



2025

**Kenya Reinsurance
Corporation Limited
Integrated Annual
Report 2025**

Protecting Tomorrow: Strengthening Risk Resilience Today



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GROUP INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

Group Information

Board of Directors

Mr. Eric Gumbo, MBS	- Chairman
Dr. Hillary M. Wachinga	- Managing Director
Hon. CPA John Mbadi	
Ng'ongo, EGH	- Cabinet Secretary, The National Treasury
Mr. David Muthusi	
Ms Eunice Nyala	
Dr. Zacharia Nyaega	
Mr. Omar Shallo	
Mr. James Irungu Kirika	
Mr. Abdirahin Abdi - MGH	- Elected on 20th June 2025
Mrs. Leah Rotich - MBS	- Elected on 20th June 2025
Mrs. Jackline Nyandeje	- Elected on 20th June 2025

Company Secretary

Charles Kariuki
Registration No. R/CPS B/2305
Certified Public Secretary (Kenya)
Reinsurance Plaza, Taifa Road
P.O. Box 30271 – 00100 GPO
Nairobi, Kenya.

Registered office

Reinsurance Plaza
Taifa Road
P.O. Box 30271 – 00100 GPO
Nairobi, Kenya.

Independent Auditor

Auditor General
Office of the Auditor General
P.O. Box 30084 – 00100 GPO
Nairobi, Kenya.

Actuaries

Actuarial Services (East Africa) Limited
10th Floor Victoria Towers
Kilimanjaro Avenue, Upper hill
P.O. Box 10472 – 00100 GPO
Nairobi, Kenya.

Kenbright Actuarial and Financial Services Limited
26th Floor- Prism Towers
3rd Ngong Avenue P. O. Box 28281 – 00200
Nairobi, Kenya.

Principal Bankers

KCB Bank Kenya Limited
Moi Avenue
P.O. Box 30081 – 00100 GPO
Nairobi, Kenya.

Bank of Africa

01 Bp 7539 Abidjan 01
Immeuble Sayegh; 3ème étage
Rue des Jardins en face de Nice Cream
Cocody VALON

Principal Bankers

Citibank Zambia Limited
Citibank House
Stand 4646 Addis Ababa Roundabout
P.O. Box 30037 – 10101,
Lusaka Zambia

Legal advisers

Igeria & Ngugi Advocates
Avenue 5 Building, 4th Floor
Rose Avenue, Off Lenana Road
P.O. Box 60635-00200
Nairobi

Rachier & Amollo LLP

Mayfair centre, 5th Floor
Ralph Bunche Road
P. O. Box 55645-00200, Nairobi

Namasaka & Kariuki Advocates

Pamstech House, 4th Floor
Woodvale Grove
P.O. Box 2497 - 00606, Nairobi

Share Registrars

Image Registrars Limited
Barclays Plaza, Loita Street, 5th Floor
P.O. Box 9287 – 00100 GPO
Nairobi, Kenya

Subsidiaries

Kenya Reinsurance Corporation Côte d'Ivoire

01 Bp 7539 Abidjan 01
Immeuble Sayegh; 3ème étage
Rue des Jardins en face de Nice Cream
Cocody VALON

Kenya Reinsurance Corporation Zambia Limited

D.G Office Park, No. 1 Chila Road
Kabulonga, Lusaka
P.O. Box 30578 10101, Zambia

Kenya Reinsurance Corporation Uganda-SMC Limited

01st Floor, Redstone House - Bandali Raise
Bugolobi, Kampala
P. O. Box 34988
Kampala, Uganda

1. ABOUT THIS REPORT

Kenya Reinsurance Corporation is delighted to present its integrated report for the period from January 1, 2025, to December 31, 2025. This report aims to provide our stakeholders with comprehensive information, offering a detailed overview of how Kenya Reinsurance Corporation generated value for all its stakeholders during the review period. The report will give our stakeholders a deeper understanding of our operations, highlighting our achievements, opportunities, and challenges faced during the review period as we strive to become Africa's leading reinsurer.

The content and level of the disclosures presented in this report are guided by global and local sustainability frameworks, including the Global Reporting Initiative (GRI), the UN Sustainable Development Goals (SDGs), the International Sustainability Reporting Standards (IFRS S1 and S2) and the Nairobi Securities Exchange ESG Disclosure Guidelines. The Company has embarked on integrating sustainability into its operations and strengthening its sustainability reporting processes. Future reports will demonstrate this progress in accordance with best practices.

This report also summarises Kenya Reinsurance Corporation Limited's ('the Company') Environmental, Social, and Governance (ESG) performance for the period of 1st January 2025 to 31st December 2025 covering the Company's operations in Kenya, Uganda, Zambia and Côte d'Ivoire. We are pleased to present this report as a demonstration of our commitment to sustainability, transparency, and accountability to our key stakeholders, including investors, clients, regulators, and partners.



2. CORPORATE PROFILE

Kenya Reinsurance Corporation Limited (Kenya Re) is the oldest reinsurer in Eastern and Central Africa, established through an Act of Parliament in December 1970 and commencing operations in January 1971. As a leading reinsurance provider, we play a vital role in offering reinsurance services across multiple lines of business to over 482 companies across Africa.

The Government of Kenya owns 60% of the company, while the public, through the Nairobi Securities Exchange, owns 40%. The Company remains committed to delivering world-class reinsurance solutions, continuously improving its services to meet international standards.

It has three fully owned subsidiaries; Kenya Reinsurance Corporation, Cote d'Ivoire, which was incorporated on 19 September 2014, Kenya Reinsurance

Corporation Zambia Limited, which was incorporated on 26 November 2015 and Kenya Reinsurance Corporation Uganda-SMC Limited, which was incorporated on 26 August 2019. Kenya Reinsurance Corporation, Cote d'Ivoire, operated as a full subsidiary starting in 2015, the Zambian subsidiary started operating in 2016, while Uganda subsidiary started operations in January 2022. The Company and its subsidiaries are referred to as the "Group".

2.1 OUR PURPOSE, MISSION, VISION AND CORE VALUES

Kenya Reinsurance Corporation Limited is guided by a clearly defined purpose, mission and vision that underpin its strategic direction and sustainability approach.

The Corporation's purpose is anchored on Seamless Stability, reflecting its

commitment to providing consistent, reliable and sustainable reinsurance solutions that secure the long term interests of its stakeholders and the insurance industry.

The mission of the Corporation is to provide sustainable risk and financial solutions, supporting insurers, policyholders and markets in managing risk, enhancing resilience and enabling economic growth.

The vision of Kenya Reinsurance Corporation is to be a leading partner in securing the future, driven by strong governance, innovation, risk management excellence and sustainable value creation.



To operationalise its purpose, mission and vision, the Corporation pursues the following strategic objectives:

- Growing shareholder value.
- Improving customer centricity.
- Leveraging technology to improve processes.

- Growing market share.
- Strengthening human resource capacity.
- Enhancing enterprise risk management; and
- Strengthening internal controls.

These objectives guide corporate decision-making, performance management, and integration of Environmental, Social and Governance considerations across the Corporation's underwriting, investment, operational and governance activities.

2.2 Sustainability Commitment and Approach

Kenya Reinsurance Corporation's commitment to sustainability is embedded within its purpose, strategy and governance framework. As a leading reinsurer, the Corporation recognizes the role it plays in managing emerging environmental and social risks, supporting inclusive economic growth and enhancing resilience within the insurance sector.

The Corporation's sustainability approach focuses on integrating ESG considerations into core business areas including underwriting, investments, enterprise risk management, operations and governance. This approach is supported by structured stakeholder

engagement, materiality assessments, policy frameworks and performance monitoring. Through its Sustainability Strategic Plan and ongoing ESG initiatives, the Corporation seeks to balance financial performance with positive social and environmental impact across the markets in which it operates.

Our sustainability approach is driven by the need to:

- a) Support social progress through inclusive insurance and community empowerment.
- b) Minimize our environmental footprint by addressing climate-related risks and promoting resource efficiency; and

- c) Enhance economic resilience by developing innovative and responsible reinsurance solutions.

As a responsible corporate citizen, Kenya Re is committed to identify, manage, and report on material sustainability issues in line with the Corporation values, strategic objectives, evolving stakeholder expectations, regulatory requirements, and market developments, while contributing to sustainable development in line with Kenya's National Determined Contribution (NDC) to the Paris Agreement and the national and global sustainable development agenda.



Business Model and Value Creation

The Company's business model is anchored on the provision of reinsurance capacity to direct insurers and the prudent management of financial resources to support sustainable earnings, liquidity and solvency.

Kenya Re creates value by leveraging underwriting expertise, strong market relationships and disciplined risk selection to assume and manage risk across diverse geographies and lines of business. This is supported by robust governance, skilled human capital, efficient systems and a well-capitalised balance sheet.

Value creation is achieved through the effective deployment and interaction of multiple capitals, enabling the Company to generate underwriting income, investment returns and long-term financial resilience while supporting the stability of the insurance sector.

Kenya Re's ability to create sustainable value is reflected in the interaction between these capitals. Growth in insurance contract liabilities signals increased underwriting activity, while disciplined risk selection and strong intellectual capital influence the quality of these liabilities and overall profitability. Investment assets generate returns that support earnings and capital strength, while human and

relationship capital drive premium growth and client retention. At the same time, emerging risks- particularly climate-related risks- are increasingly embedded into underwriting and investment decisions, influencing both the asset and liability sides of the balance sheet.

Through the integrated management of financial, operational and non-financial capitals, Kenya Re is able to:

- Sustain underwriting profitability
- Strengthen its balance sheet
- Enhance resilience to emerging risks
- Deliver long-term value to shareholders and stakeholders



Kenya Reinsurance Corporation recognized as Best in Resilient Risk Solutions Leader at the 3rd edition of the Kenya ESG Awards 2025,

MESSAGE FROM THE CHAIRMAN OF THE BOARD



Mr. Eric Gumbo, MBS
Board Chairman - Kenya Reinsurance Corporation

Dear Esteemed Shareholders, Stakeholders, and Valued Partners,

It is my profound honour and distinct privilege to present the Integrated Annual Report and Financial Statements of Kenya Reinsurance Corporation Limited for the financial year ended **31st December 2025**.

This report is presented at a defining moment in the Corporation's history; a period in which we have demonstrated resilience, strategic discipline and institutional strength amid a changing global and regional operating environment. It also reflects our continued commitment to building a

future-ready reinsurer that is agile, financially sound, innovation-led and deeply aligned with the evolving needs of the markets we serve.

As I reflect on my first year as Chairman of the Board, I remain firmly focused on strengthening the Corporation on a foundation of integrity, prudent governance and long-term value creation. Our ambition is to continue building a Corporation that is more responsive to market dynamics, more data-driven in decision-making, and more deeply integrated into the socio-economic development of the insurance markets across Africa, the Middle East and Asia.

Navigating a volatile macroeconomic landscape

The 2025 financial year was shaped by a complex and demanding global economic environment. While global inflationary pressures showed signs of gradual easing, the reinsurance sector continued to experience the effects of currency volatility in emerging markets, elevated interest rate environments, changing risk profiles and increasing climate-related exposures.

Regionally, the East African economic bloc demonstrated commendable resilience. However, fiscal consolidation measures, foreign exchange constraints and shifting regulatory expectations in several key markets required the Corporation to remain measured, disciplined and strategic in the deployment of capital.

Within this context, the Board's primary focus was to ensure that we continued to serve as a prudent risk manager and a stabilising force for the insurance industry. In times of uncertainty, the role of a reinsurer extends beyond risk transfer. It includes providing the financial capacity, technical support and institutional confidence that enable primary insurers to underwrite growth, innovation and economic activity.

Financial performance: stability amid change

I am pleased to report that the Corporation's financial performance for 2025 reflects a business of considerable strength and resilience. Total assets grew by **8% to KSh 72.2 billion**, underscoring the robustness of our balance sheet and our ability to attract,

retain and support quality business across our diverse geographical footprint.

Shareholders' funds increased by **9.7% to KSh 54.5 billion, from KSh 49.7 billion** in the previous year. This growth in our capital base is particularly important in the reinsurance business, as it enhances our capacity to participate in larger and more complex risk programmes while providing the necessary buffer against volatility, including the increasing frequency and severity of climate-related events.

The Board remains committed to delivering sustainable value to our shareholders. In view of the Corporation's performance, capital position and liquidity outlook, we are pleased to recommend a first and final dividend of **KSh 0.15 per share**. This recommendation reflects our confidence in Kenya Re's long-term trajectory and our commitment to maintaining a prudent and sustainable dividend policy while preserving sufficient capital to support future growth.

Governance, risk management and leadership

Corporate governance remains the bedrock of our operations. During the year under review, the Board continued to strengthen governance structures, not merely as a matter of regulatory compliance, but as a strategic imperative for accountability, transparency and stakeholder confidence.

We continued to enhance oversight across the Group, including our international subsidiaries in Côte d'Ivoire, Zambia and Uganda. These subsidiaries remain important pillars of our regional growth strategy and

continue to provide meaningful geographical diversification, helping to strengthen the Group's resilience against market-specific shocks.

Risk management also remained a central priority of the Board. The Corporation continued to strengthen its internal control environment, enterprise risk management framework and institutional discipline. This commitment was affirmed through our recognition as **Best Risk Management Function of the Year 2025** at the Internal Audit and Risk Awards, a significant endorsement of the Corporation's progress in embedding sound risk governance across its operations.

The ESG agenda: building a sustainable future

Sustainability is no longer a peripheral consideration; it is now central to our long-term business resilience. In 2025, we continued to integrate Environmental, Social and Governance principles into our underwriting, investment and corporate decision-making processes, recognising that sustainable growth must balance commercial performance with responsible stewardship, sound governance and positive societal impact.

As a reinsurer, we recognise that our role in sustainability extends beyond our own operations. Through responsible underwriting, support for climate-resilient initiatives and the promotion of sustainable insurance solutions, we are contributing to the development of a more resilient insurance ecosystem. Our focus on ESG is therefore not only about protecting the environment, but also about safeguarding the long-term viability of the insurance and reinsurance industry.

