly	Member	•	•	•	•
Doug Lacey	Member	•	•	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•	•	•

Board Evaluation

Guidelines mandating board evaluation set the baseline, and the external consultant-led evaluation, overseen by the Chairman and Company Secretary, extends beyond a routine compliance check. Our assessment substantially enhances performance on four fronts: at the Organizational, Board, Individual Board Member, and Stakeholder levels. Over the last five years, consecutive annual board evaluations have been conducted resulting in noteworthy enhancements.

ROLE OF THE CHAIRMAN & THE CHIEF EXECUTIVE OFFICER

The Board is committed to a clear division of responsibilities between the Chairman and the CEO. The Chairman is responsible for managing the Board and providing strategic leadership to the Company.

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

OUR BOARD COMMITTEES

Our Board has established various committees to enhance the effectiveness of fulfilling our responsibilities and obligations.

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

a) Board Audit & Risk Management Committee

This committee is chaired by a non-executive director. There are three non-executive directors, two of whom are independent, who sit in this committee. The CEO, the Chief Financial Officer, Manager, Internal Audit and the Manager, Risk and Compliance, attend by invitation.

The committee met four times in 2023 and is responsible for ensuring that the systems and controls, procedures and policies of the company as well as risk management activities are properly established, monitored and reported on.





The committee meets to review external auditors' plans and reports, internal audit reports and any proposals or reports that affect ICEA LION's internal control environment. Matters relating to ethics and policyholders' protection are dealt with by this committee.

The Audit, Risk and Compliance Committee is also responsible for monitoring and providing effective supervision of the management's financial reporting process to ensure accurate and timely financial reporting. Additionally, the committee is responsible for ensuring entrenchment of good corporate governance practices at ICEA LION.

Below is the committees members meeting attendance summary

Name	Designation	16.03.2023	13.06.2023	14.09.2023	21.11.2023
Kairo Thuo	Chairman	•	•	•	•
J K Muiruri	Member	•	•	•	•
A S M Ndegwa	Member	•	•	•	•
J K Kimeu	Member	•	•	•	•
D G M Hutchison	Member	•	•	•	•
P K Mugambi	Member	•	•	•	•
R M Ndegwa	Member	•	•	•	•
E M Ndegwa	Member	•	•	•	•
Norman Kelly	Member	•	•	•	•
Doug Lacey	Member	•	•	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•	•	•

b) Board Finance & Investments Committee

Two non-executive directors, one of whom is independent and two other directors sit on this committee. The CEO, Chief Finance Officer and the CEO of ICEA LION Asset Management Limited attend by invitation.

The committee met four times in the year to review the financial and investment strategies, approve or recommend to the Board for approval investment projects in accordance with the Company's investment policy and review the performance of the investment portfolio and monitor special projects.

Below is the committees members meeting attendance summary

Name	Designation	13.03.2023	12.06.2023	11.09.2023	20.11.2023	13.12.2023
A S M Ndegwa	Chairman	•	•	•	•	•
J K Kimeu	Member	•	•	•	•	•
J K Muiruri	Member	•	•	•	•	•
P K Mugambi	Member	•	•	•	•	•
M Manga	Member	•	•	•	•	•
Norman Kelly	Member	•	•	•	•	•
Doug Lacey	Member	•	•	•	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•	•	•	•



c) Board Growth, Innovation and ICT Committee

This committee is chaired by a non-executive director. Two other non-executive directors, both of whom are independent, and two other directors also sit in. The CEO, Head of Transformation and Innovation, Head of Infrastructure, Head of Business Applications and the Manager, Risk and Compliance, attend by invitation. This committee met four times in 2023. This committee reviews

Below is the committees members meeting attendance summary

the ICT Strategy including ICT Security and Business Continuity Plans (BCP), recommends ICT projects for Board approval, reviews recommendations on the annual budgets and monitoring project implementation. It also vets the company' innovation strategy and investments in innovation development prior to submission to the Board for approval. It monitors compliance with the approved innovation strategy, including innovation portfolio mix and the progress made in its implementation.

Name	Designation	13.03.2023	12.06.2023	11.09.2023	20.11.2023
M Manga	Chairman	•	•	•	•
A S M Ndegwa	Member	•	•	•	•
J K Muiruri	Member	•	•	•	•
J K Kimeu	Member	•	•	•	•
P K Mugambi	Member	•	•	•	•
Mariam Abdullahi	Member	•	•	•	•
Norman Kelly	Member	•	•	•	•
Doug Lacey	Member	•	•	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•	•	•

d) Board Nominations & Remuneration Committee

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

Below is the committees members meeting attendance summary

Name	Designation	13.03.2023	08.11.2023
J P M Ndegwa	Chairman	•	•
A S M Ndegwa	Member	•	•
J Wangai	Member	•	•
J K Muiruri	Member	•	•
J K Kimeu	Member	•	•
Norman Kelly	Member	•	•
Doug Lacey	Member	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•

e) Board Executive Committee

The Board Executive committee is led by a non-executive director who serves as its chairperson. Alongside the Company Chief Executive, there are five additional non-executive directors who are members of this committee. Heads of Business attend by invitation. The committee met three times in 2023.

The committee monitors effectiveness of the Company's corporate strategy and works closely with Management to facilitate the growth of business within predefined risk management frameworks and parameters and long-term strategic objectives. This committee acts as the link between the Board and Management, with responsibility for oversight of the implementation of operational plans, annual budgeting and periodic reviews of the Company's operations and strategic plans. Essentially, the committee oversees management's execution of board-approved strategies.



Below is the committees members meeting attendance summary

Name	Designation	13.03.2023	02.06.2023	07.12.2023
J Wangai	Chairman	•	•	•
J P M Ndegwa	Member	•	•	•
A S M Ndegwa	Member	•	•	•
P K Mugambi	Member	•	•	•
Norman Kelly	Member	•	•	•
Doug Lacey	Member	•	•	•
Philip Lopokoiyit	Chief Executive Officer	•	•	•

Attendance at Full and Board Committee meetings was commendable.

PRINCIPAL OFFICER & SENIOR MANAGEMENT

In our commitment to enhancing efficiency and execution capabilities, we have established a robust management team. The quality of our senior leadership team continues to effectively manage risks and governance and demonstrate a firm commitment not only to executing tasks correctly but also to pursuing the right objectives. Our team possesses the key qualifications and experience in their respective fields. Additionally, we adhere to the "fit and proper persons' criteria" as outlined in compliance with the "Guidelines of Suitability of Persons" mandated by the Insurance Regulatory Authority. Directors have undergone induction on how the Group governs itself, makes decisions, defines its principles, and upholds the standards of governance it aims to uphold.

OUR SUSTAINABILITY PRACTICES

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

Through NDSI, we continue to partner with financial institutions to prop up support for Africa's climate-induced risk exposures. Working closely with the African Development Bank Group in designing of the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) has been a key area of focus for us. ACRIFA is a facility that will deploy concessionary, high-risk capital and grants to catalyse the development and uptake of a range of targeted climate insurance solutions.

In addition, we are committed to adopt the recently launched Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and are part of the TNFD pilot programme supported by FSD Africa to build institutional capacity and create more awareness.

ICEA LION is a signatory to the United Nations Environmental Programme Finance Initiative (UNEP FI) Principles of Sustainable Insurance (PSI) which brings together some of the world's leading insurers and reinsurers to play their part in accelerating the transition to low carbon emissions by 2050.

We are also members of the African Natural Capital Alliance, a membership body of leading financial sector institutions, academia/research and civil society organizations across the African continent, that are working together to support African economies to shift towards nature-positive growth.

INTERNAL CONTROL & RISK MANAGEMENT SYSTEMS

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

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

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

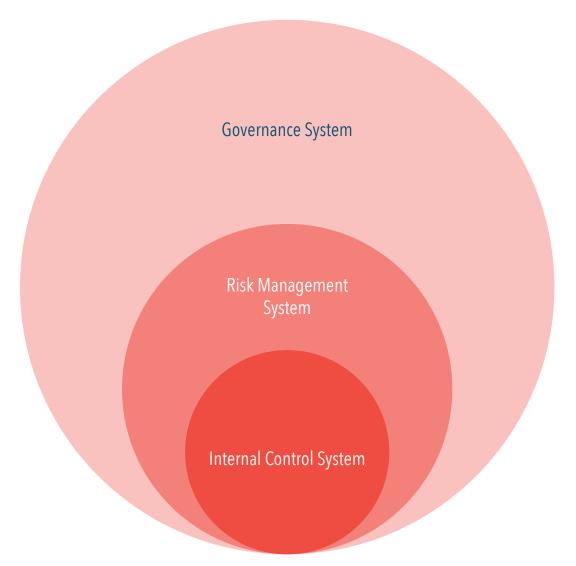
Additionally, we maintain an independent internal audit function, led by a senior officer. This function evaluates the sufficiency and effectiveness of ICEA LION's adherence to internal controls and reports on strategies, policies and procedures.



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

Relationship between internal control, risk management and governance systems-Source: OECD (2022).

The board ensures the effectiveness of the internal control framework through ongoing monitoring, assessments, and reporting. Key approaches include regular reporting from management, independent assessments by the internal audit function, external audit evaluations during annual audits, reviews of risk management reports, monitoring key performance indicators related to internal controls, direct communication with management to gain insights, periodic assessments of the internal control framework, and ongoing training for board members. These measures collectively contribute to the board's confidence in the robustness and responsiveness of the internal control system in mitigating risks.



COMPLIANCE & ANTI-MONEY LAUNDERING PROGRAM

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

We are cognizant of both local and international principles in a bid to mitigate the risk of violating legal and regulatory requirements and ensuring

compliance. This commitment also ensures that our customers benefit from the integration of sustainability and social responsibility into our corporate behaviour. The company is dedicated to upholding and enhancing its corporate governance standards, striving for full compliance with the King IV Governance code.

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



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

The compliance team's responsibilities include advising business units on laws, creating, implementing, and monitoring internal guidelines, and regularly training employees on relevant rules. An independently managed whistle-blower system is in place, allowing confidential reporting of irregularities.

Employees raising concerns in good faith are protected from retribution.

ACTUARIAL FUNCTION

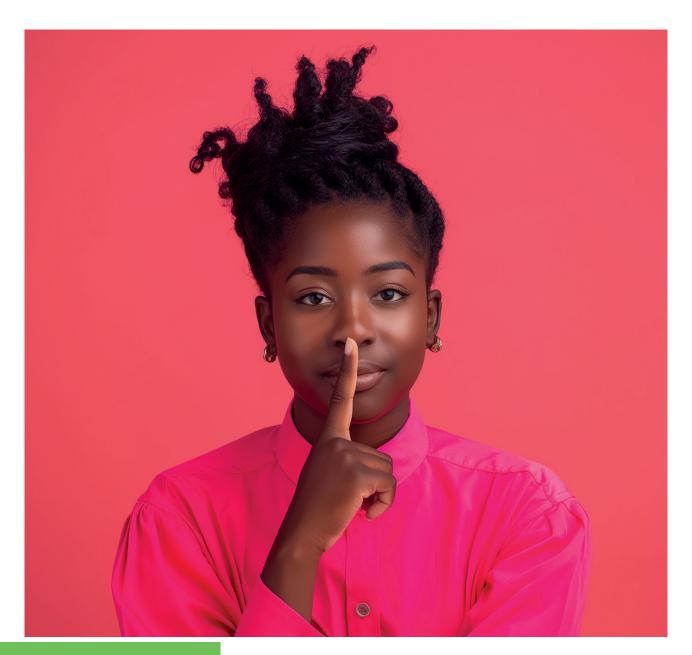
ICEA LION has established an internal actuarial function responsible for assessing and advising the management on various aspects, including technical provisions, premium and pricing activities, and compliance with statutory and regulatory requirements.

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

CONFLICT OF INTEREST

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

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





DIRECTORS' EMOLUMENTS

The aggregate number of emoluments paid to Directors for services rendered during the financial year is disclosed in Note 60 (f) to the financial statements for the year ended 31 December 2023. (See page 192)

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or Management except those disclosed in Note 60 to the financial statements for the year ended 31 December 2023. (See page 192)

COMPLIANCE WITH THE LAW

Our Board is content that ICEA LION, to the best of its knowledge, has established mechanisms to adhere to all relevant laws. According to the Board's knowledge, no director, employee, or agent of the Company has engaged in any indictable offense while conducting ICEA LION's affairs, nor have they been implicated or utilized as a channel for money laundering or any other activity conflicting with the applicable laws.

CONDUCT OF BUSINESS & PERFORMANCE REPORTING

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

DISCLOSURE OF INFORMATION & RELATIONSHIP WITH THE INSURANCE REGULATORY AUTHORITY

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

ACCOUNTABILITY, AUDIT & SHAREHOLDER RELATIONS

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

Our directors acknowledge and affirm their responsibility for the financial statements, including the provision of additional information in this integrated report deemed beneficial to shareholders and other stakeholders.

STAKEHOLDER GROUPS

We acknowledge that our success is dependent on striking a balance among the interests of our key stakeholders.

The targeted operating model prioritizes both market management and customer value, emphasizing customer-centricity and innovation initiatives. To ensure ongoing progress, we actively measure customer satisfaction and brand value

Achieving excellence in customer experience and market success is inseparable from the dedicated support and commitment of our employees. Consequently, we are making substantial investments in our talent pool by offering opportunities for personal and institutional development.

With these highlights, I am pleased to present statements from the Chairmen of our Board Committees.



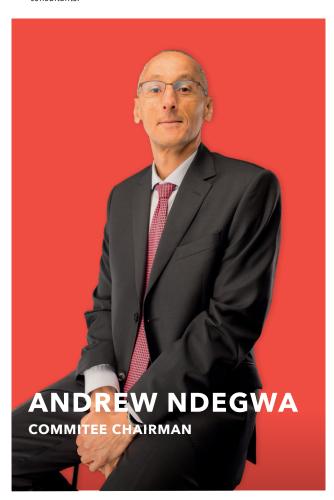


BOARD FINANCE AND INVESTMENT COMMITTEE STATEMENT

It is my pleasure to present the report of the Board Finance and Investment Committee for the year ended 31 December 2023.

The Committee is charged with the responsibility of:

- Reviewing and recommending to the Board the Company's asset allocation policies and strategies including asset liability matching.
- Reviewing investment policies and strategies.
- Monitoring compliance with the approved investment strategy including investment mix.
- Monitoring the performance of the investment portfolio.
- Recommending investment proposals to the Board for approval and overseeing investment projects.
- Engaging and overseeing the performance of investment managers and consultants.



MACRO-ECONOMIC ENVIRONMENT

Global GDP growth slowed down in 2023 as the global economy faced high inflation prompting Central Banks to adopt aggressively tighter monetary policies. In addition, increased geopolitical tensions, extreme weather conditions emanating from adverse effects of climate change, and a strong US Dollar characterized the global operating environment in 2023.

Locally, GDP growth improved to 5.9% in Q3 2023 compared to 4.3% in Q3 2022 on account of an extended recovery in agricultural sector output. Notably, challenging macroeconomic conditions such as sustained currency weakness, high interest rates, high local fuel pump prices, and increased taxation weighed on the services and manufacturing sectors resulting in slow, but positive, growth. In addition, contractions in output, employment, and new orders saw the Stanbic Purchasing Managers Index (PMI) print contractions through the year and decline to 48.8 in December 2023 from 51.6 in December 2022.

Financial markets in the year were characterized by upward pressure on yields hence an elevated appetite for higher-yielding fixed-income securities. This coupled with negative sentiment on the equity market, resulted in a negative equity market performance of (28%) in 2023. The Monetary Policy Committee (MPC) raised the Central Bank Rate (CBR) by 3.75% to 12.50% citing the need to adjust the monetary policy stance to address inflation and exchange rate pressures. Annual headline averaged 7.7% in 2023 up from 7.6% in 2022 owing to higher utilities inflation and the local currency depreciated by 21%.

FOCUS AREAS IN 2023

Investment income during the year was derived mainly from the fixed-income asset class. The Investment Steering Committee mainly focused on reviewing the equity and the counterparty models, and the property portfolio. Further, a review of Alternative Investment opportunities in Venture Capital, Private Credit, Real Estate, and offshore mutual funds amongst others is ongoing. In line with this, a review of the Investment Policy Statements (IPS) to support these investments, while considering the impact of business and market risks to both assets and liabilities, is ongoing.

PERFORMANCE OF OUR INVESTMENTS

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

Investment Assets	S
2023 - Group (KShs Billion) 13.27B	2022 - Group (KShs Billion) 11.41B
2023 - Company (KShs Billion) 🛦 10.74B	2022 - Company (KShs Billion) 10.67B



Growth on Investment Asset

2023 - Group (KShs Million) ▲ 2022 - Group (KShs Million)

1,864M

2023 - Company (KShs Million) ▼ 2022 - Company (KShs Million)

190M

Realised Investment Income

2023 - Group (KShs Million)

1,442M

1,117M

2023 - Company (KShs Million)

1,207M

2022 - Company (KShs Million)

1,059M

Investment Return

2023 - Group (KShs Million)

1,235M

1,023M

2023 - Company (KShs Million)

2023 - Company (KShs Million)

7967M

2022 - Company (KShs Million)

2024 - Company (KShs Million)

944M

Total Return on investment (%)

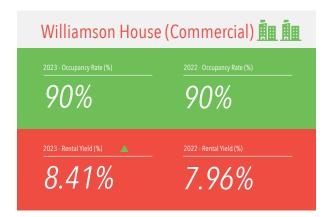


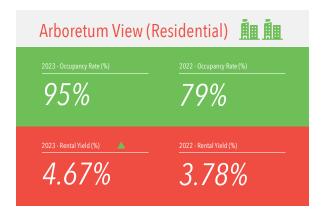
Group

Company

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







Occupancy Rate Rental Yield

LOOKING FORWARD

In 2024, the possibility of interest rate cuts in developed economies could positively spur activity in Frontier Markets including Kenya. However, investor demand for higher interest rates, local fiscal pressures, currency weakness, and higher cost-of-living are a risk to growth and financial markets. Therefore, market participants are expected to remain cautious.



BOARD AUDIT & RISK MANAGEMENT COMMITTEE STATEMENT

"Our commitment to governance, risk management, and compliance is not a task; it's a pledge to navigate the corporate seas with integrity, resilience, and unwavering ethical standards."

It is my privilege to present the report of this committee. Our committee convenes quarterly to review external auditors' plans, internal audit reports, matters concerning ethics and policyholders' protection and any proposals affecting the Company's internal control environment.

Our responsibilities extend to monitoring and supervising the management's financial reporting process and championing the establishment of robust



corporate governance practices. In the past year, macroeconomic risks, driven by inflationary pressures and heightened regulatory demands, took centre stage. These encompassed Anti-Money Laundering compliance, data privacy, IFRS 17 compliance, and cybersecurity/data security concerns. The Committee remains steadfast in reviewing the effectiveness of internal controls, providing enhanced oversight across all facets of the company.

In respect of financial statements, the Committee's focus was:

- The accounting judgments made by management that could have a significant effect on the Group's financial results.
- Oversight of ICT changes affecting financial systems and controls.
- · The clarity of disclosure of financial information.
- Whether the financial statements, taken as a whole, give a true and fair view of the Company's financial performance.

The Statement of Directors' Responsibilities on this can be found on page 101 of this report.

Company Capital Adequacy

The Committee verified that the Company's capital adequacy was acceptable and its Capital Management strategy was robust enough to back its intended growth strategy.

Filing of Statutory Returns

The committee reviewed the filing of various statutory returns in the Company and its subsidiaries and was satisfied with the compliance levels. No major issue was noted during the period under review.

Internal Control & Risk Management

The Board has overall accountability for ensuring that risk is effectively managed across the Company. On behalf of the Board, this Committee has responsibility for reviewing the effectiveness of internal controls including financial, operational and compliance controls.

In order to do this, the Committee:

- Receives and agrees on appropriate actions in response to regular reports from the Risk and Internal Audit function on:
 - » The status of internal control and risk management systems
 - » The department's findings, annual plan and the resources available to it to perform its work
 - » Any concerns expressed by colleagues about possible malpractice or wrongdoing
- Reviews whistle-blowing reports from the Company and reviews the external auditor's management letter on internal financial controls.
- Provide oversight in the implementation of a comprehensive AML/KYC compliance program.



- Seeks reports from senior management on the effectiveness of the management of key risk areas.
- Monitors the adequacy and timeliness of management's response to identified audit issues.

The Company's principal risks are set out from pages 62 to 69 of this report.

The main features of the Company's internal control and risk management systems relating to the accuracy and reliability of financial reporting, including the process for preparing the integrated report are:

- Recruitment of suitable qualified and experienced finance, internal audit and risk team members.
- Segregation of duties, clear lines and accountability and delegation of authority.
- Policies and procedures that cover financial planning and reporting, preparation of financial and non-financial information and capital expenditure.
- A robust period-end review process including review and commentary from process owners.
- A tiered review process for external financial reports involving internal stakeholders from relevant areas of the business.

No significant failings or weaknesses of internal control were identified during these reviews.

INTERNAL AUDIT

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

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

The Committee approved the Company's annual Internal Audit Plan, which was developed through a robust risk assessment of the Company's auditable universe. The Internal Audit function executed its mandate by issuing regular audit reports to the Committee as well as tracking and monitoring management action regarding implementation of audit recommendations.

Key audit themes covered in the audit period are highlighted in the table below:

Key Audit Theme	Audit Focus Area	Meeting Dates
Finance & Accounting	Commissions	16 March 2023
Operations	Underwriting	13 June 2023
Distribution	Branch Operations and Retail Network	13 June 2023
Information Technology	Vendor Management	13 June 2023

Key Audit Theme	Audit Focus Area	Meeting Dates
Information Technology	Project Management	14th September 2023
Finance & Accounting	Investments	21 November 2023
Information Technology	Cloud Computing	21 November 2023
Compliance	Anti-Money Laundering	21 November 2023

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

EFFECTIVENESS & INDEPENDENCE OF THE EXTERNAL AUDITOR

The Committee considered the effectiveness of KPMG as the external auditor over the last year. In making this assessment the Committee has considered the information presented by the auditors, management responses to the auditor's findings, including any adjustments and the level of audit fees.

To fulfil its responsibilities in respect of the independence and effectiveness of the external auditor, the Committee reviewed:

- Terms, areas of responsibility, duties and scope of work of the external auditor.
- Audit work-plan for the Group.
- Detailed findings of the audit including a discussion on major issues that arose during the audit.
- The letter from the external auditor confirming its independence and objectivity.

The Committee is satisfied with the performance and independence of the external auditor.





BOARD NOMINATION & REMUNERATION COMMITTEE STATEMENT

I am pleased to present the 2023 Nomination and Remuneration Report on behalf of the members of the Committee.

The Nomination and Remuneration Committee is the custodian of the ICEA LION Group remuneration governance structure that ensures that the Group remunerates fairly, responsibly and in a transparent manner to promote achievement of the business objectives and outcomes.

The Groups remuneration practices are centred on the creation of sustainable value and rewarding individual performance relative to business performance, stakeholder interests and market benchmarks.



The Group remuneration policy is therefore designed to:

- Build a high-performance culture that recognizes employees for the contribution they make to the business while encouraging excellence in delivery.
- Prudently manage the total cost of employment for all employees and its impact on the Group's overall cost base and financial performance.
- · Consistently promote the Group's culture of fairness and equity
- Attract, retain, reward and motivate employees and executives of the highest calibre.
- Focus all employees on delivering sustainable growth and financial performance for all stakeholders.
- Review and benchmark remuneration regularly through independent external professional service providers to ensure that the Group remains aligned and competitive in the diverse markets we operate.
- Review and determine the Company's policy and practices on remuneration and advise on the specific remuneration packages of senior managers so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance.
- Review the remuneration of Non-Executive Directors and recommend changes from time to time as mandated by the Board.

In keeping with the mandate and the responsibilities of the Nomination and Remuneration committee, two meetings were held in the year. I am confident that our remuneration policy outcomes substantially reflect the Group's overall performance and the balance of stakeholder interests. The following were key focus areas for the year 2023:

Reflecting on 2023 and Remuneration decisions

In the year 2023, the Committees operations were guided by the remuneration policy that set out and guided the delivery of the following priority areas:

- Determining the remuneration outcomes of the year having considered the financial performance of the Group, the delivery to stakeholders and individual contributions to the business strategic outcomes.
- Attracting and retaining top talent, critical skills and ensuring talent availability to achieve the Group's ambitious targets.
- Reviewed and recommended to the board fair and responsible remuneration changes informed by market benchmarking in respect of fixed remuneration based on position market remuneration, pay for performance differentials and specific country-level interventions to address significant cost-of-living related pressures.
- Recommendation for approval by the board, the payment of staff salary increments and short term incentive effective January 2023 that considered the overall operating environment, the respective performance of each business and the benchmark survey outcome.



- Performance Management being a critical initiative through which remuneration outcomes are assessed, there was continued focus on the evolution of the Group's performance management framework, outcomes and processes to remain relevant and competitive, to effectively balance stakeholder interests to support high performance culture for retention and attraction of the best talent.
- This committee reviewed new nominees to the Board and was mandated to assess the performance and effectiveness of Directors through Board evaluations.
- The Committee also reviewed the People and Culture strategy in the Group and recommended to the Board for approval.
- Annual board performance evaluation was independently facilitated by a external service provider whose outcome continued to improve the effectiveness of the board and committees.
- Established the Graduate Management Program that was implemented for identifying high potential future talent.
- Oversaw the Culture Transformation program launch and the modelling of the desired behaviors (Red- what we never do, and Green- what we always do) as a strategic driver of the business objectives.

Executive Leadership Appointment:

During the year under review, the following change to the Senior Leadership team was made:

Mr. Ambrose Kibuuka

The board approved the appointment of Mr. Ambrose Kibuuka to succeed Mr.Gabriel Kuria as the CEO for the General business Uganda. Ambrose was appointed on 15th November 2023 following regulatory approval. He joined ICEA LION from Mayfair Insurance Company Uganda Ltd where he worked as the Executive Director. Prior to that he worked with GA Insurance Uganda and Sanlam General Insurance Uganda in senior executive roles. Mr. Kibuuka holds a Bachelor of Statistics from Makerere University. He is also ACII- Chartered Insurance Institute (CII) London and a Fellow of the Insurance Training College (FITC), Uganda. He also attended a Leadership Development Program (LDP), Stellenbosch University, South Africa. He has vast experience spanning over 10 years within the insurance industry.

Mr. Gabriel Kuria relocated back home effective 31st December 2023 after serving the ICEA LION General for over 6 years. In accepting his relocation, the Committee noted Gabriel's invaluable contribution to the growth of the Uganda General business. The committee acknowledges and appreciates Gabriel for his diligence in serving the business and the role he played in developing, leading and strengthening Business Development and Operations that has seen substantial improvement in the overall performance of the business.

Appreciation

I would like to acknowledge with appreciation my colleagues on the Nomination and Remuneration Committee and those on the subsidiaries for their diligence and support that has ensured that we achieve great results during the year. I also thank our staff across the Group for their dedication, diligence and their loyalty that has enabled the Group to remain strong and competitive. I look forward to another year where we continue to build on our strong foundation.





BOARD INNOVATION AND ICT COMMITTEE STATEMENT

Global Overview: A Reflection on 2023

The year 2023 will be etched in memory, marked by numerous and devastating armed conflicts in Russia and Ukraine, Israel and Palestine and Sudan closer to home. These conflicts have cast a shadow over global economies, exacerbating energy and commodity prices.

The impact of these conflicts has rippled into East African economies, leading to a spike in the cost of living, thereby reducing disposable income for citizens. Concurrently, Kenya is navigating a shift in tax policy, contributing to business uncertainty and increased compliance costs.

Advancements in Artificial Intelligence (AI)

On a positive note, 2023 was a watershed year for the maturation of Artificial



Intelligence (AI). Al applications witnessed unprecedented sophistication and ubiquity, influencing diverse industries, from healthcare and finance to entertainment and retail.

While the full impact of AI remains unpredictable, its potential for the insurance industry is both promising and imminent. The ICEA LION Group proudly spearheaded AI integration, notably deploying it to automate underwriting instructions in 2023, a pivotal step in enhancing efficiency. This is merely the tip of the iceberg, as AI holds the promise of revolutionizing customer experiences and reducing operational costs across various fronts, including claim processing, fraud detection and customer service through chatbots and virtual assistants.

Empowering Women: ICEA LIONESS Product

We extend gratitude to the team in Uganda for successfully crafting the ICEA LIONESS product, specifically designed for women. Recognising the pivotal role women play in creating and safeguarding wealth for their families, ICEA LIONESS offers a unique, tailor-made product that combines savings and protection, with added benefits such as guaranteed maturity values, free cancer screening, and an antenatal package. Notably, LIONESS is an end-to-end digital product, enabling women to self-onboard through web or WhatsApp channels, bringing convenience to their homes. We wish the group continued success as it pioneers digital products for crucial segments of our society.

Expanding Digital Services Through Whatsapp

Our commitment to digital innovation is evident in the array of products and services accessible through the Whatsapp channel. In addition to ICEA LIONESS, customers can now renew motor insurance, file claims, seek medical second opinions and manage Unit Trust investments, including funds withdrawal for Joint, Junior and Chama accounts.

Strategic Partnerships and Digital Integration

The ICEA LION Group remains committed to extending its services through trusted partners, brokers, agents and valuers. Our interactions have undergone significant digitization through the well-established Partners' portal. We are actively pursuing deeper digital integrations with partners to enhance cost efficiency and eliminate inefficiencies, ultimately benefiting our customers.

Embracing Insurtechs and Fintechs

Recognising the need to leverage digital capabilities for competitiveness and growth, the board emphasizes the creation of strong partnerships with Fintechs and Insurtechs. To achieve this, a proactive approach is required, accommodating new business models that foster innovation without being encumbered by outdated yet successful models.

With a clear vision, this challenging but necessary transformation is within our grasp. We continue to encourage the Group to persist in creating innovative digital products, setting the pace in the industry, and fully capitalizing on the potential of AI. We trust that 2024 will witness fundamental changes to our operating model, accelerating innovation and growth for the ICEA LION Group.



Looking Ahead to 2024

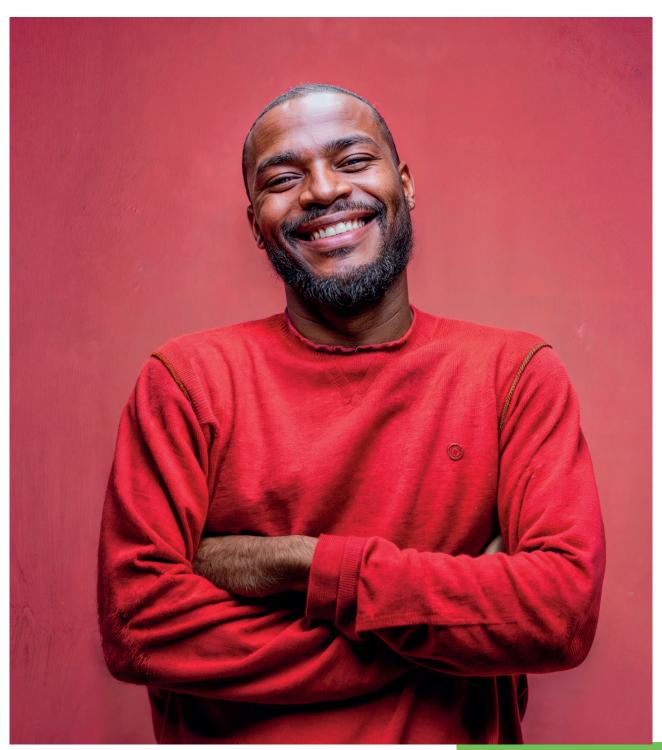
As we turn our attention to 2024, a sense of optimism prevails. The conclusion of the previous year brought about improved rainfall, offering a glimmer of hope for many Kenyans as it is anticipated to alleviate the cost of living. Additionally, we express our aspirations for global conflicts to find peaceful resolutions.

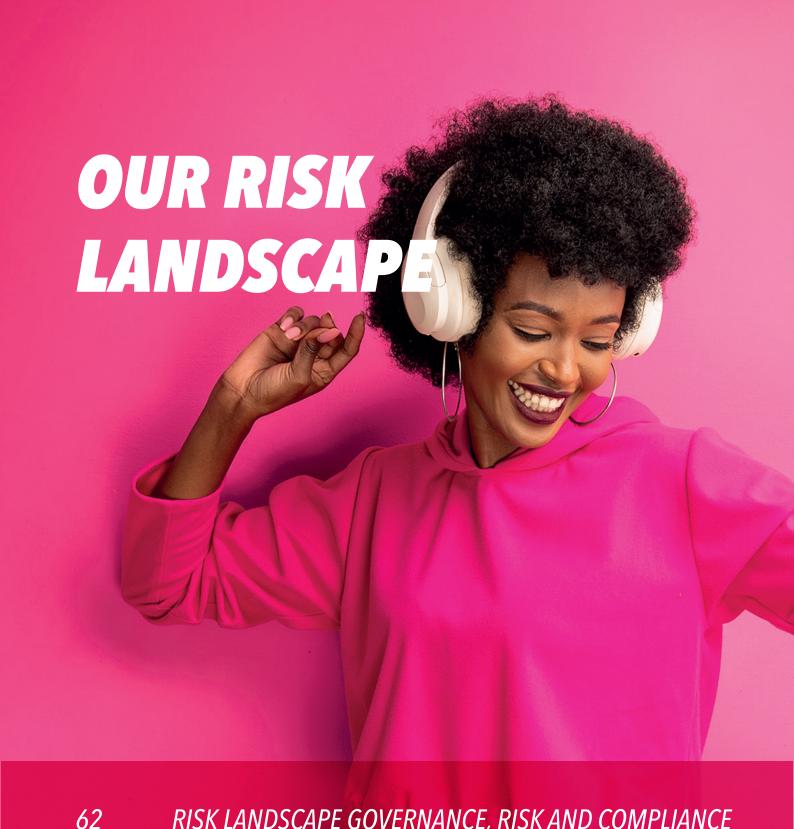
Anticipating a potential easing of the United States Dollar as the Fed rates look to decline and the USA enters into an election year, we look forward to the positive impact on the economy. The forecasted shift holds the promise of making imports and inputs more affordable in the upcoming year, potentially benefiting various sectors.

In closing, I extend my sincere appreciation to the tireless efforts of the ICT team across the Group. Their unwavering commitment to delivering innovative and fresh concepts has significantly enhanced the customer and user experience. These endeavours are poised to generate lasting value for the Group in the long term

Hongera!

Mugwe Manga





RISK LANDSCAPE GOVERNANCE, RISK AND COMPLIANCE





RISK LANDSCAPE GOVERNANCE, RISK AND COMPLIANCE

This section provides a comprehensive overview of Governance, Risk Management, and Compliance (GRC) within our organization. Rooted in unwavering commitment, our governance structure ensures transparency and ethical standards, aligning decisions with organizational goals. The focus on risk management showcases a proactive approach, addressing risk identification, mitigation and continuous monitoring for organizational resilience. Amid evolving regulations, our dedication to compliance is evident through unwavering adherence to legal standards, thorough policy crafting and ongoing training initiatives, fostering a culture of ethical conduct. This approach reflects our commitment to navigating challenges while upholding transparency, resilience and ethical standards.