Appreciation

The achievements recorded during the year were made possible through the continued support of our principal shareholder, the Government of Kenya, and the confidence of our wider shareholder base. I wish to express my sincere appreciation to my fellow Board members for their diligence, counsel and commitment to the stewardship of this great institution.

I also extend my gratitude to the management team, led by **Dr. Hillary Wachinga**, and to every member of staff across the Kenya Re Group. Your professionalism, dedication and resilience remain the engine of the Corporation's continued progress.

To our valued shareholders, clients, cedants, brokers, retrocession partners, regulators and stakeholders, we thank you for your enduring trust and partnership. As we look ahead, the Board remains committed to guiding Kenya Re with prudence, courage and foresight, ensuring that the Corporation continues to navigate the complexities of tomorrow with the strength, discipline and wisdom that have defined it for over half a century.

Mr. Eric Gumbo, MBS
Board Chairman
Kenya Reinsurance Corporation Limited

TAARIFA KUTOKA KWA MWENYEKITI WA BODI



BW. Eric Gumbo, MBS

Mwenyekiti wa Bodi - Kenya Reinsurance Corporation

Kwa Wenye-hisa, Wadau na Washirika Wetu Wapendwa,

Ninaona fahari kubwa kuwasilisha kwenu Ripoti Jumuishi ya Kila Mwaka na Taarifa za Kifedha za Shirika la Kenya Reinsurance Corporation Limited za mwaka uliokamilika tarehe **31 Desemba 2025**.

Ripoti hii inatolewa katika kipindi muhimu cha historia ya Shirika hili; kipindi ambacho tumedhihirisha ustahimilivu, umakinikaji na uwezo wetu katika hali ngumu ya biashara ya ukanda huu na mazingira yasio imara ya kimataifa. Pia inaonyesha juhudi zetu za kuendelea kujenga kampuni ya bima kuu iliyo tayari kwa siku zijazo,

iliyo thabiti, imara kifedha, bunifu na inayowiana na mahitaji mapya ya masoko yetu.

Ninapotafakari kuhusu mwaka wa kwanza kama Mwenyekiti wa Bodi hii, lengo langu ni kuendelea kuimarisha Shirika hili kwa misingi ya uadilifu, uongozi bora na mafanikio ya muda mrefu. Lengo letu kuu ni kukabiliana kwa wepesi zaidi na mabadiliko ya soko, kuongozwa na takwimu katika kufanya maamuzi na kuchangia zaidi ustawi wa jamii na uchumi katika masoko ya bima kuu ya Afrika, Mashariki ya Kati na Asia.

Kukabiliana na halitete ya uchumi Mwaka wa 2025 ulibainishwa na halitete ya uchumi iliyoshuhudiwa kimataifa.

Ingawa mfumuko wa bei ulionyesha dalili za kushuka taratibu, sekta ya bima kuu iliendelea kukabiliwa na athari za shinikizo la sarafu katika masoko mapya, viwango vya juu vya riba, kubadilika kwa hatari na kuongezeka kwa hatari za tabianchi.

Uchumi katika ukanda wa Afrika Mashariki uliendelea kuwa thabiti. Hata hivyo, hatua za kupunguza matumizi ya serikali, msukosuko wa thamani ya sarafu za kigeni na kubadilika kwa sheria katika masoko yetu makuu vilishinikiza Shirika hili kutumia rasilimali zake kwa makini na busara.

Katika kipindi hicho, lengo kuu la Bodi hii lilikuwa kuhakikisha kuwa tunaendelea kudhibiti hatari kwa makini na kuleta utulivu katika sekta ya bima. Katika nyakati za misukosuko, jukumu la kampuni ya bima kuu haliwi tu kubeba hatari pekee bali pia kutoa usaidizi wa kifedha, na kitaaluma na kuzipa kampuni za bima uwezo wa kukuza biashara, ubunifu na uchumi.

Matokeo ya kifedha: utulivu katikati ya mabadiliko

Ninafurahi kuripoti kwamba matokeo ya kifedha ya Shirika hili ya mwaka wa 2025 yanaonyesha biashara yenye uwezo na uthabiti. Jumla ya mali ziliongezeka kwa **8% hadi KSh 72.2 bilioni**. Ongezeko hili linadhihirisha hali yetu ya kifedha na uwezo wetu wa kuvutia, kudumisha na kukuza biashara katika masoko yetu mbalimbali.

Fedha za wenye-hisa ziliongezeka kwa **9.7%** hadi **KSh 54.5 bilioni**, kutoka, **KSh 49.7 bilioni** katika mwaka uliopita. Ukuaji huu wa mtaji ni muhimu katika

biashara ya bima kuu, kwa sababu unaimarisha uwezo wetu wa kushiriki katika mipango mikubwa yenye hatari zaidi huku tukidumisha uwezo wetu wa kukabiliana na changamoto kama vile kuongezeka kwa idadi na ukubwa wa matukio yanayohusiana na tabianchi.

Bodi hii inalenga kuendelea kuletea mafanikio ya muda mrefu kwa wenyehisa. Kwa kuzingatia matokeo mazuri na hali nzuri ya kifedha ya Shirika hili, tunapendekeza mgao wa faida wa kwanza na wa mwisho **KSh 0.15 kwa hisa**. Pendekezo hili linaonyesha imani yetu kwa mustakabali wa Kenya Re na dhamira yetu ya kudumisha sera ya kusawazisha mapato ya wenyehisa huku tukihakikisha kuwa shirika linabaki na pesa za kutosha ili kulisaidia kukua na kuwa thabiti.

Uongozi, usimamizi wa hatari na utawala

Uongozi wa Shirika hili unaendelea kuwa nguzo muhimu ya shughuli zetu. Katika mwaka unaochanganuliwa, Bodi hii iliendelea kuimarisha mifumo ya uongozi si tu kwa sababu ya kukidhi mahitaji ya sheria bali kuongeza uwajibikaji, uwazi na imani ya wenyehisa.

Tuliendelea kuimarisha usimamizi katika Shirika hili pamoja na kampuni zake tanzu za Côte d'Ivoire, Zambia na Uganda. Kampuni hizi tanzu zinaendelea kuwa nguzo muhimu ya mkakati wetu wa kukua kikanda na kuendelea kusambaa katika maeneo mbalimbali ili kukinga Shirika hili dhidi ya changamoto zinazoathiri masoko tofauti.

Usimamizi wa hatari pia uliendelea kuwa nguzo kuu ya Bodi hii. Shirika hili liliendelea kuimarisha mifumo yake ya udhibiti wa ndani, mfumo wa usimamizi wa hatari za biashara na uzingatiaji wa sheria. Kupitia kwa juhudi hizo tulipokezwa tuzo ya **Best Risk Management Function of the Year 2025** katika tuzo za Internal Audit nad Risk Awards, hatua muhimu inayoonyesha juhudi zilizowekwa na Shirika hili ili kuimarisha usimamizi bora wa hatari katika shughuli zake zote.

Ajenda ya Mazingira, Jamii na Uongozi(ESG): kuimarisha mustakabali wetu

Uthabiti si jambo la ziada tena; sasa ni nguzo muhimu ya uwepo wa biashara yetu kwa muda mrefu. Katika mwaka wa 2025, tuliendelea kujumuisha kanuni za Mazingira, Jamii na Uongozi kwenye utoaji bima, uwekezaji na harakati za ufanyaji maamuzi za Shirika hili huku tukitambua kwamba ukuaji endelevu sharti usawazishe mafanikio ya biashara na uwajibikaji kwa jamii na uongozi bora.

Kama kampuni ya bima kuu, tunatambua kwamba jukumu lake katika uthabiti linavuka mipaka ya shughuli zetu wenyewe. Kupitia kwa utoaji bima kwa makini, usaidizi katika mipango ya kuthibiti hali ya hewa na ukuzaji wa huduma endelevu za bima, tunachangia maendeleo ya mfumo wa bima ulio imara zaidi. Kwa hivyo, lengo letu kwa ESG si kutunza mazingira tu bali pia uwepo wa muda mrefu wa sekta ya bima na bima kuu.

Shukrani

Mafanikio tuliopata katika mwaka huu yaliwezekana kwa usaidizi wa wenyehisa wetu wakuu, Serikali ya Kenya, na wenyehisa wengine kwa jumla. Ningependa kutoa shukrani zangu za dhati kwa wanachama wenzangu wa Bodi kwa juhudi, mawaidha na kujitolea kwenu kuongoza taasisi hii.

Pia ningependa kutoa shukrani kwa usimamizi wa Shirika hili, ukiongozwa na **Dkt. Hillary Wachinga**, na wafanyakazi wote wa Kenya Re. Ujuzi, juhudi na ukakamavu wenu unaendelea kuwa kichocheo cha mafanikio ya Shirika hili.

Kwa wenyehisa, wateja, kampuni za bima, mawakala, washirika, wadhibiti na wadau wetu wapendwa, asanteni sana kwa kuendelea kutuamini na kushirikiana nasi. Tunaposonga mbele, Bodi hii inalenga kuendelea kuongoza Kenya Re kwa busara, ujasiri na maono ili kuhakikisha kuwa Shirika hili linaendelea kukabiliana na changamoto zinazoibuka kwa nguvu, makini na busara.

Bw. Eric Gumbo, MBS
Mwenyekiti wa Bodi
Shirika la Kenya Reinsurance
Corporation Limited

MESSAGE FROM THE GROUP MANAGING DIRECTOR



Dr. Hillary Wachinga
Group Managing Director - Kenya Reinsurance Corporation

Dear Esteemed Shareholders, Stakeholders, and Valued Partners,

The 2025 financial year was one of strategic consolidation, disciplined execution and bold market development for Kenya Reinsurance Corporation Limited. It was a year in which we continued to optimise our core reinsurance business, accelerate our digital transformation journey, deepen our regional presence and unlock new opportunities across Africa, the Middle East, Asia and beyond.

Despite a demanding global economic environment, marked by currency volatility, inflationary pressures, evolving regulatory expectations and increasingly complex risk exposures, we

remained resilient. We continued to demonstrate the strength of our business model, the relevance of our mandate and the depth of our institutional capability as a leading regional reinsurer.

I am pleased to report that the Corporation made significant progress during the year, underpinned by prudent underwriting, robust investment performance, operational discipline, innovation and a continued commitment to service excellence.

Operational excellence and financial performance

Our 2025 results reflect disciplined execution of the Corporation's 2022–2026 Strategic Plan. During the year,

we recorded total insurance revenue of **KSh 17.1 billion**, supported by our diversified portfolio and continued market presence across our operating territories.

Insurance service expenses increased by **6%** to **KSh 11.1 billion**, reflecting the broader inflationary environment, increased claims activity and our deliberate commitment to prompt and responsible claims settlement. Even within this environment, our technical performance remained resilient, supported by prudent risk selection, disciplined treaty management and enhanced portfolio monitoring.

A defining highlight of the year was the strong performance of our investment portfolio. Net investment income grew by **41%** to **KSh 6.6 billion**, driven by tactical asset allocation into high-yielding fixed-income securities and continued optimisation of our real estate portfolio to enhance rental yields and capital appreciation.

This performance significantly supported the Corporation's profitability, with Profit After Tax standing at **KSh 3.9 billion**. While this represented a slight decline from the previous year, it was achieved within a rigorous IFRS 17 reporting environment and reflects the quality, resilience and sustainability of our earnings.

Strategic milestones: International life reinsurance and digital growth

In February 2025, we achieved a major strategic milestone through the launch of our International Life Reinsurance business. This marked an important step in our ambition to

broaden the Corporation's product offering and strengthen our relevance in underserved and emerging insurance markets.

The African life insurance market presents considerable long-term potential, particularly in mortality, morbidity, group life, credit life and related protection solutions. By leveraging our strong market standing, technical capability and financial strength, including our AA+ rating by GCR and B (Fair) rating by A.M. Best, we are well positioned to provide innovative life reinsurance solutions to partners across the continent and beyond.

Digital transformation also remained a central pillar of our strategy. During the year, we continued to automate core reinsurance processes, enhance data analytics capabilities and improve the speed and accuracy of treaty processing. These initiatives are enabling the Corporation to make more informed decisions, respond faster to market needs and improve the overall client experience.

We also continued to invest in staff capacity in emerging technologies, including big data, analytics and Artificial Intelligence. In addition, our support for ICT innovation initiatives, including hackathons for university students, reflects our commitment to nurturing practical technology solutions that can enhance operational efficiency and unlock new ways of doing business.

Market development and regional growth

Our market development strategy remains anchored on deepening our footprint across Africa while strengthening the performance and sustainability of our regional operations. We have continued to position ourselves strategically to capture emerging opportunities in a dynamic and competitive global reinsurance landscape.

A key priority during the year was the continued provision of technical, operational and financial support to

our subsidiaries in Uganda, Zambia and Côte d'Ivoire. These subsidiaries remain critical pillars of the Group's regional growth strategy and provide important geographical diversification.

By aligning their local operations with Group-wide standards of excellence, governance, digital transformation and risk management, we have strengthened their capacity for long-term profitability and institutional resilience. This integrated approach ensures that our subsidiaries continue to contribute meaningfully to the Group's overall value creation while supporting regional risk management across their respective markets.

Corporate social responsibility and environmental stewardship

At Kenya Re, we believe that corporate success must be anchored in social responsibility and national development. Our performance as a business is inseparable from the wellbeing of the communities and markets we serve.

Our flagship Corporate Social Responsibility initiative, **Niko Fiti**, remained a defining expression of this commitment. In March 2025, we donated mobility and assistive devices worth over **KSh 12 million** to the National Police Service. This initiative recognised the sacrifice of men and women in uniform who have sustained life-altering injuries in the line of duty. Through this support, Kenya Re contributed to restoring mobility, dignity and independence to officers who have served our nation with courage.

The Niko Fiti campaign also extended support to Mwai Kibaki Hospital through the donation of assorted equipment worth over **KSh 300,000.00** reinforcing our commitment to health, inclusion and community welfare.