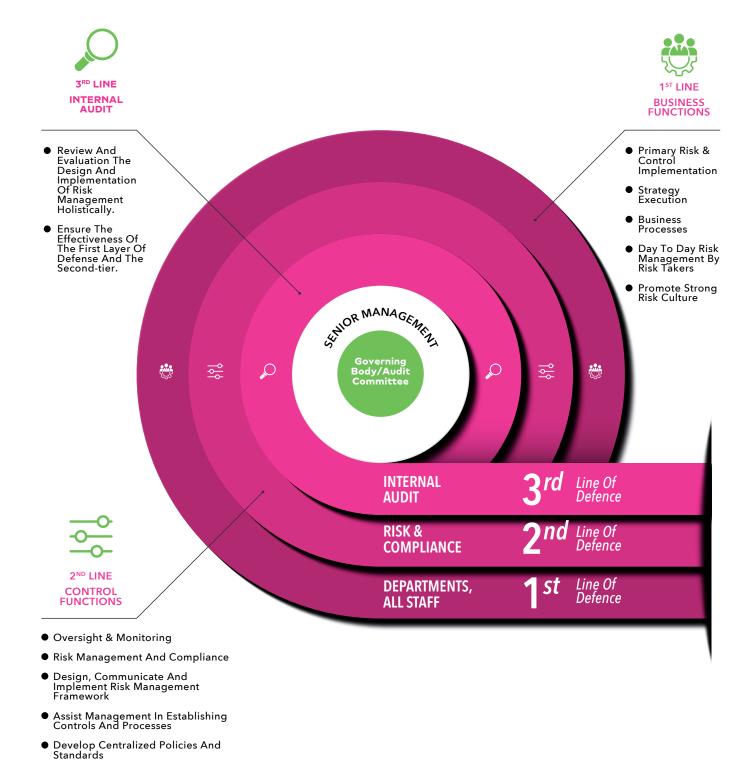
In the symphony of business, governance orchestrates, risk management harmonizes, and compliance ensures that every note is played in accordance with our values

OUR APPROACH TO RISK MANAGEMENT

At ICEA LION, our strategic vision relies on robust risk management and governance as fundamental pillars. Navigating the intricacies of the contemporary business environment highlights the essential need for a structured approach to risk management. Our steadfast commitment is demonstrated through the embrace of globally recognized frameworks, positioning us as leaders in proactive risk mitigation and corporate governance excellence. This has empowered us to navigate complexities with confidence and resilience, ensuring sustained success in an ever-evolving landscape.

3 LINES OF DEFENCE MODEL





• Monitor And Report On Risk To The

Escalate Critical Issues And Emerging Risks



First Line of Defense (Business Units and Operations)

At the heart of our risk management strategy lies the daily rhythm of our business units and operations—the first line of defense. Frontline employees are not just contributors; they are guardians actively managing and controlling risks as an integral part of their roles. Operational controls are seamlessly woven into our processes, forming a vigilant fabric that ensures continuous risk awareness and mitigation. This illuminates the proactive role our operational teams play in fortifying ICEA LION against potential threats.

Second Line of Defense (Risk Management and Compliance):

The risk management and compliance function, our second line of defense stands as a sentinel, providing essential oversight, guidance and independent assessment. These highly dedicated teams orchestrate key initiatives such as risk assessments, compliance monitoring, and control testing. Their efforts not only uphold our commitment to effective risk management but also ensure that our operations align seamlessly with regulatory requirements.

Third Line of Defense (Internal Audit):

Our internal audit function emerges as the ultimate arbiter of effectiveness. The team conducts independent evaluations, scrutinizing the very fabric of our risk management and control processes. Through findings and recommendations, internal audit contributes significantly to our journey of continuous improvement and assurance.

Integration of the Three Lines:

Harmony in diversity is not just a phrase; it's the ethos guiding the integration of our three lines of defense. These lines collaborate synergistically to create a comprehensive risk management framework. This collaboration enhances risk identification, mitigation, and compliance demonstrating the power of collective vigilance.

RISK APPETITE PROCESS AND SETTING

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

RISK CAPACITY

RISK APETITE

STRATEGIC
GOALS

THE

RISK TOLERANCE

COMPLIANCE FINANCIAL
STRATEGIC OPERATIONS
RISK TARGET

Adaptability remains our watchword as we navigate an ever-evolving landscape of risks and regulatory nuances to ensure that ICEA LION remains a stalwart guardian against the unpredictable winds of change.

BUILDING RESILIENCE THROUGH RISK INTELLIGENCE

In fostering organizational resilience, we have instituted a robust integrated risk management framework that permeates our daily business endeavours. Bolstered by steadfast corporate governance structures, our commitment to effective risk identification, monitoring and management is unwavering. Heading this charge is our dedicated risk management and compliance function, led by a seasoned senior officer. Ensuring its independence, this function maintains a direct reporting line to the Board Audit and Risk Committee, serving as the nexus for in-house risk management, compliance monitoring, and authentication activities.

Central to our strategy is the establishment of a comprehensive risk appetite, initiated and cascaded by the Board of Directors to our senior management team. Our proactive approach includes regular risk assessment exercises, evaluating key risks against predefined tolerance levels. This structured approach incorporates well-documented internal procedures, clear reporting lines, and systematic training programs for our staff. These programs aim to equip our team with a profound understanding of business risks, the repercussions of inadequate risk management, and universally accepted techniques for effective risk mitigation.

Our journey towards integrating risk management has been marked by continuous improvement, exemplified by strides in quantifying risk through the implementation of the Risk-Based Capital regime, endorsed by the Insurance Regulatory Authority. This evolution underscores our commitment to staying at the forefront of risk intelligence, fortifying our organization against unforeseen challenges and reinforcing our resilience in a dynamic business landscape.

The Risk Appetite Process and Setting form a pivotal aspect of our organizational strategy, defining the boundaries within which we operate and make decisions. This process involves a thorough evaluation of our tolerance for risk, aligning it with our business objectives. By clearly defining our risk appetite, we establish a framework that guides decisionmaking, ensuring a balanced approach that maximizes opportunities while effectively managing potential threats. This proactive and structured approach to risk management empowers us to navigate uncertainties with confidence and resilience

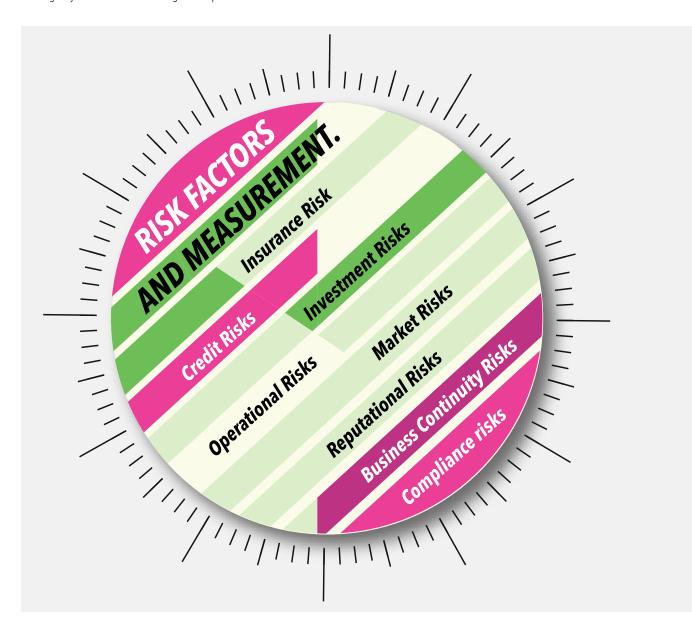


RISK FACTORS AND MEASUREMENT.

Traversing the challenges of the 21st century involves grappling with heightened complexity, uncertainty, and vulnerability. These arise from geopolitical power shifts, rapid technological transformations, and the ever-expanding interconnectivity that amplifies the dissemination of risks. In this dynamic environment, prioritizing the comprehension of risk factors and deploying effective measurement strategies becomes crucial for fostering sustainable success and resilience. The following section provides an overview of the key risks we diligently monitor in this evolving landscape.

Insurance Risk

Insurance risks primarily stem from insufficient or unsuitable practices in reinsurance, reserving, underwriting, claims management, product design and pricing, which could result in financial losses and the subsequent inability to fulfil obligations. To effectively address and minimize these risks, we have implemented a comprehensive risk management system tailored to the scale and intricacy of our operations. This encompasses the implementation of policies related to product design, pricing, underwriting, claims management, reserving, and reinsurance.





Credit Risks

Credit risk is defined as the risk that a third party in a transaction will default on its commitments. The Company monitors counterparty and associated concentration risks arising from investment portfolios held by the Company's insurance operations, and exposures on third party obligors stemming from the investments such as banks, and investment brokers. There is also continuous engagement with all relevant stakeholders with regards to follow-up of debts.

The Company has a Credit control policy which provides guidance on procedures and processes relating to debtors' management and provides a level of uniformity in the manner in which credit and debt management tasks are executed.

Additionally, the exposure to credit risk is covered by statutory solvency Capital Requirement metric.

Investment Risks

Investment risks emanate from the performance of investments, which may deviate from benchmarks or expectations. These risks can materialize through the loss of principal, coupons, or equity value, potentially resulting in impairments and reduced net income.

To prudently manage investment risks, the Board, through its Board Finance and Investment Committee, actively reviews and recommends the company's asset allocation policies and strategies. This encompasses asset liability matching, investment policies, and strategies. The ongoing monitoring of compliance with the approved investment strategy, including the investment mix, underscores our commitment to making informed decisions and optimizing investment performance.

Operational Risks

Operational risks encompass potential losses stemming from insufficient or malfunctioning internal processes, human errors, or external events. To effectively mitigate these risks, we have implemented robust processes for managing human capital, addressing cyber/ICT challenges, and combating fraud. Oversight of operational controls is diligently executed across the three lines of defence.

Our commitment to operational excellence includes continuous monitoring, proactive measures, and a comprehensive approach to risk management. By reinforcing these key elements, we aim to fortify our operational resilience and ensure the smooth functioning of internal processes, thereby minimizing the impact of potential disruptions.

Market Risks

Market risks can manifest due to fluctuations in market movements, potentially subjecting the company to changes in the value of its assets, liabilities, or income generated from its assets. The primary market risks faced by the company include the following:

 Interest-rate risk; changes in interest rates will impact the value of financial instruments.

- Exchange-rate risk; risk of financial loss due to changes in exchange rates in relation to the Company's operating activities.
- Liquidity Risks; risk of insufficient liquid assets to meet payouts from policies forcing the sale of assets at lower prices, leading to losses.

To manage and mitigate market risks faced by the Company, an array of Risk Management techniques is employed, including:

- Establishing and overseeing functional limits on market risks.
- Conducting Asset & Liability Management (ALM), which involves determining an
 optimal strategic asset allocation aligned with the structure of liabilities to reduce
 risk to the desired level.
- Implementing a disciplined investment process, involving comprehensive analysis by the Investment arm and a second opinion provided by Risk Management.

Reputational Risks

We recognize the critical importance of safeguarding the Company's image, as damage to our reputation can significantly impact our ability to retain clients and attract new business. A breakdown in trust and confidence may arise from various sources, such as adverse media coverage or social media incidents. With a firm commitment to managing reputational risks, we maintain zero tolerance for any compromise in this regard.

To ensure swift and effective responses, we have established a dedicated Crisis Management Team. This team is equipped to handle reputational risks arising from diverse challenges, including adverse media exposure and incidents in the realm of social media. By proactively addressing these risks, we aim to fortify our reputation and sustain strong business relationships.

Business Continuity Risks

The risk of business disruption stemming from internal and external events, such as technological failures, natural disasters like floods, and civil unrest, is acknowledged and actively managed. Our commitment to ensuring the continuity of business activities is underscored by the formalization of comprehensive plans for business continuity, disaster recovery, and crisis management.

In anticipation of various risk events, we have implemented robust strategies to navigate potential challenges and maintain operational resilience. These plans are meticulously designed and regularly reviewed and are aimed at minimizing the impact of disruptions on our business, thereby reinforcing our dedication to continuous and uninterrupted service delivery.

Compliance risks

These risks emanate from potential violations or non-compliance with laws, regulations, agreements, prescribed practices or ethical standards. Additionally, there is a risk associated with the possibility of misinterpreting effective laws or regulations. Mitigating compliance risks is a priority for us, and we achieve this by ensuring that all our activities strictly adhere to regulations, codes of conduct, best practices, and internal policies.



Our commitment to compliance is further reinforced by independent assurance and oversight provided by dedicated compliance and internal audit teams. This multifaceted approach underscores our dedication to upholding high standards and legal integrity across all facets of our operations.

Fraud Risk Management

Fraud risk is characterized by intentional dishonest activities or wilful misrepresentation that may cause harm to the Company and can be perpetrated by management, employees, or third parties.

Our approach integrates fraud risk management seamlessly into enterprise risk management activities. We are unwavering in our commitment to upholding the highest standards of openness, probity, and accountability across all aspects of our operations. To foster a culture of honesty and maintain a zero-tolerance stance against fraud and corruption, we have instituted a board-approved fraud management policy.

Key components of our fraud management system include:

- Implementation of a whistle-blowing policy through an independently managed hotline.
- Implementation of an Anti-Bribery policy.
- Imposition of sanctions, including legal actions, against individuals found guilty of fraud.
- Conducting fraud awareness programs through comprehensive training initiatives.
- Implementation of due diligence processes for vetting new staff, suppliers, and other stakeholders.

Through these measures, we aim to fortify our defences against fraud and corruption, promoting a culture of integrity and accountability within our organization.

Navigating Shifting Tides: Unveiling Emerging Risks

In today's interconnected and fast-paced world, the nature of risk is undergoing a transformative shift. Unprecedented geopolitical events, exemplified by the resurgence of war in Europe that has ushered in lasting consequences. Concurrently, the escalation of climate risks and the growing threat of cyberattacks to both public and private intangible assets and data present new challenges. This evolving global risk landscape poses a substantial challenge to organizations, testing their ability to absorb financial losses.

As we peer into the future, the emerging risks on the horizon are poised to influence the solvency and profitability of the insurance sector. Factors such as sustained high levels of inflation, significant unrealized loss positions, and the potential reduction in demand for insurance due to strains on household purchasing power will play pivotal roles in shaping the risk landscape for insurers.

The Company has identified key emerging risks that may affect how we do business but at the same time introduce new opportunities to us. These include;

Rapidly Evolving Regulatory Compliance Changes

Regulatory and financial crime compliance challenges continue to evolve, placing greater pressure on firms. Changes in regulatory frameworks, new legislation or legal actions can create compliance challenges and increase operational costs. Non-compliance can result in fines, penalties, reputational damage or even loss of license. Regulators have committed to a more intensive supervisory approach to monitor the risk with the twin aim of improving transparency in markets and products. The increased scrutiny can also make it more difficult for insurers to bring new services and products to market and increase the cost of compliance.

Despite the challenges presented by heightened scrutiny, we consider compliance a strategic investment. It serves as a fundamental element in maintaining credibility, fortifying resilience against reputational risks, and contributing to the overall stability of the insurance industry. The company has implemented a robust compliance management framework under board oversight, showcasing our commitment to navigating the evolving regulatory landscape with diligence and adaptability.

Modern Technologies Disruption and Adoption

Modern technologies like artificial intelligence (AI), machine learning, and blockchain continue to reshape the insurance industry, necessitating its adaptation for sustained competitiveness. The effective automation of tasks at scale has become a key differentiator, setting successful companies apart from their peers. As technology rapidly advances, traditional insurance models are susceptible to disruption, with Insurtech companies leveraging AI, big data, and blockchain introducing innovative products and services, challenging established insurers and potentially impacting market share.

In response to these trends, our company is proactively integrating these disruptive technologies. We are strategically leveraging AI, machine learning, and blockchain for enhanced underwriting and claims processes, data-driven insights, and the development of innovative product offerings. By embracing these technologies, our goal is not only to meet current industry standards but also to stay competitive and innovative in the rapidly evolving insurance landscape

Cybersecurity and Data Security Threats

The insurance industry holds vast amounts of sensitive customer data, making it an attractive target for cybercriminals. Data breaches and cyberattacks; ransomware attacks, distributed denial of service attacks can result in financial losses, reputational damage, regulatory penalties and legal liabilities. Cyberattacks are becoming increasingly sophisticated and are a major threat as high-profile cyberattacks have recently hit the industry. The stakes in combatting cyber risks are high because hackers can steal sensitive data, such as customer information and financial records, disrupt operations, impact financial stability and severely negatively impact company reputation.



To address the rising challenges of cybersecurity and data security threats, our company is committed to strengthening our defences through cutting-edge cybersecurity technologies, the implementation of extensive training programs, and the establishment of robust incident response plans aimed at proactively mitigating potential risks. This concerted effort underscores our dedication to staying ahead of evolving threats, ensuring the security of our operations, and safeguarding the trust and confidentiality of our customers' data.

Climate Change and Sustainability

Climate change presents substantial risks, resulting in global economic losses, property damages, and health implications. The insurance industry potentially faces challenges, including increased claims, rising reinsurance costs, and difficulty in assessing climate-related risks. As a testament to our dedication to sustainability, we actively participate in initiatives such as the Nairobi Declaration on Sustainable Insurance (NDSI) and seek to collaborate with financial institutions to support mitigate Africa's exposure to climate-induced risks. Our close partnership with the African Development Bank Group in designing and operationalizing the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) is a focal point for us. ACRIFA aims to deploy concessionary capital, highrisk funding, and grants to catalyse the development and adoption of targeted climate insurance solutions.

Furthermore, we have committed to adopting the recently launched Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and are part of the TNFD pilot program supported by FSD Africa, focusing building institutional capacity and creating awareness. ICEA LION is a proud signatory to the United Nations Environmental Programme Finance Initiative (UNEP FI) Principles of Sustainable Insurance (PSI) and the UN-convened Net-Zero Insurance Alliance (NZIA), uniting leading insurers and reinsurers globally in accelerating the transition to low carbon emissions by 2050.

Economic Uncertainty

Against the backdrop of the post-pandemic world, characterized by the ongoing war in Gaza and Ukraine, heightened geopolitical tensions, and financial market fluctuations, insurance companies find themselves operating in an environment fraught with uncertainty. Particularly noteworthy are the potential consequences during economic downturns, where reduced demand for policies, increased policy cancellations, heightened default rates, and lower investment returns collectively impact the profitability of the insurance companies.

Facing these challenges head-on, our company is actively implementing a series of strategic initiatives aimed at strengthening our position and navigating the evolving landscape. These initiatives include diversifying our investment portfolio to adapt to market fluctuations and optimize returns, embracing agility in our business models to respond swiftly to changing conditions, and fortifying underwriting processes and risk models to effectively address increased default rates and uncertainties associated with economic downturns.

We aim to emerge stronger, more resilient, and better equipped to serve our policyholders and stakeholders effectively.

Competition From Other Industries

The intensifying competition from non-traditional entities, such as technology companies and financial institutions, characterized by distinct business models and lower operational costs compared to traditional insurers, is expected to persist, exerting pressure on the profit margins of insurance companies.

In response to this challenge, we have implemented a series of strategic measures. These include introducing innovative product offerings, undergoing digital transformation to streamline operations, enhance customer experiences, and reduce costs, and establishing collaborations with technology firms and financial institutions to capitalize on their expertise and customer base. Furthermore, we consistently conduct thorough risk assessments and engage in scenario planning to proactively anticipate and address the potential impact of heightened competition.









THE CAPITALS

This section of the report is organized in alignment with the six Capitals, aiming to provide our stakeholders with valuable insights into the Group, the material issues shaping our strategy, and our responsive actions to meet the needs of our stakeholders. We trust that this structured presentation enhances stakeholders' understanding of our operations and their impact on our sustained success.

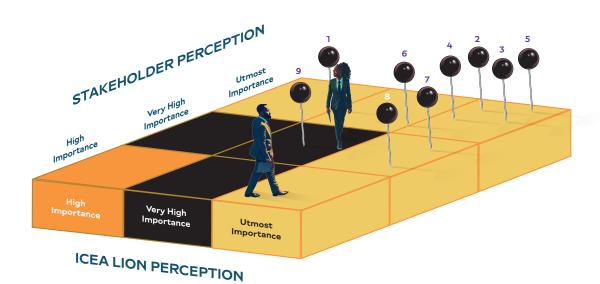
In addition, this section will demonstrate our pursuit to living up to Principles for Sustainable Insurance (PSI) as summarized below;

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles. Principles for Sustainable Insurance



MATERIALITY MATRIX

Material issues encapsulate factors that wield a substantial impact on the Group's ability to execute its strategy, uphold commercial viability and maintain environmental and social relevance. These pivotal aspects possess the potential to significantly influence the decisions of key stakeholders, comprising mainly of shareholders, customers, suppliers, and staff.





Shared Value

- Inclusivity
- •Diversity
 •Sustainable practices Local procurement
- •Financial inclusion
 •Non-discrimination



Profitability

•Shareholder Value



Digital Services

- •Engagement & Communication
- One stop financial services shop

2

Operation Resilience

- •Continuity & Availability of Services •Accuracy of transactions
- Turn-around time
- Reliability
- Convenience Automation



Corporate Conduct

- •Integrity
 •Ethics
 •Core Values
- Philosophy Governance
- Consistency •Trust
- Compliance
- •Stakeholder
- engagement •Transparency
- Confidentiality Professionalism Brand



Treating Customer Fairly

- •Culture
- •Trust
- Innovation
- •Agility
 •Flexibility

Our People

•Retention

Skills-matching •Culture •Succession

•Remuneration

consideration

engagement

•Competence, Rewards

•Promotion
•Disability

•Employee

•Training Placement -matching

- Brand Promise
- •Data protection



Health & Safety

- •COVID 19 protection •Mental health
- •Fitness& Wellbeing
- Occupational Health &Safety Compliance



- 1. Shared Value
- 2. Operation Resilience 3. Treating Customer Fairly
- 4. Health & Safety
- 5. Profitability
- 6. Corporate Conduct

Risk Management

8

- •Resilience Succession strategy
- Prudence
 Compliance Diversification
- Credit Rating results
- •Regulator inspection results •Standard Operating
- Procedures/ Policies Monitoring
- •Due diligence



High Importance Very High Importance

Utmost Importance

To systematically gauge the significance of these material issues and appraise stakeholder and Group perceptions, our evaluation process rigorously tests these material issues against the criteria outlined in the Global Reporting Initiative (GRI) standard, ensuring a comprehensive and standardized approach to reporting. It is essential to note that our last in-person materiality assessment was conducted in 2019.

Subsequent engagements were temporarily halted due to the challenges posed by the COVID-19 pandemic. However, demonstrating our commitment to transparent and inclusive reporting, we are poised to resume in-person materiality assessments with our stakeholders in 2024. This renewed initiative underscores our dedication to staying attuned to the evolving landscape of material issues and maintaining a proactive approach in addressing them.



HUMAN CAPITAL

Human capital is the heart of our business, it is the channel through which our customers are provided with our products and services based on established relationships. The right talent, in the right role is the most important asset enabling us to succeed in the market. Based on this premise, we seek to evolve while ensuring everyone can excel, grow, and deliver value to our customers, investors, and the community we serve, by making ICEA LION a great place to work. We endeavor to build our human capital, drive ICEA LION's winning culture, and support organization diversity and sustainability through;

- Attracting the best and most diverse talent while continuously upskilling/ reskilling our employees.
- Driving ICEA LION's winning culture and employee engagement by fostering a culture and work environment that enables us to deliver impact and business outcomes through an engaged workforce and offering distinctive value.

- Creating awareness and promoting employee wellbeing.
- Support organization diversity and ESG

HUMAN CAPITAL FOR THE FUTURE

We recognize that our talent determines our long-term success and greatly defines our human capability in the business and the market. We are therefore committed to attracting, hiring, developing, and retaining diverse talent and building a pool of talent key for the future of the business;

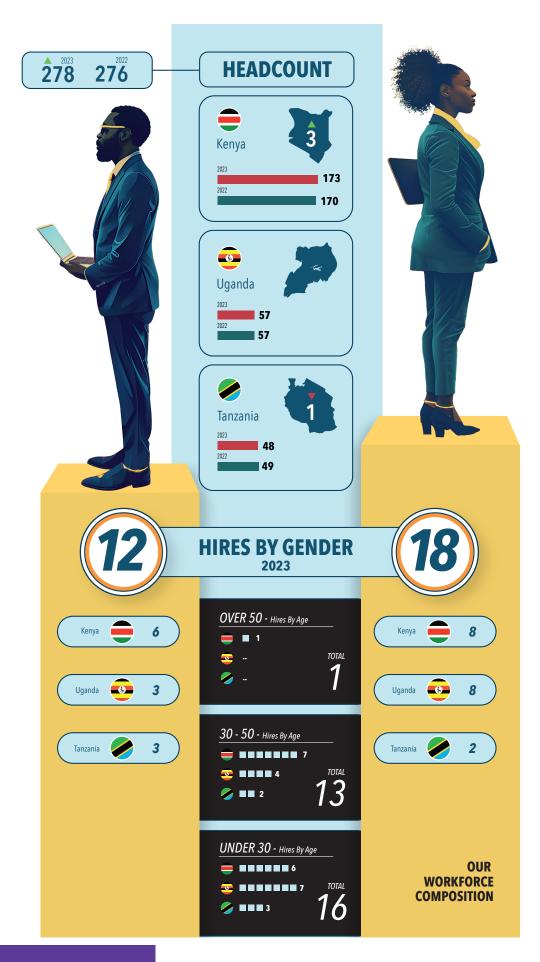
Our Workforce

a). Workforce Composition

The business has had a marginal increase in the workforce complement while attracting a diverse talent of new hires. During the year under review, we have had three retirements who have served in ICEA LION for an average period of 31 years.









b). Graduate Management Program (GMT)

The inaugural GMT program was launched in March 2023, aimed at nurturing a talent pipeline for long-term sustainability. The initial cohort saw 4 graduate trainees go through robust on-the-job training to gain job experience and insights across different departments. The GMT program will continue in 2024.

Continuous Learning and Upskilling

Our skills development program seeks to support the strategic objectives of the business while being a component of the employee value proposition. The business key focus is to ensure we have the required skills to meet the business needs. Learning and development includes internal and external training interventions through the following programs;

a). Technical and Professional Training

We continuously strive to provide financial support to our employees to enable them to establish a self-paced professional and technical development program. Through this program, we aim to keep an increasingly high level of employee learning participation resulting in a 42% increase in employees taking professional courses in 2023. During the year under review, one staff qualified for the Advanced Diploma in Insurance by the Chartered Insurance Institute (CII-UK).

	2023 (HC)	2022 (HC)
Technical & Professional Training	68	48

^{*}HC - Headcount

b). Compliance & Regulatory Training

We have been faced with increasing changes in the regulations in the industry, which have necessitated the need to provide training programs to our employees requiring them to reskill and upskill as compliance is an integral part of our business. The Finance Act 2023 introduced significant changes in tax reforms requiring regulatory compliance and IFRS 17 came into effect in 2023 requiring the business to comply with these reporting standards.

Course	2023	2022
AML/CFT & Data Privacy & Protection (uptake level)	86%	NIL
Finance Act 2023/Tax Training (employees)	7	NIL
IFRS 17 trainings	4	NIL

c). Customer Obsession and Product Training

The business has intentionally provided role-based skills programs to employees to enable them to close solution-related skills gaps while offering exemplary customer experience at every touch point.

Course	2023	2022
Customer Obsession Trainings (uptake levels)	87%	59%
Product Training (No of training)	8	NIL

d). Leadership Development

Strong, future-oriented leadership is key for successfully executing our strategy and becoming more agile, inclusive, and accountable. We are committed to developing leaders who drive the links between the execution of the business strategy and the employees. As part of the leadership development program, we have sought to equip leaders with coaching skills that are critical in driving employee productivity in the business.

Course	2023	2022
Leadership Masterclass: Coaching for High Performance	14	9

ICEA LION CULTURE & EMPLOYEE ENGAGEMENT

a). Culture Transformation

ICEA LION embarked on a culture transformation journey that sought to identify key behaviours that will seek to underlie our core values in driving a winning culture. The behaviours have been carefully defined and disseminated with an effort to foster an increased sense of unity at individual and company levels in support of our business operations while executing the strategy. In July 2023, we launched ICEA LION culture behaviours being the start of our transformation culture change journey. In a bid to make the behaviours known and stick, the business organized for all employees to attend culture change team-building sessions in September 2023.

The culture and behavior change campaign identified a unique identity and slogan dubbed "it Starts with us"





A week marked by seamless collaboration, personal growth, and the creation of unforgettable memories - this encapsulates our staff teambuilding experience at Safari Park Hotel.





Launch of ICEA LION culture Behaviours



Green culture behaviours shared at Prudential Financial Inc.

b). Employee Engagement

The delivery of our strategy is strongly pegged on our employees. We are cognizant of the fact that the success in executing the strategy depends on the engagement levels of our employees. During the year under review, we conducted "Your Voice Matters" survey to enable us to better understand and measure all themes related to employee experience, as well as capture views and milestones in adopting the desired behaviours.

2024 Your Voice Matters survey highlights are;

Employee Engagement Index			
Country	2023	On average 03% of our ampleyees feel	
Kenya	93%	On average, 93% of our employees feel connected and are committed to ICEA LION	
Uganda	92%	General Insurance Company.	
Tanzania	95%	General insurance company.	

Culture & Behaviours Index			
Country	2023		
Kenya	90%	On average, 94% of our employees are aware	
Uganda	95%	and can demonstrate the required behaviours	
Tanzania	96%		

Net Promotor Score				
Country	2023			
Kenya	45	Employees are happy to recommend ICEA		
Uganda	47	LION General Insurance Company to others.		
Tanzania	43			

HEALTH AND WELLNESS

The health and well-being of our people are cornerstones of a sustainable future of work. We believe that the health of every employee is essential to achieve sustainable development and growth. A holistic well-being caring culture is an integral part of our business conduct. During the year under review, the following programs were held;

a). Mental Health Talk and Mental & Substance Abuse First Aiders Training

As part of our commitment to ensure the psychological health of our employees, we held a Mental Health Talk that created great awareness in helping employees discover ways to handle stress-related problems. The Company further sponsored ten (10) champions for mental health and substance use training who will be instrumental in the early identification and initial support of mental-related cases in the business before one is connected to the appropriate professional help.

Course	2023	2022
Mental Health Champion Training	10	Nil

b). Annual Medical Employees Wellness Check

As a tradition now, medical wellness check for employees was carried out whose focus was on general physical wellness and critical illnesses.

c). Financial Planning Talk

Having been faced with the increase in the cost of living and taxation, we held a Financial Planning Talk that shed light on ways employees can better manage their income.

ORGANIZATION DIVERSITY & ESG

As part of our diversity and inclusion efforts, we strive to create an environment in which a diverse workforce can maximize their abilities. This will allow us to respond to changes in our business and society.

a). Gender Diversity

The gender diversity of our staff complement in the year under review has remained the same. The business is striving to promote gender balance in our leadership cadre.

Workforce Demographics				
Country	2023	2023		
Country	Male	Female	Male	Female
Kenya	86	87	85	85
Uganda	24	33	26	31
Tanzania	25	23	23	26
Total FTE	135	143	134	142
	49%	51%	49%	51%
	278		276	



Senior Leadership				
Country	2023		2022	
Country	Male	Female	Male	Female
Kenya	11	8	9	6
Uganda	4	2	4	1
Tanzania	3	1	3	1
Total FTE	18	11	16	8
	62%	38%	67%	33%
	29		24	

To celebrate Ladies' Month in March 2023 and Men's Month in November 2023 (dubbed 'Movember') the ICEA LION employees separately held an educative hangout. The women's key focus was a reflection to recognize and celebrate the contributions and achievements we make as women while the men's talk focus was on promoting awareness of men's mental health



Men's Month 2023 ('Movember')

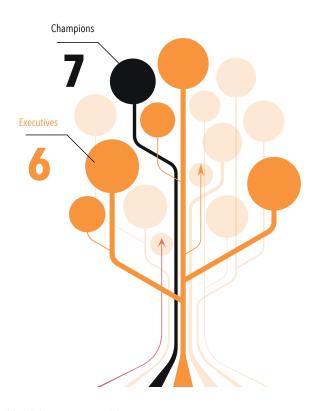


To commemorate Men's Month ('Movember') and promote awareness of men's mental health, the male staff at ICEA LION gathered for a casual hangout. The event included delicious Nyama Choma, gaming, and an inspirational talk by guest speaker Julius Mbura.

Environment Social Governance (ESG)

a). Environment, Social Governance (ESG) Training

ICEA LION is a huge proponent of sustainability and hence ESG has become part of our strategy. The company sponsored Executives and ESG champions for ESG training to bring alignment in the pursuant of driving ESG agenda across the business and ICEA LION Group as a whole.



ESG Training Program Participants

b). 2023 National Tree Planting Day

With respect to the National Tree Planting Day, the Group Chairman, the Chairman for ICEA LION General Insurance, our Partners from MSI Japan, and ICEA LION employees embarked on a tree planting exercise at Riverside Park and Ngong Road Forest Sanctuary.





(Right) In the spirit of National Tree Planting Day, our vibrant Team Simbas embarked on a tree planting exercise at Ngong Road Forest Sanctuary - Celebrating the spirit of sustainability and environmental stewardship.

(Left) Our Directors and team partners from MSI also showed their support by taking part in a similar exercise, planting indigenous trees at Riverside Park.









AKI Quiz Winners 2023

The AKI annual IIK Quiz Tournament ensures that industry professionals keep abreast of emerging trends, expand their areas of expertise, connect with other professionals, and network. The theme for the 2023 IIK Quiz Tournament was "Saving our planet, plant a tree today", participants progressed through 3 rounds held in July, August, and September. ICEA LION Group emerged 2nd Runner-Up at the finals in September 2023.



2023 ACCOLADES

AKI Sports

The 2023 AKI industry games attracted teams from 27 companies engaging in month-long preliminary games building up to the final Sports Day event held on Saturday 30th September 2023 at Nyayo National Stadium. The event saw teams from across the industry compete in the finals of the ball games - football, netball, and volleyball in addition to track and field events, swimming, darts, tug of war, etc; at the end of the day, ICEA LION clinched the 2nd Runners-Up position.



AKI Future Leaders of Insurance 2023

AKI Secretariat launched 'The Future Leaders of Insurance 2023 Competition' on 26th July, the objective of the competition was to engage and empower millennials in the industry to generate innovative ideas aimed at driving market engagement and spurring growth and transformation within Life Insurance.

The main focus of the competition was how to leverage on technology, specifically the power of AI (Artificial Intelligence) to generate innovative ideas for life insurance solutions that address the low uptake amongst the younger generations. Two staff from ICEA LION Group made it to the top twenty finalists among them being Joseph Mutinda.



Joseph Mutinda Marketing & Communications



INTELLECTUAL CAPITAL

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

1. SELF SERVICE PORTAL:

The portal empowers our customers to seamlessly purchase new insurance policies and manage their existing policies with just a few clicks. Our intuitive, user-friendly platform ensures that viewing your detailed policy statements, monitoring coverage, and updating personal information is simpler and more accessible.

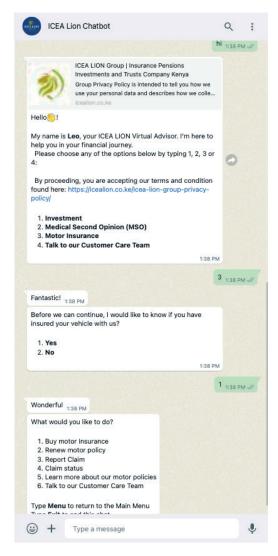
Additionally, our portal facilitates a variety of payment options, allowing one to make multiple payments securely and efficiently.



2. WHATSAPP CHATBOT:

The Group Chatbot now includes a Motor Insurance menu, designed to offer the following capabilities:

- Initiate the purchase of a Motor Policy, featuring seamless integration with two valuation services: Capital Alliance and Regent.
- Renew Motor Policy for both customers and staff.
- File claims for various incidents including Windscreen damage, Theft of car entertainment/Radio, Damage by the owner, Total Loss due to theft, Partial Theft, Fire Damage, and Flood Damage.
- Facilitate claims reporting through integration with EXPAQ, one towing service (Murray), and two car hire services (Concierge & Chequered Flag).
- Monitor the status of filed claims.



3. USSD: *793#

To enhance user experience and meet expectations for swift transactions, we now offer customers the option to receive partial maturities via USSD/Mpesa for amounts up to KES 250,000, ensuring a quick and secure payment process.

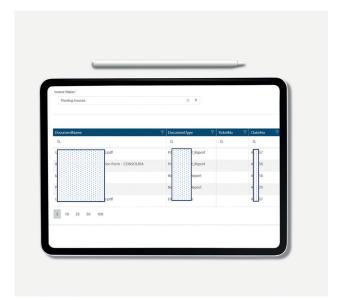
4. PARTNER PORTAL:

The newly introduced onboarding process in Partners Portal 3.0 transforms the way new ordinary policy members are integrated post-successful quote generation. It simplifies the onboarding journey, making it straightforward and efficient for our partners. This upgrade underscores our commitment to streamlining processes and enhancing usability for our partners.