Our dedication to social impact was complemented by our commitment to environmental stewardship. In partnership with the Insurance Regulatory Authority, Kenya Re participated in the planting of **30,000**

tree seedlings at Sorget Forest Station in Kericho County. This initiative aligned with the National Government's directive to grow **15 billion trees by 2032** and contributed to the restoration of the Mau Forest Complex, a vital national water tower.

Through these social and environmental initiatives, we continue to demonstrate that, responsible corporate growth must contribute to a more inclusive, resilient and sustainable society.

Operational efficiency and talent development

Our people remain the foundation of our success. During the year, we remained deliberate in strengthening staff capability, professional development and institutional agility.

We believe that a future-ready reinsurer must be built on expert knowledge, adaptive thinking and continuous learning. To this end, we continued to institutionalise a robust framework for professional upskilling, ensuring that our teams remain exposed to global best practice, emerging industry trends and evolving technical demands.

As the risk landscape becomes increasingly complex, our people must be prepared to respond to new and emerging exposures, including cyber risks, climate-related risks, parametric insurance solutions, agricultural risk modelling and increasingly sophisticated treaty structures. By fostering a culture of innovation and lifelong learning, we are equipping our staff with the tools and confidence required to maintain our competitive edge in the regional and global reinsurance market.

Awards and recognition

The year 2025 was also marked by important external recognition of our progress, innovation and operational excellence. These accolades affirmed the Corporation's strategic focus and the collective effort of our staff across the Group.

We were recognised at the **Digital Transformation Public Sector Forum**

for our commitment to internal digital upskilling and technology-driven transformation, an affirmation of the Corporation's deliberate investment in building a digitally capable workforce and embedding technology as an enabler of operational efficiency, innovation and improved service delivery.

Our leadership in Islamic finance was also affirmed on the global stage, with the Corporation receiving the **Best Retakaful Solutions Provider award** at the **15th Global Islamic Finance Awards** and the **Best Global Retakaful Window Operations award** in Dubai.

Our commitment to people development was also recognised by the Federation of Kenya Employers, which honoured us as **the Employer of the Year in Learning and Development**. This recognition speaks to our sustained investment in building a skilled, motivated and future-ready workforce.

The Corporation's technical and operational strength was further affirmed through recognition for **Risk Management Function of the Year and the Excellence in Rapid Claims Settlement Delivery Africa** award. The latter recognition is particularly significant, as it reflects our achievement in reducing claims processing turnaround time from 60 days to 3 days, reinforcing our promise to be a responsive, reliable and trusted reinsurance partner.

These awards are not merely institutional honours; they are evidence of the discipline, innovation and service culture that continue to define who we are at Kenya Re.

Outlook: 2026 and beyond

Looking ahead, we are well positioned to consolidate our standing as a premier reinsurance institution with regional depth, global ambition and a clear commitment to sustainability.

In 2026 and beyond, we shall continue to strengthen our core reinsurance operations, expand our product offering, enhance customer experience and leverage technology to improve efficiency, decision-making and service delivery. Our focus remains on building a business that is resilient, responsive and capable of competing effectively in a rapidly evolving global reinsurance market.

We shall also continue to advance our ESG agenda, recognising that sustainability is now central to long-term value creation. Climate change, demographic shifts, technological disruption and evolving customer needs will continue to reshape the insurance and reinsurance landscape. We will remain proactive in responding to these changes by supporting sustainable underwriting, responsible investment and innovative risk solutions.

Our growth agenda will be guided by disciplined execution, market intelligence, strong governance and continued investment in people, systems and partnerships. We are determined to remain a trusted partner to cedants, brokers, regulators, shareholders and communities across all the markets we serve.

Appreciation

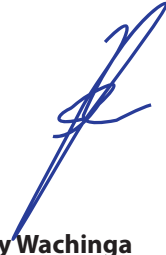
Today, we are a resilient, forward-looking and purpose-driven institution. We are not merely responding to change; we are positioning ourselves

to help shape the future of reinsurance across Africa and beyond.

I wish to express my sincere appreciation to the Board of Directors, led by the Chairman, **Mr. Eric Gumbo, MBS**, for their guidance, strategic oversight and unwavering support. I also thank the management team and all staff across the Kenya Re Group for their dedication, professionalism and commitment to excellence.

To our shareholders, clients, cedants, brokers, retrocession partners, regulators and stakeholders, thank you for your continued confidence and partnership.

Together, we are not only underwriting risk; we are underwriting resilience, growth, and the future of Africa and the wider global insurance community.



Dr. Hillary Wachinga
Group Managing Director
Kenya Reinsurance Corporation
Limited

TAARIFA KUTOKA KWA MENEJA MKURUGENZI



Dkt. Hillary Wachinga

Meneja Mkurugenzi - Shirika la Kenya Reinsurance Corporation Limited

Wenyehisa, Wadau na Washirika Wapendwa

Katika mwaka wa 2025, Shirika la Kenya Reinsurance Corporation lililenga kuimarisha shughuli zake, kutekeleza mipango yake kwa makini na kupanua soko lake. Katika kipindi hicho, tuliendelea kuimarisha biashara yetu ya bima kuu, kuharakisha mabadiliko ya kidijitali, kupanua uwepo wetu katika ukanda huu na kubuni fursa mpya katika bara la Afrika, Mashariki ya Kati, Asia na kwingineko.

Licha ya changamoto za kiuchumi duniani kama vile msukosuko wa thamani ya sarafu, mfumuko wa bei, mabadiliko ya sheria na kuongezeka kwa hatari, tulibaki kuwa imara.

Tuliendelea kuthibitisha uthabiti wa biashara yetu, umuhimu wa kazi yetu na uwezo wetu kama kampuni ya bima kuu inayoongoza katika ukanda huu.

Ninafurahi kuripoti kwamba Shirika hili lilipata mafanikio makubwa katika mwaka huo kutokana na utoaji wa bima kwa makini, faida kubwa ya uwekezaji, nidhamu kwenye biashara, ubunifu na huduma bora kwa wateja.

Mafanikio ya biashara na matokeo ya kifedha

Mafanikio yetu katika mwaka wa 2025 yanaonyesha jinsi Shirika hili lilivyotekeleza kwa makini Mpango wake wa Kimkakati wa mwaka 2022-2026. Katika mwaka huo, tulipata mapato ya bima ya jumla ya **KSh 17.1**

bilioni, ambayo yalitokana na biashara/huduma zetu mbalimbali na uwepo wetu katika masoko tofauti tofauti.

Gharama za huduma za bima ziliongezeka kwa **6%** hadi **KSh 11.1 bilioni** kutokana na mfumuko wa bei, kuongezeka kwa madai ya fidia na kujitolea kwetu kuhakikisha fidia zinalipwa kwa haraka na uwazi. Hata hivyo, licha ya changamoto hizo, matokeo yetu ya kiufundi yalisalia thabiti kwa sababu ya kuwa makini katika uteuzi wa hatari, usimamizi mzuri wa mikataba ya bima na kuboreshwa kwa ufuatiliaji wa shughuli zetu.

Mojawapo ya mafanikio makubwa katika mwaka huo ni matokeo yetu mazuri ya uwekezaji. Mapato halisi ya uwekezaji yaliongezeka kwa **41%** hadi **KSh 6.6 bilioni**. Hii ilitokana na uwekezaji kwenye hisa zenye faida kubwa na usimamizi mzuri wa mali zetu za mashamba na majumba.

Mafanikio haya yalichangia kwa kiwango kikubwa faida ya Shirika hili huku Faida Baada ya Ushuru ikiwa **KSh 3.9 bilioni**. Ingawa faida hiyo ilipungua ikilinganishwa na mwaka uliopita, inazingatia kanuni za uhasibu za IFRS 17 na inadhihirisha ubora, ustahimilivu na uthabiti wa mapato yetu.

Hatua muhimu: Bima kuu ya maisha ya kimataifa na ukuaji wa kidijitali

Tulifanikiwa kupiga hatua kubwa mwezi wa Februari, 2025 kwa kuzindua huduma ya Bima Kuu ya Maisha ya Kimataifa. Hii ilikuwa hatua muhimu iliyofaulisha azma yetu ya kuongeza huduma za Shirika hili na kuimarisha uwepo wetu katika masoko yenye uhaba wa huduma za bima na yale yanayoibuka.

Sekta ya bima ya maisha barani Afrika ina uwezo mkubwa wa kukua siku zijazo, hasa bima ya vifo, magonjwa, bima ya vikundi, bima ya mikopo pamoja na bima za kujilinda sawa na hizo. Tukisaidiwa na uwepo wetu imara kwenye soko, uwezo wa kiufundi na wa kifedha, ikiwemo alama ya AA+ kulingana na ukadiriaji wa GCR na B (Wastani) kulingana na A.M. Best, tuko kwenye nafasi nzuri kubuni huduma za bima kuu ya maisha kwa washirika watu barani kote na kwingineko.

Aidha, mabadiliko ya kidijitali yaliendelea kuwa nguzo muhimu ya mkakati wetu. Katika mwaka huo, tuliimarisha mifumo ya kiotomatiki katika shughuli muhimu za bima kuu, tuliboresha uwezo wetu wa kuchanganua data na kuongeza kasi na usahihi katika kushughulikia mikataba. Hatua hizi zinasaidia Shirika hili kufanya maamuzi ya busara, kukidhi haraka mahitaji ya soko na kuboresha huduma zake kwa wateja.

Pia tuliendelea kuimarisha uwezo wa wafanyakazi wetu kwenye teknolojia mpya, zikiwemo data nyingi, uchanganuzi na Akili Unde (AI). Zaidi ya hayo, usaidizi wetu katika mipango ya ubunifu wa Teknolojia ya Habari na Mawasiliano (ICT), zikiwemo hafla za wataalam wa kompyuta kwa wanafunzi wa vyuo vikuu, unadhihirisha kujitolea kwetu kuhimiza suluhu za teknolojia za utendaji ambazo zinaweza kuboresha mafanikio katika shughuli na kubuni njia mpya za kufanya biashara.

Upanuzi wa soko na ukuaji wa kikanda

Mkakati wetu wa upanuzi wa soko unaendelea kumakinikia kuongeza uwepo wetu kote barani Afrika huku tukiboresha matokeo na uthabiti wa shughuli zetu za kikanda. Tumeendelea kujiimarisha vizuri ili kunufaika zaidi na fursa zinazoibuka kwenye soko la bima kuu la kimataifa linalobadilika haraka na lenye ushindini mkali.

Moja ya mambo tulioyapa umuhimu katika mwaka huo ni kuendelea kutoa usaidizi wa kiufundi, kibiashara na kifedha kwa kampuni zetu tanzu nchini Uganda, Zambia na Côte d'Ivoire.

Kampuni hizi tanzu ziliendelea kuwa nguzo muhimu za ukuaji wa Shirika hili kikanda na upanuzi wake katika masoko mbalimbali.

Kwa kuwianisha shughuli za kampuni zetu tanzu na viwango vya ubora, uongozi, mabadiliko ya kidijitali na udhibiti wa hatari vya Shirika hili, tumeimarisha uwezo wa kampuni hizo kuendelea kupata faida kwa muda mrefu na kuwa imara zaidi.

Uwajibikaji wa Shirika kwa jamii na utunzaji wa mazingira

Katika Kenya Re, tunaamini kwamba mafanikio ya shirika yanapaswa kwenda sambamba na uwajibikaji wake kwa jamii na ustawi wa taifa. Mafanikio ya biashara yetu yana uhusiano wa moja kwa moja na ustawi wa jamii na wa masoko tunayohudumia.

Mpango wetu mkuu wa Uwajibikaji wa Shirika kwa Jamii unaojulikana kama **Niko Fiti** uliendelea kudhihirisha kujitolea kwetu. Mwezi Machi 2025, tulitoa vifaa vya kutembelea na vifaa vingine vya usaidizi vya thamani ya **KSh 12 milioni** kwa Huduma ya Polisi. Mpango huu ulitambua mchango wa polisi ambao walipata majeraha makubwa wakiwa kazini. Kupitia kwa usaidizi huu, Shirika la Kenya Re lilichangia kurejesha uwezo wao wa kutembea, hadhi na uhuru wa maafisa waliotumikia taifa kwa ujasiri.

Kampeni ya Niko Fiti pia ilitoa usaidizi kwa Hospitali ya Mwai Kibaki kupitia kwa mchango wake wa vifaa mbalimbali vya thamani ya zaidi ya **KSh 300,000.00** hatua ilionyesha kujitolea kwetu katika kuimarisha afya, ushirikishaji na ustawi wa jamii.

Juhudi zetu za kustawisha jamii ziliongozwa na kujitolea kwetu kutunza mazingira. Kwa ushirikiano na Mamlaka ya Kudhibiti Bima (IRA), Kenya Re ilishirika upanzi wa **miti 30,000** kwenye Msitu wa Sorget, Kaunti ya Kericho. Hatua hii inawiana na azma ya Serikali ya Kitaifa ya kupanda **miti 15 bilioni** na kuchangia katika kufufua Msitu wa Mau, ambao ni chanzo muhimu cha mito.

Kupitia kwa mipango hii ya kijamii na

mazingira, tunaendelea kudhihirisha kwamba, ukuaji wa shirika wenye kuwajibika sharti uchangie kuwa na jamii shirikishi, stahimilivu na thabiti.

Ufanisi wa shughuli na ukuzaji wa vipaji

Wafanyakazi wetu wanasalia kuwa nguzo muhimu ya mafanikio yetu. Katika mwaka huo, tuliendelea kuimarisha uwezo, na kukuza ujuzi wa wafanyakazi ili kuboresha uwezo wa shirika hili wa kukidhi mahitaji ya wateja.

Tunaamini kwamba ili kujitayarisha kwa siku zijazo, kampuni ya bima kuu sharti iwe na wataalam wenye ujuzi, iwe na uwezo wa kubadilika na kuendelea kujifunza. Ili kufaulisha hilo, tuliendelea kuimarisha mipango ya kuboresha ujuzi, kuhakikisha wafanyakazi wetu wanakidhi viwango vya kimataifa, wanafahamu masuala ibuka na mahitaji mapya ya kiufundi ya sekta hii.

Hatari mpya zinavyoendelea kuibuka, kwa mfano, hatari za mtandao, hatari za tabianchi, bima za fidia za mapema, hatari za kilimo na mikataba yenye masharti magumu, wafanyakazi wetu sharti wawe tayari kukabiliana nazo. Kwa kuhimiza ubunifu na kuendelea kujifunza, tunawapa wafanyakazi wetu uwezo na ujuzi unaohitajika ili waendeleo kuwa na ushindani katika ukanda huu na kimataifa.

Tuzo na kutambuliwa

Vilevile, katika mwaka wa 2025, Shirika hili lilitambuliwa kimataifa kwa mafanikio yake, ubunifu na matokeo mazuri ya biashara. Tuzo hizo zilizidhihirisha ubora wa mkakati wetu na juhudi za pamoja za wafanyakazi wetu.

Tulitambuliwa katika Digital Transformation Public Sector Forum

kwa kujitolea kwetu kuimarisha ujuzi wa kidijitali na kufanya mabadiliko kupitia kwa teknolojia. Hii ilithibitisha kujitolea kwa Shirika hili kuimarisha uwezo wa kidijitali wa wafanyakazi wake na kukumbatia teknolojia kama kiwezeshi cha ufanisi wa biashara, ubunifu na utoaji bora wa huduma.

Pia mafanikio yetu katika mifumo ya

fedha inayoongozwa na imani ya dini ya Kiislamu yalitambuliwa kimataifa. Shirika hili lilinyakua tuzo ya **Best Retakaful Solutions Provider** katika Tuzo za **15th Global Islamic Finance** na tuzo ya **Best Global Retakaful Window Operations** kule Dubai.

Aidha, Shirikisho la Waajiri la Kenya lilitambua juhudi zetu za kukuza wafanyakazi kwa kutupatia tuzo ya **the Employer of the Year in Learning and Development**. Tuzo hii inadhahirisha juhudi zetu za kuimarisha ujuzi, kuwapa motisha na kutayarisha wafanyakazi wetu kwa siku zijazo.

Uwezo wa kiufundi na kibiashara wa Shirika hili pia ulitambuliwa kupitia kwa tuzo za Risk Management Function of the Year na the Excellence in Rapid Claims Settlement Delivery Africa. Tuzo hii ya mwisho hasa ni muhimu kwa sababu inaonyesha mafanikio yetu katika kupunguza muda wa kushughulikia madai ya fidia kutoka **siku 60 hadi siku 3**, jambo linalohibitisha ahadi yetu ya kuwa kampuni ya bima kuu yenye haraka, ya kutegemewa na ya kuaminika.

Tuzo hizi si za kuenzi taasisi tu bali ni ushahidi wa nidhamu, ubunifu na ubora wa huduma unaoendelea kututambulisha kama shirika la Kenya Re.

Mustakabali: 2026 na kuendelea
Tunapoendelea mbele, tuko katika nafasi nzuri ya kuimarisha hadhi yetu kama taasisi bora ya bima kuu, inayoongoza kikanda, yenye malengo

ya kimataifa na inayopania kuwa thabiti.

Katika mwaka wa 2026 na kuendelea, tutaendelea kuimarisha shughuli zetu za msingi za bima kuu, kuongeza huduma zetu, kuboresha huduma kwa wateja na kutumia teknolojia ili kuimarisha ufanisi, ufanyaji maamuzi na utoaji wa huduma. Tutaendelea na lengo letu la kujenga biashara imara, yenye ufanisi na iliyo na uwezo wa kushindana kikamilifu katika soko la kimataifa linaloendelea kubadilika.

Tutaendelea kutekeleza ajenda yetu ya Mazingira, Jamii na Uongozi (ESG), tukitambua kuwa uthabiti ni nguzo muhimu ya mafanikio ya muda mrefu. Mabadiliko ya tabianchi, ongezeko la idadi ya watu, maendeleo ya teknolojia na mahitaji mapya ya wateja yataendelea kubadilisha sekta ya bima na bima kuu. Tutaendelea kukumbatia mabadiliko haya kwa kutoa bima kwa makini, kuwekeza kwa busara na kubuni suluhu za hatari.

Ajenda yetu ya ukuaji itaongozwa na utekelezaji wa makini, ufahamu mzuri wa soko, uongozi thabiti na kuwekeza kwa wafanyakazi, mifumo na ushirikiano. Tunalenga kuendelea kuaminiwa na kampuni za bima, mawakala, wadhibiti, wenyehisa na jamii kwa jumla katika masoko yetu yote.

Shukrani

Kwa sasa, sisi ni taasisi imara, inayoangalia mbele na yenye kuendeshwa na malengo. Hatukabiliani tu na mabadiliko; tunajitayarisha ili

kuamua mustakabali wa bima kuu barani Afrika na kwingineko.

Ningependa kutoa shukrani zangu za dhati kwa Bodi ya Wakurugenzi, ikiongozwa na Mwenyekiti, **Bw. Eric Gumbo, MBS**, kwa mwongozo, usimamizi wa kimkakati na usaidizi wao. Pia ninashukuru usimamizi na wafanyakazi wote wa Shirika la Kenya Re kwa kujitolea kwao, ujuzi na huduma bora.

Kwa wenyehisa, wateja, kampuni za bima, mawakala, washirika, wadhibiti na wadau wote, asanteni sana kwa kuendelea kutuamini na kushirikiana nasi.

Hatutoi tu bima, bali tunajenga uthabiti, ukuaji, na mustakabali wa bara la Afrika na sekta ya bima duniani.

Dkt. Hillary Wachinga
Meneja Mkurugenzi wa Shirika
Kenya Reinsurance Corporation
Limited

OUR LEADERSHIP



Mr. Eric Gumbo MBS, 48

Chairman, Independent And Non-Executive Director

Mr. Gumbo joined the Board of the Corporation on 14th June 2019. Mr. Gumbo is an Advocate of the High Court of Kenya and currently the Managing Partner at G&A Advocates LLP. In addition to his Bachelor of Laws degree, Mr. Gumbo has attended and completed a cross section of Postgraduate courses including a course in Fintech Law and Policy from Duke University, a course in Financial Markets from Yale University, a course in advanced legal drafting from the International Law Institute (ILI) and more recently a course in Privacy law and data protection from the University of Pennsylvania. He is also a member of the Chartered Institute of Arbitrators. In the practice of law, Mr. Gumbo has over the last 21 years successfully represented parties in some of the most contentious public interest court cases in the Supreme Court of Kenya more so after the promulgation of the 2010 Constitution of Kenya. In the Commercial law area of practice, Mr. Gumbo has advised leading private and public sector actors including government agencies in very significant transactions including the buy-back and new issuance Eurobond transactions carried out in 2024 where he represented the Kenyan ministry of Finance and National Planning.



Dr. Hillary Wachinga, 46

Group Managing Director

Dr. Hillary Wachinga is the Managing Director of Kenya Reinsurance Corporation Limited.

He is a multiskilled strategic thinker with over 17 years of proven work experience in risk management, compliance and auditing – 16 of which have been at management level. His visionary and well-researched business solutions have maximized realization of corporate goals in entities he has worked for. His previous job of overseeing Risk & Compliance operations at Kenya Re Group gave him deep understanding of different cultures, business and regulatory environments in Africa, Middle East and Asia.

Dr. Wachinga holds a doctorate in Business Administration, Masters in Business Administration and undergraduate BSC degree in Computer Science – all from University of Nairobi. He is also a Certified Public Accountant of Kenya (CPA-K), Certified Information Systems Manager (CISM), Certified in Risk and Information Systems Control (CRISC), Certified Information Systems Auditor (CISA), Certified Enterprise Risk Manager (CERM) and Certified Compliance Analyst (CCA). In addition, he has certificates in insurance proficiency (COP) from College of Insurance, project management from Strathmore University and corporate governance from Centre of Corporate Governance.

Dr. Wachinga's key skills include corporate strategic planning, executive leadership, networking, coaching and mentorship, emotional intelligence skills, communication, budget development and implementation, board reporting, relationship management with key stakeholders and capacity building. He has industry knowledge and

experience in various sectors – financial auditing, Banking, Insurance, Reinsurance, Investment, Project Management and Cybersecurity.

Dr. Wachinga is a flexible and adaptable corporate leader with demonstrable success in strategic planning and implementation, project management, financial management, auditing and risk management. He has been involved in successful implementation of core business IT systems as well as automation of Internal Audit, Risk Management and Compliance Management functions. He has been involved in board trainings through ICPAK, is a current part-time lecturer at Strathmore Business School, an avid golfer and a poet. He is a member in good standing of ICPAK, ISACA and both Royal Nairobi Golf Club & Nairobi Club.



Hon. John Mbadi Ng'ong'o,

**Cabinet Secretary, National Treasury And Economic Planning –
Non-Executive Director**

Hon. John Mbadi is the Cabinet Secretary (CS) for The National Treasury and Economic Planning. Before his appointment, Hon. Mbadi had an extensive career in public service, most recently serving as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly.

The CS has a rich history in legislative leadership, having served as the elected MP for Suba South Constituency, Suba Constituency, and Gwassu Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Throughout his parliamentary tenure, he was a member of numerous key committees, including the House Business Committee, Liaison Committee, Budget and Appropriations Committee, Selection Committee, Appointments Committee, Public Accounts Committee, Public Investments Committee, Constitutional Implementation Committee, the Ad Hoc Committee on the Cost of Living, and the Defence and Foreign Relations Committee. Notably, he was also a member of the Legislative Taskforce responsible for drafting the Public Finance

Management Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 28 years of experience. He has held the position of Accountant at the University of Nairobi and served as the Chair of Medair East Africa. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.

Hon. Mbadi's contributions have been recognized with honours such as the Chief of the Order of the Burning Spear (CBS) and Elder of the Order of the Golden Heart of Kenya (EGH). His skills span planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills. His areas of interest include politics, reading, and soccer.



Mr. Irungu Kirika, 68

Independent and Non-Executive Director

Mr. Kirika joined the Board of the Corporation on 30th June 2021. He holds a Master of Business (Finance & Strategy) degree from Fontbonne College, US and a Bachelor of Arts (Economics & Finance) from the University of Nairobi. He is a member of the Chartered Institute of Purchasing & Supplies (MCIPS) UK. As an Operational Excellence (OpEx) Specialist, Mr Kirika has conducted several Lead Trainer/ Consultant assignments with various organizations including University of Nairobi Enterprise Services (UNES) since 2020, Central Bank of Kenya from 2017 –2018 and Kenya Wine Agencies in 2017. Mr Kirika also served in the technical working Team in formulation of draft Public Service Transformation framework incorporating OpEx as a pillar. He also served as Resource Person on OpEx with the National Productivity Centre at the Ministry of Labour and East African affairs, Ministry of Public Service Youth & Gender and Ministry of Devolution & Planning in 2016. Mr Kirika has also been

involved in Project management while as Principal Partner with Jik Merc Ltd from 2006 – 2013, Associate Consultant for First Africa Consulting Consortium from 2003-2006. Between 1998-2002, Mr kirika had relocated to the US where between studies, he worked for Meryll Lynch, Standard & Poors. Upon graduation from University of Nairobi, he worked for Kenya Power & Lighting Co ltd for 13 years and with Research international for an additional 2 years.



Mr. David Muthusi, 52

Independent and Non-Executive Director

Mr. David Muthusi joined the Board of the Corporation on 30th June 2021. He holds an MBA in Finance and a Bachelor of Commerce degree in Accounting from the University of Nairobi Business school. He is a Certified Public accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). David has over 20 years of experience in Finance and management, spanning various industries in international and multi-cultural environments and has a proven track record of building competent teams, improving performance and managing big ticket investments and projects in several African Countries.

David has worked in 14 Countries in Africa where he has led the financial management, fiduciary services and the audit exercise for investments worth several billion US dollars spread across the economies of those Countries. David Chairs the Group Audit Committee; Zambia Subsidiary Audit Committee and he is a member of the Risk committees for both the Group and the Zambia Subsidiary.



Ms. Eunice Nyala, 62

Independent and Non-Executive Director

Eunice Nyala is a seasoned non-executive director with over 27 years of experience in commercial financial services across multinational banking environments. She currently serves on the boards of KCB Bank Kenya, the largest banking group in East Africa, KCB Investment Bank, Kenya Reinsurance Corporation, and Kenya Re Zambia. She has also served on several international boards, including TFG Plc (South Africa) and CIMERWA Plc (Rwanda), contributing robust oversight across Risk and Audit Committees and investment banking environments.

She brings deep expertise in commercial banking strategy, enterprise risk oversight, capital stewardship, and regulatory governance within multi-billion-dollar, highly regulated institutions operating across multiple jurisdictions. Her corporate career includes senior leadership roles at Barclays Bank London, Absa Bank Kenya, and Barclaycard International. Eunice provides disciplined financial oversight and constructive challenge that strengthens governance frameworks, enhances balance sheet resilience, and supports sustainable shareholder value creation.

Ms. Nyala is currently, an Adjunct staff at Strathmore University Business School and CEO Xllent Co. Ltd. She holds an MSc in Marketing (UK), a Postgraduate Diploma from the Chartered Institute of Marketing (UK), and is a Certified Executive Coach Practitioner. She is a Vital Voices Leadership Fellow and a member of Women Corporate Directors Global.

**Dr. Zacharia Nyaega, 69**

Independent and Non-Executive Director

Dr. Nyaega joined the Board of the Corporation on 17th June 2023. He holds a PhD in Leadership and Governance from Northwestern Christian University, a Master of Arts in Public Administration from Marathwada University and a Bachelor of Arts degree in Public Administration from Panjab University. He is currently a part time lecturer at Lukenya University and coordinator of student studies at Nduru/Ndhiwa Information desk. Previously, he was a part time lecturer at Kisii University from 2015 – 2018, member of the Board of Directors of Sony Sugar Company between 2009 - 2012, member of the South Mugirango Constituency Constitutional Review Committee in 2005, Chief Resource Officer at the Ministry of Tourism between 1997 – 2000, Human Resource Officer at the Ministry of Education Science and Technology between 1992 – 1997 and Principal, Mariwa Secondary School from 1979 – 1984.