5. SUPPLIERS MODULE:

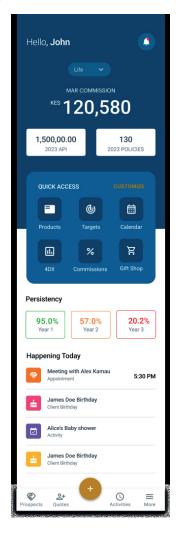
The Partners Portal 3.0 now features a supplier module, designed to facilitate the General Company in dispatching documents to Investigators, Loss Adjusters, and Windscreen Fitters. This module also empowers Partners to directly update their work progress within the Portal, alongside capabilities to upload and monitor the status of their invoices. Below are screenshots showcasing the various pages of this module.





6. NEW AGENTS MOBILE APP:

We've created a new App aimed at revolutionizing the onboarding process for customers, eliminating the need for any physical paperwork. This innovative application simplifies the process, allowing agents to onboard customers digitally with ease.









SOCIAL AND RELATIONSHIP CAPITAL

Our operations

In alignment with global Environmental, Social, and Governance (ESG) trends, we have strategically appointed a Group ESG specialist, and ESG champions across our organization. These individuals bear the responsibility for the day-to-day management of ESG considerations.

Our overarching goal is to seamlessly integrate ESG principles into our operations, as articulated in Principle 1 of the PSI (Principles for Sustainable Insurance). Principle 1 emphasizes incorporating environmental, social, and governance issues relevant to our insurance business into our decision-making processes. This proactive approach underscores our dedication to responsible and sustainable practices in every facet of our operations.

Starting in 2024, we are embarking on a proactive initiative to raise awareness and sensitize our stakeholders, including clients (both corporate and SME), suppliers, agents and brokers about ESG matters. This effort aims to encourage them to embark on a similar sustainability journey. Importantly, we seek to convey our intention to integrate ESG considerations into key aspects of our operations, such as underwriting, investment decisions, and supplier selection and retention.

In alignment with the Principles for Sustainable Insurance (PSI), specifically Principle 1, we emphasize our commitment to embedding relevant environmental, social, and governance matters to our insurance business decision-making processes. Furthermore, under Principle 2 "We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions" we aim to collaborate with our clients and business partners to enhance awareness, manage risks, and develop sustainable solutions.

Beyond our immediate stakeholders, we are committed to working with industry associations, including those within the Insurance and Investment sectors. We intend to collectively embark on the sustainability journey, aligning with the PSI principles and reinforcing our dedication to responsible business practices.

Our commitment extends to engaging with governments, regulators, and other key stakeholders, as outlined in PSI Principle 3 "We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues."

In accordance with PSI Principle 4 "We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles," we shall continue regularly disclosing our progress in implementing these principles publicly. This initiative is not only in line with the PSI but also in harmony with the Nairobi Declaration on Sustainable Insurance (NDSI), showcasing our commitment to contributing to broader national, regional and global sustainability goals.



In our steadfast continuous commitment to embody the Principles for Sustainable Insurance (PSI), the Nairobi Declaration on Sustainable Insurance (NDSI), and the Sustainable Development Goals (SDGs), we present a comprehensive account of our initiatives centered around Environmental, Social, and Governance (ESG), Nature, and Climate considerations.

Our endeavors commence with targeted training and awareness programs tailored for key stakeholders, including agents and brokers. These initiatives aim to equip them with sufficient understanding of ESG, Nature, and Climate-related matters. The outcomes of these programs are assessed, with a focus on ensuring proper training and engagement of agents and brokers, ultimately leading to a reduction in disputes during claims.

Strategies to integrate ESG considerations into our operations extend to initiatives designed to enhance customer acquisition and retention. These include implementing clauses that require customers to acknowledge their full understanding of policy offerings, emulating the globally developed markets, which mandate the same for all policies issued. In addition, this practice promotes responsible customer relationships.

A comprehensive view of Rewards & Recognition programs for all stakeholders is provided, showcasing our commitment to acknowledging and encouraging efforts in customer acquisition and retention. Comparative data over multiple years is monitored to highlight the progress and effectiveness of these programs.

Our client response and transparency practices align with PSI principles, ensuring quick, fair, sensitive, and transparent responses to clients. Measures are in place to clearly explain claims processes, fostering trust and accountability.

In the realm of vehicle parts replacement, our commitment to sustainability and employment opportunities is evident. Differentiated approaches for new, imported, locally sourced, and locally assembled parts underscore our dedication to environmental conservation and job creation. Salvage and recycling efforts are emphasized as pivotal contributors to employment opportunities and environmental sustainability.

The integration of ESG into repairs, replacements, and claims services is highlighted, showcasing our commitment to seamlessly incorporating environmental, social, and governance considerations into key operational processes in line with PSI principles.

Our embrace of digital channels for client engagement marks a significant stride toward efficiency and sustainability. The introduction of platforms such as a WhatsApp chatbot and Self Service Portal streamlines claims reporting, reduces paper usage through the provision of soft copy documents and offers convenience to our valued customers.

Furthermore, our commitment to a quick response time and transparency is illustrated through the implementation of turnaround time matrices, a dedicated team, and digitized processes, ensuring efficient and accountable interactions with our clients.

Our Achievements

In a significant milestone for ICEA LION Group in 2023, we are pleased to acknowledge our CEO, Mr. Philip Lopokoiyit, for his pivotal appointment as the Vice-Chair of the Board of the UN Environment Programme's Principles for Sustainable Insurance Initiative (PSI). This prestigious position within the PSI, a global framework addressing Environmental, Social, and Governance (ESG) risks and opportunities, exemplifies ICEA LION's commitment to sustainability and solidifies our standing as thought leaders in the global insurance industry.

Under Mr. Lopokoiyit's leadership, ICEA LION has actively championed pioneering initiatives of the PSI, addressing pressing global sustainability challenges such as climate change, nature loss, pollution, and financial exclusion. His instrumental role in the development of The Nairobi Declaration on Sustainable Insurance (NDSI), where he currently serves as the first Chair, further demonstrates ICEA LION's dedication to advancing sustainability within the insurance sector.

The appointment as Vice-Chair of the PSI Board reinforces our commitment to embedding ESG considerations into core business strategies and operations. It underscores our collaborative efforts with key stakeholders to foster widespread action on sustainability, reflecting our ethos of responsible corporate citizenship.

Other Activities during the year across the various countries were:-

1. KENYA

a). LEWA MARATHON:

Every year, our unwavering commitment to the preservation of wildlife and the environment finds expression through our steadfast sponsorship of the Lewa Marathon. This serves as a powerful testament to our dedication to the noble conservation endeavours undertaken by the Lewa Wildlife Conservancy.



In championing this cause, we seamlessly align ourselves with a broader mission – one that resonates with our core values and echoes our profound commitment to fostering positive transformations within the communities we proudly serve.

b). LEWA TREE PLANTING:

Embracing sustainability and creating a positive impact, our team recently undertook a tree-planting exercise at the Lewa Conservancy. Aligned with our core values, this initiative resonates with our mission to minimize our ecological footprint and magnify our positive influence on nature and the environment.





c). WOMEN'S DAY:

A slice of cake, a dash of empowerment, and heartfelt appreciation for the amazing women in our workplace. As we gathered to share in this special moment, we took a moment to recognize and celebrate the contributions and achievements of women worldwide.



d). STAFF TEAM BUILDING:

A week marked by seamless collaboration, personal growth, and the creation of unforgettable memories - this encapsulates our staff team-building experience at Safari Park Hotel.



e). SOCIAL ENTREPRENEURSHIP

We are delighted to have been one of the sponsors of the 6th Annual Africa Conference on Social Entrepreneurship (AACOSE). Our Group CEO, Philip Lopokoiyit, gave profound insights on the theme of "Systems Change: Transformative Social Innovations. He encouraged social entrepreneurs to pursue partnerships with investors and donors committed to climate change solutions and the achievement of the SDGs and ESG goals.



f). Customer Service Week:

We gladly joined the global business community in celebrating our customers in alignment with the 'Team Service' theme. Below are some of the moments captured during our internal and external customer delight activities.









g). KING OF THE COURSE SERIES:

From its inception, ICEA LION King of the Course series has grown from a modest idea to a highly anticipated annual event. Drawing participants from various walks of life all bound by a shared love for golf. The series has become a showcase of not just our commitment to the golfing community but also a celebration of a lifestyle that values both competition and camaraderie.

We are delighted to have concluded the 7th leg of the 2023 ICEA LION King of the Course golf series at Nyali Golf & Country Club. Congratulations to Veronica Muthiani, our reigning 'Winner of Winners,' 2023.



h). END OF YEAR CHRISTMAS PARTY:

The Staff End of Year party themed 'Denim and a touch of white', at the Carnivore Grounds. A day dedicated to celebrating achievements and offering well-deserved recognition to our outstanding staff.



i). AKI SPORTS DAY:

Our team brought their A-game, and we proudly clinched the 2nd runners-up position at the AKI Sports Day at Nyayo Stadium.





j). CULTURE CHANGE LAUNCH:

We were thrilled to announce the launch of our Culture & Behavioural Change initiative dubbed the 'Reds' and 'Greens'.

Our esteemed Group Chairman, Mr. James Ndegwa, and the ICEA LION Life Assurance and ICEA LION General Insurance Chairman, Joe Wangai, together with our CEOs, assumed the role of true navigators. They turned the maritime compass from red to green, representing the very core of our journey towards a greener future.

The maritime compass holds profound significance as it is an antique that dates back to the very genesis of ICEA LION. It has been a cherished symbol of our company's heritage and values, guiding us through the seas of change for decades.

Like intrepid sailors, we are charting new waters, navigating challenges and embracing change with resilience and unity, moving away from red behaviours into green behaviours.



k). MOMBASA BRANCH LAUNCH:

We are thrilled to announce the launch of ICEA LION Mombasa branch, strategically nestled at Acacia Centre, Mezzanine 2, along Nyerere Road. The Mombasa office underscores our dedication to bringing our world-class financial services closer to our esteemed customers in the region.







Association of Kenya Professional Insurance Agents (AKPIA) 2023:

In recognition of our unwavering commitment to the insurance industry, we were delighted to be part of the 4th AKPIA Annual Insurance Agents Conference, themed 'Emerging Trends and the Distribution Channels in the Insurance Value Chain in Kenya.'

We extend our heartfelt gratitude to the Association of Kenya Professional Insurance Agents(AKPIA) for providing us with the opportunity to contribute to the advancement of the insurance industry.

Together, we strive for excellence in the insurance sector.

I). STANCHART MARATHON:

Our remarkable ICEA LION team members participated in the Standard Chartered Nairobi Marathon 2023! Representing our values both on and off the track.



m). NATIONAL TREE PLANTING DAY:

 In the spirit of National Tree Planting Day, our vibrant Team Simbas embarked on a tree planting exercise at Ngong Road Forest Sanctuary -Celebrating the spirit of sustainability and environmental stewardship. • Our Directors and team partners from MSI also showed their support by taking part in a similar exercise, planting indigenous trees at Riverside Park.



n). MOVEMBER

To commemorate Men's Month (Movember) and promote awareness of men's mental health, the male staff at ICEA LION gathered for a casual hangout. The event included delicious Nyama Choma, gaming, and an inspirational talk by guest speaker Julius Mbura.



o). GENERAL BUSINESS ENGAGEMENT BREAKFAST:

We had the pleasure of honoring our business agents who have played an integral role in our success at Thika Sports Club. The morning was filled with insightful conversations about the dynamic insurance industry, during which valuable feedback and perspectives were shared.





p). AGENTS AWARDS CEREMONY:

Celebrating remarkable achievements! ICEA LION General Insurance recently hosted a dazzling Agents Award Ceremony at Serena Hotel. The event was a grand celebration of the outstanding achievements of our top-performing insurance partners from both Quarter 1 and Quarter 2.

2. TANZANIA



A dinner event organized by ICEA LION to meet different stakeholders at Serena Hotel . Commissioner of Insurance (at the middle front) graced the event.



A team of ICEA LION staff paid a visit to an orphanage school -Bethsaida secondary school as part of CSR.



A Photo of our directors and staff at ICEA LION Tanzania headquarter offices in Dar es salaam



ICEA LION TANZANIA Customer service week celebration in 2023

3. UGANDA

a). Sports gala

We participated in the annual Insurance Sports gala 2023 and emerged defending Champions. This event provided ICEA LION an opportunity for brand awareness. Digital/Social media and office messaging were the main platforms used to disseminate the information.









NCBA Golf Series

As part of the strategies to build strong partnerships and also reach niche markets, we sponsored the NCBA Golf series that took place at the Entebbe golf club.













b). Conservation Drive

As part of the CSR/I and conservation initiatives, ICEA LION kick-started the 'Go Green' campaign that includes planting trees in selected institutions of learning per quarter. The inaugural tree planting ceremony took place in Entebbe Secondary School in line with our commitment to the Principles of Sustainable Insurance.





c). Masaka School for the deaf CSI

We contributed 2 Million Shillings along with various other gifts to Masaka School of the Deaf. This gesture was intended to bolster the school as they geared up to compete in the national schools' championship on behalf of the Masaka region. The school was triumphant and managed to defend its regional title.





d). NSSF 7 Kampala Hills run

We participated in the "NSSF Kampala 7 Hills Run", a Charity event that aims to mobilize funds to improve learning conditions in public schools.



e). ITC Annual Conference

Management sponsored the ITC international conference that happened on 26th & 27th October 2023 in Mbarara. The theme of the event was 'ESG and Sustainability trends for today's organizations' which presented an opportunity for management to achieve stakeholder management, and be part of an ESG discussion that is a clarion call to action. The event was preceded by an insurance awareness walk and a blood donation drive.











NATURAL CAPITAL

The intricate relationship between climate change, biodiversity, and nature is unmistakable. Observable effects within our region underscore that nature-related risks have begun to influence our economies and societies significantly.

Notably, these risks are increasingly proving to be as substantial for various sectors of the real economy as climate-related risks, with an even more pronounced impact on financial institutions. The growing recognition of the nature crisis has propelled global and local initiatives into action, as reflected in emerging regulatory and policy agendas. Acknowledging the interconnected challenges of climate change and nature sets the stage for proactive responses and collaborative efforts to address the pressing issues.

Our Products

In the realm of insurance and financial products, ICEALION Group has exhibited remarkable performance and a commitment to social responsibility. Notably, the Medical Second Opinion (MSO) product, introduced as a supplement to existing policies, garnered significant attention in 2022 with 47 policies issued. In 2023, there was a slight decrease with 17 policies, attributed to the initial surge in engagement and promotion during the product's launch.

Furthermore, ICEA LION Group expanded its impact through diverse ESG Related investments. The Acorn Student Accommodation (ASA) Real Estate Investment Trusts (REIT) saw substantial growth from 2022 KES 290 Million to KES 302 Million in 2023. This strategic investment aligns with the Group's financial & ESG objectives and contributes to the broader economy. In addition, through our Trust Company ILTC, the Milele Trust portfolio invested in the ACORN green bond worth KES.6.79m. Similarly, some of our clients (where ILTC holds administration mandate) also invested in the ACORN green bond worth KES 7.9m.

In the social welfare sphere, the Milele Trust portfolio supported approximately 107 orphans, reflecting a tangible commitment to community upliftment. Typically, orphans would have to be supported by the Government's welfare initiative, which caters for orphans, impoverished senior citizens as well as persons with disabilities (differently enabled). The government's support would be KES 2,000 per month per registered individual. The Milele Trust Portfolio in 2023 contributed to the greater social economic wellbeing by potentially saving the government KES 2.568m (107*12 months*KES2,000). Additionally, the issuance of 6 Group Policies Incorporating Work and Injury Benefit Assurance (WIBA) in 2023 exemplifies the company's dedication to occupational safety and health standards, a commitment slated to expand to other product lines as internal capacity grows.

ICEA LION Group has introduced innovative insurance products that not only cater to diverse needs but also address societal challenges. The Annuity product, with 1,450 policies issued in 2023, provides financial support to senior citizens, potentially alleviating the burden on government welfare programs. The Child Endowment Assurance (CEA) product, encompassing 4500 policies, serves as an educational safety net for children, potentially reducing the government's financial load for bursaries.

ICEA LION is also part of the De-risking, Inclusion and Value enhancement of Pastoral economies in the horn of Africa Project (DRIVE).



This is an index-based Livestock insurance product for pastoralists which has been implemented as an asset protection drought insurance cover whose aim is to keep the livestock alive. The program is supported by the Kenya Government Ministry of Agriculture and Livestock development through insurance premium subsidies to the pastoralists. ICEA LION are participating on the project as lead underwriters. The project managed to achieve sales of 74,552 policies in 2023 and now provides insurance to 25,000 pastoralist groups protecting 226,041 tropical livestock units in ten counties mostly within the Arid and Semi-Arid areas of Kenya.

In 2023 our Safari plan product (Insurance offered to lodges along the Mara River) saw an increase to 198 Policies from 153 policies in the previous year. Notably the number of claims for the same product went down from 96 in 2022 to 71 in 2023. This was because of

- Prudent underwriting through incorporating flood risk mapping tools and flood questionnaires administered during onboarding and at renewals;
- Increased cooperation between parties (underwriters, intermediaries and clients) where we advise on exposures and measures to mitigate risk. This is done during risk surveys, client meetings and during broker engagement also inhouse amongst Business Developers (BD), underwriting and claims staff.
- Sharing of information in the industry amongst players on various risks and risk mitigation measures. Further underscoring our commitment to ESG, Responsible underwriting and PSI.

The year 2023 saw the integration of solutions within the current program structure to underwrite Electric Vehicles as well as solar insurance solutions. From 2024, we shall embark on promoting and tracking of these products.

As reported in our previous report, The ICEA LION Group introduced subsidized solar loans for staff. The loan is to enable staff to pursue alternative sources of energy more so renewables of which solar energy is abundant for the most part of the year in the country. This goes towards our contribution to climate change. Since inception, eight staff have taken up the loan amounting to KES 3,521,677. We expect to see more staff taking up the offer due to inflation.

In summary, ICEA LION Group's multifaceted performance in 2023 encompasses financial growth, innovative product offerings, social impact, and a commitment to risk management and responsible communication. These initiatives underscore the company's resilience, adaptability, and dedication to serving its diverse stakeholder base.

Our Engagements

In our ongoing commitment to sustainability and thought leadership, ICEA LION Group actively engages in various initiatives and alliances, contributing to the global efforts addressing climate change, biodiversity, and environmental risks. Notable achievements in 2023 include:

i). The Nairobi Declaration on Sustainable Insurance (NDSI):

ICEA LION Group continues its active participation in the NDSI, with our CEO, Mr. Philip Lopokoiyit, appointed as the First Chair. The Group's ESG specialist serves on the NDSI Steering Committee and co-chairs the Taxonomy working group. We are actively promoting and driving the NDSI across Africa, with our membership now exceeding 140 institutions in over 32 countries.

ii). Africa Climate Risk Insurance Facility on Adaptation:

During COP 27 in Egypt, a significant commitment was made at an NDSI event, pledging to underwrite USD 14 billion worth of insurance in agriculture, specifically for Small & Medium Enterprises (SMEs) by 2030. ICEA LION Group as part of the cofounding members of NDSI played a pivotal role in launching the Africa Climate Risk Facility partnering with AfDB to de-risk the African agricultural sector. In the same space, NDSI is collaborating with The African Development Bank (AfDB) on Africa Climate Risk Insurance Facility for Adaptation (ACRIFA). ACRIFA is leading the charge to demonstrate and develop insurance as a vital tool to foster climate adaptation, resilience and sustainable development within Africa's agricultural sector. It targets to raise USD 1 Billion in concessional, high risk capital and grants to stimulate the development and uptake of targeted climate insurance solutions delivered through primary insurers and regional reinsurers across Africa.

iii). UNEP FI PSI (Principles for Sustainable Insurance):

Maintaining our active membership since 2017, ICEA LION Group demonstrates its commitment to sustainable insurance practices. The appointment of our CEO as the Vice-Chair of the UNEP FI PSI Board underscores our dedication. Additionally, we remain active members of the Net Zero Insurance Alliance (NZIA), hosted by UNEP FI PSI.

iv). Task Force on Nature Related Financial Disclosures (TNFD):

ICEA LION participated in the pilot program of TNFD, and are now early adopter of TNFD. We are part of the 320 organizations, Four from Africa from over 46 countries who have committed to start making nature-related disclosures based on the TNFD Recommendations published in September 2023.

An announcement made in Davos during the World Economic Forum (WEF) on January 16th 2024. This emphasizes our commitment to integrating nature-related financial disclosures into our business practices.

v). Africa Natural Capital Alliance (ANCA):

Our continued membership in ANCA, an African-led collaborative forum for nature-positive outcomes, highlights our commitment. ICEA LION Group actively participated in and signed the ANCA Africa Nature Voices Pledge during the Inaugural Africa Climate Summit (ACS) in Nairobi 2023, further solidifying our position as thought leaders in the region and globally. So far, we have joined three ANCA working groups: ANCA Communication & Events, TNFD Adoption, and Commercial Opportunities and intend to participate in all the planned working groups.



vi). Africa Financial Alliance on Climate Change (AFAC):

Our active participation in NDSI positions ICEA LION Group in the steering committee of AFAC. The African Development Bank (AfDB) launched the Africa Financial Alliance on Climate Change (AFAC) in 2018 to mobilize more private sector financing towards continent-wide low-carbon and climate resilient development, and foster a transformation of financial portfolios towards green financing. The pan-African alliance brings together Africa's key financial institutions, including central banks, insurance companies, sovereign wealth and pension funds, stock exchanges, as well as commercial and development banks aiming to effectively mobilize finance for climate-resilient and low-carbon development. Our involvement includes speaking engagements during significant events, such as the AFAC Re-launch during the Africa Climate Summit and Africa Climate Week in Nairobi, September 2023, as well as an AFAC event during COP 28.

vii). United Nations Global Compact:

ICEA LION Group signed up for the UN Global Compact in 2023, aligning our strategies and operations with universal principles related to human rights, labor, environment, and anti-corruption.

We actively participated in various engagements and trainings, including the SDG Ambition Accelerator. In 2019, the UN Global Compact introduced SDG Ambition to inspire and guide companies to be strategic and transformative in their operations towards achieving the 2030 Agenda (of which as per last year, which was the half way mark of the SDGs, the Global achievement rate was at 15%).

viii). Principles of Responsible Investment (PRI) Commitment:

Looking ahead, ICEA LION Group intends to sign up for the Principles of Responsible Investment (PRI) in 2024, reinforcing our commitment to incorporating Environmental, Social, and Governance (ESG) issues into our investment practices.

These engagements and commitments reflect ICEA LION Group's dedication to sustainable and responsible business practices, contributing to global efforts to address climate and nature-related challenges.

Our collaboration and ESG resource sharing with peers and likeminded institutions.

In 2023, we participated and spoke in various events organized by our partners and like-minded institutions.

- UNEP, FI- As members we participated by sponsoring and speaking in various sessions during the first Africa & Middle East Regional Roundtable in Namibia post Covid.
- Inaugural Africa Climate Summit (ACS) and Africa Climate Week- ICEA LION
 participated in the First ACS held in Nairobi last year. The Group CEO spoke
 during the Launch of ACRIFA and the re-launch of AFAC. In addition the ESG
 Group specialist spoke during a Youth In Insurance (YIPs) side event on
 Nature Based solutions in Insurance).

- COP 28- ICEA LION participated in various events during COP 28 in Dubai. The Group CEO attended the announcement of ACRIFA as well as spoke in the NDSI event titled 'Thirty Months On: Assessing Progress and Prospects of the Nairobi Declaration for Sustainable Insurance.' This insightful session, held on December 3, 2023, delved into the achievements and future prospects of the Nairobi Declaration. In addition the Group CEO in his capacity as the NDSI chair, spoke in the AFAC event on December 4, 2023, dubbed The Role of the African Financial Sector.' This platform provided an opportunity to explore strategies for mobilizing essential financial resources to combat climate change challenges.
- NDSI events- ICEA LION continues in the active participation and leadership
 of NDSI by participating in membership growth and retention through
 speaking & learning opportunities. The Group ESG specialist participated
 in events in Namibia and Mauritius as well as several on line onboarding
 sessions for new members.





Our Continued Circular Economy

The less fortunate communities in our country bear the disproportionate burden of adverse environmental and health impacts resulting from a non-circular economy. Landfills and manufacturing facilities are often situated near low-income areas, exacerbating vulnerabilities. Recognizing the impact of how we extract, use, and dispose of resources on these communities, we remain continuously committed to addressing the nature and climate crisis through the crucial role of material recovery.

Adopting a circular economy is pivotal in our efforts to combat the nature and climate crisis. The circular economy aims to keep materials, products, and services in circulation for as long as possible, reducing material use, redesigning processes for greater resource efficiency, and transforming what was once considered "waste" into valuable resources for creating new materials and products. This approach provides a holistic solution, simultaneously addressing climate change, biodiversity loss, and critical social needs. By embracing circularity in a thoughtful and inclusive manner, we have the potential to safeguard the environment, enhance economic outcomes, and promote social justice.

Our commitment to circularity is exemplified by implementing a new waste management process. We continue to actively reshape our waste management ecosystem in collaboration with Taka Taka ni Mali, a non-profit organization. TTNM has empowered women, youth, and disabled individuals by integrating them into the waste management value chain. Dedicated waste segregation areas have been established within our premises, and TTNM collects the segregated waste for recycling. Papers are recycled at Chandaria Paper Industries to produce items such as books, while plastic is recycled at facilities like Mr. Green and Vintz Plastic Ltd., creating products like benches, poles, and tables. TTNM provides us with valuable data through its digital platform, allowing us to trace our waste's recycling and disposal process.

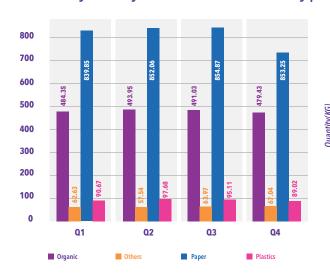
As part of this initiative, capacity-building sessions are conducted for all staff, emphasizing the importance of embracing circularity through sorting, separating, and recycling waste whenever possible. Looking ahead, we commit to monitoring and enhancing our resource consumption practices continually. This includes tracking not only the cost of resources (paper, water, electricity and fuel) but also the actual consumption itself, providing a more accurate indicator of our resource consumption performance. This proactive approach ensures that our commitment to circularity is impactful and sustainable, fostering positive environmental, economic, and social outcomes.







Quartely Analysis of Each Waste Type



Our Environmental Management

Our unwavering commitment to environmental sustainability is evident through a series of strategic initiatives and practices:

a). Compliance with Environmental Regulations:

We have proactively identified and consistently adhere to all relevant environmental legislation, standards, and codes of practice that pertain to our business operations.

b). Continuous Improvement in Environmental Performance:

Our dedication to enhancing environmental performance is evident in our continuous efforts.



We employ effective measurement, monitoring, communication, and the adoption of best practices. This commitment extends to our tenants, suppliers, and various stakeholders.

c). Influencing Stakeholders for Resource Conservation:

As part of our sustainability ethos, we actively influence our stakeholders to minimize the use of natural resources such as energy, fuel, and water, along with raw materials like paper and consumables. The digitization of internal processes stands as a testament to our commitment, reducing paper usage and enhancing operational efficiency.

d). Contamination Management:

We are vigilant in identifying and managing instances of soil, groundwater, or surface water contamination resulting from our operations, ensuring responsible and proactive measures are taken.

e). Enhanced Sanitation Standards:

Our commitment to environmental well-being extends to maintaining high sanitation standards. We ensure cleanliness and safety are paramount, providing a safe and healthy environment for all stakeholders.

f). Energy Efficiency Measures:

We conduct regular energy audits to evaluate and enhance our energy consumption patterns. Implementing recommendations from these audits ensures efficient energy use across our sites.

g). Responsible Business Practices:

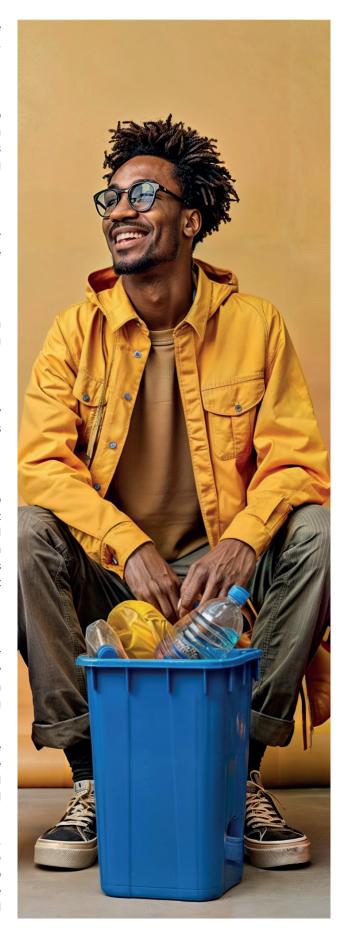
We adhere to a set of principles that guide our business relationships. We do not knowingly engage with companies involved in industrial activities that significantly convert or degrade critical habitats. Moreover, we strictly avoid partnerships with entities that violate local laws, regulations, and standards on pollution prevention. Our commitment also extends to not conducting business with companies contravening international environmental agreements that have been enacted into law.

Tree planting

In response to President Ruto's call for tree planting, we demonstrated our commitment to Environmental, Social, and Governance (ESG) principles by organizing two simultaneous events at RSP and Ngong Forest. Our collaboration with Miti Alliance, a dedicated organization specializing in tree-planting initiatives, made this endeavor possible.

Under our agreement, Miti Alliance is tasked with nurturing and caring for the trees planted by ICEA LION staff and partners for a period of three years. The engagement aligns with our commitment to environmental sustainability and emphasizes the importance of collective responsibility in fostering a greener and healthier environment.

During these events, each participant had the opportunity to plant a tree, symbolizing their personal contribution to the cause. Participants were also given seeds to take home, encouraging them to extend their commitment to tree planting beyond the organized events and contribute to a more sustainable ecosystem. This collaborative effort reflects our dedication to ESG principles and underscores our ongoing commitment to environmental stewardship.





MANUFACTURED CAPITAL

The Group's manufactured capital represents our physical infrastructure which includes the traditional brick and mortar customer contact points, investment property, vehicles, IT equipment and furniture as well as our digital infrastructure. The efficient use of manufactured capital enables us to be flexible and responsive to customer needs, resulting in the effective delivery of products and services to customers

OUR INVESTMENT PROPERTIES

Our investment properties provide the long-term investment returns that would enable us keep our promises to all stakeholders.

Below are the prime properties we own:

- · Arboretum View located on Riverside Drive
- Lion Place located on Waiyaki Way.
- Williamson House located on 4th Ngong Avenue.

BRANCHES AND GEOGRAPHICAL FOOTPRINT

Our manufactured capital includes ICEA LION's geographical footprint covering the head office, and branches. Our branch network also acts as a distribution network reaching devolved units within the counties.

The group pursues financial inclusion by having branches across the country that allows a greater population to access our products and services.

For all our properties, we have employed best practice processes in terms of health, safety and environmental management. Please refer to Page 15 for more details on our branches. During the year, we opened the new Mombasa branch. The branch is located at the Acacia Centre, Mezzanine 2, along Nyerere Road. The Commissioner and Chief Executive Officer of the Insurance Regulatory Authority (IRA) Mr Godfrey Kiptum, Senator Mombasa County Hon. Faki Mohamed Mwinyihaji, CEC Mombasa County, Transport and Infrastructure Hon Daniel Otieno Manyala, the Group Chairman Mr James Ndegwa and the Company Chairman Mr Joe Wangai graced this occasion.



A photo of our chief guest, Chief Executive Officer of the Insurance Regulatory Authority (IRA) Mr. Godfrey Kiptum, and our CEO Mr. Philip Lopokoiyit during the Mombasa branch launch event



OUR DIGITAL PLATFORMS AND OPERATING PHILOSOPHY

Manufactured capital, particularly our digital infrastructure plays a vital role in reducing resource use, allowing human capital to be directed towards strategic, creative and value generating activities. Having identified the crucial role played by manufactured capital in driving customer accessibility, satisfaction and process efficiency, we place great strategic importance on optimizing and leveraging on our physical and digital infrastructure to drive stakeholder value.

A key element of our manufactured capital is the ICT system infrastructure which includes servers, core systems, utilities, IP telephony and security systems. This is governed by a well-structured ICT governance model. We have invested heavily on infrastructure over the past few years, an essential component in building efficiencies within our business model. The operational philosophy that drives the Group's digital agenda accelerates the flow of knowledge and information within the organisation and to parties outside the organization, external suppliers and distribution channels. Special focus has been given to our digital channels such as mobile apps and portals including the partners portal that were launched during the year.

Below is a list of our key ICT infrastructure.

曲	ROBUST INFRASTRUCTURE
	CRM SOLUTION ZOHO
2	SOCIAL MEDIA
	LIVE CHAT
	WEBSITE
	CONTACT CENTRE
2	DATA SECURITY
<u>A</u>	CYBER SECURITY





ELECTRONIC DATA MANAGEMENT



BUSINESS INTELLIGENCE PORTAL



ROBUST FINANCIAL SYSTEMS



ANALYTICS CAPABILITIES



GOVERNANCE RISK & CONTROL MODULE



UNIFIED THREAT MANAGEMENT SOLUTIONS



MOBILE PLATFORMS



HR MODULE ZOHO PEOPLE



INTRANET



CLOUD BASED SOLUTION



DATA CENTRE



MOTOR INSURANCE PORT



SHARED ECONOMY MODEL



BOARDVANTAGE



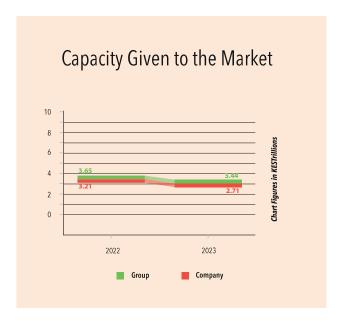


FINANCIAL CAPITAL

The group analyses our financial capital based on the inputs we have as a business as well as outputs. Key metrics have been chosen to analysed both our inputs and outputs as summarized below. In a bid to make our contribution to sustainability of our economy, the business tracks our paper, electricity and water costs and takes the necessary measures to reduce wastage and usage.

Capacity Given to the Market

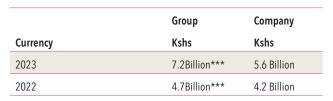
Capacity given to the market in Kenya, Uganda and Tanzania to allow our insureds continue doing business without fear of losses amounted to:-



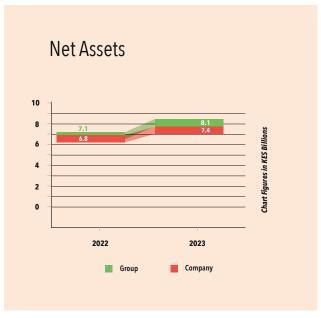
	Group	Company
Currency	Kshs	Kshs
2023	3.44 Trillion	2.71 Trillion
2022	3.65 Trillion	3.21 Trillion

Value Added to the Economy



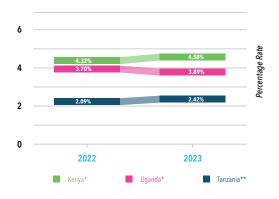


Net Assets



Market share

Market share



*Based on Q3 Industry data

**Based on Q4 Industry data

*** The increase in Group numbers is due to inclusion of Uganda General business in 2023



Taxes Paid

Our Contribution to economic sustainability in term of taxes paid to the Government during the year amounted to:-

	Group	Company	
Currency	Kshs	Kshs	
2023	1.136 Billion	665 Million	
2022	817 Million	645 Million	

Payment to foreign Entities

Our expenditure is heavily biased towards supporting local suppliers with the ratio of local to international suppliers being:-

	Group	Company
2023	98%	99%
2022	97%	97%

Electricity Cost

	Group	Company
Currency	Kshs M	Kshs M
2023	10.64	6.55
2022	6.45	4.36

Water Cost

	Group	Company
Currency	Kshs M	Kshs M
2023	1.22	1.03
2022	1.52	1.30

Paper Cost

	Group	Company
Currency	Kshs M	Kshs M
2023	6.25	3.68
2022	2.68	2.10

Key Inputs

Shareholder's Funds

2023 - Group (KShs '000)

8, 105, 977

7, 125, 767

2023 - Company (KShs '000)

7, 439, 292

6, 839, 178

Opening Cash flows

2023 - Group (KShs '000)

365,400

854,484

2023 - Company (KShs '000)

325,330

2022 - Company (KShs '000)

733,467

Cash flows generated from operating activities

2023 - Group (KShs '000)
242,004

(261,017)

2023 - Company (KShs '000)

55,893

(310,178)

Cash flows generated from Investing Activities

2023 · Group (KShs '000)

1,011,624

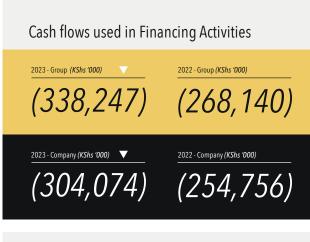
34,470

2023 · Company (KShs '000)

1,108,056

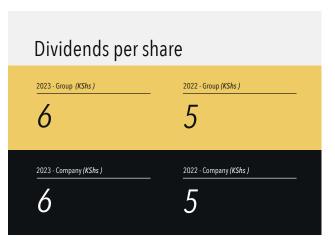
147,127



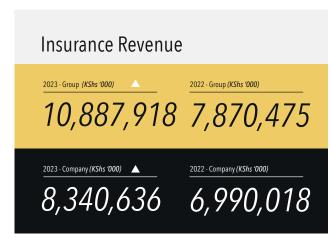


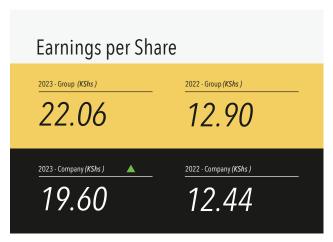
Dividends	
300	2022 - Group (KShs Million) 250
2023 - Company (KShs Million) ▲ 300	2022 - Company (KShs Million) 250





Key Outputs







Capacity Given to the Market

2023 - Group (KShs Trillion)

2022 - Group (KShs Trillion)

3.44

3.65

2.71

3.21

Distributed Value

2023 - Group (KShs Billion)

2022 - Group (KShs Billion)

7.2

4.7

2023 - Company (KShs Billion)

2022 - Company (KShs Billion)

5.6

4.2

Insurance Service Expense

2023 - Group (KShs '000)

2022 - Group (KShs '000)

8,006,314 7,223,037

5,906,013 6,550,293





REPORT OF DIRECTORS

Directors submit their report together with the audited financial statements for the year ended 31 December 2023 which disclose the state of affairs of ICEA LION General Insurance Limited (the "Company"), and ICEA LION General Insurance Company (Tanzania) Limited, and ICEA LION General Insurance Company Uganda Limited, together ("the Group").