**Mr. Omar Shallo, 41**

Independent and Non-Executive Director

Mr. Shallo joined the Board of the Corporation on 17th June 2023. He holds a Bachelor of Commerce degree in business Administration from the American University in Dubai. He has also attended various seminars and courses in management, leadership and governance. He was a candidate for member of the National Assembly in Mvita Constituency in 2017 and 2022 and is currently a Director with Limitless Trading Limited. Prior to that he was an Assistant Manager, Guest Relations at Jumeirah LLC United Arab Emirates. He has a wealth of experience in campaign management, political analysis, handling media relations and conducting polling and research.

**Mr. Eric Korir, 58**

Alternate Director to CS, National Treasury And Economic Planning

Mr. Eric Korir is the alternate Director to the Cabinet Secretary, National Treasury and Economic Planning. He is a proficient supply chain practitioner with vast experience in both the public and private sector. He is currently the Director of Public Procurement at the National Treasury handling policy, research, legal framework and technical matters in the public-sector procurement for both National and County Governments.

Mr. Korir holds a Bachelor of Arts degree from the University of Nairobi, a Master of Business Administration in Strategic Management from Moi University and a Diploma in Supply Chain Management from the Chartered Institute of Purchasing and Supply (UK). He is a Member of the Chartered Institute of Purchasing and Supply, Kenya Institute of Supply Management and the Institute of Transport and Logistics.

He has various past and active Board service roles as Alternate to Cabinet Secretary, National Treasury & Economic Planning. He is currently sitting on the Board of Public Procurement Regulatory Authority.

**Mrs. Leah Rotich, MBS, 68**

Independent and Non-Executive Director

Leah J.K. Rotich (Mrs), MBS is a seasoned educationist and public administrator with extensive experience in Kenya's education sector. She holds a Master of Arts in IT in Education from the Institute of Education, University of London, and a Bachelor of Education degree from the University of Nairobi. She is currently pursuing a PhD in Project Planning and Management.

Mrs. Rotich has served in various leadership roles, including as Education Attaché at the Kenya High Commission in London and as Director General of Basic Education in Kenya, where she provided strategic oversight to national education programs and reforms. She continues to contribute to community and national development through board service, currently sitting on the Boards of Millennium Water Alliance-Kenya, Fenesi Foundation, the County Education Board of Baringo, and several secondary school boards within Baringo County. Her distinguished service to the nation has been recognized with the award of Moran of the Order of the Burning Spear (MBS).



Mr. Abdirahin Abdi, MGH, 56

Independent and Non-Executive Director

Mr. Abdi holds a Global Executive master's in business administration (GeMBA) from the USIU School of Business and a Bachelor of Business Administration (Finance). He has over 35 years of experience in business development and legislative practice having been a member of the East African Legislative Assembly for ten years and as speaker of the Assembly for 5 years. Mr. Abdi is currently the CEO of Mokka City Ltd, Lynx company Ltd, Abka Company Limited and Executive Director in North Eastern Investment Ltd. He has vast experience in the public service.



Mrs. Jackline Nyandeje, 54

Independent and Non-Executive Director

Mrs. Nyandeje holds a master's degree in economics and a Bachelor of Arts degree in Public Administration and Political Science, both from Panjab University in India, and is currently pursuing a Doctor of Executive Management from Cape Western Reserve University, USA. Mrs. Nyandeje has over 20 years of experience in management, leadership, training, research and governance. She is currently a team leader at the Ethics and Integrity Institute driving initiatives to promote ethical culture across public and private sectors.

MANAGEMENT TEAM



Dr. Hillary Wachinga
Group Managing Director



Ruth Ngugi
General Manager, Finance and Credit Control



Nicodemus Gekone
General Manager, Property and Investments



Alice Mbutu
Ag. General Manager Reinsurance Operations



Seleman Tembo
Regional Manager/Principal Officer, Zambia



Tadeo Nsubuga
Chief Executive Officer - Uganda



Phares N'da Kablan
Regional Manager/Principal Officer, Côte d'Ivoire



Charles Kariuki
Corporation Secretary



Gladys Some
Manager, Corporate Affairs and Client Relationship Management



Samuel Ruugia
Manager, ICT



Gladyce Musyoka
Manager Supply Chain Department



Peter Rop
Manager, Internal Audit Department



Philip Sanda
Manager Research & Development



Jackson Nganda
Ag. Human Resource Manager



Jeniffer Mutinda
Ag. Manager, Risk and Compliance
Department



James Mburu
Ag. Manager, Investments Department



Warui Muiruri
Ag. Chief Accountant



Johnson Ireri
Manager, Credit Control Department



Sally Waigumo
Manager, Marketing & Business
Development & Client Training
Coordinator - Kenya Re Academy



Elizabeth Omondi
Manager Local Business Department



Jane Odipo
Manager, International Treaty Department



Lawrence King'ori
Manager, Actuarial Department



Paul Ahomo
Manager, Life Business Department



Rose Waganda
Ag. Manager, Claims Management
Department



Susan Kandie
Ag. Manager, International Facultative



Consolata Kihara
Manager, Occupational, Health and Safety
Department



Victoria Mutunga
Ag. Manager, Property department



Judy Njuguna
Manager, Records and Archives
Department



Mary Mwendwa
ISO Management Representative



2025 HIGHLIGHTS AND PERFORMANCE OVERVIEW

FOR THE YEAR ENDED 31 DECEMBER 2025

5.1 FINANCIAL HIGHLIGHTS

Kenya Reinsurance Corporation Limited maintained financial resilience and balance sheet strength during the year ended 31 December 2025, underpinned by prudent risk management, disciplined investment strategies, and operational efficiency. While the operating environment presented underwriting challenges, the Corporation remained profitable and preserved long term value, reinforcing its role as a stabilising institution within the regional insurance and reinsurance market.

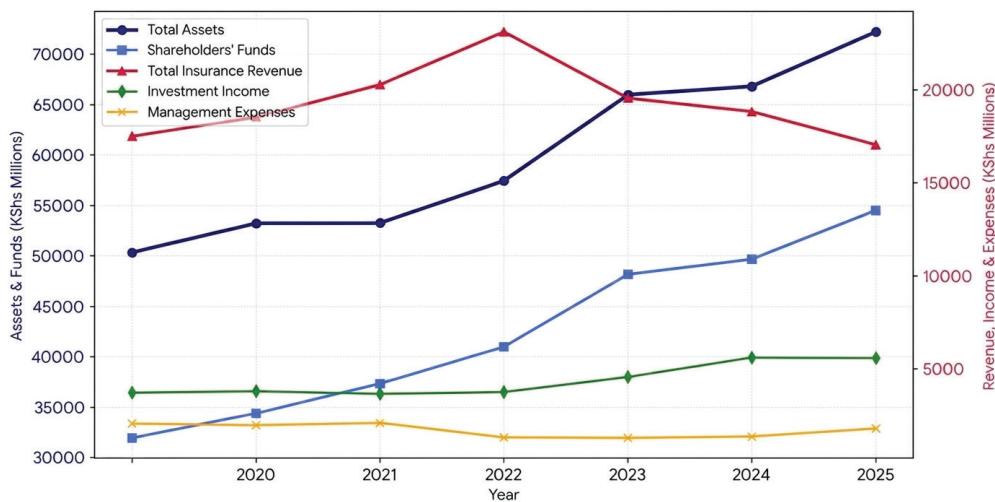
For the year ended 31 December 2025, the Corporation recorded total insurance revenue of KSh 17.07 billion

and achieved a profit after tax of **KSh 3.92 billion**. Performance during the year was supported by strong investment income amounting to **KSh 6.60 billion**, which mitigated pressure on underwriting margins arising from increased reinsurance costs and market volatility. The Corporation's financial position remained robust, with total assets standing at **KSh 72.20 billion** and shareholders' equity amounting to **KSh 54.51 billion**, reflecting continued capital strength and liquidity resilience.

Kenya Re remains committed to sound fiscal discipline, tax compliance, and responsible capital management, recognising its role as a publicly

accountable institution. Financial resilience is viewed as inseparable from sustainability, and the Corporation continues to integrate ESG considerations into enterprise risk management, underwriting decisions, and investment screening processes. Responsible investment practices are progressively applied to balance risk adjusted returns with environmental and social outcomes, supporting initiatives that enhance climate resilience, social inclusion, and long term economic stability while safeguarding sustainable financial performance.

Financial Performance Overview (2020 - 2025)



5.2 SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL STEWARDSHIP

- Digitised business processes, eliminating paper based workflows
- Underwrote renewable energy projects (solar & wind)
- Implemented solar power solutions at the CBD Reinsurance Plaza
- Invested in Safaricom Green Bonds supporting climate positive infrastructure
- Partnered with IRA on tree planting & biodiversity restoration

OUR PEOPLE & COMMUNITIES

- Employee engagement & satisfaction: 79.2%
- Progressive wellbeing programmes:
 - Mental health cover (outpatient

& inpatient)

- Breastfeeding, recovery & prayer rooms
- Fair compensation & benefits, including:
 - Inflation linked annual salary reviews
 - Bonus & leave allowance
 - Fully funded training & conferences
- Employer of the Year Award – Learning & Development (EYA 2025)
- Community impact:
 - NIKO FITI wheelchair disbursement
 - Donation of hospital equipment

GOOD GOVERNANCE & ETHICS

- Established ESG governance structures & monitoring tools
- Integrated sustainability into corporate strategy
- Regular ethics & compliance training (PSC & Risk Department)
- Industry recognition:
 - Best resilient risks solutions leader
 - Head of Risk of the Year – 2025
 - Risk Management Function of the Year
 - Best Global Retakaful Window Operations – UAE

6.0 OUR APPROACH TO SUSTAINABILITY

Stakeholder Engagement

Stakeholder engagement is a core component of Kenya Re’s sustainability strategy and informs both materiality identification and strategic priorities. The Corporation engages with a broad range of internal and external stakeholders whose interests, expectations, and decisions influence sustainability outcomes.

Stakeholder Group	Key Areas of Interest	How we Engage
Customers	<ul style="list-style-type: none"> Customer retention Product innovation Customer service Social and community impact 	<ul style="list-style-type: none"> Customer satisfaction surveys Customer events In person engagement Brokers
Employees	<ul style="list-style-type: none"> Training and development Health, safety and well being Remuneration Organizational culture 	<ul style="list-style-type: none"> Employee engagement surveys Email updates Anonymous feedback platforms In person engagements
Shareholders and Investors	<ul style="list-style-type: none"> Financial and operating performance Regulatory and legal compliance Economic and Social impact Financial reporting and transparency 	<ul style="list-style-type: none"> Quarterly financial reporting Attendance of industry conferences and events Annual General Meetings Online meetings
Government and Regulators	<ul style="list-style-type: none"> Compliance Regulatory and political changes 	<ul style="list-style-type: none"> Regulatory submissions Regional regulatory forums Active participation in public consultations and regulatory processes
Media	<ul style="list-style-type: none"> Transparent and reliable information about the Company 	<ul style="list-style-type: none"> Media briefings In person engagements
Business Partners and Suppliers	<ul style="list-style-type: none"> Strategic partnerships Collaborations for new products 	<ul style="list-style-type: none"> Emails Conference calls
Tenants	<ul style="list-style-type: none"> High-quality office spaces and sustainable infrastructure 	<ul style="list-style-type: none"> In person In person engagements

Materiality

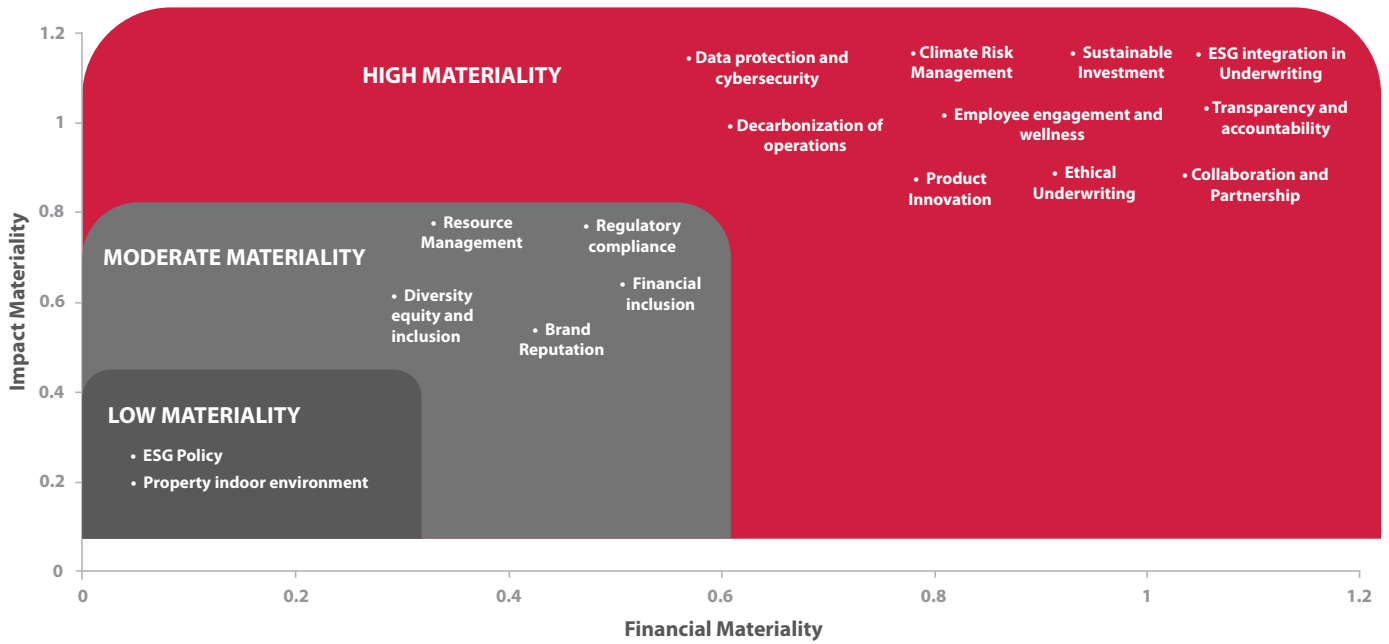
Materiality assessment is a systematic process to identify and prioritize environmental, social, and governance issues that significantly impact Kenya Reinsurance Corporation, our stakeholders, and our sustainability performance. These are the issues that can influence our financial results, reputation, and stakeholder relationships. To ensure that we focus on the most critical areas, we conduct a robust materiality assessment aligned with the Global Reporting Initiative (GRI) standards.

Steps in Materiality Assessment



Materiality Mix

A double materiality approach was applied, considering both how Kenya Reinsurance operations impact society and the environment (impact materiality) and how ESG issues affect the Corporation's financial prospects and long-term value (financial materiality).

DOUBLE MATERIALITY ASSESSMENT

Summary of Identified Material Topics

PILLAR	IDENTIFIED ESG MATERIAL TOPIC
Economic	<ul style="list-style-type: none"> Sustainable investments ESG integration in underwriting
Environmental	<ul style="list-style-type: none"> Climate risk management Resource management and efficiencies (water, waste and energy) Decarbonization of operations
Social	<ul style="list-style-type: none"> Employee engagement and wellbeing Product innovation (financial inclusion, climate focused products etc) Diversity, Equity and Inclusion Occupational Health and Safety
Governance	<ul style="list-style-type: none"> Transparency and accountability Data protection and cybersecurity Ethical underwriting Ethics and Compliance Sustainable Procurement Collaboration and Strategic Partnerships







OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS




In 2025, we strengthened our dedication to the United Nations Sustainable Development Goals by embedding them more deeply into our business strategies, operations, and CSR initiatives, building upon the solid foundation laid in previous years.

Kenya Reinsurance aligns its sustainability efforts with **ten** of the UN Sustainable Development Goals (SDGs), demonstrating our commitment to global progress. This focus

translates into tangible results, showcasing our active role in tackling global challenges.

The specific SDGs we prioritize directly connect to our core business and create a framework for positive impact. By integrating these SDGs into our strategy, Kenya Reinsurance goes beyond simply offering reinsurance products. We aim to become a driving force for positive change, contributing to a more sustainable and equitable future for all.

SDG	Relevance	Kenya Reinsurance Contribution	SDG Alignment
Peace, Justice and Strong Institutions (SDG 16)	Promote accountable, transparent and inclusive institutions	<ul style="list-style-type: none"> Strong governance, ethics and compliance frameworks Robust anti fraud, AML, and sanctions screening in underwriting and claims Data protection, cybersecurity, and responsible AI use Supporting rule of law through contract certainty and dispute resolution mechanisms 	
Partnerships for the Goals (SDG 17)	Strengthen global collaboration for sustainable development	<ul style="list-style-type: none"> Risk-sharing partnerships with reinsurers, insurers, and governments. Participation in sustainable initiatives (Nairobi Declaration on Sustainable Insurance) 	
Climate Action (SDG 13)	Take urgent action to combat climate change	<ul style="list-style-type: none"> Climate risk modeling and scenario analysis (physical & transition risks) Steering underwriting away from high-carbon activities Measuring and reducing operational carbon footprint 	
Industry, Innovation and Infrastructure (SDG 9)	Build resilient infrastructure and foster innovation	<ul style="list-style-type: none"> Underwriting resilient infrastructure projects (roads, energy, telecoms) Supporting innovation through insuring new technologies (renewables, batteries, hydrogen) Advanced catastrophe modeling, AI and data analytics 	
Decent Work and Economic Growth (SDG 8)	Promote inclusive growth and productive employment	<ul style="list-style-type: none"> Supporting economic stability by absorbing large-scale risks Insurance solutions for SMEs and emerging markets Fair labor practices, employee wellbeing and talent development Diversity of suppliers and responsible procurement Business continuity covers that protect jobs after catastrophes 	
Responsible Consumption and Production (SDG 12)	Ensure sustainable production and resource efficiency	<ul style="list-style-type: none"> ESG screening in underwriting and investments Encouraging sustainable practices via risk-based pricing Paperless operations and digital underwriting 	

SDG	Relevance	Kenya Reinsurance Contribution	SDG Alignment
		<ul style="list-style-type: none"> Reducing waste and resource use across operations 	
Gender Equality (SDG 5)	Achieve gender equality and empower women	<ul style="list-style-type: none"> Gender-diverse leadership and inclusive workplace policies Mentorship and leadership programs for women 	
Affordable and Clean Energy (SDG 7)	Ensure access to sustainable energy	<ul style="list-style-type: none"> Underwriting renewable energy projects (solar, wind, geothermal) De-risking clean energy investments through tailored reinsurance Supporting energy transition projects globally Energy efficiency investments in office operations 	
Life on Land (SDG 15)	Protect ecosystems, forests and biodiversity	<ul style="list-style-type: none"> Limiting cover for activities leading to deforestation and land degradation Supporting sustainable agriculture and forestry insurance Biodiversity risk assessment in underwriting (mining, infrastructure) Nature-positive investments and conservation-linked insurance solutions 	



PIONEERING STABILITY THROUGH TIME

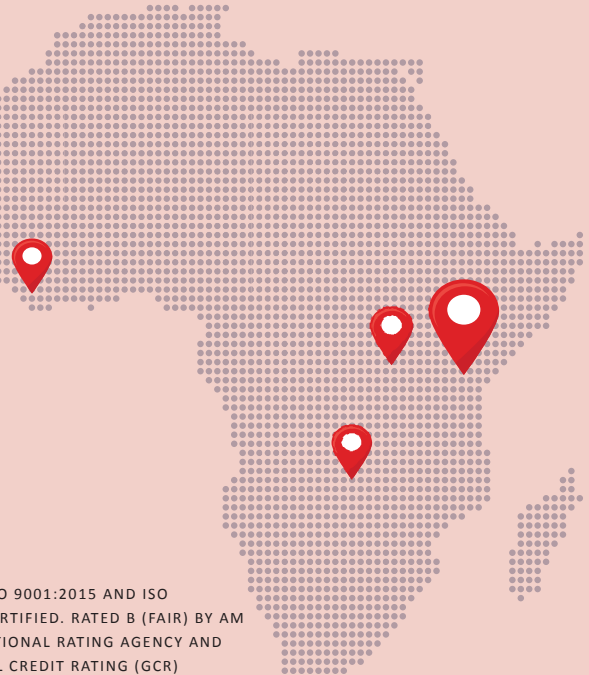


As the first reinsurance company established in East and Central Africa, Kenya Re has delivered consistent and dependable protection to the African, Middle East and Asia insurance industries for over 50 years now. The corporation/s core activity is providing reinsurance services for most classes of business.

Unlock comprehensive reinsurance across the region.

Discover our Head Office and Subsidiaries Network

- Nairobi, Kenya (Head Office)
- Abidjan, Cote d'Ivoire
- Kampala, Uganda
- Lusaka, Zambia



KENYA RE IS ISO 9001:2015 AND ISO 27001:2013 CERTIFIED. RATED B (FAIR) BY AM BEST INTERNATIONAL RATING AGENCY AND AA+ BY GLOBAL CREDIT RATING (GCR)



GOVERNANCE AND ETHICAL BUSINESS PRACTICES

FOR THE YEAR ENDED 31 DECEMBER 2025

Our Board is organized as follows:



Sustainability Governance Structure

To ensure effective oversight, execution, and integration of sustainability across all levels of the Corporation, a structured governance framework has been established. The framework assigns clear roles and responsibilities to the Board, designated committee of the Board for sustainability oversight, executive management and operational departments. It ensures that sustainability and ESG considerations are embedded in decision-making, risk management, investments and core business functions, thereby supporting the Corporation’s long-term resilience and responsible growth. Key elements of the governance framework include:

a) Board Oversight: The Board of Directors holds ultimate responsibility for the Corporation’s sustainability vision, strategy, and performance. It ensures that ESG risks and opportunities, including climate-related financial risks, are integrated into corporate strategy and risk management processes. A designated Board Committee, the Finance and Strategy Committee, provides focused oversight on sustainability matters.

b) Executive Management: The Managing Director, supported by the Executive Committee, leads the implementation of the sustainability strategy, ensuring alignment with operational priorities such as underwriting, claims management, and investment. This reflects a tone-from-the-top approach, reinforcing the Corporation’s commitment to sustainability as a strategic business imperative.

c) Departmental Implementation: Each department appoints a sustainability champion responsible for translating the corporate sustainability strategy into actionable

initiatives within their operational areas. This decentralized model promotes ownership and ensures that sustainability is embedded across business functions, particularly in core reinsurance activities.

Compliance and Risk Management

We are committed to sustaining our compliance processes and procedures within the laid-out frameworks. This is paramount to our responsibility towards operating with integrity, transparency, and accountability to our stakeholders. In 2025, we achieved a compliance rate of 98% on our regulatory standards and ethical guidelines in insurance practices. This success is attributed to strong collaboration with our stakeholders, which enabled the identification of key measures to ensure organizational compliance. Our partnership with institutions such as NEMA has further supported alignment with evolving requirements, particularly within the supply chain, reinforcing best practices in corporate governance and risk management. The achievement of a high compliance rate was made possible through employee training, the establishment of oversight committees, and the execution of both internal and external audits that identified areas for improvement and provided actionable recommendations that have been implemented across the corporation.

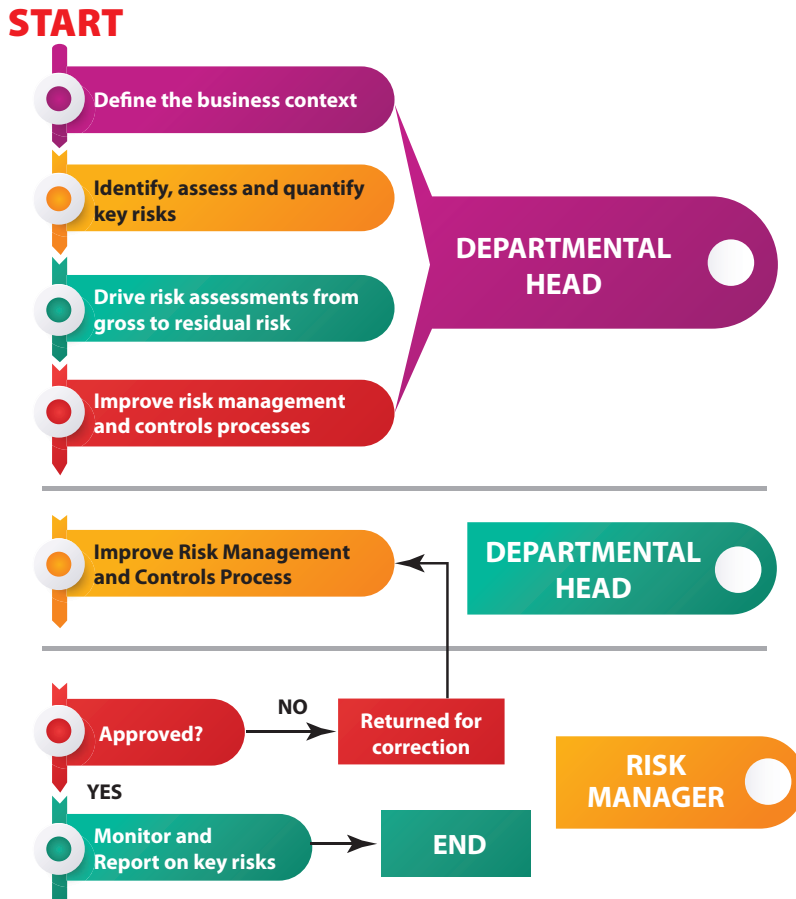
The establishment of an independent risk and compliance department has been pivotal in identifying, understanding, and managing the risks, which has ensured that the corporation is not exposed to risk. Risk assessment is done quarterly in conjunction with the corporation’s risk and compliance department. This therefore ensures that there’s prudence in management.

ERM – Proactive risk identification and communication

Below is a summary of Kenya Re’s risk identification, assessment, monitoring ,reporting and escalation procedure for risks, as well as the key risk owners and their responsibilities.

- Kenya Re has an in-house risk & compliance department with qualified CRO and a framework that facilitates the risk identification process.
- This is done in conjunction with management mainly

- through departmental risk champions and the risk owners (process owners/heads of departments).
- Upon identification, the risks are assessed and prioritized based on level of exposure as per the risk matrix based on likelihood and impact.
- High risks and key emerging risks are escalated to Management, the Management Risk Committee and the Board where they are comprehensively discussed and suitable action plans are determined.



Manager - Risk and Compliance, Jennifer Mutinda showcases the prestigious Head of Risk of The Year award that was accorded to her during the Internal Audit and Risk Awards held on 11th April 2025. She is joined by her colleague- Assistant Manager Risk and Compliance - Joseph Mwandikwa to celebrate the award.



From left: Assistant Risk & Compliance Manager - Joseph Mwandikwa, Group Managing Director, Dr. Hillary Wachinga and Internal Audit Manager Peter Rop receive the Overall Head of Risk of the Year and Risk Management Function of the Year award at the Internal Audit and Risk Awards held on 11th April 2025 at Emara Ole Sereni Hotel Nairobi.

Data Privacy and Information Security

The Company upholds the highest standards of data privacy and cybersecurity, anchored by our ISO/IEC 27001 certification. This framework mandates rigorous protocols, including monthly cybersecurity training for staff, real-time monitoring through a Security Operations Center (SOC), and advanced endpoint protection via Kaspersky security tools. Compliance with Kenya's Data Protection Act (2019) is rigorously enforced, with regular audits conducted by the Office of the Data Protection Commissioner (ODPC) to ensure transparency and accountability. To address potential breaches, the Company maintains anonymous whistleblowing channels and a dedicated policy for reporting anomalies. Additionally, we prioritize digital inclusion, ensuring our online platforms are accessible to persons with disabilities and aligning technological advancements with equitable service delivery.



Kenya Re was recognized for digital excellence at the Digital Transformation Public Sector Forum & Awards 2025. The Corporation bagged three key awards namely: winner on Internal digital upskilling and transformation, Chief Executive Officer (CEO) of the Year - 2nd Runner Up (Group MD - Dr. Hillary Wachinga) and Chief Technology Officer (CTO) of the Year - 2nd Runner Up (Manager, ICT – Mr. Samuel Ruugia). This recognition underscores our commitment to AI-powered innovation, driving improvements in business processes and customer experience.