BUSINESS REVIEW

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

The group reported a profit before tax of Kshs 1,650,277,000 (2022: Kshs 945,792,000 restated) whereas the company reported a profit before tax of Kshs 1,409,463,000 (2022: Kshs 880,478,000 restated).

The group is exposed to various risks including insurance risk, financial risk and capital risk. The details of these risks and how the Group manages them are discussed on Note 4 on pages 140 to 157.

	GROUP		COMPANY	
GROUP AND COMPANY RESULTS	2023 Shs' 000	2022 Shs' 000 restated	2023 Shs' 000	2022 Shs' 000 restated
Profit before income tax	1,650,277	945,792	1,409,463	880,478
Income tax expense	(501,507)	(280,364)	(429,633)	(258,441)
Profit for the year	1,148,770	665,428	979,830	622,037
Attributable to owners of the parent	1,103,148	645,035	979,830	622,037
Attributable to non-controlling interest	45,622	20,393	-	-
Profit attributable to equity holders of the parent company transferred to retained earnings	1,148,770	665,428	979,830	622,037

RESULTS AND DIVIDEND

Profit for the year of Ksh 1,103,148,000 (2022: Ksh 645,035,000 restated) has been added to retained earnings. During the year, no interim dividend was paid (2022: nil). The directors recommend the approval of a final dividend of Ksh 300,000,000 (2022: Ksh 250,000,000).

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 21.

RELEVANT AUDIT INFORMATION

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

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



REPORT OF DIRECTORS (continued)

EMPLOYEES

The average number of employees in 2023 was 278 (2022: 220). 2023 managerial staff averaged at 53 (2022: 32) while non-managerial staff averaged at 225 (2022: 187). During the year the key strategic plan was to ensure proper talent sourcing, career development, performance management, culture, engagement and workforce planning. Very deliberate and clear initiatives aimed at having a workforce that is adequate and with the right skills and competencies were put in place.

AUDITOR

KPMG Kenya continue as the Group statutory auditors in accordance with the Guideline to the Insurance Industry on external auditors issued by the Insurance Regulatory Authority. The term of audit engagement of KPMG Kenya began in the previous financial year's audit work following their appointment by the Board of Directors as the Company's auditor in accordance with the provisions of Section 719 of the Kenyan Companies Act, 2015.

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

PROFESSIONAL INDEMNITY COVER

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

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue at a meeting of the Directors held on 15 March 2024.

By Order of the Board

SECRETARY

15 March 2024 Nairobi



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the financial statements of ICEA LION General Insurance Company Limited (the "Group and Company") set out on pages 108 to 192 which comprise the consolidated and company statements of financial position as at 31 December 2023, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policies.

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

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

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on 15 March 2024.

J WANGAI

Chairman

K KIMEU

Director

15 March 2024



REPORT OF THE PARENT COMPANY CONSULTING ACTUARY

I have conducted an actuarial valuation of the Company insurance liabilities as at 31 December 2023.

The valuation was conducted in accordance with generally accepted actuarial principles and in accordance with the requirements of the Insurance Act Cap 487 of the Laws of Kenya. Those principles require that prudent principles for future outgo under contracts, generally based upon the assumptions that current conditions will continue. Provision is therefore not made for all possible contingencies.

In completing the actuarial valuation, I have relied upon the audited financial statements of the Company.

In my opinion, the Company's insurance liabilities reserves were adequate as at 31 December 2023.



Katlego Thaba Fellow of the Actuarial Society of South Africa

15 March 2024





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Email: info@kpmg.co.ke
Web: www.kpmg.com/eastafrica

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Our Opinion

We have audited the consolidated and separate financial statements of ICEA LION General Insurance Company Limited (the "Group and Company") as set out on pages 108 to 192, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the ICEA LION General Insurance Company Limited as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Kenya, a registered partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Partners

AM Mbai BM Ndung'u BO Amukah GM Kasimu JI Kariuki JM Gathecha JM Ndunyu JM Ngonga MM Gachuhi M Muthusi PI Kinuthia S Obock W Genga





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICEA LION GENERAL INSURANCE COMPANY LIMITED (continued)

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

Key audit matters (continued)

Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities) in consolidated and separate financial statements

See notes 2(c), 3, 38, 39(a), 39(b) and 54 to the consolidated and separate financial statements

THE KEY AUDIT MATTER

At 31 December 2023, the Group and Company held insurance contract assets and liabilities as well as reinsurance contract assets and liabilities as a result of its insurance operations. The Group and Company applies IFRS 17 *Insurance contracts* (effective 1 January 2023) to insurance contracts and reinsurance contracts it issues, and reinsurance contracts it holds (together the "insurance contract liability balances").

Transition from IFRS 4 · Insurance contracts ('IFRS 4') to IFRS 17 · Insurance contracts ('IFRS 17')

In retrospectively applying IFRS 17, the Group and Company have restated insurance contract liability balances to reflect the requirements of the new standard and in doing so, have made certain key judgments and assumptions to develop its accounting policies.

The key judgments applied on transition were:

- The determination of the transition approach applied for the insurance contracts issued, being the fully retrospective approach;
- The determination of management's allocation of groups of insurance contracts into different levels of aggregation
- The valuation of policy liability balances including related and the resultant effect on opening retained earnings. This includes various assumptions made including best estimate assumptions regarding expected claims and lapses, expected premiums on insurance contracts, expected expenses, commissions and charges.

Determination of year-end balances of insurance contract liability balances

As at 31 December 2023, the value of Insurance contract liabilities balance at Group and Company was KShs 9.06 Billion and KShs 6.76 Billion respectively while that of reinsurance contract assets was KShs 4.89 Billion and KShs 3.4 Billion respectively.

All contracts were accounted for under the simplified premium allocation approach. The insurance contract liability balance reflects, within the liability for remaining coverage component, the premiums received for which insurance cover should still be provided. It also includes a liability for incurred claims element, which represents the estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our audit procedures with respect to transition to IFRS 17 included:

- We assessed whether the Group's and Company's chosen accounting policies and methodologies were in compliance with IFRS 17 and that the nature and substance of the policies issued supported the policy elections made on transition.
- We challenged the judgements applied by management in assessing whether contracts transferred significant insurance risk by evaluating the nature of contracts and reviewing the loss scenarios excluding those that have no commercial substance;
- We tested that the levels of aggregation used for measuring and reporting on groups of contracts was in compliance with IFRS17;
- We tested the IFRS17 transition models and methodologies for internal consistency and compliance with the requirements of IFRS 17;
- We assessed the adequacy of the transition disclosures in accordance with IFRS 17; and
- We assessed the appropriateness of management's data and assumptions applied in valuing insurance contract liability balances as at the transition date (being 1 January 2022) and related opening adjustment in retained earnings for groups of contracts for which the fully retrospective approach was applied.

Our audit procedures over year-end balances included:

We tailored our testing of the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied, as audited during transition. This included the following:

- With the assistance of our actuarial specialists, we assessed the valuation methodology and assumptions for compliance against the latest actuarial guidance, legislation and approved Company accounting policy;
- We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data and our assessment of the Group's and Company's analysis of experience to date and allowance for future uncertainty. Our challenge focused on the assumptions around the discount rate (and associated illiquidity premium). We also assessed managements' determination of the confidence levels applied in the determination of the risk adjustment for non-financial risk, in line with the minimum regulatory requirements.
- We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17.
 Where management applied the premium allocation approach (PAA) to measure a group of contracts, we also assessed compliance of these groups with the eligibility criteria in IFRS 17;





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

Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities) in consolidated and separate financial statements (continued)

See notes 2(c), 3, 38, 39(a), 39(b) and 54 to the consolidated and separate financial statements (continued)

THE KEY AUDIT MATTER

Determination of year-end balances of insurance contract liability balances (continued)

In valuing the insurance contract liability balances, management applies significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.

The most significant assumptions made in the valuation of insurance contract liability balances arising from the Group's insurance contracts relate to:

- Discount rates
- Confidence levels applied in determining the risk adjustment for non-financial risk.

We considered the valuation of insurance contract liability balances (including the transition from IFRS 4 to IFRS 17) to be a key audit matter in our audit of the financial statements because of the following:

- The judgment applied in determining the transition approach and balances as a consequence of the transition from IFRS 4 to IFRS 17;
- The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and
- The material nature of the insurance contract liability balances as at 31 December 2023.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our audit procedures over year-end balances included: (continued)

- We evaluated the accuracy of the risk adjustment, including calculation method, and its related release by conducting walkthroughs of the risk adjustment models and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors;
- For the valuation of the liability for incurred claims (LIC) for PAA contracts across the Group and Company, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to prior years and key ratios; and
- We evaluated whether the IFRS 17 specific disclosures in the financial statements are adequate and in accordance with IFRS 17.

Other information

The directors are responsible for the other information. The other information comprise the information included in the *ICEA LION General Insurance 2023 Integrated Report,* but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control, as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do





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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated 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.

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

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015, we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion, the information given in the report of the directors on pages 100 and 101 is consistent with the consolidated and separate financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Dr. Alexander Mbai – Practicing Certificate No. 2172.

For and behalf of:

KPMG Kenya Certified Public Accountants PO Box 40612 - 00100

Nairobi, Kenya

Date: 3 0 March 2024



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

for the year ended 31 December 2023

		GROUP		COMPANY	
	Notes	2023 Ksh'000	2022 Ksh '000 restated	2023 Ksh'000	2022 Ksh '000 restated
Insurance revenue	5	10,887,918	7,870,475	8,340,636	6,990,018
Insurance service expenses	6	(8,006,314)	(7,223,037)	(5,906,013)	(6,550,293)
Allocation of reinsurance premiums paid	7	(4,446,606)	(3,317,653)	(3,582,271)	(2,939,716)
Amounts recovered from insurance contracts	8	1,905,425	2,535,692	1,543,867	2,378,598
Insurance service result		340,423	(134,523)	396,219	(121,393)
Interest revenue calculated using the effective interest method	9(a)	1,148,169	853,055	923,018	802,006
Other investment revenue	9(b)	85,536	167,592	42,671	139,843
	9(c)	1,684	2,415	1,685	2,177
Impairment gain on financial assets	9(0)				
Investment return	10	1,235,389	1,023,062	967,374	944,026
Net finance income from insurance contracts	10	146,706	120,001	120,483	119,026
Net finance expenses from reinsurance contracts	10	(93,061)	(59,654)	(77,420)	(60,369)
Net insurance finance income	10	53,645	60,347	43,063	58,657
Net financial result		1,289,034	1,083,409	1,010,437	1,002,683
Other income	11	30,629	40,876	24,467	36,451
Finance income	12	-	3,459	-	3,459
Foreign exchange gains	13	87,708	19,963	65,158	18,425
Other expenses	17	(97,517)	(67,392)	(86,818)	(59,147)
Profit before tax		1,650,277	945,792	1,409,463	880,478
Income tax expense	19	(501,507)	(280,364)	(429,633)	(258,441)
Profit for the year		1,148,770	665,428	979,830	622,037
Other comprehensive income net of tax					
Items that may not be subsequently classified to profit and Loss					
Change in fair value of equity securities at Fair Value Through Other Comprehensive Income	29	13,497	1,055	-	-
Deferred tax on fair value gain	28(b)	(4,049)	(316)	_	
200000 tax on an value yan	20(0)	9,448	739	_	
Items that may be subsequently classified to profit and Loss		,			
Exchange differences on Translating net assets of foreign subsidiary		201,708	22,686	-	
Change in fair value of debt securities at Fair Value Through Other Comprehensive Income	33	(113,420)	(59,982)	(113,420)	(59,982)
Deferred tax on fair value losses	28(b)	-	(13,912)	-	(13,912)
		88,288	(51,208)	(113,420)	(73,894)
Total other comprehensive income/(loss) net of tax		97,736	(50,469)	(113,420)	(73,894)
Total comprehensive income for the year		1,246,506	614,959	866,410	548,143
Profit attributable to;					
Owners of the company	21	1,103,148	645,035	979,830	622,037
				717,030	022,037
Non-controlling interest	50	45,622 1,148,770	20,393 665,428	979,830	622,037
Total comprehensive income attributable to;		, ,	,	,	,
Owners of the company		1,164,387	583,556	866,410	548,143
Non-controlling interest		82,119	31,403	_	
		1,246,506	614,959	866,410	548,143
Earnings per share					
Basic and diluted	21	22.06	12.90	19.60	12.44

The notes on pages 113 to 192 are an integral part of these financial statements.



CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

		GROUP			COMPANY		
		2023	2022	2021	2023	2022	2021
	Notes	Kshs '000'	Kshs '000' restated	Kshs '000' restated	Kshs '000'	Kshs '000' restated	Kshs '000' restated
ASSETS							
Property and equipment	23	83,459	68,242	73,447	48,041	53,577	64,749
Investment properties	24	2,780,000	2,800,000	2,710,000	2,780,000	2,800,000	2,710,000
Right-of-use asset	25	218,912	159,004	169,826	97,986	123,094	163,679
Intangible assets	26	70,448	46,361	30,819	62,303	39,719	23,929
Investment in sub-lease	27	-	123	51,629	-	123	51,629
Deferred income tax	28		14,788	26,340	-	-	-
Equity securities held at fair value through other comprehensive income	29	26,760	9,889	8,161	-	-	-
Equity securities held at fair value through profit or loss	30	777,608	958,805	1,124,639	547,174	806,174	1,012,524
Investment in Real Estate Investment Trusts	31	35,560	34,121	20,488	35,560	34,121	20,488
Debt Securities at amortised cost	32	6,542,014	5,486,996	4,768,216	5,010,005	5,355,249	4,624,873
Debt Securities at fair value through other comprehensive income	33	1,170,997	1,387,061	1,346,639	1,170,997	1,387,061	1,346,639
Corporate bonds at amortised cost	34	77,776	74,833	58,973	58,039	58,915	58,973
Receivables from intermediaries	35	760,629	473,390	494,933	708,322	472,135	486,338
Reinsurance contracts assets	38	4,889,598	3,754,124	2,290,521	3,405,554	3,344,747	1,882,972
Other receivables	40	307,354	178,729	202,215	155,663	132,263	164,405
Current tax recoverable	19	50,436	73,860	35,174	-	38,988	6,108
Kenya Motor Insurance Pool	41	49,846	50,858	52,087	49,846	50,858	52,087
Investment in subsidiaries at cost	42		-		564,244	50,147	50,147
Due from subsidiary company	44		_		15,912	2,802	758
Deposits with Financial Institutions at amortised cost	45	1,857,447	654,879	1,027,395	1,133,177	232,375	710,529
Cash and bank balances	46	219,218	153,048	85,182	83,598	118,264	22,938
Total assets		19,918,062	16,379,111	14,576,684	15,926,421	15,100,612	13,453,765
EQUITY							
Share Capital	48	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other reserve	49(a)	(212,971)	(104,559)	(31,056)	(219,778)	(106,358)	(32,464)
Contingency reserve	49(b)	92,682	71,318	57,511	-	-	-
Currency translation reserve	49(c)	153,164	(16,487)	(28,511)	-	-	-
Retained earnings	49(d)	6,532,717	5,767,229	5,386,137	6,359,070	5,695,536	5,323,499
Proposed dividends		300,000	250,000	200,000	300,000	250,000	200,000
Equity attributable to owners of the company		7,865,592	6,967,501	6,584,081	7,439,292	6,839,178	6,491,035
Non-controlling interests	50	240,385	158,266	126,727	7 420 202		. 404 025
Total Equity		8,105,977	7,125,767	6,710,808	7,439,292	6,839,178	6,491,035
LIABILITIES							
Long-term loan	51	165,347	-	-	-	-	
Insurance contracts liabilities	39(a)	9,062,443	7,273,124	5,964,013	6,759,255	6,584,924	5,303,659
Deferred income tax	28	455,533	443,892	440,898	455,443	443,892	440,898
Lease Liability	52	310,420	289,767	399,558	190,406	253,896	393,626
Other payables	53	1,007,857	803,499	624,997	605,673	668,678	508,190
Current tax payable	19	124,727	-		124,727	-	
Reinsurance contracts liabilities	54	685,758	443,062	436,410	351,625	310,044	316,357
Total liabilities		11,812,085	9,253,344	7,865,876	8,487,129	8,261,434	6,962,730
Total Equity and Liabilities		19,918,062	16,379,111	14,576,684	15,926,421	15,100,612	13,453,765

The financial statements on pages 108 to 192 were approved and authorised for issue by the board of directors on 15 March 2024 and were signed on its behalf by:

J. Wangai Chairman

Chief Executive Officer and Principal Officer

P. Lopokoiyit



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

				Currona			Attributable	Non- con-	
	Share	Other	Contingency	Currency translation	Retained	Proposed	to sharehold-	trolling	
	capital Ksh '000	reserve Ksh '000	reserve Ksh '000	reserve	earnings Ksh '000	dividends Ksh '000	ers	interest Ksh '000	Total Ksh '000
2021	KSN UUU	KSN UUU	KSN UUU	Ksh '000	KSN UUU	KSN UUU	Ksh '000	KSN UUU	KSN UUU
	1 000 000	(21.054)	E7 E11	(20 500)	E 040 424	200.000	4 220 201	127.002	4 245 204
As previously reported	1,000,000	(31,056)	57,511	(28,500)	5,040,426	200,000	6,238,381	127,003	6,365,384
IFRS 17 day one adjustment, net of tax* Balance as at 31 December 2021	1 000 000	(21.054)	F7 F11	(11)	345,711	200.000	345,700	(276)	345,424
Balance as at 31 December 2021	1,000,000	(31,056)	57,511	(28,511)	5,386,137	200,000	6,584,081	126,727	6,710,808
2022									
At 1 January 2022	1,000,000	(31,056)	57,511	(28,511)	5,386,137	200,000	6,584,081	126,727	6,710,808
Total comprehensive income							-		
Profit for the year	-	-	-	-	645,035	-	645,035	20,393	665,428
Other comprehensive income	-	(73,503)	-	12,024	-	-	(61,479)	11,010	(50,469)
Total comprehensive income for the year	-	(73,503)		12,024	645,035	-	583,556	31,403	614,959
									
Transfer from retained earnings to			13,807		(13,943)		(136)	136	
contingency reserve	-	-	13,007	-	(13,743)	-	(130)	130	-
Transaction with owners									
- 2021 final dividend paid	-	-	-	-	-	(200,000)	(200,000)	-	(200,000)
- 2022 proposed final dividend	-	-	-	-	(250,000)	250,000	-	-	-
Balance as at 31 December 2022	1,000,000	(104,559)	71,318	(16,487)	5,767,229	250,000	6,967,501	158,266	7,125,767
2023									
At 1 January 2023	1,000,000	(104,559)	71,318	(16,487)	5,767,229	250,000	6,967,501	158,266	7,125,767
Total comprehensive income									
Profit for the year	-	-	-	-	1,103,148	-	1,103,148	45,622	1,148,770
Other comprehensive income	-	(108,412)	-	169,651	-	-	61,239	36,497	97,736
Total comprehensive income for the year	-	(108,412)		169,651	1,103,148	-	1,164,387	82,119	1,246,506
Loss on purchase of subsidiary (note 43)	-	-	-	-	(16,296)	-	(16,296)	-	(16,296)
Transfer from retained earnings to contingency reserve	-	-	21,364	-	(21,364)	-	-	-	-
Transaction with owners									
- 2022 final dividend paid	-	-		-		(250,000)	(250,000)	-	(250,000)
- 2023 proposed final dividend	-	-	-	-	(300,000)	300,000	-	-	-
Balance as at 31 December 2023	1,000,000	(212,971)	92,682	153,164	6,532,717	300,000	7,865,592	240,385	8,105,977

^{*}Please refer to note 61 on transition provisions in IFRS 17 on disclosures.



COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share capital Ksh '000	Other reserve Ksh '000	Retained earnings Ksh '000	Proposed dividends Ksh '000	TOTAL Ksh '000
2021					
As previously stated	1,000,000	(32,464)	4,977,487	200,000	6,145,023
IFRS 17 day one adjustment, net of tax*	-	-	346,012	-	346,012
Balance as at 31 December 2021	1,000,000	(32,464)	5,323,499	200,000	6,491,035
2022					
At 1 January 2022	1,000,000	(32,464)	5,323,499	200,000	6,491,035
Total comprehensive income					
Profit for the year	-	-	622,037	-	622,037
Other comprehensive income		(73,894)	-		(73,894)
Total comprehensive income for the year	-	(73,894)	622,037	-	548,143
Transfer to retained earnings from contingency reserve Transaction with owners - 2021 final dividends - 2022 proposed dividend	-	-	(250,000)	(200,000) 250,000	(200,000)
Balance as at 31 December 2022	1,000,000	(106,358)	5,695,536	250,000	6,839,178
2023 At 1 January 2023	1,000,000	(106,358)	5,695,536	250,000	6,839,178
Total comprehensive income			070.000		070.000
Profit for the year	-	(112 420)	979,830	-	979,830
Other comprehensive income-fair value Total comprehensive income for the year	-	(113,420)	070.020	-	(113,420)
Loss on purchase of subsidiary (note 43)	•	(113,420)	979,830	-	(14, 204)
-		-	(16,296)	-	(16,296)
Transfer to retained earnings from contingency reserve Transaction with owners					
- 2022 final dividends				(250,000)	(250,000)
- 2022 proposed dividend		-	(300,000)	300,000	(230,000)
Balance as at 31 December 2023	1,000,000	(219,778)	6,359,070	300,000	7,439,292

^{*}Please refer to note 61 on transition provisions in IFRS 17 on disclosures.



CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

		GROU	JP	СОМРА	NY
	Notes	2023 Ksh '000	2022 Ksh '000 restated	2023 Ksh '000	2022 Ksh '000 restated
Cash flows generated from operating activities					
Cash generated from operations	58	583,391	95,811	336,855	30,508
Income tax paid	19(c)	(308,725)	(315,448)	(254,367)	(302,239)
Interest paid on lease liability	52	(32,662)	(41,380)	(26,595)	(38,447)
Net cash generated from /(used in) operating activities		242,004	(261,017)	55,893	(310,178)
Cash flows from investing activities					
Consideration paid on business combination		(530,392)	-	(530,392)	-
Dividend income received	9	66,003	62,755	55,799	55,949
REIT income received	9	1,306	815	1,306	815
Purchase of intangible assets	26	(29,452)	(21,168)	(27,253)	(19,560)
Purchase of property and equipment	23	(38,308)	(24,836)	(22,574)	(14,948)
Proceeds from sale of property and equipment		3,518	1,029	2,693	134
Purchases of Investment Property	24	(21,395)	(3,744)	(21,395)	(3,744)
Purchase of REIT	31		(12,298)		(12,298)
Purchase of corporate bonds	34		(15,271)		
Proceeds from maturities of corporate bonds	34		1,143	-	1,143
Purchases of debt securities at amortised cost	32	(484,242)	(1,422,535)	-	(1,412,454)
Proceeds from maturities on debt securities at amortised cost	32	636,247	694,261	320,935	672,587
Purchases of debt securities at fair value through other comprehensive income	33		(908,077)		(908,077)
Proceeds from disposal of debt securities at fair value through other comprehensive income		102,110	807,729	102,110	807,729
Proceeds of sale of equity securities held at fair value through profit or loss		65,970	1,818	65,970	1,282
Purchase of equity instruments held at fair value through profit or loss	30	(575)	(10,572)		-
Purchase of equity at fair value through other comprehensive income	29	(344)	-		-
Purchases of deposits maturing after 3 months	45(b)	(838,836)	(409,816)		(27,911)
Proceeds from maturities of deposits maturing after 3 months	45(b)	765,911	262,962		-
Interest income received		1,094,954	842,079	941,708	818,284
Rental income received		219,149	188,196	219,149	188,196
Net cash generated from investing activities		1,011,624	34,470	1,108,056	147,127
Cash flows from financing activities					
Dividends paid to shareholders of parent company	22	(250,000)	(200,000)	(250,000)	(200,000)
Repayment of principal lease payment	52	(88,247)	(73,458)	(54,074)	(60,074)
Income on investment in sub-lease received			5,318		5,318
Net cash used in financing activities		(338,247)	(268,140)	(304,074)	(254,756)
Net increase/(decrease) in cash and cash equivalents		915,381	(494,687)	859,875	(417,807)
Cash and cash equivalents at beginning of year		365,400	854,484	325,330	733,467
Cash brought forward on business Combination		45,865			
Effect of exchange rate changes on translation of cash and cash equivalents		41,358	5,603	31,570	9,670
Cash and cash equivalents at year end	58	1,368,004	365,400	1,216,775	325,330

1 GENERAL INFORMATION

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

Please refer to the Corporate Information on page 196 on details of the Company and the Subsidiaries addresses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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

(a) Basis of preparation

(i) Statement of compliance

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

(ii) Basis of measurement

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

- Financial instruments at fair value through profit or loss,
- Financial assets at fair value through other comprehensive income, and;
- · Investment properties

(iii) Functional and presentation currency

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

(iv) Use of estimates and judgements

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



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New standards amendments and interpretations

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

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new standards in preparing these consolidated financial statements.

Description	
Standards available for early adoption	Effective date
IFRS 17 Insurance Contracts	01 Jan 2023
Amendments to IFRS 17	01 Jan 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	01 Jan 2023
Definition of Accounting Estimate (Amendments to IAS 8)	01 Jan 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes	01 Jan 2023
Initial Application of IFRS 17 and IFRS 9 Comparative Information (Amendments to IFRS 17)	01 Jan 2023

The following standards and interpretations apply for the first time to the financial reporting period commencing 1 January 2023:

a) IFRS 17 Insurance Contracts

IFRS 17 standard replaced IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting of all entities that issue insurance contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The Group applied IFRS 17 for the first time on 1 January 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts and has had a material impact on the Group's consolidated financial statements.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 financial statements line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

The impact on the Group and Company Financial Statements on adoption net of tax is KShs 345,424 for the Group and Kshs 346,012 for the Company as reflected on the Consolidated and Company statements of changes in equity.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Other Amendments

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

b) Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2, Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

c) Amendments to IAS 8 Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

d) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax

liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

e) Amendments to IAS 12 International Tax Reform Pillar Two Model Rules

The amendments require large multinational enterprises within the scope of the rulels to calculate their GloBE (Global Anti-Base Erosion Proposal) effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

1.2.1. New Standards and Interpretations Issued but not yet effective

ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2023

Standards available for early adoption	
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 Jan 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01 Jan 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	01 Jan 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 Jan 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 Jan 2024
IFRS S2 Climate-related Disclosures	01 Jan 2024
Lack of exchangeability (Amendments to IAS 21)	01 Jan 2025

a) Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants effective 1 January 2024

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

b) Amendments to IFRS 16 Lease Liability in a Sale and Leaseback effective 1 January 2024

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

1.2.1. New Standards and Interpretations Issued but not yet effective (continued)

b) Amendments to IFRS 16 Lease Liability in a Sale and Leaseback effective 1 January 2024 (continued)

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

c) Amendments to IAS 7 and IFRS 7 Supplier finance arrangements effective 1 January 2024

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities in (h)
- Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December

2024 year-ends, unless an entity has a financial year of less than 12 months

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

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

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

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

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

e) Amendments to IAS 21 - Lack of Exchangeability effective 1 January 2025

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. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the Company and its subsidiaries. Control is achieved when the company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

i) Subsidiaries

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- The size of the Company's holding of voting relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- · Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the Company ceases control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries ICEA LION General Insurance Company (Tanzania) Limited and ICEA LION General Insurance Company (U) Limited made up to 31 December.

Changes in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

When the Group ceases to have control over an entity, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previous recognised in other comprehensive income are reclassified to profit or loss.

(ii) Investment in subsidiary companies

In the company financial statements, investment in subsidiary is accounted for at cost.

(iii) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. In determining whether an acquired set of activities and assets is a business, the Group assesses whether the acquired set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as they are incurred, unless they are related to the issue of debt or equity securities.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(c) Insurance contracts

i) Key types of insurance contracts issued and reinsurance contracts held

The Group issues short term insurance contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

ii). Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

iii). Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect.

The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

iv). Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

The Group may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into two groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group.

The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Insurance contracts (continued)

iv). Level of aggregation

determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

v). Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- For a group of onerous contracts, when the group becomes onerous

The Group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

vi). Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Group must have the

practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had the Group issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Group exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

vii). Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

vii). Fulfilment cash flows within contract boundary (continued)

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs
- Claim handling costs
- Costs of providing contractual benefits in kind, such as home and vehicle repair
- Transaction-based taxes
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

viii). Discount rates

The Fulfilment Cash Flows ("FCF"), which are a component of the insurance liabilities, include an adjustment to reflect the time value of money and the financial risks related to the future cash flows.

The group will use a discount rate that explicitly adjusts for time value of money, financial risks and liquidity characteristics of the insurance contract cash flows. No credit risk allowed for in the discount rate applied.

In order to compute the discount rate, the bottom-up approach, one of the methods prescribed in the IFRS 17 standard, will be used by the group to determine discount rates for all product groups, as risk free rates are readily available and the only further adjustment required will be the illiquidity premium.

IFRS 17 does not prescribe a method for deriving a risk free curve, therefore, the group will use the Government of Kenya yield curve. The group does not expect to have cash flows extending up to and beyond 23 years and therefore extrapolation of discount rates will not be applicable.

Once a liquid risk-free yield curve is in place, the group will adjust it with an illiquidity premium that will reflect the differences between the liquidity characteristics of the financial instrument, that underlie the rates observed in the market, and the liquidity characteristics of the insurance contracts.

In order to determine the illiquidity premium, the group will use covered bonds, where the bonds are covered with a collateral that is considered very safe. The illiquidity premium in this case is equal to the covered bond spread over the liquid risk-free rate.

The term structure of illiquidity premium could be, but is not necessarily, constant over time, with respect to its level or its shape. However, considering market data limitations the group will use a single illiquidity adjustment at all durations. Considering market data limitations and practicability, the group will, where applicable, use the same illiquidity premium adjustment in determining discount rates for all contracts.

One discount rate shall be applied across all portfolios unless facts and circumstances indicate that specific portfolios will have different liquidity characteristics.

ix). Risk adjustment for non-financial risk

The measurement of insurance contract liabilities in accordance with IFRS 17, requires an explicit risk adjustment ("RA") for non-financial risk. The RA excludes financial risks, such as investment returns (cash flows not directly tied to contract cash flows). The non-financial risks that the group is exposed to are premium and claim liability risk exposures with respect to timing and amount of cash flows. IFRS 17 does not specify a technique to determine the RA. However, it requires an entity to disclose confidence intervals, regardless of the method chosen to determine the RA.

The purpose of the RA is to determine the insurer's own assessment of the uncertainty and variability inherent in the fulfilment cash flows. As such, the disclosure in the financial statements should provide a reasonable description of the basis on which the RA is determined to ensure sufficient understanding and comparability.

A range of risk adjustment techniques were considered by the group, and it was concluded that the Quantile Technique - Value at Risk, would be used for both underlying and reinsurance contracts. The consideration behind the uptake of this approach is that this method is easy to communicate and translate into a confidence interval for disclosure purposes.

It is a requirement that the confidence level used to determine the RA for non-financial risk is disclosed. A key feature of having a confidence level is to facilitate comparisons, both across time and with other entities.

IFRS 17 does not specify the level of granularity at which the RA must be calculated. The group has currently opted to determine the RA at an aggregate level, that is, a uniform risk adjustment rate will be used for all classes of business.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

x). Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio.

The Group shall recognise:

- (a) Insurance acquisition cash flows it expects to pay after the related group of insurance contracts is recognised as part of the fulfilment cash flows of the group of insurance contracts.
- (b) Insurance acquisition cash flows paid before the related group of insurance contracts is recognised as an asset. The Group shall recognise such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The Group shall derecognise an asset recognised when the insurance acquisition cash flows allocated to the group of insurance contracts are included in the measurement of the group. If the Group recognises in a reporting period only some of the insurance contracts expected to be included in the group, the Group shall determine the related portion of an asset for insurance acquisition cash flows for the group on a systematic and rational basis considering the expected timing of recognition of contracts in the group. The Group shall derecognise that portion of the asset and include it in the measurement of a group of insurance contracts.

At the end of each reporting period, the Group shall assess the recoverability of an asset recognised if facts and circumstances indicate the asset may be impaired. If facts and circumstances indicate the asset may be impaired, the Group shall adjust the carrying amount of the asset and recognise any impairment loss identified. The Group shall adjust the carrying amount of the asset and recognise the reversal of any such loss.

xi). Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates

and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events.

xii). Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Group applies the following methods:

- For groups of home insurance contracts acquired with claims in
 a settlement phase, the Group's obligation is to stand ready to
 discover and settle the ultimate cost of claims when they fall due
 after the acquisition date. Based on this principle, the coverage
 units reflect the expected duration for the acquired claims to fall
 due for settlement and the benefit is the number of expected
 claims at acquisition date. Other home and motor insurance
 contracts are accounted for using the PAA.
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.

xiii). Insurance contracts measured under the premium allocation approach

The Group applies the PAA to the measurement of Property, Marine, Aviation, Accident, motor and Liability insurance contracts with a coverage period of each contract in the group of one year or less.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

On initial recognition, the Group measures the LRC at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Group applies a policy of expensing all insurance acquisition cash flows over the coverage period equally.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Group has determined that there is no significant financing component for insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group also applies the PAA to the all - Proportional and Non-Proportional treaties. The coverage period of such reinsurance contracts held is 12 months or less. As the coverage period exceeds one year, the Group at initial recognition assessed that the PAA is a reasonable approximation of the General Model.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts. The allocation is done on the basis of the passage of time. The Group applies a methodology of daily release of LRC for expired time judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

xiv). Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-

financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

The Group disaggregates the total finance income or expenses between profit or loss.

For any subsequent changes in the fulfilment cash flows of the LRC, the total of insurance finance income or expenses is disaggregated between profit or loss and allocated on a systematic basis between the loss component and the 'LRC excluding the loss component'.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component)
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component)
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

xiv). Onerous contracts (continued)

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

xv). Reinsurance contracts held

I.1 Recognition

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently.

All reinsurance contracts held are accounted for by applying the PAA.

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance contracts held that

provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later.