Policy Commitments

Our policy framework reflects our dedication to transparency, inclusion, environmental responsibility, and prudent risk management, aligning with our broader sustainability goals and the country's national development agenda. Our policy commitments are to uphold fairness, integrity, accountability, and innovation. These policies are guided by national regulatory frameworks, which include the Employment Act, of 2007, the Public Procurement and Asset Disposal Act, of 2015, and directives from oversight bodies such as the Insurance Regulatory Authority and the Public Service Commission.

In line with our strategic goal of becoming a leading partner in securing a sustainable future, we work towards strengthening our institutional frameworks through well-defined policies on investment, whistleblowing, ethics, gender and disability mainstreaming, information technology, procurement, and environmental conservation. These commitments promote operational efficiency, reduce risk exposure, enhance service delivery, and uphold stakeholder trust.

The following policy commitments represent the pillars of our sustainability governance and guide the Company’s culture, operations, and stakeholder engagement:

Policy	Our Commitment
Investment Policy	We are committed to ensuring that the group sets clear limits on its exposure to equity in both the specific and individual categories. As such, all investment decisions are guided by this policy framework to ensure our stakeholders benefit from low-risk investments and have high-yield returns.
Whistle blowing policy	The Company encourages employees, vendors, and stakeholders to report any unethical and fraudulent behaviour, wrongful conduct, malpractice, and violations of policies within the company. This policy promotes a strong culture of transparency and trust in the organization.
Code of Conduct and Ethics Policy	We have established clear guidelines, procedures, and rules that all employees are to follow in the discharge of our mandate. This ensures adherence to key values of impartiality, integrity, professionalism, and non-discrimination. We have created the Corruption Protection Committee (CPC) that oversees cases of reported violation. This policy is embedded in our corporate culture and serves as a compass for a positive institutional identity at all levels of the organization.
Gender Mainstreaming Policy	This policy brings forth consistent integrity in addressing gender concerns such as equality, representation, fair remuneration, empowerment, participation and performance, health, and work safety, gender-based violence, sexual harassment, tolerance for diversity and respect for social- inclusion. We have established a gender mainstreaming committee that partners with the National Treasury to oversee gender mainstreaming and youth participation.
Procurement Policy	We have shown commitment to improving our procurement processes by complying with the Public Procurement and Assets Disposal Act, of 2015. Equal opportunities are provided in the supply chain, and the process is governed by the public procurement regulatory authority.
Information Technology Policy and Data Privacy	We strictly adhere to data privacy policies and guidelines. As a data management custodian and controller, we determine how data is processed while remaining fully committed to protecting the privacy of our products, services, and all stakeholder information. Robust data protection practices are implemented and maintained throughout all data handling processes.
Records Management Policy	The application of this policy guides our handling of records within the regulatory requirements of document retention and disposal. Paper records deemed obsolete or redundant are securely and sustainably disposed of through shredding and pulping, ensuring environmentally responsible recycling as part of proper waste management practices.
IT Assets Management Policy	This policy governs our e-waste disposal methods and data protection modalities ensuring compliance and reduction of negative environmental impacts.
Human Resource Policy	In an endeavour to ensure the protection and promotion of human rights within the workplace, the Company complies with its the Human Resource Policy, that was ratified by the Public Service Commission (PSC). This policy reinforces our commitment to dignity at work, mental well-being, and the continuity of a productive, motivated workforce.
Underwriting Policies	The application of these policies is intended to support the Company’s mission of delivering sustainable risk and financial solutions to its stakeholders. These policies govern the acceptance and management of insurance risks, detailing criteria for evaluating potential clients, setting coverage limits, and implementing reinsurance strategies to maintain balanced risk exposure.
Anti – Corruption Policy	This policy reinforces our commitment to a “zero” tolerance to bribery and corruption, highlighting the internal controls set in place to prevent malicious practices of corruption. Corruption Prevention Committee (CPC): Established in alignment with the Ethics and Anti-Corruption Commission (EACC), it has the mandate to oversee and evaluate reported violations from stakeholders, vendors, and employees. It has also formulated frameworks that combat corruption, identify potential corruption risks, implement preventative measures, and encourage an integrity-based culture.

SOCIAL IMPACT

Employee Well Being

The company places strong emphasis on employee well being by fostering a supportive, inclusive, and health conscious working environment. This commitment is demonstrated through a range of policies, facilities, and initiatives designed to support employees’ physical, mental, and social welfare.

Employees are supported through comprehensive leave entitlements, which promote work–life balance and allow staff time to rest, attend to personal responsibilities, and recover fully, contributing to sustained productivity and well being. To support working parents, the company provides a dedicated breast feeding room, offering a private and hygienic space that enables nursing parents to balance professional responsibilities with family needs.

The company has also established recovery rooms, which provide employees with spaces to rest, decompress, or manage short term

health or wellness needs during the workday. These facilities support mental health, reduce workplace fatigue, and encourage overall resilience.

Recognizing the importance of diversity and inclusion, a prayer room is provided to accommodate employees’ religious and spiritual practices. This ensures that employees feel respected and supported regardless of their beliefs, contributing to an inclusive workplace culture.

In addition, the company conducts medical sensitization programs aimed at improving health awareness, prevention, and early detection of illness. These initiatives empower employees with knowledge on personal health management and encourage proactive well being practices.

Through these measures, the company demonstrates a holistic approach to employee well being, integrating health, inclusion, and dignity into everyday workplace practices.

Diversity, Equity and Inclusion(DEI)

The corporation continues to demonstrate progress towards gender balance and inclusive representation across its workforce. At the Board level, women represent 27% while men account for 73%, reflecting meaningful female participation in governance. Gender balance is stronger at management level, where female representation stands at 53.85% compared to 46.15% male representation. Among other staff, the distribution remains balanced, with women accounting for 48.21% and men 51.79%.

With respect to disability inclusion, persons with disabilities (PWDs) are represented within the workforce, with female PWDs accounting for 75% and male PWDs 25% of the total PWD cohort. Overall, these figures underscore the organization’s commitment to gender equality, diversity, and inclusive participation across all levels.

Category	Female	%	Male	%
Board	3	27%	8	73%
Management	14	53.85%	12	46.15%
Other staff	81	48.21%	87	51.79%
PWD	3	75.0%	1	25%
Total	103	49.0%	107	51.0%

Human Capital Development

The company recognizes that its people are a critical driver of long term performance and sustainability. To support optimum work–life harmonization and continuous professional growth, the company has implemented policies and initiatives focused on employee well being, skills development, and lifelong learning.

Employees are entitled to 30 days of annual leave, which enables adequate rest, personal time, and recovery, supporting both physical and mental

well being while promoting sustained productivity.

In addition, the company supports continuous learning and career advancement through education reimbursement programs, enabling employees to enhance their qualifications and build skills relevant to their roles and future career progression.

The company also invests in structured training and development programmes, equipping employees

with the knowledge and competencies required to perform effectively, adapt to changing business needs, and support the organization’s long term sustainability objectives.

Through these initiatives, the company demonstrates a strong commitment to human capital development, fostering a motivated, skilled, and resilient workforce aligned with its strategic and sustainability goals.



During the Annual Employer of the Year Awards (EYA,2025), the Federation of Kenya Employers recognized Kenya Re as the Employer of the Year in Learning and Development, in recognition of its outstanding commitment to continuous employee growth, skills enhancement and industry knowledge leadership.

Health and Safety

We are committed to the safety of our staff and stakeholders. Regular staff training on the areas that stakeholders have highlighted as needing improvement through the regular feedback serves as a key strategy to ensure occupational safety and health. Regular fire drills, provision of onsite firefighting equipment, scheduling of regular wellness checks, provision of a comprehensive medical cover and

unlimited access to psychologists to ensure mental wellness, demonstrate our commitment to occupational safety and health.

Community Impact

As a responsible corporate citizen, we are committed to creating and amplifying positive impact in the communities in which we operate.



Edwin Muthabuku of Corporate Affairs presided over the handover of assorted equipment worth KSh. 300,000.00 to Mwai Kibaki Referral Hospital officials.

Kenya Re Niko Fiti Foundation

We recognize the efforts of our police, who risk their lives to protect citizens, consequently increasing their chances of getting disabled, with many already disabled and with limited rehabilitation services support. The Niko Fiti Foundation is a social impact initiative of the Kenya Reinsurance Corporation, geared towards inclusivity and integration of persons with disabilities in the society.



Four beneficiaries of wheelchairs donated by Kenya Re through the National Police Service are pictured alongside Dr. Hillary Wachinga (in a blue tie), Douglas Kanja (centre, in blue uniform), and Gilbert Masengeli (third left), together with other senior police officers and caregivers. The donation ceremony, held on 13th March 2025 at Embakasi 'A' Campus in Utawala, Nairobi, saw assistive equipment worth over KSh 13 million provided to beneficiaries

ENVIRONMENTAL STEWARDSHIP

Climate Strategy

The Board retains ultimate responsibility for governance, risk oversight and long-term strategic direction, including oversight of sustainability- and climate-related risks and opportunities that may affect the Company's prospects.

Climate-related considerations are embedded within existing governance and risk management structures rather than managed through a standalone committee. Relevant matters are addressed through established Board and management forums, including underwriting exposure, catastrophe risk management, business continuity, regulatory compliance, talent management, information security, counterparty risk, operational resilience and investment discipline.

The Company recognises that climate change presents both physical and transition risks, with potential implications for underwriting performance, reserving, investment returns, liquidity, capital adequacy and overall business resilience.

Kenya Reinsurance Corporation (KRC) has undertaken initial climate-related assessments, including partial testing, which have provided a foundational basis for further analysis. In 2026, the Corporation plans to complete a comprehensive climate scenario analysis, fully quantify its greenhouse gas emissions, and establish formal climate transition targets.

The Company continues to strengthen its capabilities in climate data management, catastrophe risk assessment, investment screening, and climate-informed decision-making. These initiatives are aligned with a broader strategic objective of enhancing organizational resilience and safeguarding long-term value.

In line with its Sustainability Strategy and emerging reporting standards, including IFRS S2, the Company is integrating climate-related considerations into its enterprise risk management, underwriting and investment processes. This includes structured evaluation of climate exposures, regulatory developments and evolving market expectations. As part of managing transition risk and supporting a low-carbon economy, Kenya Re has divested from high carbon-emitting investments and investing in sustainability linked investments. This approach aligns capital allocation with climate-conscious investment principles and longer-term emissions reduction ambitions.

The Company continues to invest in internal capacity through research, partnerships, innovation and skills development to enhance climate risk identification, assessment and monitoring. Over time, these efforts are expected to support more robust, climate-informed decision-making while contributing to sustainable value creation for stakeholders.



Solar panels on Kenya Reinsurance Plaza, Nairobi, Kenya.

Water Management

Kenya Re's Sustainability Strategy prioritises responsible water stewardship as a critical component of operational resilience and environmental management. Across its properties, the Corporation actively monitors water consumption and implements efficiency focused interventions designed to minimise water use and reduce operational risks associated with water scarcity.

Water conservation measures in place include the installation of water efficient sensor taps, delay action taps and dual flush sanitation systems, which collectively enhance water use efficiency without compromising service delivery. These interventions are complemented by regular internal audits and risk assessments, enabling the Corporation to assess performance, identify areas for improvement and continuously optimise water consumption practices.

In line with evolving global sustainability reporting standards, Kenya Re is strengthening its water management framework by progressively enhancing data collection systems. Going forward, the Corporation is committed to measuring, tracking and disclosing water use performance using quantifiable metrics, supporting transparent reporting, continuous improvement and alignment with internationally recognised water stewardship principles.

Waste Management

Kenya Re is committed to responsible waste management and circular economy principles, consistent with its Sustainability Strategy and applicable regulatory requirements.

Electronic waste (e waste) arising from ICT and operational assets is managed in accordance with the Procurement and Assets Disposal Act and the IT Assets Management Policy, ensuring safe handling, regulatory compliance and environmentally sound disposal practices.

To minimise waste generation at source, the Corporation has significantly advanced its paperless and digitised operating model through the adoption of the Enterprise Document Management System (EDMS) and Enterprise Content Management (ECM) platforms. Core processes—including underwriting, claims management and policy issuance—have been digitised and automated, supported by secure electronic authentication solutions such as DocuSign. These initiatives have substantially reduced paper consumption and

associated waste.

Where physical records are identified as obsolete or redundant, disposal is conducted through secure shredding and pulping, ensuring confidentiality while enabling environmentally responsible recycling. Through these measures, Kenya Re continues to reduce waste volumes, improve resource efficiency and align its operations with global waste management and sustainability standards.

Tree Growing Initiatives

We remain committed to contribute to national afforestation efforts.



Insurance Regulatory Authority (IRA) at Sorget Forest in Kericho County. The event was graced by Mr. Godfrey Kiptum, Commissioner of Insurance and CEO of the Insurance Regulatory Authority (IRA) of Kenya. During the event, 30,000 tree seedlings were planted in support of the national directive to grow 15 billion trees and restore 10.6 million hectares of degraded land by the year 2032. CSR Activities- children's homes and donations issued (quantitative).

On Saturday, 10th May 2025, Kenya Re participated in a tree planting exercise organized by the Insurance Regulatory

LOOKING FORWARD

Assurance Readiness and Verification Roadmap

Kenya Re acknowledges the importance of independent assurance in strengthening stakeholder confidence and the credibility of sustainability disclosures. Assurance is planned as a future phase of the sustainability journey.

During 2025, assurance readiness efforts focused on:

- Strengthening internal controls and documentation for ESG data.
- Aligning KPIs with recognised reporting frameworks.
- Preparing governance structures and data processes for future verification.

Independent external assurance over ESG disclosures is

planned for introduction in future reporting cycles, subject to data maturity and system readiness.