The Group recognises a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

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

The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

xvi). Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub-total: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

xvii). Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

xviii). Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Risk Adjustment on LIC both Current and Past.

xix). Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from

reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group.

- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

xx). Insurance contract revenue

For those groups of contracts for which coverage has expired at the transition date, there is no revenue recognised after the date of transition.

For groups of contracts, other than direct participating contracts, that were determined to be onerous at the date of transition, the loss component was estimated at the transition date. If there is still coverage remaining after the date of transition, revenue for such groups is recognised, but in considering changes in the LRC the Group excludes subsequent increases and decreases in the loss component.

xxi). Insurance finance income or expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for motor and home insurance policies with a coverage period of one year or less. The Group discounts the liability for incurred claims. The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI based on the systematic



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Insurance contracts (continued)

allocation method over the duration of the contracts in the group.

In applying the premium allocation approach to insurance contracts, an entity may be required, or may choose, to discount the liability for incurred claims. In such cases, it may choose to disaggregate the insurance finance income or expenses. If the entity makes this choice, it shall determine the insurance finance income or expenses in profit or loss using the discount rate specified

xxii). Exchange differences arising from IFRS 17 contracts

IFRS 17 requires an entity to treat an insurance contract as a monetary item under IAS 21 for the purpose of translating foreign exchange items into the entity's functional currency. An entity includes exchange differences on changes in the carrying amount of groups of insurance contracts in the statement of profit or loss, unless they relate to changes in the carrying amount of groups of insurance contracts included in other comprehensive income a in which case they shall be included in other comprehensive income.

(d) Kenya Motor Insurance Pool

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

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

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

In preparing the financial statements of individual entities in the group, transactions in foreign currencies during the year are recorded at rates ruling at the transaction dates. Assets and liabilities at the end of each reporting period which are expressed in foreign currencies are translated at rates ruling at that date. The resulting differences are dealt with in profit or loss in the year in which they arise.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Kenya shillings, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated to Kenya shillings using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in other comprehensive income and accumulated in equity under the groups' currency translation reserve. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(f) Retirement Contribution obligations

The Group operates two defined contribution pension schemes for its employees. The assets of these schemes are held in separate trustee administered funds. The schemes are funded by contributions from both the employees and the employer. Contributions are determined by the rules of the schemes.

The group also contributes to the statutory defined contribution pension schemes, the National Social Security Fund (NSSF) in Kenya and Tanzania. Contributions to these schemes are determined by local statute.

The Group's obligations to retirement contribution schemes are charged to profit or loss as they fall due. There is no further obligation to the group.

(g) Income tax expense

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



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Current income tax

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

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

(h) Investment properties

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. Investment properties are carried at fair value, representing market value determined by external independent valuers. Changes in their carrying amount between the statement of financial position dates are accounted for through profit or loss. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(i) Dividends payable

Dividends payable on ordinary shares are charged to equity in the period in which they are declared. Dividends declared after the reporting date are not recognised as liabilities at the end of each reporting period.

Proposed dividends are shown as a separate component of equity.

(j) Property and equipment

All property and equipment are initially recorded at cost. These are stated at historical cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation

Depreciation is calculated on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life at the following rates:

Buildings	4%
Furniture, fixtures and fittings and office equipment	12.5% - 20%
Motor vehicles	25%
Computer equipment	25%
Software	33.3%

Property and equipment is periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts.

(k) Intangible assets

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

The useful lives of intangible assets are assessed to be either finite or indefinite. Costs associated with maintaining computer software are recognized as an expense as incurred. However, expenditure that enhances or extends the benefits of computer software beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over a period of 3 years. There are no intangible assets with indefinite useful lives.

(I) Leases

(a) The Group as lessee

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



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(I) Leases (continued)

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

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

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

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

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

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

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

During the year, the Group eliminated the impact of Value Added Tax in its measurement of both lease liability and right-of-use asset and expensed the Value Added Tax under variable lease payments not included in lease liability. In addition the head office lease terms were substantially changed resulting into a re-measurement of both the lease liability and the right-of-use asset.

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

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

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

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



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(I) Leases (continued)

alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as the lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(m) Financial assets

Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

Recognition and derecognition

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt securities

Subsequent measurement of debt securities depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost

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

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Equity securities

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Determination of fair value

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For example a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments,

using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

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

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

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

Impairment

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

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

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

No impairment loss is recognised on equity investments and financial assets measured at FVPL.

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

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

- Debt instruments that are determined to have low credit risk at the reporting date. The Group will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in Government securities; and
- Other financial instruments (other than trade and lease receivables) for which credit risk has not increased significantly since initial recognition.
 - Loss allowances for premium and rent receivables will always be measured at an amount equal to lifetime ECLs. The impairment requirements of IFRS 9 require management judgement, estimates and assumptions, particularly in the following areas, which are discussed in detail below:
- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

Measurement of expected credit losses

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

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

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

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

 the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Expected credit losses

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

$ECL = PD \times LGD \times EAD$

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

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

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

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

Definition of default

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

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



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

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

- Qualitative: e.g. Breach of covenant and other indicators of financial distress;
- Quantitative: egg. Overdue status and non-payment of another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

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

Significant increase in credit risk (SIICR)

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

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

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

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

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

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;

- exposures are not generally transferred from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month and lifetime ECL measurements.

Measurement of ECL

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

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

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

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

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

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

- instrument type;
- credit risk grading;



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Financial assets (continued)

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

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

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Group uses to derive the default rates of its portfolios.

Fair value through profit or loss (FVTPL)

If a financial asset or group of financial assets is not held within the "hold to collect" or the "hold to collect and sell" business model it should be measured at FVTPL. FVTPL is the residual category and IFRS 9. Additionally, a business model in which an entity manages financial assets, with the objective of realizing cash flows through solely the sale of the assets would result into FVTPL business model. Even though the entity might collect contractual cash flows while it holds the financial assets the objectives of such a business model is not achieved by both collecting contractual cash flows and selling financial assets. This is because the collection of contractual cash flows is not integral to achieving the business models objectives; instead it is incidental to it.

Financial liabilities

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

- (i) Doing so significantly reduces or eliminates an accounting mismatch that would arise from measuring assets and liabilities or recognising gains or losses on different basis
- (ii) The liability is part of a group of financial liabilities that are managed and performance is evaluated on a fair value basis.

A financial liability that does not meet any of the above two criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

Derecognition of financial liabilities

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

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

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(o) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have an original maturity of 3 months or less.

(p) Impairment of non-financial assets

At each end of the reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the impairment loss is recognised in the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.



Notes (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(q) Share capital

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

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

• Assessment of significance of insurance risk: The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event

are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. The application of judgement in this area is aided by the Group's processes to filter contracts where the additional amounts referred to above are more than 5% but less than 10% of the amounts paid if the insured event does not occur. Additional amounts that are less than 5% are considered by the Group as insignificant. A specialist unit conducts all these judgemental classifications under IFRS 17 to maintain consistency across the Group.

• Determination of the contract boundary: The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance. See Note 1.G for more details

• Identification of portfolios: The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.



Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

A. Critical judgements in applying the group's accounting policies (continued)

- Proportional and Non Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability reinsurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.
- Assessment of significance of modification: As explained in Note 1.K, the Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition
- Level of aggregation for determining the risk adjustment for non-financial risk: IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows
- Selecting a method of allocation of coverage units: IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-

related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

Level of aggregation

The Group included contracts into groups of contracts issued more than one year apart as there was no reasonable and supportable information available to make the division.

Measurement at the transition date

In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

The Group used discount rates as at the date of transition, instead of discount rates as at the date of initial recognition.

Reinsurance contracts held

For a group of reinsurance contracts held the Group determines the loss-recovery component of the asset for remaining coverage at transition by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at the transition date with the percentage of claims for the group of underlying onerous insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

B. Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF) and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses



Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

- 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 31/12/2023 the Group's total carrying amount of:

	GROUP		COMPANY	
	2023 Kshs'000	2022 Kshs'000 restated	2023 Kshs'000	2022 Kshs'000 restated
Reinsurance contracts Held that are assets	4,889,599	3,754,124	3,405,554	3,344,747
Insurance contracts issued that are liabilities	9,062,443	7,273,124	6,759,255	6,584,930
Total	(4,172,844)	(3,519,000)	(3,353,701)	(3,240,183)

GROUP 2023	Change in assumption	Insurance contract liabilities	Reinsurance contract assets
	Kshs'000	Kshs'000	Kshs'000
Gross loss ratio	5%	453,122	244,480
Gross loss ratio	-5%	(453,122)	(244,480)
Parallell shift in discount rates	1%	90,624	48,896
Parallell shift in discount rates	-1%	(90,624)	(48,896)
Risk Adjustment	1%	8,461	4,775
Risk Adjustment	-1%	(8,461)	(4,775)

GROUP 2022	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	363,656	187,706
Gross loss ratio	-5%	(363,656)	(187,706)
Parallell shift in discount rates	1%	72,731	37,541
Parallell shift in discount rates	-1%	(72,731)	(37,541)
Risk Adjustment	1%	5,919	3,052
Risk Adjustment	-1%	(5,919)	(3,052)

COMPANY 2023	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	337,965	170,278
Gross loss ratio	-5%	(337,965)	(170,278)
Parallell shift in discount rates	1%	67,593	34,056
Parallell shift in discount rates	-1%	(67,593)	(34,056)
Risk Adjustment	1%	6,393	3,467
Risk Adjustment	-1%	(6,393)	(3,467)

COMPANY 2022	Change in assumption Kshs'000	Insurance contract liabilities Kshs'000	Reinsurance contract assets Kshs'000
Gross loss ratio	5%	329,248	167,237
Gross loss ratio	-5%	(329,248)	(167,237)
Parallell shift in discount rates	1%	65,850	33,447
Parallell shift in discount rates	-1%	(65,850)	(33,447)
Risk Adjustment	1%	5,377	2,731
Risk Adjustment	-1%	(5,377)	(2,731)

A sensitivity analysis of exposure to insurance risk and its impact on profit or loss and equity is included in Note 3.



CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

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.

Method of estimating discount rates Discount rates

The Fulfilment Cash Flows ("FCF"), which are a component of the insurance liabilities, include an adjustment to reflect the time value of money and the financial risks related to the future cash flows.

The group will use a discount rate that explicitly adjusts for time value of money, financial risks and liquidity characteristics of the insurance contract cash flows. No credit risk allowed for in the discount rate applied.

In order to compute the discount rate, the bottom-up approach, one of the methods prescribed in the IFRS 17 standard, will be used by the group to determine discount rates for all product groups, as risk free rates are readily available and the only further adjustment required will be the illiquidity premium.

IFRS 17 does not prescribe a method for deriving a risk free curve, therefore, the group will use the Government of Kenya yield curve. The group does not expect to have cash flows extending up to and beyond 23 years and therefore extrapolation of discount rates will not be applicable.

Once a liquid risk-free yield curve is in place, the group will adjust it with an illiquidity premium that will reflect the differences between the liquidity characteristics of the financial instrument, that underlie the rates observed in the market, and the liquidity characteristics of the insurance contracts.

In order to determine the illiquidity premium, the group will use covered bonds, where the bonds are covered with a collateral that is considered very safe. The illiquidity premium in this case is equal to the covered bond spread over the liquid risk-free rate.

The term structure of illiquidity premium could be, but is not necessarily, constant over time, with respect to its level or its shape. However, considering market data limitations the group will use a single illiquidity adjustment at all durations. Considering market data limitations and practicability, the group will, where applicable, use the same illiquidity premium adjustment in determining discount rates for all contracts.

One discount rate shall be applied across all portfolios unless facts and circumstances indicate that specific portfolios will have different liquidity characteristics.



Notes (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

The Group used the following yield curves to discount cash flows.

Kenya	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2023	16.10%	17.92%	17.96%	17.87%	17.45%	16.79%	16.32%	15.97%	15.73%	15.70%
2022	10.31%	12.17%	12.69%	13.11%	13.53%	13.62%	13.66%	13.70%	13.73%	13.77%
Tanzania	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2023	8.80%	10.00%	10.77%	11.10%	11.44%	11.77%	12.10%	12.43%	12.76%	
2022	4.17%	7.08%	7.79%	8.16%	8.54%	9.10%	9.35%	9.61%	9.87%	
Uganda	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
2023	11.44%	13.07%	13.90%	14.45%	14.85%	15.00%	15.15%	15.26%	15.37%	15.48%
2022	11.75%	13.58%	14.19%	14.83%	15.20%	15.26%	15.34%	15.43%	15.49%	15.55%

Estimation of allocation rate for insurance finance income or expenses

The Group uses either the constant or crediting rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the group contracts. In determining the constant rate, the Group estimates the expected insurance finance income or expenses over the remaining duration of the group that is partly implicit in the estimated cash flows.

For direct participating contracts for which the Group does not hold the underlying items, the Group uses the crediting rate for the systematic allocation of insurance finance income or expenses. In determining the crediting rate, the Group estimates the constant factor.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk and reflects the degree of the Group's risk aversion. The Group determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts. In estimating the risk adjustment, the Group uses the cost of capital method. The method looks at estimating the additional amount of capital required for the amount of uncertainty, and then estimating the expected cost of that capital over the period of the risk. The expected cost of capital is determined at 8% per annum applied to the present value amount of projected capital relating to non-financial risk, which is calculated at 99.5% confidence level (2022: 99.5%). The resulting risk adjustment corresponds to an 99.5% confidence level (2022: 99.5%).

Non-financial risk factors, also referred to as underwriting variables, are the key sources of estimation uncertainty, as they impact estimates of future cash flows and their associated probabilities, and affect the amount of projected capital required at 99.5% confidence level, which in turn impacts the overall amount of risk adjustment for non-financial risk.

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

Calculation of loss allowance

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



3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

B. Key sources of estimation uncertainty (continued)

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

If the ECL rates on the financial assets had been 5% higher (lower) as of 31 December 2023, the loss allowance would have been Kshs. 22,664,000 and Kshs. 21,562,000 (2022: Kshs. 23,533,000 and Kshs. 22,518,000) for the group and the company respectively.

Valuation of investment properties

The valuation takes into effect the general state of the economy that has resulted into a depressed property market where prices in both rental and property sales have gone down. This has been reflected in the valuation hence resulting into a key judgement area.

The effects of changes in gross annual rental and yield will have the following effect on the fair value of the properties:-

GROUP AND COMPANY

	31 December 2023		31 December 2022	
	change %	Impact on profit before tax Kshs'000	Impact on profit before tax Kshs'000	
Gross annual rental	+5%	10,957	10,025	
Gross annual rental	-5%	(10,957)	(10,025)	
Rate of return	+2.5%	5,479	5,012	
Rate of return	-2.5%	(5,479)	(5,012)	

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

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms. Due to the associated uncertainty, it is possible that the estimates of the amount of lease payment that will be recovered through the sub-lease of the property may need to be revised during the next year.

Business model assessment

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

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



Notes (continued)

4 RISK MANAGEMENT

Governance framework

The primary objective of the group's risk and financial management framework is to protect the group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place. The group has a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to management.

Management of Insurance and financial risk

The group's activities expose it to a variety of risks. The group classifies the various risks it is exposed to into insurance risk and financial risk. Financial risks include credit risk, liquidity risk and market risk. Market risk includes the effect of changes in equity market prices, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets, identification and management of risks. It seeks to minimise potential adverse effects on its financial performance by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients and defined criteria for the approval of intermediaries and reinsurers. The group has put in place investment policies which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk.

i) Insurance risk

Insurance risk in the group arises from:

- (a) Fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
- (b) Unexpected claims arising from a single source;
- Inaccurate pricing of risks or inappropriate underwriting of risks when underwritten;
- (d) Inadequate reinsurance protection or other risk transfer techniques; and
- (e) Inadequate reserves(a), (b) and (c) can be classified as the core insurance risk, (d) relates to reinsurance planning, while (e) is about reserving.

Core insurance risk

This risk is managed through:

- Diversification across a large portfolio of insurance contracts;
- Careful selection guided by a conservative underwriting philosophy;
- Continuous monitoring of the business performance per class and per client and corrective action taken as deemed appropriate;
- A minimum of one review of each policy at renewal to determine whether the risk remains within the acceptable criteria;

- Having a business acceptance criteria which is reviewed from time to time based on the experience and other developments;
- Having a mechanism of identifying, quantifying and accumulating exposures to contain them within the set underwriting limits.

Reinsurance planning

Reinsurance purchases are reviewed annually to verify that the levels of protection being sought reflect developments in exposure and risk appetite of the group. The basis of these purchases is underpinned by the group's experience, financial modelling by and exposure of the reinsurance broker.

The reinsurance is placed with providers who meet the Group's counter party security requirements.

Claims reserving

The group's reserving policy is guided by the prudence concept. Estimates are made of the estimated cost of settling a claim based on the best available information on registration of a claim, and this is updated as and when additional information is obtained and annual reviews done to ensure that the reserves are adequate. Management is regularly provided with claims settlement reports to inform on the reserving performance. The claims reserves also includes an estimate for incurred but not reported claims.

Short-term insurance contracts

The Group principally issues the following types of general insurance contracts: Aviation, engineering, fire, liability, marine, motor, personal accident, theft, workmen compensation and various miscellaneous general risk classes. The risks under these policies usually cover twelve months duration.

These risks on these contracts do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group.



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Underwriting risk

Underwriting risk management

Underwriting risk consists of insurance risk, persistency risk and expense risk.

Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Group's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

The Group is exposed to different elements of insurance risks:

- Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor and home policies:
 - Catastrophe risk: the risk of incurring significant losses as a result of catastrophic events
- All policies:
 - Premium risk: the risk that premiums charged to policyholders are less than claims cost on business written
 - Reserve risk: the risk that the claims reserves are insufficient to cover all claims

Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability home insurance policies, the most significant factor which could increase the amount and frequency of claims is a catastrophic event such as a hurricane, flooding or earthquake.

The Group is exposed to reserve risk and premium risk arising on all insurance contracts issued.

The Group mitigates its exposure by applying its underwriting strategy to diversify the type of insurance risks accepted and the level of insured benefit.

The Group also mitigates these risks by purchasing excess of loss reinsurance programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Group has a variety of approved reinsurers to mitigate reinsurance risk, the risk of placement of ineffective reinsurance arrangements.

The Group's exposure to catastrophe risk on Property, Marine, Aviation, PA, Medical, Accident, Motor and Liability motor insurance contracts issued is mitigated through holding.

The Group manages the insurance and reinsurance risk by:

- Ensuring that the Group has appropriate underwriting and reinsurance strategy within an overall risk management framework, including an effective system of internal control
- Identifying, assessing and measuring insurance risk across the Group, from an individual policy to a portfolio level
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of insurance and reinsurance policies
- Ensuring that risk management policies and procedures are reviewed regularly to reflect changes in the Group's activities and market conditions
- Monitoring that individual and aggregate claims reserves are reviewed regularly by internal actuaries using a variety of actuarial techniques
- Ensuring reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital
- Monitoring that reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis
- Limiting concentrations of exposure by class of business, counterparties, geographic location etc.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Group's objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous period.



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2023		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	959,784	626,531	450,838,445	452,424,760
	Reinsurance	822,945	597,365	449,739,216	451,159,526
Engineering	Gross	4,872,880	7,059,960	219,245,552	231,178,392
	Reinsurance	825,699	1,285,632	192,871,552	194,982,883
Fire Domestic	Gross	19,384,298	26,120,602	52,400,811	97,905,711
	Reinsurance	199,397	162,931	10,859,414	11,221,742
Fire Industrial	Gross	46,014,060	42,649,889	1,397,541,180	1,486,205,129
	Reinsurance	22,688,430	11,582,422	1,220,625,185	1,254,896,037
Liability	Gross	9,734,793	12,275,130	259,342,959	281,352,882
	Reinsurance	2,601,211	3,690,290	240,140,409	246,431,910
Marine	Gross	3,658,731	4,849,449	163,894,148	172,402,328
	Reinsurance	798,039	2,093,873	153,202,162	156,094,074
Motor Private	Gross	51,681,413	5,733,637	14,301,975	71,717,025
	Reinsurance	3,336,665	1,654,072	1,371,697	6,362,434
Motor Commercial	Gross	11,897,935	4,868,406	18,861,121	35,627,462
	Reinsurance	1,330,460	1,605,472	10,717,729	13,653,661
Personal Accident	Gross	34,540,644	29,996,542	209,824,279	274,361,465
	Reinsurance	25,110,742	14,179,809	132,782,512	172,073,063
Theft	Gross	11,599,407	9,671,141	84,029,755	105,300,303
	Reinsurance	1,376,950	1,429,459	29,986,535	32,792,944
Workmen's Compensation	Gross	1,238,351	58,493,051	142,060,526	201,791,928
	Reinsurance	249,316	2,050,116	60,780,874	63,080,306
Miscellaneous Accident	Gross	3,878,949	5,198,612	22,110,731	31,188,292
	Reinsurance	2,917,357	4,384,428	20,674,133	27,975,918
31 December 2023	Gross	199,461,245	207,542,950	3,034,451,482	3,441,455,677
	Reinsurance	62,257,211	44,715,869	2,523,751,418	2,630,724,498
	Net	137,204,034	162,827,081	510,700,064	810,731,179



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business and by region is provided in the following tables.

GROUP		Ksh '000 restated	Ksh '000 restated	Ksh '000 restated	Ksh '000 restated
31 December 2022		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	704,219	698,636	682,954,150	684,357,005
	Reinsurance	619,542	663,399	682,385,649	683,668,590
Engineering	Gross	5,077,166	6,457,828	124,180,758	135,715,752
	Reinsurance	193,017	399,430	103,569,789	104,162,236
Fire Domestic	Gross	20,648,439	25,586,480	49,186,599	95,421,518
	Reinsurance	146,265	98,841	11,782,585	12,027,691
Fire Industrial	Gross	38,560,703	36,909,921	1,617,830,076	1,693,300,700
	Reinsurance	19,536,797	9,384,139	1,449,379,553	1,478,300,489
Liability	Gross	9,365,789	11,482,321	270,508,082	291,356,192
	Reinsurance	1,252,613	2,509,111	218,888,082	222,649,806
Marine	Gross	4,738,590	4,601,069	80,678,440	90,018,099
	Reinsurance	379,421	1,286,788	72,620,161	74,286,370
Miscellaneous Accident	Gross	2,467,447	4,944,910	13,533,754	20,946,111
	Reinsurance	1,736,527	3,876,208	12,569,442	18,182,177
Motor Commercial	Gross	10,086,732	4,048,510	82,741,045	96,876,287
	Reinsurance	389,262	489,659	8,447,642	9,326,563
Motor Private	Gross	40,996,115	3,499,471	6,363,660	50,859,246
	Reinsurance	593,863	96,470	46,616	736,949
Personal Accident	Gross	33,285,965	32,028,590	139,234,963	204,549,518
	Reinsurance	23,794,955	16,489,392	81,059,418	121,343,765
Theft	Gross	10,858,157	7,552,066	64,567,246	82,977,469
	Reinsurance	112,375	86,402	4,173,901	4,372,678
Workmen's Compensation	Gross	902,437	62,920,016	144,423,837	208,246,290
	Reinsurance	31,735	888,274	16,189,354	17,109,363
31 December 2022	Gross	177,691,759	200,729,818	3,276,202,610	3,654,624,187
	Reinsurance	48,786,372	36,268,113	2,661,112,192	2,746,166,677
	Net	128,905,387	164,461,705	615,090,418	908,457,510



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2023		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	948,206	626,531	442,929,667	444,504,404
	Reinsurance	811,368	597,365	441,830,438	443,239,171
Engineering	Gross	3,208,610	3,925,693	161,971,611	169,105,914
	Reinsurance	94,203	143,283	145,564,279	145,801,765
Fire Domestic	Gross	18,136,006	25,155,815	50,483,577	93,775,398
	Reinsurance	49,258	32,659	10,312,094	10,394,011
Fire Industrial	Gross	35,805,920	29,933,392	1,094,433,903	1,160,173,215
	Reinsurance	20,394,798	8,575,236	956,137,059	985,107,093
Liability	Gross	7,787,952	10,291,250	136,174,883	154,254,085
	Reinsurance	1,476,522	2,744,350	117,987,344	122,208,216
Marine	Gross	2,707,023	2,774,596	138,241,411	143,723,030
	Reinsurance	177,447	757,277	134,007,685	134,942,409
Motor Private	Gross	43,770,607	3,949,995	6,791,600	54,512,202
	Reinsurance	2,103,673	1,012,051	416,724	3,532,448
Motor Commercial	Gross	7,451,917	2,270,874	5,247,268	14,970,059
	Reinsurance	167,503	223,561	1,034,490	1,425,554
Personal Accident	Gross	33,477,540	27,989,482	122,005,409	183,472,431
	Reinsurance	24,812,595	13,787,457	67,150,868	105,750,920
Theft	Gross	9,276,073	7,269,671	74,971,435	91,517,179
	Reinsurance	693,385	633,755	24,869,863	26,197,003
Workmen's Compensation	Gross	557,036	57,253,414	121,417,355	179,227,805
	Reinsurance	11,529	1,715,937	46,630,817	48,358,283
Miscellaneous Accident	Gross	1,940,268	3,539,373	12,871,313	18,350,954
	Reinsurance	1,376,538	3,050,708	12,239,176	16,666,422
31 December 2023	Gross	165,067,158	174,980,086	2,367,539,432	2,707,586,676
	Reinsurance	52,168,819	33,273,639	1,958,180,837	2,043,623,295
	Net	112,898,339	141,706,447	409,358,595	663,963,381



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

COMPANY		Ksh '000	Ksh '000	Ksh '000	Ksh '000
31 December 2022		Below 20m	20m to 50m	Over 50 million	Total
Aviation	Gross	704,219	698,636	673,319,575	674,722,430
	Reinsurance	619,542	663,399	672,756,539	674,039,480
Engineering	Gross	3,999,898	5,149,574	100,216,466	109,365,938
	Reinsurance	94,146	255,758	83,235,557	83,585,461
Fire Domestic	Gross	19,517,726	24,954,353	47,870,455	92,342,534
	Reinsurance	31,531	35,628	11,611,881	11,679,040
Fire Industrial	Gross	35,054,620	32,479,169	1,445,316,934	1,512,850,723
	Reinsurance	19,083,050	8,813,998	1,313,999,789	1,341,896,837
Liability	Gross	8,157,319	10,614,000	161,816,660	180,587,979
	Reinsurance	1,139,649	2,439,600	140,285,594	143,864,843
Marine	Gross	3,641,870	3,543,533	75,179,254	82,364,657
	Reinsurance	134,717	825,635	69,490,888	70,451,240
Motor Commercial	Gross	7,710,487	2,029,325	5,680,866	15,420,678
	Reinsurance	7,810		-	7,810
Motor Private	Gross	37,479,574	3,337,238	5,897,505	46,714,317
	Reinsurance	95,731	47,976	-	143,707
Personal Accident	Gross	32,693,011	31,612,532	135,668,472	199,974,015
	Reinsurance	23,734,367	16,323,300	78,026,688	118,084,355
Theft	Gross	9,684,506	6,844,403	62,422,482	78,951,391
	Reinsurance	3,400	20,000	3,441,923	3,465,323
Workmen's Compensation	Gross	534,623	62,608,479	140,017,243	203,160,345
	Reinsurance	-	857,121	13,708,102	14,565,223
Miscellaneous Accident	Gross	1,564,708	3,343,552	11,005,600	15,913,860
	Reinsurance	1,029,928	2,617,884	10,257,590	13,905,402
31 December 2022	Gross	160,742,561	187,214,794	2,864,411,512	3,212,368,867
	Reinsurance	45,973,871	32,900,299	2,396,814,551	2,475,688,721
	Net	114,768,690	154,314,495	467,596,961	736,680,146

The geographical concentration of the Group's sum insured is disclosed below. The disclosure is based on the countries where the business is written.

31 December 2023	Insurance contracts issued Ksh'000	Reinsurance contracts held Ksh'000	Net Sum insured Ksh'000
Kenya	2,707,586,676	2,043,623,295	663,963,381
Tanzania	311,708,174	206,006,565	105,701,609
Uganda	422,160,827	381,094,638	41,066,189
Total	3,441,455,677	2,630,724,498	810,731,179
31 December 2022			
Kenya	3,212,368,867	2,475,688,719	736,680,148
Tanzania	442,255,320	270,477,958	171,777,362
Total	3,654,624,187	2,746,166,677	908,457,510



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

The Group monitors reinsurance risk by individual reinsurers. An analysis of the Group's reinsurance risk concentrations per individual reinsurers is provided in the following tables. The amounts in the table represent gross carrying amounts.

	GROUP		COMPANY	
Exposure	2023 Kshs'000	2022 Kshs'000	2023 Kshs'000	2022 Kshs'000
Reinsurer A	544,522,436	611,859,794	439,043,242	562,310,697
Reinsurer B	394,608,675	411,925,002	306,543,494	371,353,308
Reinsurer C	307,016,961	258,598,075	228,811,551	226,321,248
Reinsurer D	254,223,889	308,029,619	198,873,437	260,676,166
Reinsurer E	238,240,172	222,539,477	182,855,724	208,391,445
Reinsurer F	234,431,240	205,731,017	176,590,023	193,792,578
Reinsurer G	-	4,284,774	-	958,078
Reinsurer H		36,657,251	-	32,963,021
Reinsurer I	657,681,125	686,541,668	510,905,824	618,922,180
Total	2,630,724,498	2,746,166,677	2,043,623,295	2,475,688,721

The Directors do not believe that there are significant concentrations of insurance or reinsurance risks. Below is a spread of concentration of reinsurance by region.

Reinsurance contract assets	2023 Kshs'000	2022 Kshs'000
Concentration by region		
Kenya	3,485,520	3,356,736
Tanzania	622,491	397,388
Uganda	781,587	-
Total	4,889,598	3,754,124

Sensitivities

The following table details the impact of changes in key assumptions on the Group's profit or loss, and equity before and after risk mitigation from reinsurance and insurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

Group Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the group profit before tax for the year by Ksh 40,536,559 (2022: Ksh45,422,876).

Company Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the company profit before tax for the year by Ksh 33,198,169 (2022: Ksh 36,834,007).

Group Sensitivity impact after tax (impact on equity)

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the group profit after tax for the year by Ksh 28,375,591 (2022: Ksh 31,796,013).

Company Sensitivity impact before tax

An increase/decrease of 5 percentage points in ultimate claim experience would result in an increase/(decrease) in the company profit after tax for the year by Ksh 23,238,718 (2022: Ksh 25,783,805).



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risks, equity price risk and foreign exchange currency risk. The sensitivity analyses presented below are based on a change in one assumption while holding all other assumptions constant.

(i) Foreign exchange currency risk

Foreign exchange currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities, which mitigate the foreign currency exchange rate risk. The currency risk is also effectively managed by ensuring that the transactions between the group and other parties are designated in the functional currencies of the individual group companies.

Sensitivity impact before tax

Group

At 31 December 2023, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the group profit before tax for the year would have been Ksh 4,385,400 (2022: Ksh 998,178) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Tanzania.

Company

At 31 December 2023, if the Kenya shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the company profit before tax for the year would have been Ksh 3,257,900 (2022: Ksh 921,311) higher/lower, mainly as a result of US dollar denominated deposits with financial institutions in Kenya and in Tanzania.

Sensitivity impact after tax (impact on equity)

Movements in foreign exchange are added back for tax purposes and deferred tax recognised and hence the impact after tax (on equity) is the same as impact before tax.

(ii) Interest rate risk

The group is exposed to the risk that the level of interest income and in effect the cash flows will fluctuate due to changes in market interest rates. To manage this, the group ensures that the investment maturity profiles are well spread. The securities that are subject to interest rate risk are bank deposits, corporate bonds and debt securities.

Exposure at period end is as follows:

	GROUP		COMPANY		
Exposure	2023 Kshs'000	2022 Kshs'000	2023 Kshs'000	2022 Kshs'000	
Debt securities at amortised cost	6,542,014	5,486,996	5,010,005	5,355,249	
Debt securities at fair value though OCI	1,170,997	1,387,061	1,170,997	1,387,061	
Corporate bonds at amortised cost	77,776	74,833	58,039	58,915	
Deposits with financial institutions at amortised cost	1,857,447	654,879	1,133,177	232,375	
Total	9,648,234	7,603,769	7,372,218	7,033,600	

Sensitivity impact before tax

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the group profit before tax for the year by Ksh 57,408,450 (2022: Ksh 42,652,000).



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(a) Market risk (continued)

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit before tax for the year by Ksh 46,150,900 (2022: Ksh 40,100,000).

Sensitivity impact after tax (impact on equity)

Group

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the group profit after tax (equity) for the year by Ksh 40,185,915 (2022: Ksh 29,856,400).

Company

An increase/decrease of 5 percentage points in interest yields would result in an increase/(decrease) in the company profit after tax (equity) for the year by Ksh 32,305,630 (2022: Ksh 28,070,000).

(iii) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The group is exposed to equity securities price risk as a result of its holdings in equity investments which are listed and traded on the Nairobi Securities Exchange and on the Dar-es-Salaam Stock Exchange which are classified at fair value through profit or loss. Exposure to equity price risk in aggregate is monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes.

The group has a defined investment policy which sets limits on the group's exposure to equity securities both in aggregate terms and by category/share. This policy of diversification is used to manage the group's price risk arising from its investments in equity securities.

	GROUP		COMPANY		
Exposure	2023 Kshs'000	2022 Kshs'000	2023 Kshs'000	2022 Kshs'000	
Equity securities held at fair value through other comprehensive income	26,760	9,889	-	-	
Equity securities held at fair value through profit or loss	777,608	958,805	547,174	806,174	
Total	804,368	968,694	547,174	806,174	

Sensitivity impact before tax

Group

At 31 December 2023, if equity market indices had increased/decreased by 5%, with all other variables held constant, the group profit before tax for the year would have increased/decreased by Ksh 8,434,000 (2022: Ksh 9,212,000).

Company

At 31 December 2023, if equity market indices had increased/decreased by 5%, with all other variables held constant, the company profit before tax for the year would have increased/decreased by Ksh 10,066,000 (2022: Ksh 10,259,000).

Sensitivity impact after tax (impact on equity)

Movements in equity are added back for tax purposes and hence the impact after tax (on equity) is the same as impact before tax.



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the group by failing to discharge a contractual obligation. The following policies and procedures are in place to mitigate the group's exposure to credit risk:

- Net exposure limits are set for each counterparty or group of counterparties i.e. limits are set for investments and cash deposits, and minimum credit ratings for investments that may be held.
- Reinsurance is placed with counterparties that have a good credit rating.
- Ongoing monitoring by the management credit committee.

The exposure to individual counterparties is also managed through other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the group. Management information reported to the directors include details of provisions for impairment on receivables and subsequent write offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. The table below shows the carrying amounts of financial assets bearing credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The provision rates are based on days past due for various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group and Company's receivables from direct insurance business and reinsurance receivables.

Total exposure on receivables from intermediaries

GROUP

As at December 2023

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	140,253	83,391	115,435	184,371	499,491	1,022,941
Impairment	99	517	376	47,971	213,349	262,312
Net Carrying amount	140,154	82,874	115,059	136,400	286,142	760,629
Loss Rates	0%	1%	0%	26%	43%	26%
As at December 2022						
	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	244,622	172,543	61,057	82,438	217,572	778,232
Impairment	109	493	529	83,678	220,033	304,842
Net Carrying amount	244,513	172,050	60,528	(1,240)	(2,461)	473,390
Loss Rates	0%	0%	1%	102%	101%	39%



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

COMPANY

As at December 2023

	0-30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
Exposure	144,135	82,653	110,740	179,330	445,469	962,327
Impairment	62	282	258	46,377	207,026	254,005
Net Carrying amount	144,073	82,371	110,482	132,953	238,443	708,322
Loss Rates	0%	0%	0%	26%	46%	26%

As at December 2022

	0-30	31-60	61-90			
	Days	Days	Days	Days 91-180	Over 180 Days	Total
Exposure	240,419	173,662	58,217	82,833	214,241	769,372
Impairment	76	282	423	82,215	214,241	297,237
Net Carrying amount	240,343	173,380	57,794	618	-	472,135
Loss Rates	0%	0%	1%	99%	100%	39%

In determining the expected credit losses for these assets the Group has taken into account the historical default experience, the financial position of the counterparties, financial analysts reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occuring within their respective loss assessment time horizon, as well as the loss upon default in each case. In the case of equity investments classified at fair value through profit or loss, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

The maximum exposure to credit risk is as summarised below:

GROUP

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2023			
Receivables from intermediaries	1,079,799	(319,170)	760,629
Debt securities at amortised cost	6,543,789	(1,775)	6,542,014
Corporate bonds at amortised cost	78,719	(943)	77,776
Deposits with financial institutions at amortised cost	1,862,420	(4,973)	1,857,447
Other receivables	278,558	(4,327)	274,231
Cash and bank balances	221,264	(2,510)	218,754
	10,064,549	(333,698)	9,730,851



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(b) Credit risk (continued)

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2022			
Receivables from intermediaries	778,232	(304,842)	473,390
Debt securities at amortised cost	5,487,625	(629)	5,486,996
Corporate bonds at amortised cost	74,938	(105)	74,833
Deposits with financial institutions at amortised cost	658,119	(3,240)	654,879
Other receivables	155,914	(1,157)	154,757
Cash and bank balances	153,789	(949)	152,840
	7,308,617	(310,922)	6,997,695

COMPANY

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2023			
Receivables from intermediaries	984,729	(280,784)	703,945
Debt securities at amortised cost	5,010,422	(417)	5,010,005
Corporate bonds at amortised cost	58,954	(915)	58,039
Deposits with financial institutions at amortised cost	1,134,389	(1,212)	1,133,177
Other receivables	141,285	-	141,285
Cash and bank balances	84,128	(650)	83,478
	7,413,907	(283,978)	7,129,929

	Carrying Amount Ksh'000	Provision for Impairment Ksh'000	Net Ksh'000
31 December 2022			
Receivables from intermediaries	769,372	(297,237)	472,135
Debt securities at amortised cost	5,360,641	(5,392)	5,355,249
Debt securities at fair value through other comprehensive income	1,387,061	-	1,387,061
Corporate bonds at amortised cost	58,998	(83)	58,915
Deposits with financial institutions at amortised cost	233,848	(1,473)	232,375
Other receivables	121,638	(481)	121,157
Cash and bank balances	118,883	(739)	118,144
	8,050,441	(305,405)	7,745,036

Credit quality analysis for reinsurance contract assets

The following table provides information on the credit quality of reinsurance contracts held that are assets based on the Group's internal ratings:

	GROUP		COMPANY	
Group's Risk Grade	2023	2022	2023	2022
1 - AAA to AA- by (S&P, Fitch, GCR) or Aaa to Aa3 by (Moodys) or A++ to A- by (AM Best)	2,637,750	2,505,562	1,837,165	2,232,337
2 - A+ to A- by (S&P, Fitch, GCR) or A1 to A3 by (Moodys) or B++ to B+ by (AM Best)	466,148	134,041	324,667	119,424
3 - BBB+ to BBB- by (S&P, Fitch, GCR) or Baa1 to Baa3 by (Moodys) or B to B- by (AM Best)	373,682	129,794	260,266	115,640
4 - Unrated	1,412,018	984,727	983,456	877,345
Total Reinsurance Assets	4,889,598	3,754,124	3,405,554	3,344,747



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has developed and put in place an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. This framework involves the monthly assessment of the asset liability matching and liquidity gap against preset benchmarks. In addition the group manages liquidity risk by maintaining adequate reserves and a proportion of current investments that are sufficient to meet liabilities as they fall due. The Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities. Where liquidity gaps are identified appropriate steps are taken to fill those gaps by looking for investment assets that match the liabilities maturity profile for that instance.

Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that are liabilities

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held that are in a liability position based on the estimated timing of the remaining contractual undiscounted cash flows. The amounts presented below do not include those relating to liability for remaining coverage of insurance and reinsurance contracts that are measured under the PAA.

GROUP

2023	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	5,138,684	2,967,808	1,416,749	471,700	246,474
Reinsurance contract liabilities	685,758	331,600	149,695	149,695	74,847
Total	5,824,442	3,299,408	1,566,444	621,395	321,321
	Corming amount	0.1.000	1-3 years	3-5 years	> E venere
2022	Carrying amount Kshs'000 restated	0-1 year Kshs'000 restated	Kshs'000 restated	Kshs'000 restated	>5 years Kshs'000 restated
Insurance contract liabilities	4,372,129	2,650,628	1,289,193	465,932	236,113
Reinsurance contract liabilities	443,062	176,940	109,571	109,571	54,784
Total	4,815,191	2,827,568	1,398,764	575,503	290,897

COMPANY

2023	Carrying amount Kshs'000	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000
Insurance contract liabilities	3,930,597	2,298,718	1,242,881	455,208	243,080
Reinsurance contract liabilities	351,625	119,015	93,692	93,692	46,846
Total	4,282,222	2,417,733	1,336,573	548,900	289,926

2022	Carrying amount Kshs'000 restated	0-1 year Kshs'000 restated	1-3 years Kshs'000 restated	3-5 years Kshs'000 restated	>5 years Kshs'000 restated
Insurance contract liabilities	4,032,262	2,276,138	1,195,668	453,057	228,656
Reinsurance contract liabilities	310,044	159,711	60,133	60,133	30,067
Total	4,342,306	2,435,849	1,255,801	513,190	258,723

The table below analyses the group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

GROUP

31 December 2023	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,509,695	3,569,677	3,084,265	5,649,609	13,813,246
Debt securities at fair value through other comprehensive income	1,170,997	-	-	-	1,170,997
Corporate bonds at amortised cost	136,557	75,731	20,530	-	232,818
Deposits with financial institutions	1,204,479	-	-	-	1,204,479
Cash and bank balances	219,218	-	-	-	219,218
Equity securities at fair value through profit or loss	290,964	491,317	544,765	1,643,680	2,970,726
Investment property	41,967	89,762	98,313	484,014	714,056
Receivables from intermediaries	76,267	273,745	273,745	136,872	760,629
Other receivables	400,960	388,555	-	-	789,515
Total assets	5,051,104	4,888,787	4,021,618	7,914,175	21,875,684
Insurance Contract Liabilities	2,967,808	1,416,749	471,700	246,474	5,102,731
Reinsurance Contract Liabilities	331,600	149,695	149,695	74,847	705,837
Lease liability	80,561	105,094	42,654		228,309
Other payables	466,441	382,534	8,882		857,857
Total liabilities	3,846,410	2,054,072	672,931	321,321	6,894,734
Liquidity gap	1,204,694	2,834,715	3,348,687	7,592,854	14,980,950

31 December 2022	0-1 year Kshs'000 restated	1-3 years Kshs'000 restated	3-5 years Kshs'000 restated	>5 years Kshs'000 restated	Total Kshs'000 restated
Assets					
Debt securities at amortised cost	1,168,587	2,520,151	2,738,399	5,381,104	11,808,241
Debt securities at fair value through other comprehensive income	1,387,061	-	-	-	1,387,061
Corporate bonds at amortised cost	8,670	17,340	83,943	-	109,953
Deposits with financial institutions	632,330	2,777	-	-	635,107
Cash and bank balances	153,048	-	-	-	153,048
Equity securities at fair value through profit or loss	54,501	117,587	130,186	529,839	832,113
Investment property	224,000	499,199	553,794	1,645,715	2,922,708
Receivables from intermediaries	642,699	54,532	54,532	27,268	779,031
Other receivables	313,439	303,996	-	-	617,435
Total assets	4,584,335	3,515,582	3,560,854	7,583,926	19,244,697
Insurance Contract Liabilities	2,650,628	1,289,193	465,932	236,113	4,641,866
Reinsurance Contract Liabilities	176,940	109,571	109,571	54,784	450,866
Lease liability	102,508	105,211	244,018		451,737
Other payables	512,216	156,934	14,349	-	683,499
Total liabilities	3,442,292	1,660,909	833,870	290,897	6,227,968
Liquidity gap	1,142,043	1,854,673	2,726,984	7,293,029	13,016,729



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(c) Liquidity risk (continued)

COMPANY

31 December 2023	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
Assets					
Debt securities at amortised cost	1,157,446	2,875,853	2,609,428	3,622,506	10,265,233
Debt securities at fair value through other comprehensive income	1,170,997	-	-		1,170,997
Corporate bonds at amortised cost	7,084	71,998	-		79,082
Deposits with financial institutions	1,114,173	-	-		1,114,173
Cash and bank balances	83,598	-	-		83,598
Equity securities at fair value through profit or loss	32,283	70,393	78,944	241,905	423,525
Investment property	219,296	488,715	542,163	1,611,153	2,861,327
Receivables from intermediaries	260,441	260,441	57,220	130,220	708,322
Other receivables	251,927	243,110			495,037
Total assets	4,297,245	4,010,510	3,287,755	5,605,784	17,201,294
Insurance Contract Liabilities	2,298,718	1,242,881	455,208	243,080	4,239,887
Reinsurance Contract Liabilities	119,015	93,692	93,692	46,846	353,245
Lease liability	80,561	105,094	42,654	-	228,309
Other payables	339,666	136,007	-	-	475,673
Total liabilities	2,837,960	1,577,674	591,554	289,926	5,297,114
Liquidity gap	1,459,285	2,432,836	2,696,201	5,315,858	11,904,180

COMPANY

	0-1 year Kshs'000	1-3 years Kshs'000	3-5 years Kshs'000	>5 years Kshs'000	Total Kshs'000
31 December 2022	restated	restated	restated	restated	restated
Assets					
Debt securities at amortised cost	1,151,572	2,486,122	2,704,370	5,166,849	11,508,913
Debt securities at fair value through other comprehensive income	1,387,061	-	-	-	1,387,061
Corporate bonds at amortised cost	7,084	14,168	64,914	-	86,166
Deposits with financial institutions	211,503	-	-	-	211,503
Cash and bank balances	118,264	-	-	-	118,264
Equity securities at fair value through profit or loss	47,564	103,713	116,312	356,409	623,998
Investment property	224,000	499,199	553,794	1,645,715	2,922,708
Receivables from intermediaries	635,391	53,912	53,912	26,956	770,171
Other receivables	226,104	223,303	-	-	449,407
Total assets	4,008,543	3,380,417	3,493,302	7,195,929	18,078,191
Insurance Contract Liabilities	2,276,138	1,195,668	453,057	228,656	4,153,519
Reinsurance Contract Liabilities	159,711	60,133	60,133	30,067	310,044
Lease liability	102,508	105,211	244,018	-	451,737
Other payables	484,502	73,776	-	-	558,278
Total liabilities	3,022,859	1,434,788	757,208	258,723	5,473,578
Liquidity gap	985,684	1,945,629	2,736,094	6,937,206	12,604,613

(d) Fair value hierarchy

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Nairobi Securities Exchange ("NSE"), and Dar es Salaam Securities ("DSE") equity investments and government bonds classified at fair value through profit or loss and fair value through other comprehensive income.

Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

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

i. Investment properties fair valuation

The fair value of investment property was determined by external, independent property valuers, Lloyd Masika Ltd, who have appropriate recognized professional qualifications and recent experience in the location and category of the property valued. Investment property is valued annually by the independent valuers.

The fair value measurement for the investment property has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

ii. Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair values of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model	Expected market rental growth 5%.	The estimated fair value would Increase/(decrease) if:
considers the present value of net cash flows	Discount rate 14%.	- expected market rental growth were higher/(lower);
to be generated from the property, taking into		- void periods were shorter/(longer);
account expected rental growth rate, void periods,		- the occupancy rate were higher/(lower);
occupancy rate, lease incentive costs such as rent-		- rent-free periods were shorter/(longer); or
free periods and other costs not paid by tenants.		- the discount rate were lower/(higher).



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

The following table presents the Group's financial and non-financial assets and liabilities measured at fair value at 31 December 2023 and 31 December 2022.

GROUP

31 December 2023	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000
- Equity securities at fair value through profit or loss	777,608	-	-	777,608
- Debt securities at fair value through other comprehensive income	1,170,997	-	-	1,170,997
- Investment Property	-	-	2,780,000	2,780,000
	1 948 605		2 780 000	4 728 605

GROUP

31 December 2022	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000
- Equity securities at fair value through profit or loss	958,805	-	-	958,805
- Equity securities at fair value through other comprehensive income	-	-	9,889	9,889
- Debt securities at fair value through other comprehensive income	1,387,061	-	-	1,387,061
- Investment Property	-	-	2,800,000	2,800,000
	2,345,866	-	2,809,889	5,155,755

COMPANY

31 December 2023	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000
	547.470			547.470
- Equity securities at fair value through profit or loss	547,173	-	-	547,173
- Debt securities at fair value through other comprehensive income	1,170,997	-	-	1,170,997
- Investment Property	-	-	2,780,000	2,780,000
	1,718,170	-	2,780,000	4,498,170

31 December 2022	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total Ksh'000
- Equity securities at fair value through profit or loss	806,174	-		806,174
- Debt securities at fair value through other comprehensive income	1,387,061	-	-	1,387,061
- Investment Property	-	-	2,800,000	2,800,000
	2,193,235	-	2,800,000	4,993,235

There were no transfers between levels 1, 2 and 3 during the year.

(e) Capital Risk Management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- Allocation of capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- Aligning the profile of assets and liabilities taking account of risks inherent in the business.
- Maintaining financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- Maintaining strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders value.



4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(e) Capital Risk Management (continued)

The operations of the group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

The group has met all of these requirements throughout the financial year.

The Kenyan, Tanzania and Uganda Insurance Acts require each insurance company to hold the minimum level of paid up capital as follows:

	Kenya Ksh'000	Tanzania Ksh'000
General insurance companies	600,000	113,863

The Company and its Subsidiaries are in compliance with the capital requirements as at 31 December 2023.

The solvency margin of the Company as at 31 December 2023 and 2022 is illustrated below.

Kenya

The Capital Adequacy Ratio based on the Risk Based Model is as follows:-

	2023 Ksh'000	2022 Ksh'000
Total Capital Available	6,705,719	7,425,783
Minimum Required Capital	1,897,996	1,799,357
Capital Adequacy Ratio	353%	413%

Tanzania

The Excess Admitted Assets depicting Tanzania's Solvency is as follows:-

	2023 Ksh'000	2022 Ksh'000 restated
Excess admitted assets	42,365	24,933

Uganda

The Capital Adequacy Ratio based on the Risk Based Model is as follows:-

	2023 Ushs'000	2022 Ushs'000 restated
Total Capital Available	19,373,959	
Minimum Required Capital	6,000,000	
Capital Adequacy Ratio	323%	

As per the provisions of the Tanzania Insurance Act, the minimum amount of paid up share capital to be maintained by a life or general insurer shall be:-

- for the year ending 31 December, 2012, one billion five hundred Million Tanzania Shillings, as the base;
- for the end of subsequent years, the minimum amount of paid up share capital for the prior year times the lesser of 1.1 or the ratio of the current



Notes (continued)

4 RISK MANAGEMENT (continued)

Management of Insurance and financial risk (continued)

(d) Fair value hierarchy (continued)

year Consumer Price Index to the prior year Consumer Price Index;

• for companies transacting non-life and non-marine business only the minimum amount of capital to be maintained shall be half of the amount provided under this sub regulation.

	2023 Tshs'000	2022 Tshs'000 restated
Paid up capital	2,657,342	2,657,342

5 INSURANCE SERVICE REVENUE

	GROUP		СОМР	ANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Aviation	1,303,852	1,282,336	1,257,410	1,229,884
Engineering	362,761	242,341	217,671	212,308
Fire Domestic	140,335	128,539	133,193	123,779
Fire Industrial	1,958,785	1,600,657	1,514,910	1,339,387
Liability	307,016	255,301	221,821	244,485
Marine	382,077	298,993	291,076	268,670
Medical	663,949	295,162	392,595	295,162
Miscellaneous	394,285	169,070	290,713	132,854
Motor Commercial	1,128,599	827,761	637,411	603,568
Motor Private	2,412,945	1,832,391	2,000,536	1,654,447
Personal Accident	494,044	187,655	267,062	166,032
Theft	396,151	237,890	212,211	210,836
Workmen Compensation	943,119	512,379	904,027	508,606
Total	10,887,918	7,870,475	8,340,636	6,990,018

6 INSURANCE SERVICE EXPENSES

	GROUP		СОМІ	PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Insurance service expenses				
Incurred claims (note 39(a))	4,485,077	4,715,420	3,422,420	4,429,939
Losses on onerous contracts and reversals of those loses	(67,743)	31,135	(64,552)	31,135
Attributable expenses (note 17)	2,178,897	1,570,051	1,548,304	1,323,080
Insurance acquisition cash flows amortisation (note 39(a))	1,410,083	906,431	999,841	766,139
Total insurance service expenses	8,006,314	7,223,037	5,906,013	6,550,293



7 REINSURANCE EXPENSES

	GRO	GROUP		ANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Reinsurance premium paid	4,324,341	3,234,297	3,500,782	2,870,080
Attributable expenses (note 17)	122,265	83,356	81,489	69,636
Grand Total	4,446,606	3,317,653	3,582,271	2,939,716

8 AMOUNTS RECOVERED FROM REINSURANCE CONTRACTS HELD

	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Amounts recoverable for incurred claims and other incurred insurance service expenses	1,908,102	2,582,195	1,536,346	2,431,059
Effect of changes in the risk of reinsure's non-performance	1,508	(17,528)	11,748	(23,486)
Recoveries of loss on recognition of underlying onerous contracts	(4,185)	(28,975)	(4,227)	(28,975)
	1,905,425	2,535,692	1,543,867	2,378,598

9(a) INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD

	GRO	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Interest on deposits with financial institutions	155,322	60,389	104,040	28,857	
Interest on corporate bonds held at amortised cost	12,825	7,105	11,009	7,026	
Interest on debt securities – amortised cost	832,279	643,469	660,226	624,031	
- fair value through other comprehensive income	147,743	142,092	147,743	142,092	
Total interest income	1,148,169	853,055	923,018	802,006	

9(b) OTHER INVESTMENT REVENUE

	GRO	GROUP		PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Dividends receivable on equity instruments	66,003	62,755	55,799	55,949
REITs income	1,306	815	1,306	815
Total dividend income	67,309	63,570	57,105	56,764
Rental income from investment properties	219,149	200,500	219,149	200,500
Fair value losses on investment properties (Note 24)	(41,395)	86,256	(41,395)	86,256
Gain on disposal of Treasury Bonds	(533)	56	(533)	56
(Loss)/gain on revaluation of equity instruments (Note 30)	(168,675)	(184,245)	(201,336)	(205,180)
Gain on revaluation of Real Estate Investment Trust (REIT) (Note 31)	1,439	1,335	1,439	1,335
Gain on disposal of equity instruments	8,242	120	8,242	112
	85,536	167,592	42,671	139,843



Notes (continued)

9(c) IMPAIRMENT ON FINANCIAL ASSETS

	GRO	OUP	COMPANY		
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Corporate bonds	(916)	2,787	(915)	2,787	
Debt securities at amortised cost	1,633	(609)	1,629	(610)	
Deposits held at amortised cost	967	237	971	-	
	1,684	2,415	1,685	2,177	

10 INSURANCE FINANCE INCOME/EXPENSES

	GRO)UP	COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Insurance finance income/expenses from insurance contracts issued				
Effect of changes in interest rates and other financial assumptions	760,045	572,973	681,408	560,925
Interest accreted	(613,339)	(452,972)	(560,925)	(441,899)
Insurance finance income/expenses from insurance contracts issued	146,706	120,001	120,483	119,026
Finance income/expenses from reinsurance contracts held				
Effect of changes in interest rates and other financial assumptions	(259,907)	(128,204)	(198,673)	(121,254)
Interest accreted	166,846	68,550	121,253	60,885
Total reinsurance finance income/expenses	(93,061)	(59,654)	(77,420)	(60,369)
Net insurance finance income	53,645	60,347	43,063	58,657

11 OTHER INCOME

	GRO)UP	COMPANY		
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Gain on disposal of discontinued lease	15,449	35,372	15,449	35,372	
Gain on disposal of property and equipment	3,289	-	2,588	-	
Other	11,891	5,504	6,430	1,079	
	30,629	40,876	24,467	36,451	

12 FINANCE INCOME

	GROUP		СОМІ	PANY
	2023	2022	2023	2022
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
	restated	restated	restated	restated
Finance income on investment in sub-lease	-	3,459	-	3,459

13 FOREIGN EXCHANGE GAINS

	GROUP		СОМІ	PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Realized gains	38,480	5,862	27,259	5,862
Unrealized gains	49,228	14,101	37,899	12,563
Net foreign exchange gains	87,708	19,963	65,158	18,425



Notes (continued)

14 FINANCE COST

	GROUP		СОМІ	PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Interest on lease liabilities (Note 52)	32,662	41,380	26,595	38,447
	32,662	41,380	26,595	38,447

15 IMPAIRMENT OF FINANCIAL ASSETS

	GRO	GROUP		PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Net impairment charge/(write back) on receivables	10,294	(10,488)	8,510	(11,817)
Impairment write back on financial assets	(1,684)	(2,415)	(1,685)	(2,177)
Impairment (write back)/charge on other assets	(409)	5,434	(1,324)	6,153
	8,201	(7,469)	5,501	(7,841)

16 MOVEMENT IN EXPECTED CREDIT LOSSES

	GRO	OUP	COMPANY		
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
At 1 January	464,775	470,667	442,516	450,357	
Acquired through business combination	50,802	-	-	-	
Charge/(write back) for the year	8,201	(7,469)	5,501	(7,841)	
Write-off	(32,335)	-	(32,335)	-	
Exchange difference	1,200	1,577	-	-	
	492,643	464,775	415,682	442,516	



Notes (continued)

17 OPERATING AND OTHER EXPENSES

GROUP

	2023			2022				
	Expenses attributed to insurance acquisition cash flows Ksh'000	Other directly attributable expenses Ksh'000	Other operating expenses Ksh'000	Total Ksh'000	Expenses attributed to insurance acquisition cash flows Ksh'000	Other directly attributable expenses Ksh'000	Other operating expenses Ksh'000	Total Ksh'000
Employee benefit expense	120,290	1,094,657			115,460	791,117	-	906,577
Investment expenses	-	-	59,211	59,211	-	-	49,246	49,246
Impairment gain on financial asset	-		(1,684)	(1,684)	-	-	(2,415)	(2,415)
Depreciation on property and equipment	-	40,521	-	40,521	-	30,466	-	30,466
Depreciation on right-of-use asset IFRS 16	-	57,007	-	57,007	-	42,459	-	42,459
Repairs and maintenance	-	66,731	-	66,731	-	18,238	-	18,238
Branding and marketing expenses	172,155	, -		172,155	143,473	, -	-	143,473
Professional and consultancy fees		88,164		88,164	-	51,835	-	51,835
Levies		88,636		88,636		78,713		78,713
Licenses and permits		10,735		10,735		-		-
Auditors' renumeration		18,177		18,177		6,213		6,213
Directors' emoluments		,				-7		
- fees for services as directors	_	18,795		18,795		15,582		15,582
Amortisation of intangible assets	_	12,414		12,414		6,055		6,055
Recruitment fees	_	2,286	_	2,286	_	396	_	396
Training fee	_	13,770	_	13,770	_	10,598	_	10,598
Electricity and water	_	10,172	_	10,172	_	6,732	_	6,732
Entertainment	_	14,506	_	14,506	_	8,349	_	8,349
Motor vehicle expenses	_	16,164	_	16,164	_	8,963	_	8,963
Printing and stationery	_	19,404	_	19,404	_	21,457	_	21,457
Postage and telephone	_	30,974	_	30,974	_	21,608	_	21,608
Travelling	4,558	38,652	_	43,210	2,570	16,653	_	19,223
Bank charges	.,000	13,607	_	13,607		9,636	_	9,636
Subscriptions		7,412	_	7,412	_	6,253	_	6,253
Donations		1,184	_	1,184	_	1,526	_	1,526
Books, newspapers, magazines & periodicals		591	_	591	_	-	_	-,
Business development marketing expenses	21,483	30,190	_	51,673	_	22,427	_	22,427
Software expenses		88,631	_	88,631	_	63,909	_	63,909
IT expenses		-	_	-	_	15,439	_	15,439
Insurance	_	58,996	_	58,996	_	45,166	_	45,166
Security	_	4,833	_	4,833	_	4,588	_	4,588
Cleaning	_	6,019	_	6,019	_	5,012	_	5,012
Rent and parking	_	35,352	_	35,352	_	-	_	-
Interest expense_lease liabilities	_	32,662		32,662		41,380		41,380
Other expenses	_	61,434	38,306	99,740		41,134	18,146	59,280
Total	318,486	1,982,676		2,396,995	261,503	1,391,904	64,977	1,718,384
					•			
Allocated as follows:								
Insurance Contracts	302,562	1,876,335		2,178,897	248,428	1,321,623	-	1,570,051
Reinsurance Contracts	15,924	106,341		122,265	13,075	70,281	-	83,356
Impairment gain on financial asset		_	(1,684)	(1,684)	-	-	(2,415)	(2,415)
Non attributable			97,517	97,517			67,392	67,392
Total	318,486	1,982,676	95,833	2,396,995	261,503	1,391,904	64,977	1,718,384



17 OPERATING AND OTHER EXPENSES

COMPANY

	2023				2022			
	Expenses attributed to insurance acquisition cash flows Ksh'000	Other directly attributable expenses Ksh'000	Other operating expenses Ksh'000	Total Ksh'000	Expenses attributed to insurance acquisition cash flows Ksh'000	Other directly attributable expenses Ksh'000	Other operating expenses Ksh'000	Total Ksh'000
Employee benefit expense	120,290	759,641	-	879,931	115,460	663,357		778,817
Investment expenses	-	-	41,838	41,838	-	-	41,477	41,477
Impairment gain on financial asset	-	-	(1,685)	(1,685)	-	-	(2,177)	(2,177)
Depreciation on property and equipment	-	28,005	-	28,005	-	26,120	-	26,120
Depreciation on right-of-use asset IFRS 16	-	30,428	-	30,428	-	30,971	-	30,971
Repairs and maintenance	-	60,236	-	60,236	-	16,192	-	16,192
Branding and marketing expenses	172,155			172,155	143,473		_	143,473
Professional and consultancy fees	-	56,240		56,240	-	36,520	_	36,520
Levies	_	60,202	_	60,202	_	68,846	_	68,846
Licenses and permits		807		807		00,040		-
Auditors' renumeration		6,919		6,919		4,324		4,324
Directors' emoluments		0,717		0,717		4,324		4,524
- fees for services as directors		0.000		0.000		11,220		11,220
Amortisation of intangible assets	-	9,900	-	9,900	-		-	3,770
	-	4,669	-	4,669	-	3,770	-	3,770
Recruitment fees		2,286	-	2,286	-	396	-	
Training fee	-	9,776	-	9,776	-	8,675	-	8,675
Electricity and water	-	6,628	-	6,628	-	4,483	-	4,483
Entertainment	-	9,431	-	9,431	-	5,872	-	5,872
Motor vehicle expenses	-	9,228	-	9,228	-	3,965	-	3,965
Printing and stationery	-	16,004	-	16,004	-	20,004	-	20,004
Postage and telephone	-	16,545	-	16,545	-	14,699	-	14,699
Travelling	4,558	19,407	-	23,965	2,570	10,941	-	13,511
Bank charges	-	7,815	-	7,815	-	7,655	-	7,655
Subscriptions	-	5,824	-	5,824	-	5,459	-	5,459
Donations	-	1,115	-	1,115	-	1,503	-	1,503
Books, newspapers, magazines & periodicals	-	591	-	591	-	830	-	830
Business development marketing expenses	21,483	-	-	21,483	-	10,099	-	10,099
Software expenses	-	80,485	-	80,485	-	58,203	-	58,203
IT expenses	-	-	-		-	15,439	-	15,439
Insurance	-	42,629	-	42,629	-	41,686	-	41,686
Security	-	3,555	-	3,555	-	3,536	-	3,536
Cleaning	-	5,175	-	5,175	-	4,293	-	4,293
Rent and parking	-	31,171	-	31,171	-	-	-	-
Interest expense_lease liabilities	-	26,595	-	26,595	-	38,447	-	38,447
Other expenses	-	· -	44,980	44,980	-	13,708	17,670	31,378
Total	318,486	1,311,307	85,133	1,714,926	261,503	1,131,213	56,970	1,449,686
			· ·					
Allocated as follows:								
Insurance Contracts	302,562	1,245,742	-	1,548,304	248,428	1,074,652	-	1,323,080
Reinsurance Contracts	15,924	65,565	-	81,489	13,075	56,561	-	69,636
Impairment gain on financial asset	-	-	(1,685)	(1,685)	-	-	(2,177)	(2,177)
Non attributable		-	86,818	86,818		-	59,147	59,147
Total	318,486	1,311,307	85,133	1,714,926	261,503	1,131,213	56,970	1,449,686



Notes (continued)

18 EMPLOYEE BENEFIT EXPENSES

	GRO	GROUP		ANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Employee costs				
Salaries and benefits	1,064,384	788,054	778,153	682,432
Defined contribution retirement schemes				
- Group pension fund	61,769	66,598	46,190	57,305
- National Social Security Fund	18,752	485	2,458	485
Medical	41,508	32,391	33,865	25,461
Staff welfare	28,534	19,049	19,265	13,134
	1,214,947	906,577	879,931	778,817
The average number of employees during the year was as follows:				
- Business Development	96	63	50	48
- Operations	129	113	89	89
- Management and administration	53	44	34	33
	278	220	173	170

19 INCOME TAX EXPENSE

a) Tax expense

	GRO	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Current income tax expense	477,866	274,276	418,082	265,044	
Prior year curent tax under-provision		4,315	-	4,315	
Total current year tax expense	477,866	278,591	418,082	269,359	
Deferred income tax credit (Note 28(b))	23,641	7,748	11,551	(3,809)	
Prior year deferred tax (over)/under-provision (Note 28(b))	-	(5,975)	-	(7,109)	
Total deferred tax expense	23,641	1,773	11,551	(10,918)	
	501,507	280,364	429,633	258,441	



19 INCOME TAX EXPENSE (CONTINUED)

b) Reconciliation of tax expense to expected tax based on accounting profit

The group's income tax expense is computed in accordance with income tax rules applicable to general insurance companies. The tax rate is 30%.

	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Profit before income tax	1,650,277	945,792	1,409,463	880,478
Tax calculated at a rate of 30% (2022 - 30%) for the Company and 30% at Subsidiaries (2022:30%)	495,083	283,738	422,839	264,143
Tax effect of:				
- Income not subject to tax	(162,981)	(123,338)	(115,547)	(121,408)
- Expenses not deductible for tax purposes	135,360	121,624	122,341	118,500
Deferred tax not recognised	3,130			
Tax on Government Securities at applicable rate of 20%	30,915	-	-	-
Prior year curent tax under-provision	-	4,315	-	4,315
Prior year deferred tax over-provision	-	(5,975)	-	(7,109)
	501,507	280,364	429,633	258,441

c) Tax movement

	GRO	GROUP		PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	(73,860)	(35,174)	(38,988)	(6,108)
Addition from business combination	(12,197)	-	-	-
Current taxation expense	477,866	278,591	418,082	269,359
Tax paid	(308,725)	(315,448)	(254,367)	(302,239)
Exchange difference on translation	(8,793)	(1,829)	-	-
At 31 December	74,291	(73,860)	124,727	(38,988)
d) Analysed as follows:				
Current tax recoverable	(50,436)	(73,860)	-	(38,988)
Current tax payable	124,727	-	124,727	-
	74,291	(73,860)	124,727	(38,988)

20 PROFIT FOR THE YEAR

A profit of Ksh 979,830,000 (2022: Ksh 622,037,000 restated) has been dealt with in the books of the company, ICEA LION General Insurance Company Limited.



Notes (continued)

21 EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the year attributable to equity holders of the parent company by the number of ordinary shares in issue at the end of the reporting period.

	GROUP		COMI	COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Profit attributable to ordinary shareholders (Ksh'000)	1,103,148	645,035	979,830	622,037	
Number of ordinary shares ('000)	50,000	50,000	50,000	50,000	
Basic and diluted earnings per share (Ksh)	22.06	12.90	19.60	12.44	

There were no potentially dilutive shares outstanding at 31 December 2023 or 31 December 2022. Diluted earnings per share are therefore the same as basic earnings per share.

22 DIVIDENDS

No interim dividend was paid in the year. At the annual general meeting, a final dividend in respect of 2023 of Kshs 6 (2022 - Kshs 5) per share amounting to Kshs 300,000,000 (2022: Ksh 250,000,000) will be proposed by the directors. The final proposed dividend for the year is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The total dividend for the year ended 31 December 2023 will therefore be Ksh 6.00 per share (2022: Ksh 5.00 per share) amounting to a total of Ksh 300,000,000 (2022: Ksh 250,000,000).

23 PROPERTY AND EQUIPMENT

(a) GROUP	Motor vehicles Ksh'000	Computer equipment Ksh'000	Furniture fittings & office equipment Ksh'000	Tota Ksh'000
Cost	restated	restated	restated	restated
At 1 January 2022	57,842	128,813	306,335	492,990
Additions	10,565	9,742	4,529	24,836
Disposals	(1,686)	(527)	(125)	(2,338)
Exchange difference	2,036	566	1,644	4,246
At 31 December 2022	68,757	138,594	312,383	519,734
At 1 January 2023	68,757	138,594	312,383	519,734
Acquired through business combination	6,760	24,662	53,956	85,378
Additions	1,499	16,612	20,197	38,308
Disposals	(4,512)	(4,742)	(5,867)	(15,121
Exchange difference	4,799	8,385	18,159	31,343
At 31 December 2023	77,303	183,511	398,828	659,642
Depreciation				
At 1 January 2022	48,584	102,429	268,531	419,544
Charge for the year	5,178	12,553	12,735	30,466
Eliminated on disposals	(1,562)	(511)	(120)	(2,193)
Exchange differences	754	1,916	1,005	3,675
At 31 December 2022	52,954	116,387	282,151	451,492
At 1 January 2023	52,954	116,387	282,151	451,492
Acquired through business combination	6,733	23,127	43,626	73,486
Charge for the year	6,295	17,860	16,366	40,521
Eliminated on disposals	(4,512)	(4,512)	(5,867)	(14,891)
Exchange differences	4,401	6,085	15,089	25,575
At 31 December 2023	65,871	158,947	351,365	576,183
Net book value				
At 31 December 2023	11,432	24,564	47,463	83,459
At 31 December 2022	15,803	22,207	30,232	68,242



23 PROPERTY AND EQUIPMENT (CONTINUED)

Fully depreciated assets at 31 December 2023 amounted to Ksh 443,872,730 (2022 - Ksh 361,071,831). The notional annual depreciation on these assets would have been Ksh 78,164,839 (2022 - Ksh 67,703,113).

None of the Group's property and equipment has been pledged as security for borrowings.

(b) COMPANY			Furniture fittings	
	Motor vehicles	Computer equipment	& office equipment	Total
	Ksh'000 restated	Ksh'000 restated	Ksh'000 restated	Ksh'000 restated
Cost	restated	restated	restated	Testated
At 1 January 2022	47,128	121,458	284,958	453,544
Additions	4,570	7,872	2,506	14,948
Disposals		(137)		(137)
At 31 December 2022	51,698	129,193	287,464	468,355
At 1 January 2023	51,698	129,193	287,464	468,355
Additions	-	9,631	12,943	22,574
Disposals	(4,512)	(4,452)	(5,064)	(14,028)
At 31 December 2023	47,186	134,372	295,343	476,901
Depreciation				
•	27 720	07.020	254.020	200 705
At 1 January 2022 Charge for the year	37,728 3,850	97,029	254,038	388,795
-	3,030	11,453	10,817	26,120
Eliminated on disposals At 31 December 2022	44 570	(137)	2/4.055	(137)
At 31 December 2022	41,578	108,345	264,855	414,778
At 1 January 2023	41,578	108,345	264,855	414,778
Charge for the year	4,409	12,872	10,724	28,005
Eliminated on disposals	(4,512)	(4,347)	(5,064)	(13,923)
At 31 December 2023	41,475	116,870	270,515	428,860
Net book value				
At 31 December 2023	5,711	17,502	24,828	48,041
At 31 December 2022	10,120	20,848	22,609	53,577

Fully depreciated assets at 31 December 2023 amounted to Ksh 336,665,093 (2022: Ksh 333,304,919). The notional annual depreciation on these assets would have been Ksh 57,511,154 (2022: Ksh 61,904,721).

None of the Company's assets has been pledged as security for borrowings.



Notes (continued)

24 INVESTMENT PROPERTIES

GROUP AND COMPANY

	2023 Sh'000	2022 Sh'000 restated
At 1 January	2,800,000	2,710,000
Additions	21,395	3,744
Fair value gains	(41,395)	86,256
At 31 December	2,780,000	2,800,000

The investment properties were valued by Lloyd Masika Limited, independent valuers on the basis of open market value for existing use.

Rental income arising from investment properties during the year amounted to Ksh 219,149,000 (2022: Ksh 200,500,000). Expenses relating to investment property amounted to Ksh 43,523,000 (2022: Ksh 43,655,000).

Refer to note 4 for the fair value hierarchy disclosure and note 3 for the sensitivity effects of changes in gross annual rental and the yield.

25 RIGHT-OF-USE ASSET

	GROUP		СОМ	PANY
	2023 Ksh'000 restated	2022 Ksh'000 restated	2023 Ksh'000 restated	2022 Ksh'000 restated
Cost				
At 1 January	353,008	319,915	272,551	282,165
Acquired through business combination	93,946	-	-	-
Additions	114,467	53,279	38,897	13,474
Lease modification	(13,105)	(1,898)	(13,105)	(1,898)
De-recognition of right of use asset	(20,472)	(21,190)	(20,472)	(21,190)
Exchange difference	48,984	2,902	-	-
At 31 December	576,828	353,008	277,871	272,551
Depreciation				
At 1 January	194,004	150,089	149,457	118,486
Acquired through business combination	76,141	-	-	-
Charge for the year	57,007	42,459	30,428	30,971
Exchange differences	30,764	1,456	-	-
At 31 December	357,916	194,004	179,885	149,457
Net Book Value				
At 31 December	218,912	159,004	97,986	123,094

The Group and Company leases various office premises. The average lease term is five years.

The maturity analysis of the lease liabilities is presented in note 52.

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Amortisation expense on right-of-use assets	57,007	42,459	30,428	30,971
Interest expense on lease liabilities Variable lease payment not included in the measurement of the lease liability	32,662	41,380 28,028	26,595	38,447 28,023
Finance income on investment in sub-lease	-	3,459	-	3,459

The Group and Company makes payments in relation to service charge on its leased properties. These amounts are not included in the calculation of the lease liability as the actual cost to the group depends on the actual expenses incurred which varies from time to time. The Group and Company has no restrictions or covenants imposed by its leases, neither are there arranged sale and leaseback transactions.

The Company has determined the threshold for low values leases as Ksh 1,000,000.



26 INTANGIBLE ASSETS - COMPUTER SOFTWARE

(a) GROUP	2023 Computer Software Ksh'000	2023 Work in progress Ksh'000	2023 Total Ksh'000	2022 Computer Software Ksh'000 restated	2022 Work in progress Ksh'000 restated	2022 Total Ksh'000 restated
Cost						
At 1 January	147,645	34,633	182,278	137,198	16,102	153,300
Acquired through business combination	11,812	-	11,812	-	-	-
Additions	4,436	25,016	29,452	2,637	18,531	21,168
Transfers from work in progress	11,907	(11,907)	-	-	-	-
Disposals						
Exchange difference	5,550	-	5,550	7,810	-	7,810
At 31 December	181,350	47,742	229,092	147,645	34,633	182,278
Amortisation						
At 1 January	135,916	-	135,916	122,481	-	122,481
Acquired through business combination	6,698	-	6,698	-	-	-
Charge for the year	12,414	-	12,414	6,055	-	6,055
Eliminated on disposals	-	-		-	-	-
Exchange difference	3,616	-	3,616	7,381	-	7,381
At 31 December	158,644	-	158,644	135,917	-	135,917
Net book value						
At 31 December	22,706	47,742	70,448	11,728	34,633	46,361

Work in progress represents costs incurred towards development of an operations software.

(b) COMPANY	2023 Computer Software Ksh'000	2023 Work in progress Ksh'000	2023 Total Ksh'000	2022 Computer Software Ksh'000 restated	2022 Work in progress Ksh'000 restated	2022 Total Ksh'000 restated
Cost						
At 1 January	133,888	34,633	168,521	132,859	16,102	148,961
Additions	2,237	25,016	27,253	1,029	18,531	19,560
Transfers from work in progress	11,907	(11,907)	-	-	-	-
Disposals		-	-	-	-	-
Exchange difference		-	-	-	-	_
At 31 December	148,032	47,742	195,774	133,888	34,633	168,521
Amortisation						
At 1 January	128,802	-	128,802	125,032	-	125,032
Charge for the year	4,669	-	4,669	3,770	-	3,770
Exchange differences		-	-	-	-	-
At 31 December	133,471	-	133,471	128,802		128,802
Net book value						
At 31 December	14,561	47,742	62,303	5,086	34,633	39,719

Work in progress represents costs incurred towards development of an operations software.



Notes (continued)

27 INVESTMENT IN SUB-LEASE

	COMPANY		
	2023 Ksh'000	2022 Ksh'000 restated	
Investment in sub-lease		123	

28 DEFERRED INCOME TAX ASSET/LIABILITY

Deferred taxation is calculated, on all temporary differences under the liability method using the income tax rates of 30% applicable in both Kenya and Tanzania

	GRO	UP	COMI	PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
(a) The deferred income tax liability/asset is attributable to the following items:				
Deferred tax liability:				
Revaluation surplus - Investment properties	541,236	553,654	541,236	553,654
Unrealised exchange gain	15,153	5,067	11,370	5,067
IFRS 17 adjustment	100,225	108,904	100,225	100,225
Fair value gains on OCI	6,155	2,007	-	-
	662,769	669,632	652,831	658,946
Deferred tax assets:				
Excess depreciation over capital allowances	(16,903)	(15,059)	(17,667)	(15,622)
Provisions	(162,155)	(190,654)	(151,675)	(158,931)
Unrealised exchange losses	-	(1,297)	-	(1,297)
Lease liability and right-of-use asset	(28,178)	(33,518)	(28,046)	(39,204)
	(207,236)	(240,528)	(197,388)	(215,054)
Net deferred tax liability	455,533	429,104	455,443	443,892
(b) Deferred tax movement:				
At 1 January (as earlier stated)	429,104	266,520	443,892	292,608
IFRS 17 Adjustment		148,038	-	148,290
At 1 January (as restated)	429,104	414,558	443,892	440,898
Charge to P&L (note 19)	23,641	7,748	11,551	(3,809)
Deferred tax credit prior year (note 19)		(5,975)	-	(7,109)
Charge for the year	23,641	1,773	11,551	(10,918)
Charge to OCI, items that may not be subsequently classified to profit or loss	4,049	316	-	-
Charge to OCI, items that may be subsequently classified to profit or loss		13,912	-	13,912
Exchange difference on Translation	(1,261)	(1,455)	-	-
At 31 December	455,533	429,104	455,443	443,892
(c) Analysis of the year-end balance is as follows:				
Deferred taxation assets		(14,788)		-
Deferred taxation liabilities	455,533	443,892	455,443	443,892
At 31 December	455,533	429,104	455,443	443,892



29 EQUITY SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		GROUP
	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	9,889	8,161
Additions	344	-
Fair value gains	13,497	1,055
Exchange difference on translation	3,030	673
At 31 December	26,760	9,889

30 EQUITY SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	958,805	1,124,639	806,174	1,012,524
Acquired through business combination	11,933	-	-	-
Additions	575	10,572	-	-
Disposals	(57,664)	(1,170)	(57,664)	(1,170)
Fair value losses	(168,675)	(184,245)	(201,336)	(205,180)
Exchange difference on translation	32,634	9,009	-	-
At 31 December	777,608	958,805	547,174	806,174

31 REAL ESTATE INVESTMENT TRUSTS

GROUP AND COMPANY

	2023 Sh'000	2022 Sh'000 restated
At 1 January	34,121	20,488
Additions	-	12,298
Fair value gain	1,439	1,335
At 31 December	35,560	34,121

The dividend earned together with fair value gains during the year was Ksh 2,744,950 (2022 - Ksh 2,149,715). The effective rate of return was 7.7% (2022 - 6.3%).

32 (a) DEBT SECURITIES AT AMORTISED COST

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Treasury bills and bonds maturity				
- Within 3 months		-	-	-
- Within 4 to 12 months	399,828	328,523	84,322	328,523
- Within 1 to 5 years	832,892	2,443,796	320,721	2,443,796
- Over 5 years	5,309,294	2,714,677	4,604,962	2,582,930
	6,542,014	5,486,996	5,010,005	5,355,249

If the financial assets were measured at fair value, they would be disclosed at level 1 in the fair value measurement hierarchy. The fair value of these investments as at 31 December 2023 was Ksh 5,882,754,765 and Ksh 4,560,108,000 (2022: Ksh 6,806,086,000 and Ksh 6,662,241,000) at the Group and Company level respectively. Please refer to note 4(b) and note 11(c) for details of expected credit losses.



Notes (continued)

32 (b) MOVEMENT IN DEBT SECURITIES AT AMORTISED COST

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	5,486,996	4,768,216	5,355,249	4,624,873
Acquired through business combination	1,189,598	-	-	-
Additions				
- Beyond 3 months	484,242	1,422,535	-	1,412,454
- Within 3 months		-	-	-
Maturities				
- Beyond 3 months	(636,247)	(694,261)	(320,935)	(672,587)
- Within 3 months		(9,314)	-	771
Impairment	(1,773)	(614)	(417)	(614)
Amortisation	(23,892)	(9,644)	(23,892)	(9,648)
Exchange difference	43,090	10,078	-	-
At 31 December	6,542,014	5,486,996	5,010,005	5,355,249

33 DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP AND COMPANY

	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	1,387,061	1,346,639
Additions	-	908,077
Disposals	(102,644)	(807,673)
Fair value losses	(113,420)	(59,982)
At 31 December	1,170,997	1,387,061

34 (a) CORPORATE BONDS AT AMORTISED COST

	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Corporate bonds maturing within:				
- 0 to 1 year	-	-	-	-
- 1 to 5 years	77,776	74,833	58,039	58,915
At 31 December	77,776	74,833	58,039	58,915

34 (b) CORPORATE BONDS MOVEMENT

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	74,833	58,973	58,915	58,973
Additions	-	15,271	-	-
Maturities/Coupons	-	(1,143)	-	(1,143)
Accrued interest	992	1,168	39	1,168
Impairment	(940)	(104)	(915)	(83)
Translation	2,891	668	-	-
At 31 December	77,776	74,833	58,039	58,915

Please refer to note 4(b) for expected credit losses on corporate bonds.



35 RECEIVABLES FROM INTERMEDIARIES

The approved credit period with respect to the Company for corporate accounts is 60 days while for retail accounts is 30 days. One of the subsidiaries operates on a cash and carry basis. Before accepting any new customer, the group assesses the customer's credit quality and defines credit limits for that specific customer. The concentration of credit risk arises from commercial lines business which contributes over 70% (2022 - over 70%) of the total gross written premium.

	Fully performing	Impaired	Total
GROUP	Ksh'000 restated	Ksh'000 restated	Ksh'000 restated
31 December 2023			
Insurance Contract Assets	760,629	319,170	1,079,799
Provision for impairment		(319,170)	(319,170)
	760,629		760,629
31 December 2022			
Insurance Contract Assets	473,390	304,842	778,232
Provision for impairment	-	(304,842)	(304,842)
	473,390	-	473,390
COMPANY			
31 December 2023			
Insurance Contract Assets	708,322	254,729	963,051
Provision for impairment		(254,729)	(254,729)
	708,322	-	708,322
31 December 2022			
Insurance Contract Assets	472,135	297,237	769,372
Provision for impairment	-	(297,237)	(297,237)
	472,135	-	472,135

36 REINSURANCE CONTRACT ASSETS

	GRO	GROUP		ANY
	2023	2022	2023	2022
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
		restated		restated
insurance contract assets	678,498	634,926	397,430	555,492



Notes (continued)

37 OPERATING LEASE INCOME

Maturity analysis of operating lease receipts:

	GROUP ANI	D COMPANY
	2023 Ksh'000	2022 Ksh'000 restated
Year 1	230,106	220,086
Year 2	241,612	239,580
Year 3	253,692	251,559
Year 4	266,377	264,137
Year 5	279,696	277,344
Year 6	293,681	291,211
Year 7 and onwards	308,365	305,772
	1,873,529	1,849,689

The following table presents the amounts reported in profit or loss:

	2023 Ksh'000	2022 Ksh'000 restated
Lease income on operating leases	219,149	200,500

38 REINSURERS' CONTRACT ASSETS

	GRO	DUP	COMPANY		
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated	
Asset for Remaining Coverage	1,781,103	1,164,571	1,311,172	1,032,033	
Incurred Claims Recoverable	1,952,470	1,649,436	1,350,282	1,484,101	
Reinsurance Risk Adjustment	477,527	305,191	346,670	273,121	
Reinsurance contract assets	678,498	634,926	397,430	555,492	
	4,889,598	3,754,124	3,405,554	3,344,747	

39(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

	GRO	UP	COMP	ANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Insurance Contract Liabilities	9,062,443	7,273,124	6,759,255	6,584,924
Net	9,062,443	7,273,124	6,759,255	6,584,924
Reinsurance Contract Assets	(4,889,598)	(3,754,124)	(3,405,554)	(3,344,747)
Reinsurance Contracts held that are liabilities	685,758	443,062	351,625	310,044
Net	(4,203,840)	(3,311,062)	(3,053,929)	(3,034,703)



39(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconcilliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

	Liability t	or remaining o	coverage	Liabil			
GROUP 2023	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Insurance contract issued that are liabilities Kshs'000
Opening liabilities	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)
Net opening balance	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)
Acquistion on Business Combination	(394,139)	(36,134)	(430,272)	(464,969)	(96,102)	(561,071)	(991,343)
Insurance revenue							
Other contracts	10,887,918	113,190	11,001,108	-	591,891	591,891	11,592,999
Total	10,887,918	113,190	11,001,108		591,891	591,891	11,592,999
Insurance service expenses	(1,410,083)	(86,818)	(1,496,901)	(4,485,077)	(846,136)	(5,331,213)	(6,828,114)
Incurred claims and other incurred insurance service expenses	-	(86,818)	(86,818)	(4,485,077)	(846,136)	(5,331,213)	(5,418,031)
Amortisation of insurance acquisition costs	(1,410,083)	-	(1,410,083)	-	-	-	(1,410,083)
Net Impairment of Insurance Acquisition Cashflows							
	9,477,835	26,372	9,504,207	(4,485,077)	(254,245)	(4,739,322)	4,764,885
Total changes in the statement of profit or loss and OCI	6,295,891	(122,952)	6,172,940	(8,730,283)	(942,238)	(9,672,522)	(3,499,582)
Cash flows							
Premiums received for insurance contracts issued	(11,644,164)	-	(11,644,164)	-	-		(11,644,164)
Insurance acquisition cash flows	1,511,332	-	1,511,332	-	-	-	1,511,332
Claims and other insurance service expenses paid, including investment components	-	36,134	36,134	4,437,735	96,102	4,533,837	4,569,971
Total cash flows	(10,132,832)	36,134	(10,096,698)	4,437,735	96,102	4,533,837	(5,562,861)
Net closing balance	(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)
Closing Liabilities	(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)
Net closing balance	(3,836,941)	(86,818)	(3,923,759)	(4,292,548)	(846,136)	(5,138,684)	(9,062,443)



Notes (continued)

39(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconcilliation (continued)

	Liability for remaining coverage Liability for incurred claims						
GROUP 2022	Excluding loss component Kshs'000 restated	Loss component Kshs'000 restated	Total Kshs'000 restated	Estimates of present value of future cash flows Kshs'000 restated	Risk adjustment for non-financial risk Kshs'000 restated	Total Kshs'000 restated	Insurance contract issued that are liabilities Kshs'000 restated
Opening liabilities	(2,404,548)	(82,055)	(2,486,603)	(2,975,035)	(502,375)	(3,477,410)	(5,964,013)
Net opening balance	(2,404,548)	(82,055)	(2,486,603)	(2,975,035)	(502,375)	(3,477,410)	(5,964,013)
Insurance revenue							
Other contracts	7,870,475	82,055	7,952,530	-	502,375	502,375	8,454,905
Total	7,870,475	82,055	7,952,530		502,375	502,375	8,454,905
Insurance service expenses	(906,431)	(113,190)	(1,019,621)	(4,715,420)	(591,891)	(5,307,311)	(6,326,932)
Incurred claims and other incurred insurance service expenses	-	-	-	(4,715,420)	(591,891)	(5,307,311)	(5,307,311)
Amortisation of insurance acquisition costs	(906,431)	-	(906,431)	-	-	-	(906,431)
Net Impairment of Insurance Acquisition Cashflows	-	(113,190)	(113,190)	-	-	-	(113,190)
	6,964,044	(31,135)	6,932,909	(4,715,420)	(89,516)	(4,804,936)	2,127,973
Total changes in the statement of profit or loss and OCI	4,559,496	(113,190)	4,446,306	(7,690,455)	(591,891)	(8,282,346)	(3,836,040)
Cash flows							
Premiums received for insurance contracts issued	(8,308,512)	-	(8,308,512)	-	-	-	(8,308,512)
Insurance acquisition cash flows	961,211	-	961,211		-	-	961,211
Claims and other insurance service expenses paid, including investment components	-	-	-	3,910,217	-	3,910,217	3,910,217
Total cash flows	(7,347,301)	-	(7,347,301)	3,910,217	-	3,910,217	(3,437,084)
Net closing balance	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)
Closing Liabilities	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)
Net closing balance	(2,787,805)	(113,190)	(2,900,995)	(3,780,238)	(591,891)	(4,372,129)	(7,273,124)



39(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconcilliation

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under PAA. The coverage period of insurance contracts issued by the Group have coverage periods of one year or less and where the coverage period exceeds one year, the results of measuring this insurance contracts using the general measurement method and the premium allocation approach has been tested and confirmed not to be material.

	Liability f	or remaining co	overage	Liabili			
COMPANY 2023	Excluding loss component Kshs'000	Loss component Kshs'000	Total Kshs'000	Estimates of present value of future cash flows Kshs'000	Risk adjustment for non-financial risk Kshs'000	Total Kshs'000	Total Insurance contract issued that are liabilities Kshs'000
Opening liabilities	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)
Net opening balance	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)
Insurance revenue							
Other contracts	8,340,637	113,190	8,453,827	-	537,663	537,663	8,991,490
Total	8,340,637	113,190	8,453,827		537,663	537,663	8,991,490
Insurance service expenses							
Incurred claims and other incurred insurance service expenses	-	-		(3,422,420)	-	(3,422,420)	(3,422,420)
Amortisation of insurance acquisition costs	(999,841)	(113,190)	(1,113,031)	-	-	-	(1,113,031)
Net Impairment of Insurance Acquisition Cash flows	-	64,552	64,552	-	-	-	64,552
	(999,841)	(48,638)	(1,048,479)	(3,422,420)	-	(3,422,420)	(4,470,899)
Investment components							
Total changes in the statement of profit or loss and OCI	4,901,324	(48,638)	4,852,686	(6,917,019)	-	(6,917,019)	(2,064,333)
Cash flows							
Premiums received for insurance contracts issued	(8,721,390)	-	(8,721,390)	-	-	-	(8,721,390)
Insurance acquisition cash flows	1,040,046	-	1,040,046		-	-	1,040,046
Claims and other insurance service expenses paid, including investment components	-	-	-	3,625,719	(639,297)	2,986,422	2,986,422
Total cash flows	(7,681,344)		(7,681,344)	3,625,719	(639,297)	2,986,422	(4,694,922)
Net closing balance	(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)
Closing Liabilities	(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)
Net closing balance	(2,780,020)	(48,638)	(2,828,658)	(3,291,300)	(639,297)	(3,930,597)	(6,759,255)



Notes (continued)

39(a) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Liability for remaining coverage and liability for incurred claims reconcilliation (continued)

	Liability fo	or remaining co	verage	Liabil			
COMPANY 2022	Excluding loss component Kshs'000 restated	Loss component Kshs'000 restated	Total Kshs'000 restated	Estimates of present value of future cash flows Kshs'000 restated	Risk adjustment for non-financial risk Kshs'000 restated	Total Kshs'000 restated	Total Insurance contract issued that are liabilities Kshs'000 restated
Opening liabilities	(2,162,176)	(82,055)	(2,244,231)	(2,624,434)	(434,994)	(3,059,428)	(5,303,659)
Net opening balance	(2,162,176)	(82,055)	(2,244,231)	(2,624,434)	(434,994)	(3,059,428)	(5,303,659)
Insurance revenue							
Other contracts	6,990,018	82,055	7,072,073	-	434,994	434,994	7,507,067
Total	6,990,018	82,055	7,072,073	-	434,994	434,994	7,507,067
Insurance service expenses							
Incurred claims and other incurred insurance service expenses	-	-	-	(4,429,939)	(537,663)	(4,967,602)	(4,967,602)
Amortisation of insurance acquisition costs	(766,139)	(82,055)	(848,194)	-	-	-	(848,194)
Net Impairment of Insurance Acquisition Cash flows	-	(31,135)	(31,135)	-	-	-	(31,135)
	(766,139)	(113,190)	(879,329)	(4,429,939)	(537,663)	(4,967,602)	(5,846,931)
Total changes in the statement of profit or loss and OCI	6,223,879	(31,135)	6,192,744	(4,429,939)	(102,669)	(4,532,608)	1,660,136
Cash flows							
Premiums received for insurance contracts issued	(7,301,757)	-	(7,301,757)	-	-	-	(7,301,757)
Insurance acquisition cash flows	800,582	-	800,582		-	-	800,582
Claims and other insurance service expenses paid, including investment components	-	-	-	3,559,774	-	3,559,774	3,559,774
Total cash flows	(6,501,175)	-	(6,501,175)	3,559,774	-	3,559,774	(2,941,401)
Net closing balance	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)
Closing Liabilities	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)
Net closing balance	(2,439,472)	(113,190)	(2,552,662)	(3,494,599)	(537,663)	(4,032,262)	(6,584,924)



39(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	Asset for remaining coverage					Asset for incurred claims					
GROUP 2023	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contact held that are assets Kshs'000		
Opening Assets	1,156,734	7,837	1,164,571	634,926	1,799,497	1,649,436	305,191	1,954,627	3,754,124		
Net opening balance	1,156,734	7,837	1,164,571	634,926	1,799,497	1,649,436	305,191	1,954,627	3,754,124		
Acquistion on Business Combination	184,878	24,673	209,551	89,500	299,051	265,998	79,520	345,517	644,569		
Allocation of Reinsurance Premium Paid	(4,324,341)	(7,837)	(4,332,178)	(546,896)	(4,879,074)		(305,191)	(305,191)	(5,184,265)		
Amounts recoverable from reinsurers	-	22,892	22,892	678,498	701,390	1,908,101	477,527	2,385,628	3,087,018		
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)		22,892	22,892	678,498	701,390	1,908,101	-	1,908,101	2,609,491		
Adjustments to assets for incurred claims	-	-	-	-	-	-	477,527	477,527	477,527		
Change in risk of non-performance by issuer of reinsurance contracts held											
Investment components											
Net expenses from reinsurance contracts	(4,324,341)	15,055	(4,309,286)	131,602	(4,177,684)	1,908,101	172,336	2,080,437	(2,097,247)		
Total changes in the statement of profit or loss	(2,982,729)	47,565	(2,935,164)	856,028	(2,079,135)	3,823,535	557,047	4,380,582	2,301,446		
Cash flows											
Premiums paid for reinsurance contracts held	4,740,940	-	4,740,940	-	4,740,940	-	-	-	4,740,940		
Reinsurance recoveries	-	(24,673)	(24,673)	(176,060)	(200,733)	(1,872,534)	(79,520)	(1,952,054)	(2,152,787)		
Total cash flows	4,740,940	(24,673)	4,716,267	(176,060)	4,540,207	(1,872,534)	(79,520)	(1,952,054)	2,588,152		
Net closing balance	1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,001	477,527	2,428,527	4,889,598		
Closing Assets	1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,001	477,527	2,428,527	4,889,598		
Net closing balance	1,758,211	22,892	1,781,103	679,968	2,461,071	1,951,001	477,527	2,428,527	4,889,598		



Notes (continued)

39(B) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	Asset for remaining coverage				Asset for incurred claims				
GROUP 2022	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contact held that are assets Kshs'000
Opening Assets	986,549	36,812	1,023,361	218,257	1,241,618	870,048	178,855	1,048,903	2,290,521
Net opening balance	986,549	36,812	1,023,361	218,257	1,241,618	870,048	178,855	1,048,903	2,290,521
Allocation of Reinsurance Premium Paid	(3,234,297)	-	(3,234,297)	-	(3,234,297)	-	-	-	(3,234,297)
Amounts recoverable from reinsurers		(28,975)	(28,975)	(218,257)	(247,232)	2,582,196	126,336	2,708,532	2,461,300
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	(36,812)	(36,812)	(218,257)	(255,069)	2,582,196	(178,855)	2,403,341	2,148,272
Adjustments to assets for incurred claims	-	7,837	7,837	-	7,837	-	305,191	305,191	313,028
Change in risk of non-performance by issuer of reinsurance contracts held									
Investment components									
Net expenses from reinsurance contracts	(3,234,297)	(28,975)	(3,263,272)	(218,257)	(3,481,529)	2,582,196	126,336	2,708,532	(772,997)
Total changes in the statement of profit or loss	(2,247,748)	7,837	(2,239,911)	-	(2,239,911)	3,452,244	305,191	3,757,435	1,517,524
Cash flows									
Premiums paid for reinsurance contracts held	3,404,481	-	3,404,481		3,404,481	-		-	3,404,481
Reinsurance recoveries	-	-	-	634,926	3,404,481	(1,802,807)	-	(1,802,807)	1,601,674
Total cash flows	3,404,481	-	3,404,481	634,926	4,039,407	(1,802,807)	-	(1,802,807)	1,703,932
Net closing balance	1,156,733	7,837	1,164,570	634,926	1,799,496	1,649,437	305,191	1,954,628	3,754,124
Closing Assets	1,156,733	7,837	1,164,570	634,926	1,799,496	1,649,437	305,191	1,954,628	3,754,124
Net closing balance	1,156,733	7,837	1,164,570	634,926	1,799,496	1,649,437	305,191	1,954,628	3,754,124



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 Notes (continued)

39(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

		Asset fo	r remaining co	overage			Asset for inc	urred claims	
COMPANY 2023	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contact held that are assets Kshs'000
Opening Assets	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747
Net opening balance	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747
Allocation of Reinsurance Premium Paid	(3,500,782)	-	(3,500,782)		(3,500,782)	-	(273,121)	(273,121)	(3,773,903)
Amounts recoverable from reinsurers	-	(4,227)	(4,227)	(158,062)	(162,289)	(1,586,007	346,670	(1,239,337)	(1,401,626)
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)		(7,837)	(7,837)	(555,492)	(563,329)	(1,536,346)	346,670	(1,189,676)	(1,753,005)
Adjustments to assets for incurred claims	-	3,610	3,610	397,430	401,040		-	-	401,040
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-			(49,661)	-	(49,661)	(49,661)
Investment components									
Net expenses from reinsurance contracts	(3,500,782)	(4,227)	(3,505,009)	(158,062)	(3,663,071)	(1,586,007)	73,549	(1,512,458)	(5,175,529)
Reinsurance finance expenses through profit and loss									
Total changes in the statement of profit or loss	(2,476,586)	3,610	(2,472,976)	397,430	(2,075,546)	(101,906)	346,670	244,764	(1,830,782)
Cash flows									
Premiums paid for reinsurance contracts held	3,784,148	-	3,784,148		3,784,148		-		3,784,148
Reinsurance recoveries	-	-	-		-	1,452,188	-	1,452,188	1,452,188
Total cash flows	3,784,148		3,784,148		3,784,148	1,452,188		1,452,188	5,236,336
Net closing balance	1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554
Closing Assets	1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554
Net closing balance	1,307,562	3,610	1,311,172	397,430	1,708,602	1,350,282	346,670	1,696,952	3,405,554



Notes (continued)

39(b) PORTFOLIOS OF INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

		Asset for remaining coverage				Asset for incurred claims			
COMPANY 2022	Assets for Remaining Coverage Kshs'000	Reinsurance Loss Recovery Component Kshs'000	Total ARC	Reinsurance contract assets Kshs'000	Total Kshs'000	Assets for Incurred Claims PVFCF Kshs'000	Risk adjustment for non- financial risk Kshs'000	Total Kshs'000	Total Reinsurance Contact held that are assets Kshs'000
Opening Assets	897,099	36,812	933,911	169,724	1,103,635	645,703	133,634	779,337	1,882,972
Net opening balance	897,099	36,812	933,911	169,724	1,103,635	645,703	133,634	779,337	1,882,972
Allocation of Reinsurance Premium Paid	(2,870,080)	-	(2,870,080)	-	(2,870,080)	-	-	-	(2,870,080)
Amounts recoverable from reinsurers	-	(28,975)	(28,975)	385,768	356,793	2,431,059	139,487	2,570,546	2,927,339
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	(36,812)	(36,812)	(169,724)	(206,536)	2,431,059	(133,634)	2,297,425	2,090,889
Adjustments to assets for incurred claims	-	7,837	7,837	555,492	563,329	-	273,121	273,121	836,450
Change in risk of non-performance by issuer of reinsurance contracts held	-	-	-		-		-	-	-
Net expenses from reinsurance contracts	(2,870,080)	(28,975)	(2,899,055)	385,768	(2,513,287)	2,431,059	139,487	2,570,546	57,259
Reinsurance finance expenses through profit and loss									
Total changes in the statement of profit or loss	(1,972,981)	7,837	(1,965,144)	555,492	(1,409,652)	3,076,762	273,121	3,349,883	1,940,231
Cash flows									
Premiums paid for reinsurance contracts held	2,997,177	-	2,997,177	-	2,997,177	-	-	-	2,997,177
Reinsurance recoveries	-	-	-	-	-	(1,592,661)	-	(1,592,661)	(1,592,661)
Total cash flows	2,997,177		2,997,177	-	2,997,177	(1,592,661)		(1,592,661)	1,404,516
Net closing balance	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747
Closing Assets	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747
Net closing balance	1,024,196	7,837	1,032,033	555,492	1,587,525	1,484,101	273,121	1,757,222	3,344,747



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 Notes (continued)

40 OTHER RECEIVABLES

	GROUP		СОМ	PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Staff receivables	78,529	43,193	44,710	35,258
Sundry receivables	174,716	69,577	75,589	43,912
Rental receivables	20,469	31,248	20,469	31,248
Prepayments	30,533	23,972	11,788	11,106
Due from related parties (Note 60(d))	3,107	10,739	3,107	10,739
At 31 December	307,354	178,729	155,663	132,263

Please refer to note 4(b) for expected credit losses on other receivables.

41 KENYA MOTOR INSURANCE POOL

This represents the group's share of the net assets of the pool. This balance is recoverable from the pool through a refund of the amount due upon discontinuation of the pool as well as a share of investment income generated by the pool's investments annually. The movement in the amount due is shown below;

GROUP AND COMPANY

	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	50,858	52,087
Net (decrease)/ increase in the group's share of net assets of the pool	(1,063)	(1,325)
Impairment credit	51	96
At 31 December	49,846	50,858

42 INVESTMENT IN SUBSIDIARIES

COMPANY	Beneficial ownership	Country of incorporation	2023 Sh'000	2022 Sh'000
At cost				
ICEA LION General Insurance Company (Tanzania) Limited	53%	Tanzania	50,147	50,147
ICEA LION General Insurance Company (UG) Limited	100%	Uganda	514,097	-
			564,244	50,147

The principal activity of ICEA LION General Insurance Company (Tanzania) Limited is the underwriting of the general insurance business. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

SIGNIFICANT RESTRICTIONS

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within Tanzania. The supervisory frameworks require the subsidiary to keep certain solvency levels and comply with other ratios.



Notes (continued)

42 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Set out below is the summarised financial information for the subsidiary.

	Tanzania		Uga	nda
a) Summarised statement of financial position	2023 Sh'000	2022 Sh'000 restated	2023 Sh'000	2022 Sh'000 restated
Total assets	1,965,224	1,331,430	2,616,331	
Total liabilities	(1,453,771)	(994,697)	(1,896,865)	
Net assets	511,453	336,733	719,466	
b) Summarised statement of comprehensive income				
Insurance revenue	1,237,443	880,457	1,309,835	
Insurance service result	13,670	(13,131)	(69,467)	
Profit/(loss) before income tax	138,028	65,313	102,785	
Income tax (charge)/credit	(40,960)	(21,923)	(30,915)	
Other comprehensive income	9,448	739	-	
Total comprehensive income /(loss)	106,516	44,129	71,870	
Summarised cash flows				
Net cash generated from operating activities	230,191	74,830	(51,140)	
Net cash used in investing activities	(172,899)	(86,430)	77,635	
Net cash used in financing activities	(20,735)	(14,237)	(20,661)	
Net increase/(decrease) in cash and cash equivalents	36,557	(25,837)	5,834	
Cash and cash equivalents at beginning of year	34,784	62,244	45,865	
Translation differences	(284)	(1,623)	6,626	
Cash and cash equivalents at end of year	71,057	34,784	58,325	

43 BUSINESS COMBINATIONS

Since the establishment of ICEA LION Insurance Holdings Limited in 2020, the ICEA LION Group embarked on clustering similar business verticals for better management and sharper focus for greater group strategy. Effective 1 January 2023, ICEA LION Life Assurance Company Limited transferred their ownership in ICEA LION General Uganda to ICEA LION General Insurance Company Limited.

Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration: Outflow of cash to acquire subsidiary, net of cash acquired

	2023 Sh'000
Cash consideration paid	530,392
Cash balances acquired	(190,636)
Net outflow of cash – investing activities	339,756
Acquisition-related costs	-
The assets and liabilities recognized as a result of the acquisition are as follows: Acquisition date fair value	
Cash consideration paid	530,392
Investment assets	(1,133,138)
Other assets	(773,429)
Insurance contract liabilities	991,343
Other liabilities	401,128
Loss on acquisition	16,296

There were no acquisitions in the year ending 31 December 2022.

The amounts of insurance revenue, net gains on FVTPL investments and net profit of the acquiree since the acquisition date included in the consolidated statement of comprehensive income are summarised on Note 42.

Acquired insurance liabilities and financial assets.

Insurance contracts that were acquired as part of the business combination are measured based on the PAA at the date of acquisition. The Group Determined that all contracts at the acquisition date had significant insurance risk and met the definition of insurance contracts issued.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 Notes (continued)

44 DUE FROM SUBSIDIARY COMPANY

	2023 Ksh'000	2022 Ksh'000 restated
Due from ICEA LION Tanzania Limited (Note 59(c))	14,785	2,802
Due from ICEA LION General Insurance Company (UG) Limited (Note 59(c))	1,127	-
At 31 December	15,912	2,802

The balance due from the subsidiary company is non-interest bearing and is repayable within 3 months.

45 (a) DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	GROUP		COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Deposits maturing:				
- Within 3 months	1,149,998	213,665	1,134,389	208,379
- Provision for impairment	(1,212)	(1,313)	(1,212)	(1,313)
	1,148,786	212,352	1,133,177	207,066
- Beyond 3 months	712,422	444,454	-	25,469
- Provision for impairment	(3,761)	(1,927)	-	(160)
Total (Note 48(b))	1,857,447	654,879	1,133,177	232,375

(b) MOVEMENT IN DEPOSITS WITH FINANCIAL INSTITUTIONS AT AMORTISED COST

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	654,879	1,027,395	232,375	710,529
Acquired through business combination	108,984	-	-	-
Additions:				
- Beyond 3 months	838,836	409,816	-	27,911
- Within 3 months	8,037,507	3,835,203	8,022,996	3,830,298
Maturities				
- Beyond 3 months	(765,911)	(262,962)	-	-
- Within 3 months	(7,126,477)	(4,386,734)	(7,120,721)	(4,339,354)
Provision for impairment	(5,083)	2,678	(1,473)	2,991
Exchange difference on translation	114,712	29,483	-	-
At 31 December	1,857,447	654,879	1,133,177	232,375

46 CASH AND BANK BALANCES

There were no restrictions on the bank and cash balances and hence these have been diclosed as cash and cash equivalents.

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Bank balances	221,264	153,888	84,128	118,883
Cash balances	464	120	120	120
Provision for impairment	(2,510)	(960)	(650)	(739)
	219,218	153,048	83,598	118,264



Notes (continued)

47 WEIGHTED AVERAGE EFFECTIVE INTEREST RATES

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

	2023	2022	2023	2022
	%	%	%	%
Government securities	13.00	14.00	12.50	14.20
Corporate bonds	12.00	12.00	12.30	12.25
Deposits with financial institutions	11.00	6.00	11.00	5.55

48 SHARE CAPITAL

	Number of shares Ksh'000 restated	Ordinary shares Ksh'000 restated
Balance at 1 January 2022, 31 December 2022 and 31 December 2023	50,000	1,000,000

The total authorised number of ordinary shares is 50,000,000 with a par value of Ksh 20 per share. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regards to the Company's residual assets.

49 RESERVES

(a) Other reserve

The reserve represents the surplus on the revaluation of financial instruments held at fair value through other comprehensive income net of deferred tax. This reserve is not distributable.

(b) Contingency reserve

The contingency reserve relates to the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited. According to Tanzania Insurance Act 2009, a contingency reserve is required to be maintained. This reserve shall not be less than 3% of the net premium written or 20% of net profit, whichever is the greater. The reserve shall accumulate until it reaches the minimum paid up share capital of the company or 50% of the net earned premiums, whichever is greater. This reserve is not distributable.

(c) Currency translation reserve

The statement of financial position of the subsidiary, ICEA LION General Insurance Company (Tanzania) Limited, is translated into Kenya Shillings at year end rate of exchange, while the statement of comprehensive income is translated into Kenya Shillings at the average rate of exchange for the year. The resulting translation differences are dealt with through other comprehensive income and accumulated in equity under the group's currency translation reserve. This reserve is not distributable.

(d) Retained earnings

Retained earnings represent the percentage of net earnings not paid out as dividends, but retained by the group to be reinvested in its core business activities.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 Notes (continued)

50 NON-CONTROLLING INTERESTS

	GROU	IP .
	2023 Ksh'000	
At 1 January	158,266	126,727
Share of profit for the year	45,622	20,393
Share of other comprehensive income	36,497	11,010
Total comprehensive income	82,119	31,403
Transfer to contingency reserve		136
Total at end of year	240,385	158,266

51 LONG-TERM LOAN

	dkoor	
	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	-	-
Acquired through business combination	132,838	-
Exchange difference on translation	32,509	-
At 31 December	165,347	

The loan is denominated in Uganda Shillings (UGX 4billion) and was issued to ICEA LION General Insurance Company (U) Limited (subsidiary), by ICEA LION Life Assurance Company Limited (related company). The loan is subordinated at zero interest rate and is repayable when the subsidiary business generates sufficient cash flows for its repayment.

52 LEASE LIABILITY

	GROUP		COM	IPANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
At 1 January	289,767	399,558	253,896	393,626
Acquired through business combination	20,686	-	-	-
Additions	106,317	56,089	25,924	13,221
Interest charge for the year (note 14)	32,662	41,380	26,595	38,447
Interest charge payments during the year	(32,662)	(41,380)	(26,595)	(38,447)
Principal lease payments during the year	(88,247)	(73,458)	(54,074)	(60,074)
Lease de-recognition**	(35,340)	(92,877)	(35,340)	(92,877)
Exchange difference on translation	17,237	455	-	-
At 31 December	310,420	289,767	190,406	253,896

Maturity analysis of operating lease payments:

	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Year 1	98,929	95,977	80,561	81,687
Year 2	99,727	95,686	84,037	82,249
Year 3	21,420	99,206	21,057	87,028
Year 4	20,029	27,571	19,939	23,750
Year 5 and onwards	22,715	44,920	22,715	44,920
	262,820	363,360	228,309	319,634

^{**} De-recognition during the current and prior year represents surrendered leases.



Notes (continued)

53 OTHER PAYABLES

	GR	GROUP		PANY
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Accrued expenses	433,913	526,434	433,913	526,432
Due to related parties (note 60(e))	23,575	31,846	23,575	31,846
Other liabilities	550,369	245,219	148,185	110,400
	1,007,857	803,499	605,673	668,678

Other liabilities mainly comprises of bonus provision.

54 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT LIABILITIES

	GR	OUP	COMPANY	
	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
Insurance contract liabilities	9,062,743	7,273,343	6,759,255	6,584,930
Reinsurance contracts liabilities	685,758	443,062	351,625	310,044
At 31 December	9,748,501	7,716,405	7,110,880	6,894,974

55 CLAIMS DEVELOPMENT

The table below illustrates how the group's estimates of total claims outstanding for each accident year has changed at successive year ends.

GROSS CLAIMS DEVELOPMENT

GROUP

2023 Accident Year

Group - Gross of Reinsurance	2019 Kshs'000	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	Total
Accident Year	2,169,643	2,873,212	2,555,717	4,594,547	3,892,641	
One year later	2,581,173	3,239,694	3,118,661	5,307,632	-	
Two years later	2,526,389	3,222,215	3,206,626	-	-	
Three years later	2,513,209	3,250,067	-	-	-	
Four years later	2,494,629	-	-	-	-	
Current Estimate of Cumulative Claims	2,494,629	3,250,067	3,206,626	5,307,632	3,892,641	18,151,595
Cumulative Payments to Date	(2,388,373)	(3,034,097)	(2,770,876)	(4,364,193)	(1,867,255)	(14,424,794)
Reserve in Respect of Prior Years	1,159,607	-	-	-	-	1,159,607
LIC BEL Adjustment	-	-	-	-	(272,915)	(272,915)
ULAE	-	-	-	-	225,545	225,545
Risk Adjustment	-	-	-	-	938,690	938,690
Discounting	-	-	-	-	(639,044)	(639,044)
Total Gross Liability as per the Balance Sheet	1,265,863	215,970	435,750	943,439	2,277,662	5,138,684



Notes (continued)

55 CLAIMS DEVELOPMENT (CONTINUED)

COMPANY 2023

Company - Gross of Reinsurance	2019 Kshs'000	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	2023 Kshs'000	Total
Accident Year	1,582,424	2,039,196	1,833,960	3,755,682	2,764,337	
One year later	1,981,539	2,339,235	2,241,756	4,294,552		
Two years later	1,970,067	2,348,787	2,384,512	-		
Three years later	1,954,535	2,383,528	-	-		
Four years later	1,955,382	-	-	-	-	
Current Estimate of Cumulative Claims	1,955,382	2,383,528	2,384,512	4,294,552	2,764,337	13,782,311
Cumulative Payments to Date	(1,854,368)	(2,179,812)	(2,051,841)	(3,518,178)	(1,243,297)	(10,847,496)
Reserve in Respect of Prior Years	837,579	-	-	-	-	837,579
LIC BEL Adjustment	-	-	-	-	(199,523)	(199,523)
ULAE	-	-	-	-	178,491	178,491
Risk Adjustment	-	-	-	-	713,151	713,151
Discounting	-	-	-	-	(533,916)	(533,916)
Total Gross Liability as per the Balance Sheet	938,593	203,716	332,671	776,374	1,679,243	3,930,597

The table below illustrates how the group's estimates of total claims outstanding for each accident year has changed at successive year ends.

GROSS CLAIMS DEVELOPMENT

GROUP

2022 Accident Year

	2018 Kshs'000	2019 Kshs'000	2020 Kshs'000	2021 Kshs'000	2022 Kshs'000	
Group - Gross of Reinsurance	restated	restated	restated	restated	restated	Total
Accident Year	2,011,710	1,811,515	2,469,382	2,124,089	4,055,848	
One Year Later	2,107,828	2,159,421	2,741,485	2,541,907	-	
Two Years Later	2,115,372	2,141,490	2,731,998	-	-	
Three Years Later	2,073,568	2,117,871	-	-	-	
Four Years Later	2,031,163	-	-	-	-	
Current Estimate of Cumulative Claims	2,031,163	2,117,871	2,731,998	2,541,907	4,055,848	13,478,787
Cumulative Payments to Date	(1,898,268)	(1,988,489)	(2,392,806)	(2,009,102)	(2,158,047)	(10,446,712)
Reserve in Respect of Prior Years	983,518	-	-	-	-	983,518
LIC BEL Adjustment	-	-	-	-	105,915	105,915
ULAE Reserve	-	-	-	-	202,629	202,629
Risk adjustment	-	-	-	-	666,758	666,758
Discounting	-	-	-	-	(618,766)	(618,766)
Total Gross Liability as per the Balance Sheet after effect of discounting	1,116,413	129,382	339,192	532,805	2,254,337	4,372,129



Notes (continued)

55 CLAIMS DEVELOPMENT (Continued)

COMPANY 2022

Company - Gross of Reinsurance	2018 Kshs'000 restated	2019 Kshs'000 restated	2020 Kshs'000 restated	2021 Kshs'000 restated	2022 Kshs'000 restated	Total
Accident Year	1,848,232	1,582,064	2,039,196	1,833,960	3,755,682	-
One year later	1,977,176	1,981,539	2,339,235	2,241,756	-	
Two years later	1,998,966	1,970,067	2,348,787	-	-	
Three years later	1,956,735	1,954,535	-	-	-	
Four years later	1,913,166	-	-	-	-	-
Current Estimate of Cumulative Claims	1,913,166	1,954,535	2,348,787	2,241,756	3,755,682	12,213,926
Cumulative Payments to Date	(1,787,334)	(1,827,634)	(2,030,196)	(1,803,514)	(1,993,664)	(9,442,342)
Reserve in Respect of Prior Years	968,744	-	-	-	-	968,744
LIC BEL Adjustment	-	-	-	-	126,829	126,829
ULAE	-	-	-	-	188,392	188,392
Risk Adjustment	-	-	-	-	610,313	610,313
Discounting	-	-	-	-	(633,600)	(633,600)
Total Gross Liability as per the Balance Sheet	1,094,576	126,901	318,591	438,242	2,053,952	4,032,262

56 CAPITAL COMMITMENTS

	GRO)UP	COMPANY		
	2023 2022 Ksh'000 Ksh'000 restated		2023 Ksh'000	2022 Ksh'000 restated	
Approved Capital Expenditure	252,514	190,946	222,695	179,470	

57 CONTINGENT LIABILITIES

a) Legal proceedings

The group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final result of all pending or threatened legal proceedings, management does not believe that such proceedings (including outstanding litigations) will have a material effect on its results and financial position of the group. However provisions for claims have been made as far as management believe the claim will be paid. The information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds it can be expected to prejudice the outcome of the petition.

b) Solvency regulations

The group is also subject to insurance solvency regulations in the two territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the group's compliance or lack of compliance with such regulations.

c) Kenya Revenue Authority (KRA) Audit

During the year 2021, the company received a tax assessment relating to an audit carried out by the Kenya Revenue Authority with respect to Corporate Income Tax and Value Added Tax. The Company lodged an objection to the assessment. The Company entered into an Alternative Dispute Resolution (ADR) with KRA to handle the Corporate Income Tax issues and an Alternative Dispute Resolution agreement was signed off on 26 November 2021. The Value Added Tax matter is being handled at the Tribunal. The probability of the assessment crystallizing to a liability is deemed to be remote.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 Notes (continued)

58 NOTES TO THE CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

		G	iROUP	СО	MPANY
	Notes	2023 Ksh'000	2022 Ksh'000 restated	2023 Ksh'000	2022 Ksh'000 restated
(a) Cash generated from operations					
Reconciliation of profit before tax to cash used in operations;					
Profit before income tax		1,650,277	945,792	1,409,463	880,478
Adjustments for:					
Depreciation on property and equipment	23	40,521	30,466	28,005	26,120
Depreciation on right of use asset	25	57,007	42,459	30,428	30,971
Gain/(loss) on disposal of equity instruments at fair value through profit or loss		(8,306)	(112)	(8,306)	(112)
Gain on disposal of treasury bonds		533	(56)	533	(56)
Gain on sale of property and equipment		(3,288)	(975)	(2,588)	(134)
Finance income on investment in sub-lease		-	(3,459)	-	(3,459)
Impairment on treasury bonds beyond 3 months		1,680	629	417	614
Impairment on deposits		(261)	160	(261)	160
Imparment on corporate bond		915	21	915	
Interest on lease liabilities		32,662	41,380	26,595	38,447
Amortisation of intangible assets	26	12,414	6,055	4,669	3,770
REIT revaluation	31	(1,439)	(1,335)	(1,439)	(1,335)
Fair value gains on Equity revaluation	30	168,675	184,245	201,336	205,180
Fair value gains on investment properties	24	41,395	(86,256)	41,395	(86,256)
Rental income	9(b)	(219,149)	(200,500)	(219,149)	(200,500)
Dividend income	9(b)	(66,003)	(62,755)	(55,799)	(55,949)
REIT income	9(b)	(1,306)	(815)	(1,306)	(815)
Interest income	9(a)	(1,148,169)	(853,055)	(923,018)	(802,006)
Gain on discontinued lease	. ,	(15,449)	(35,372)	(15,449)	(35,372)
Changes in working capital:		(- / /	(,-,	(- / /	(/- /
- Kenya motor insurance pool receivable		1,012	1,229	1,012	1,229
- receivables from intermediaries		(287,239)	21,543	(236,187)	14,203
- assets from reinsurance contracts		(1,135,474)	(1,463,603)	(60,807)	(1,461,743)
- other receivables net of rental debtors		(128,625)	35,859	(23,400)	43,677
- due from subsidiary company		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	(13,110)	(2,044)
- liability from Insurance Contracts		1,789,319	1,309,111	174,331	1,281,265
- payables arising from direct and reinsurance arrangements		285,334	9,649	41,581	(6,313)
- other payables		161,720	175,506	(63,006)	160,488
Working capital items acquired through business combination		(645,365)	-	-	
Cash generated from operations		583,391	95,811	336,855	30,508
auth generator nom operations		000/071	70/011	000/000	30,000
(b) Analysis of cash and cash equivalents					
Cash and bank balances (Note 46)		219,218	153,048	83,598	118,264
Deposits with financial institutions maturing within 3 months (Note 45(a))		1,148,786	212,352	1,133,177	207,066
		1,368,004	365,400	1,216,775	325,330

59 EVENTS AFTER THE REPORTING DATE

There were no significant subsequent events after the year and that would necessitate disclosure or adjusting the financial statements.



Notes (continued)

60 RELATED PARTIES

The ultimate holding company is Asset Managers Limited while the immediate parent company is ICEA LION Insurance Holdings Limited. There are several other companies, which are related to ICEA LION General Insurance Company Limited through common shareholdings or common directorships. In the normal course of business, insurance policies are sold to related parties. All transactions with related parties are held at arm's length. Transactions with related parties during the year and related outstanding balances are disclosed below:

)UP	COIVII	PANY
		2023	2022	2023	2022
a) Transactions with related parties Nature	of relationship	Ksh'000	Ksh'000 restated	Ksh'000	Ksh'000 restated
Premiums received net of commissions	of relationship	398,009	339,966	398,009	339,966
Premiums paid		25,085	24,283	25,085	24,283
Pension paid		98,292	102,073	98,292	102,073
Management fees – earned		70,272	102,073	7,845	7,130
- expense		10,635	13,024	10,635	13,024
Reinsurance premiums		635,693	292,180	421,333	226,193
b) Balances with related parties		,.	,	,	-, -
i) Deposits with financial institutions		356,848	126,784	356,848	75,294
ii) Bank balances		80,508	168,597	80,508	117,107
iii) Interest receivable		5,852	3,149	5,852	158
iv) Premiums receivable from related parties		55,445	64,695	55,445	64,695
v) Impairment on deposits with NCBA Bank Kenya PLC		(467)	478	(467)	478
vi) Loans to staff		45,872	32,199	43,816	30,141
,		45,072	32,177	45,010	30,141
c) Amounts due from a subsidiary					
ICEA LION General Insurance Company (Tanzania) Limited Subsidia	,	-	-	14,785	2,802
ICEA LION General Insurance Company (U) Limited Subsidia	ary	-	-	1,127	
		•	•	15,912	2,802
d) Due from related company*:					
ů .	n shareholding	45	22	45	22
	n shareholding	2	36	2	36
Knight Frank (K) Commo	n shareholding	22	-	22	-
ICEA LION Life Uganda Commo	n shareholding	-	3,334	-	3,334
ICEA LION General Insurance Company (U) Limited Commo	n shareholding	-	6,898	-	6,898
3	n shareholding	448	448	448	448
3	ate Parent Company	-	1	-	1
-	n shareholding	2,590	-	2,590	-
At 31 December		3,107	10,739	3,107	10,739
e) Due to related company:					
	n shareholding	23,165	24,091	23,165	24,091
·	n shareholding	410	6,894	410	6,894
3	ate Parent Company	-	821	-	821
Knight Frank (K) Commo	n shareholding	- 02.575	40		40
f) You management and disease of source and in		23,575	31,846	23,575	31,846
f) Key management and directors' remuneration Director's remuneration (fees)		15,785	15,894	9,900	11,220
Key management remuneration		13,783	13,674	9,900	11,220
Short-term employee benefits		320 111	269,862	220 264	225,979
Post employment benefits		358,444 21,714	16,338	239,364 17,972	16,338
Total		380,158	286,200	257,336	242,317

^{*}No provision for bad debts were held with respect to amounts due from related parties.

61 PRIOR YEAR ADJUSTMENTS

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 financial statements line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.



APPENDIX I - CONSOLIDATED REVENUE ACCOUNTS SUPPLEMENTARY INFORMATION

for the year ended 31 December 2023

			Fire	Fire			Motor	Motor	Personal		Workmen's		Miscella	2023	2022
Class of Insurance Business	Aviation Ksh'000	Engineering Ksh'000	Domestic Ksh'000	Industrial Ksh'000	Liability Ksh'000	Marine Ksh'000	Private Ksh'000	Comm Ksh'000	Accident Ksh'000	Theft Ksh'000	Comp Ksh'000	Medical Ksh'000	neous Ksh'000	Total Ksh'000	Total Ksh'000
Insurance Revenue	1,303,851	361,727	140,334	1,957,799	307,106	371,415	2,413,298	1,129,637	494,041	405,744	943,212	665,691	394,063	10,887,918	7,870,475
Insurance Service Expense															
Incurred Claims	(12,057)	(921,482)	(14,019)	(350,296)	(92,841)	(164,452)	(1,163,712)	(507,060)	(246, 108)	(76,706)	(207,424)	(622,999)	(72,921)	(4,485,077)	(4,715,420)
Other directly attributable Expense	(16,094)	(64,828)	(42,601)	(190,785)	(71,114)	(80,849)	(951,232)	(296,763)	(84,752)	(114,818)	(169,642)	(43,834)	(51,585)	(2,178,897)	(1,570,051)
Changes that related to past service-Adjustments to the LIC	•	(3,670)		(279)	2,212	(2,864)	(15)	221	(1,329)	618	992	(1,514)	3,036	(2,592)	•
Losses on onerous contracts and reversal of those losses		11,517	18		(7,092)		58,375		8,301		•	(1,669)	988	70,336	(31,135)
Insurance acquisition cash flows amortasation	(11,898)	(78,661)	(25,711)	(397,037)	(34,655)	(59,442)	(230,817)	(118,246)	(112,006)	(46,065)	(203,376)	(65,218)	(26,952)	(1,410,084)	(906,431)
Total Insurance Service expenses	(40,049)	(1,057,124)	(82,313)	(938,397)	(203,490)	(307,607)	(2,287,401)	(921,848)	(435,894)	(236,971)	(579,450)	(768,234)	(147,536)	(8,006,314)	(7,223,037)
Net expenses from reinsurance contracts held															
Reinsurance expenses-Contracts measured under PAA	(1,251,857)	(211,898)	(46,353)	(1,150,890)	(208,615)	(137,877)	(164,932)	(140,950)	(232,565)	(41,109)	(251,678)	(233,542)	(252,075)	(4,324,341)	(3,234,297)
Directly attributable Expenses	(845)	(3,824)	(2,285)	(10,879)	(4,412)	(4,384)	(51,605)	(16,605)	(5,466)	(900/9)	(9,479)	(3,476)	(2,920)	(122,265)	(83,356)
Allocation of Reinsurance Premium Paid	(1,252,702)	(215,722)	(48,638)	(1,161,769)	(213,027)	(142,261)	(216,537)	(157,555)	(238,031)	(47,194)	(261,157)	(237,018)	(254,995)	(4,446,606)	(3,317,653)
Incurred LIC Event	(5,012)	782,607	1,335	243,530	45,886	88,815	75,957	96,566	145,082	16,367	46,563	266,823	103,581	1,908,100	2,582,196
Effect of changes in the risk of reinsurers non performance	(1,645)	(23,150)	1	26,670	(292)	222	876	(519)	280	(62)	12	(391)	(537)	1,510	(17,529)
Recoveries of loss on recognition of underlying onerous contracts							1,017			(887)	(4,315)			(4,185)	(28,975)
Amounts Recovered from insurance Contracts	(6,657)	759,457	1,346	270,200	45,319	89,037	77,850	96,047	145,672	15,418	42,260	266,432	103,044	1,905,425	2,535,692
Insurance service result	4,443	(151,662)	10,729	127,833	(64,092)	10,584	(12,790)	146,281	(34,212)	136,997	144,865	(73,129)	94,576	340,423	(134,523)
Ratios															
Reinsurance	%96	26%	33%	26%	%89	37%	7%	12%	47%	10%	27%	35%	94%	40%	41%
Amortize Acquistion	1%	22%	18%	20%	11%	16%	10%	10%	23%	11%	22%	10%	2%	13%	12%
Gross Lic	1%	255%	10%	18%	30%	44%	48%	45%	20%	19%	22%	%66	16%	41%	%09
Gross attributable Expenses	1%	18%	30%	10%	23%	22%	39%	26%	17%	28%	18%	7%	13%	20%	20%
Reinsurance Lic	%0	216%	1%	12%	15%	24%	3%	%6	29%	4%	2%	40%	26%	18%	33%
Reinsurance attributable Expenses	%0	-1%	-2%	-1%	-1%	-1%	-2%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Net Lic	1%	38%	%6	2%	15%	20%	45%	36%	70%	15%	17%	28%	%8-	24%	27%
Total Expenses	1%	19%	32%	10%	25%	23%	42%	28%	18%	30%	19%	7%	14%	21%	21%
Insurance Service Result	%0	-42%	%8	7%	-21%	3%	-1%	13%	-7%	34%	15%	-11%	24%	3%	-2%



APPENDIX II - COMPANY REVENUE ACCOUNTS SUPPLEMENTARY INFORMATION

for the year ended 31 December 2023

			i	i										0000	0000
Class of Insurance Business	Aviation Ksh'000	Engineering Ksh'000	Domestic Ksh'000	Industrial Ksh'000	Liability Ksh'000	Marine Ksh'000	Private Ksh'000	Comm Ksh'000	Accident Ksh'000	Theft	Comp Ksh'000	Medical	neous	ZOZS Total Ksh'OOO	Total Ksh'000
Insurance Revenue	1.257.410	177 671	133.193	1.514.910	221.821	291.076	2 000 536	637 411	267.062	212.211	904.027	392.595	290.713	8.340.636	6 990 018
Insurance Service Expense															
Incurred Claims	(57.452)	(859.834)	(12,390)	(153,551)	(89.942)	(50.843)	(1.016.544)	(328.201)	(155.027)	(59.492)	(198.881)	(359,550)	(80.714)	(3.422.421)	(4.429.938)
Other directly attributable Expense	(15,585)	(41,426)	(35,038)	(116,945)	(42,175)	(69,69)	(673,146)	(224,246)	(42,103)	(90,297)	(158,956)	(362)	(38,356)	(1,548,304)	(1,323,080)
Changes that related to past service-Adjustments to the LIC															
Losses on onerous contracts and reversal of those losses					•		58,732		7,490		•	(1,669)	,	64,553	(31,135)
Insurance acquisition cash flows amortasation	(9,827)	(41,334)	(24,161)	(280,006)	(28,387)	(44,051)	(183,408)	(25,790)	(606'999)	(26,949)	(194,601)	(38,748)	(2,670)	(999,841)	(766,139)
Total Insurance Service expenses	(82,864)	(942,594)	(71,589)	(550,502)	(160,504)	(164,563)	(1,814,366)	(608,237)	(256,549)	(176,738)	(552,438)	(400,329)	(124,740)	(5,906,013)	(6,550,292)
Net expenses from reinsurance contracts held															
Reinsurance expenses-Contracts measured under PAA	(1,213,077)	(118,784)	(44,900)	(924,645)	(133,860)	(60,879)	(119,479)	(35,563)	(122,004)	(35,219)	(247,690)	(218,347)	(196,335)	(3,500,782)	(2,870,080)
Directly attributable Expenses	(820)	(2,180)	(1,844)	(6,155)	(2,220)	(3,667)	(35,429)	(11,802)	(2,216)	(4,752)	(8,366)	(11)	(2,019)	(81,489)	(69,637)
Allocation of Reinsurance Premium Paid	(1,213,897)	(120,964)	(46,744)	(930,800)	(136,080)	(94,546)	(154,908)	(47,365)	(124,220)	(39,971)	(256,056)	(218,366)	(198,354)	(3,582,271)	(2,939,716)
Incurred LIC Event	48,250	790,053	1,082	122,815	26,605	38,137	21,510	50,465	91,239	6,352	41,374	222,458	76,007	1,536,347	2,431,060
Effect of changes in the risk of reinsurers non performance	57	(13,112)	7	26,375	(604)	26	132	(841)	365	30	12	(391)	(9)	11,747	(23,486)
Recoveries of loss on recognition of underlying onerous contracts							975			(887)	(4,315)			(4,227)	(28,975)
Amounts Recovered from insurance Contracts	48,307	776,941	1,089	149,190	25,698	38,163	22,617	49,624	91,604	5,495	37,071	222,067	16,001	1,543,867	2,378,598
Insuance service result	8,956	(68,946)	15,949	182,798	(49,065)	70,130	53,879	31,433	(22,103)	166	132,604	(4,033)	43,620	396,219	(121,393)
Ratios															
Reinsurance	%96	22%	34%	%19	%09	31%	%9	%9	46%	17%	27%	29%	%89	42%	41%
Amortize Acquistion	1%	19%	18%	18%	13%	15%	%6	%6	25%	13%	22%	10%	2%	12%	11%
Gross Lic	2%	395%	%6	10%	41%	17%	21%	21%	28%	28%	22%	92%	28%	41%	93%
Gross attributable Expenses	1%	19%	26%	%8	19%	24%	34%	35%	16%	43%	18%	%0	13%	19%	19%
Reinsurance Lic	4%	363%	1%	%8	12%	13%	1%	%8	34%	3%	2%	21%	79%	18%	35%
Reinsurance attributable Expenses	%0	-1%	-1%	%0	-1%	-1%	-2%	-2%	-1%	-2%	-1%	%0	-1%	-1%	-1%
Net Lic	1%	32%	%8	2%	29%	4%	20%	44%	24%	25%	17%	35%	2%	23%	29%
Total Expenses	1%	20%	28%	%8	20%	25%	35%	37%	17%	45%	19%	%0	14%	20%	20%
Insurance Service Result	1%	-32%	12%	12%	-22%	24%	3%	2%	%8-	%0	15%	-1%	15%	2%	-2%







CORPORATE INFORMATION

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CORPORATE SOCIAL RESPONSIBILITY

THE NEST CHARITABLE TRUST OF KENYA:

The Nest program aims to prevent children of incarcerated mothers from struggling for survival on the streets. We rescue these children, enhancing their living conditions while their mothers are imprisoned. Additionally, we rehabilitate them and, upon their mothers' release, reintegrate both into their extended families and society. Our efforts also focus on raising public awareness about the challenges faced by children whose mothers are imprisoned for minor offenses.

FARAJA CANCER SUPPORT:

About Faraja Cancer Support:

The Faraja Cancer Support Trust was founded in 2010 with the aim of providing emotional, practical and healing support to anyone affected by cancer.

The organization received support from ILAM - Water Rafting Sponsorship, aimed at raising crucial funds to support cancer patients. This initiative not only highlighted the spirit of community and philanthropy but also showcased the power of adventurous sporting events in rallying support for a noble cause. Additionally, our efforts were further enhanced by the backing we received from Life Business, marking another chapter of support in the past year.

LEWA SAFARI MARATHON:

This eagerly awaited yearly event champions not only physical well-being and healthy living but also stands as a reflection of our commitment to the conservation efforts of the Lewa Wildlife Conservancy.

DUNCAN NDEGWA:

On October 20, 2023, the Mombasa Golf Club, in partnership with The Duncan Ndegwa Foundation, hosted a golf tournament to commemorate and celebrate the remarkable Dr. Duncan Ndegwa. This event was more than just a competitive sports competition; it was a meaningful opportunity to recognize Dr. Ndegwa's contributions and lasting influence.

STRATHMORE UNIVERSITY BUSINESS GOLF TOURNAMENT:

Strathmore University Business Golf Tournament at Limuru Country Club. This is part of our Corporate Social Responsibility (CSI) initiative, reflecting our commitment to fostering community engagement, promoting sportsmanship, and supporting the development of business relationships through the sport of qolf.

AACOSE:

We are delighted to have been one of the sponsors of the 6th Annual Africa Conference on Social Entrepreneurship (AACOSE), themed "Systems Change: Transformative Social Innovations."

RHINO ARK KENYA CHARITABLE TRUST:

In the Off-Road Spirit of Conservation! We were thrilled to be a significant sponsor of car number 23, which became the second-highest fundraiser at this year's exciting Rhino Charge event, moving towards a sustainable future. The event seeks to raise funds for Rhino Ark Kenya event aims to raise funds for Rhino Ark Kenya Charitable Trust to support the preservation of Kenya's valuable mountain range.

NAMIB RE:

We were proud sponsors of the UNEP FI Regional Roundtable for Africa and the Middle East, which took place at the Windhoek Country Club Resort in Namibia. This pivotal event delved into key issues including the influence of regulations on sustainable finance, initiatives for climate action, strategies for financial inclusion, principles of sustainable insurance, management of nature-related risks, and the progress of ongoing regional projects.

WEMA CENTRE:

Wema Centre proudly hosted the Wema Charity Gala Dinner, a prestigious event under the banner of Corporate Social Responsibility (CSR). This gala was organized to support and celebrate the impactful work of the Wema Centre, gathering community members and philanthropists to contribute towards a noble cause.





AWARDS & ACCOLADES 2012-2023





WINNER

Insurance Sector

2017, 2014

WINNER

Company Secretary of the Year

Kennedy Ontiti

2016, 2015

1ST RUNNERS UP

Insurance Sector

2016, 2015

Company Secretary of the Year

Kennedy Ontiti

2018

2ND RUNNERS UP

Overall Champions of Governance Award

2018

CEO of the Year

Steven Oluoch

2016

Insurance Sector

2016

Company Secretary of the Year

Kennedy Ontiti

2017



WINNER

Marine Cargo Insurer

2018



WINNER

Financial Management Determinant

2017



WINNER

Environmental Category

2021

1ST RUNNERS UP

Insurance Category

2022

2ND RUNNERS UP

Environmental Category

2020

1ST RUNNERS UP

Insurance Category

2019

2ND RUNNER UP

Insurance Category

2018



WINNER

Fraud Detection & Prevention

2017, 2014

Claims Settlement

2016



WINNER

Insurance Sector

2014, 2015

1ST RUNNERS UP

Overall: Mid-size companies (under 500 employees)

2016





WINNER

Overall :Grand Prix Award# - BackYourFuture Campaign

Gold Award :Integrated Campaign-#BackYourFuture Campaign

Silver Award :Integrated Campaign - Travel Insurance Campaign



WINNER

Insurance Sector

2014



WINNER

2017



WINNER

International Workplace Safety Award

2019



WINNER

Indoor Games

2019, 2018

Swimming

2019

1ST RUNNERS UP

Overall Champions

2019, 2018, 2016

Track & Field Games Champions

2019, 2018

Auxiliary Games ,Indoor Games ,Volleyball and Athletics Games Champions



2ND RUNNERS UP

Digital Insurance Category

2019, 2023



WINNER

General Insurer of the Year

2017, 2014

Lifetime Achievement Award

CEO - Steven Oluoch

2018

Best Insurer in Product Distribution & Marketing

2017

Corporate Risk Manager of the Year

Dorothy Maseke

2018, 2017

Training

2016

Customer Satisfaction

2016

Customer Service

2018, 2017

Claims Settlement

2018, 2015

Risk Management

2015

Best Insurer in Sustainable CSR

2018

Major Loss Award

2012

Best Company in Technology & Digital Applications

2018

1ST RUNNERS UP

Best Insurer in Sustainable CSR

2017

Customer Service

2016, 2014

Risk Management Award

2017, 2014

Marketing Initiative of the Year

2012

Most Innovative Insurance Company

2018

Best Insurance Company in Product
Distribution & Marketing

2018

Training

2015

Fraud Detection & Prevention

2018, 2016, 2015

2ND RUNNERS UP

General Insurer of the Year

2018, 2016, 2015

Training

2018, 2014



2ND RUNNERS UP

2023



ICEA LION'S INTEGRATED LAB

Meet our team that spearheaded and continues to champion Integrated Thinking and delivered the 2023 Integrated Report that was developed and designed in consultancy with The Digital Monkeys.



Zipporah Chege

Chief Finance Officer
ICEA LION General Insurance

Denis Odoyo

Design Lead - Brand & Marketing

Kevin Nyakeri

Chief Finance Officer
ICEA LION Life Assurance

Lynn Omolo

Content Lead, Events and Marketing Projects Support Asst.



ICEA LION'S GENERAL INSURANCE FINANCE & ACTUARIAL TEAM



We appreciate this dedicated team from our finance and actuarial function who worked diligently in liason with integrated lab team to deliver our 2023 integrated report.

Standing from left to right

Cosmus Mwiti | Sheila Mwiti | Asman Musa | Jessica Mghoi | John Mbote | Theresiah Kasive | Elisha Muruga Magdaline Muchiri | Titus Magua | Mildred Ngavala | Angelica Songok | Caroline Wanjiru

Seated from left to right

Caroline Chakava | Jeremiah Ng'ethe | Joy Omondi | Anthony Murathi | Zipporah Chege | Zebedeo Nyakwana Magdalene Busuru | Dickson Gathuku | Victor Kabaki



ICEA LION'S GENERAL LEADERSHIP TEAM



We appreciate this dedicated team

Front raw from left to right

Sarah Kinyanjui | John Wanjogu | Joy Omondi | Peter Mukuria | Philip Lopokoiyit | Zipporah Chege Lydia Mwirigi | Evelyn Musunzar | Leonard Shalakha

Middle raw from left to right

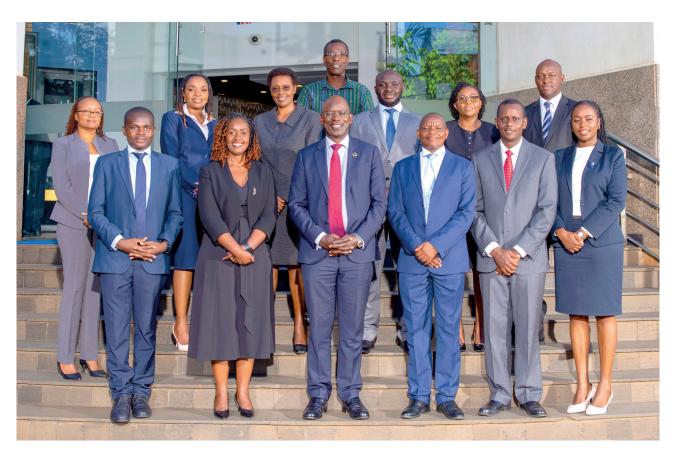
Jacqueline Ochieng | Anthony Murage | Lucy Karanja | Cynthia Kantai | Jane Muiru Anthony Muturi | Jennifer Kamotho

Back raw from left to right

Paul Kioi | Maryleen Thome | Andrew Muturi | Divinah Ogoti | Kevin Kombo | Naomi Munyi | Juliana Nguli



ICEA LION'S SHARED SERVICES TEAM



We appreciate this dedicated team

Front raw from left to right

Abiud Mulongo | Cynthia Kantai | Philip Lopokoiyit | John Wanjogu | Anthony Muturi | Divinah Ogoti

Back raw from left to right

Caroline Maina | Jacqueline Ochieng | Naomi Munyi | Paul Kioi | Leonard Shalakha | Juliana Nguli | Kevin Kombo



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