Continuous Improvement

The Corporation is committed to:

- Continuously benchmark with industry best practice and leading performers in sustainability in the reinsurance sector.
- Be sensitive to emerging trends, norms, and expectations for sustainability relevant to our activities.
- Continuously improve its sustainability management systems from within and based on external progress.
- Align strategy with changing stakeholder expectations, regulations, and market conditions.

GRI CONTENT INDEX

ESG PILLAR	RELEVANT GRI DISCLOSURE	LOCATION IN REPORT
GOVERNANCE PILLAR		
Company Description	GRI 2-1 Organizational details	About Kenya Reinsurance corporation, Pages 5,7
	GRI 2-2 Entities included in the organization's sustainability reporting	About this report, Corporate Profile-Page 6
	GRI 2-3 Reporting period	About this report, Page 6
Value creation to stakeholders	GRI 2-6 Activities, value chain and other business relationships	Purpose, Mission, Vision & Core Values, page 7
Sustainability Governance and Compliance	GRI 2-9 Governance structure and composition	Sustainability Governance structure, pages 37-39
	GRI 2-23 Policy commitments	Policy Commitments, Page 41- 42
	GRI 2-24 Embedding policy commitments	Policy Commitments, Page 41- 42
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Policy Commitments, Pages 10–11, 41–42
	GRI 2-27 Compliance with laws and regulations	Policy Commitments, Pages 39, 41
ENVIRONMENTAL PILLAR		
Energy Efficiencies	GRI 302-4 Reduction of energy consumption	Energy Efficiencies, page 46
Water Stewardship	GRI 303-1 Interactions with water as a shared resource	Water Stewardship, page 47
Waste Management	GRI 306-1 Waste generation and significant waste-related impacts	Waste Management, page 47
Decarbonization	GRI 305-5 Reduction of GHG emissions	Electric and Hybrid Motor Vehicles reinsurance, page 46

		Tree Growing Initiatives
		Climate-related commitments and Integration
SOCIAL PILLAR		
Employee Wellbeing and Human Rights	GRI 401-2 Benefits provided to full-time employees.	Employee Wellbeing and Human Rights, pages 43-44
	GRI 401-3 Parental leave	Supporting Work-Life Balance, page 44
	GRI 404-2 Programs for upgrading employee skills and transition assistance program	Training and Advancement of Employees, page 43
Gender, Disability and Social Inclusion	GRI 405-1 Diversity of governance bodies and employees	Governance Structure and Composition, page 43
Occupational Health and Safety	GRI 403-1 Occupational Safety and Health	Occupational Safety and Health, page 44
	GRI 403-3 Occupational health services	Occupational Safety and Health, page 44
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health, page 44
	GRI 403-5 Worker training on occupational health and safety	Occupational Safety and Health, pages 43-44
	GRI 403-6 Promotion of worker health	Occupational Safety and Health, page 44
Local Community Partnerships	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	Partnerships with Local Communities for Impact, page 44-45
ECONOMIC PILLAR		
Tax Contribution	GRI 207-1 Approach to tax	Our economic impact, Pages 29, 51-52
		Efficiency of Processes
	GRI 207-2 Tax governance, control, and risk management	Our ESG related risks management, Pages 37-38, 51-52
Indirect and Direct Economic Impact	GRI 203-1 Infrastructure investments and services supported	Our economic impact, Page 29
	GRI 203-2 Significant indirect economic impacts	Our economic impact, Pages 10-11, 14-16
	GRI 201-1 Direct economic value generated and distributed	Our economic impact, Pages 29, 51-52
	GRI 201-2 Financial implications and other risks and opportunities due to climate change.	Our sustainability ambitions, Pages 8, 11, 16, 46
		Climate-related commitments and Integration



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

REPORT OF THE DIRECTORS

1. The directors submit their report together with the audited financial statements for the year ended 31 December 2025.

2. INCORPORATION AND BACKGROUND INFORMATION

The Kenya Reinsurance Corporation Limited (the "Company") is a public limited liability company reconstituted through an Act of Parliament in 1997. It was established through an Act of Parliament in December 1970 and commenced business in January 1971 as Kenya Reinsurance Corporation. The Government of Kenya owns 60% of the company while the public through Nairobi Securities Exchange owns 40%. The address of the registered office is set out on page 1.

It has three fully owned subsidiaries; Kenya Reinsurance Corporation, Cote d'Ivoire, which was incorporated on 19 September 2014, Kenya Reinsurance Corporation Zambia Limited, which was incorporated on 26 November 2015 and Kenya Reinsurance Corporation Uganda-SMC Limited, which was incorporated on 26 August 2019. Kenya Reinsurance Corporation, Cote d'Ivoire, operated as a full subsidiary starting in 2015, the Zambian subsidiary started operating in 2016, while Uganda subsidiary started operations in January 2023. The Company and its subsidiaries are referred to as the "Group".

3. PRINCIPAL ACTIVITIES

The principal activities of the Group are underwriting of all classes of reinsurance business and investment activities.

4. RESULTS

	GROUP		COMPANY	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
Profit before tax	4,825,195	5,648,173	4,084,820	5,743,196
Income tax expense	(901,602)	(1,211,021)	(765,996)	(1,205,351)
Profit for the year transferred to retained earnings	3,923,593	4,437,152	3,318,824	4,537,845

5. DIVIDENDS

The directors recommend the approval of a first and final dividend of KShs 0.15 (2024: KShs 0.15) per share totalling to KShs 840 million in respect of the year 2025 (2024: KShs 840 million).

6. DIRECTORATE

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

7. BUSINESS REVIEW

We delivered on our commitment to continue growing the shareholders' value. The Insurance revenue, investments income, shareholders' funds, and assets base registered growth.

Operational performance

Insurance revenue decreased from KSh 18.85 billion in 2024 to KSh 17.07 billion in 2025. Insurance service expenses increased from KSh 10.5 billion in 2024 to KShs 11.22 billion in 2025. The net expenses from reinsurance contracts increased from KShs 0.71 billion in 2024 to KShs 1.35 billion in 2025. The insurance service results thus decreased from a profit of KShs 2.95 billion in 2024 to a profit of KShs 108.4 million in 2025. The total investment income decreased from KShs 5.61 billion in 2024 to KShs 5.58 billion in 2025. The net insurance finance expense decreased from a loss of KShs 716 million in 2024 to a loss of KShs 222 million in 2025.

This resulted in a profit after tax of KShs. 3.923 billion in 2025 down by 11.6% from KShs.4.44 billion in 2024.

Our accomplishments are the outcome of disciplined execution of our five-year strategy which is grounded on the following five pillars: financial performance, business process improvement, business development, risk management and people and culture.

Financial overview

Financial overview of the Group continues to deliver positive results to shareholders and has maintained a good performance despite the challenging business environment experienced during the year.

The Key performance drivers that are responsible for positive financial state of the organization include, aggressive collection of the reinsurance receivables and real time market intelligence which guided our response to market changes and the uptake of investment opportunities.

Key performance indicators

	2020 KShs Millions	2021 KShs Millions	2022 KShs Millions	2023 KShs Millions	2024 KShs Millions	2025 KShs Millions
Total insurance revenue	18,535	20,296	23,131	19,569	18,849	17,070
Investment Income	3,792	3,658	3,746	4,562	5,614	5,578
Total assets	53,237	53,270	57,452	65,978	66,813	72,205
Shareholders' funds	34,397	37,347	40,993	48,175	49,672	54,514
Management Expenses	1,965	2,096	1,311	1,279	1,365	1,793

Note that the comparative information prior to 2022 are prepared based on IFRS 4 and results for 2023, 2024 and 2025 are based on IFRS 17, the information for the five-year period may therefore not be comparable.

Principal risks and uncertainties facing the Corporation.

In the course of its business operations, the Group faces key threats in meeting its business objectives. Among these are market risk exposures from its investment activities which arise due to reduced earnings on deposits with financial institutions due to interest rate capping which was repealed in November 2019, erratic prices of quoted equities and foreign exchange losses from underwriting operations in diverse regions with different currencies.

The Group faces stiff competition both in its local and international markets. There has been increasing cases of domestication of reinsurance business in some key markets, setting up of national reinsurance in countries where there were none, mergers and acquisitions, increasing retention capacity of direct underwriters reducing reinsurance premiums, creation of captive reinsurance companies which are new entrants in Group's target markets, unfavourable changes in legislation in some markets and price undercutting amongst competitors.

Delays in receiving outstanding reinsurance premiums continues to pose credit risk to the Group. This is mainly from outstanding reinsurance recoveries as well as outstanding premium receivables from cedants and brokers.

Underwriting risks mainly relate to the risk that underwriting costs may exceed the premiums generated from the underwriting activity. The Group's insurance service result was a profit of Kshs 108.4 million in year 2025 compared to a profit of KShs 2.95 billion for year 2024. The Group's insurance and reinsurance combined loss ratio stood at 99.4% in year 2025 up from 84% registered in year 2024.

8. STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that the person 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.

9. SECRETARY

The Company's Secretary is Mr Charles Kariuki.

10. TERMS OF APPOINTMENT OF THE AUDITOR

The Auditor General is responsible for the statutory audit of the Company's books of account in accordance with Section 48 of the Public Audit Act, 2015. Section 23 of the Act empowers the Auditor General to nominate other auditors to carry out the audit on their behalf.

Deloitte & Touche LLP were appointed by the Auditor General, to carry out the audit for the year ended 31 December 2025. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 17,659,701 (Statutory audit Ksh 16,051,500) (2024 Ksh 15,344,000) and Tax reviews (Ksh 1,608,201) (2024 Ksh 2,145,000) has been charged to profit or loss.

BY ORDER OF THE BOARD



SECRETARY
Nairobi
26th March, 2026

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the process and structure by which companies are directed, controlled, and held accountable to achieve long term value to shareholders taking cognisance of the interest of other stakeholders.

The Board of Directors of Kenya Reinsurance Corporation Limited (the "Company") is responsible for the governance of the Company and is accountable to the shareholders and stakeholders in ensuring that the Company complies with the laws and regulations and the highest standards of business ethics and corporate governance. Accordingly, the Board attaches very high importance to the generally accepted corporate governance practices and has embraced the internationally developed principles and code of best practice of good corporate governance and CMA guidelines.

Board of Directors

The roles and functions of the Chairman and the Managing Director are distinct, and their respective responsibilities clearly defined within the Company. The Board comprises of eleven (11) directors ten (10) of whom are non-executive directors including the Chairman. The Board defines the Company's strategies, objectives and values and ensures that procedures and practices are set in place to ensure effective control over strategic, financial, operational and compliance issues. The directors bring a wealth of experience and knowledge to the Board's deliberations. Except for direction and guidance on general policy, the Board delegates authority of its day-to-day business to the Management through the Managing Director. The Board nonetheless is responsible for the stewardship of the Company and assumes responsibilities for the effective control over the Company. The Company Secretary attends all meetings of the Board and advises the Board on all corporate governance matters as well as prevailing statutory requirements.

Board Meetings

The Board holds meetings on a regular basis while special meetings are called when it is deemed necessary to do so. The Board held six (6) regular and six (6) special meetings during the year under review. As the Company is a State Corporation, the Inspector General of State Corporations from time to time attends meetings of the Board and Board Committees for oversight and advisory purposes in accordance with the State Corporations Act.

Committees of the Board

The Board has set up the following principal Committees which meet under well-defined terms of reference set by the Board. This is intended to facilitate efficient decision making of the Board in discharging its duties and responsibilities.

Audit Committee

The membership of the Audit Committee is comprised as follows:

1. David Muthusi (Chairman)
2. Jackline Nyandeje
3. Irungu Kirika
4. Leah Rotich
5. Dr. Zacharia Nyaega

The committee assists the Board in fulfilling its corporate governance responsibilities and in particular to:

1. Review of financial statements before submission to the Board focusing on changes in accounting policies, compliance with International Financial Reporting Standards and legal requirements.
2. Strengthen the effectiveness of the internal audit function.
3. Maintain oversight on internal control systems.
4. Increase the shareholders' confidence in the credibility and standing of the Company.
5. Review and make recommendations regarding the Company's budgets, financial plans and risk management.
6. Liaise with the external auditors.

The committee held four (4) regular meetings and two (2) special meeting in the year under review.

Risk and Compliance Committee

The membership of the Risk and Compliance Committee is comprised as follows:

1. Irungu Kirika (Chairman)
2. David Muthusi
3. Omar Shallo

4. Eunice Nyala
5. Dr. Hillary Wachinga

The responsibilities of this committee include:

- Provision of general oversight in risk and compliance matters in the Company.
- Ensuring quality, integrity, effectiveness and reliability of the Company's risk management framework.
- Setting out the nature, role, responsibility and authority of the risk management and the compliance function of the Company.
- Defining the scope of risk management work.
- Ensuring that there are adequate risk policies and strategies in place to effectively identify, measure, monitor and appropriately mitigate the various risks which the Company is exposed to from time to time.
- Steering the Company on best practices on management of information and technology.

The committee held four (4) meetings in the year under review.

Human Resource and Nominations Committee

The membership of the Human Resource and Nominations Committee is comprised as follows:

- Dr. Zacharia Nyaega (Chairman)
- Eric Korir (Alternate to CS, National Treasury)
- Jackline Nyandeje
- Leah Rotich
- Hon. Abdirahin Abdi
- Dr. Hillary M. Wachinga

The committee reviews and provides recommendations on issues relating to all human resources matters including, career progression, performance management, training needs, job transfers, staff recruitment, staff placements, promotions, demotions, discipline, and staff welfare. The committee also evaluates the credentials of persons nominated to the Board.

The committee held four (4) regular meetings and five (5) special meetings in the year under review.

Finance and Strategy Committee

The membership of the Finance and Strategy Committee is comprised as follows:

1. Hon. Abdirahin Abdi (Chairman)
2. Eric Korir (Alternate to CS, National Treasury)
3. Omar Shallo
4. Eunice Nyala
5. Dr. Hillary M. Wachinga

The committee assists the Board in fulfilling its oversight responsibilities relating to the Company's finance, procurement, investment strategies, reinsurance strategies, policies, projects, and related activities.

The committee held four (4) regular and five (5) special meetings in the year under review.

Risk Management and Internal Controls

The Company has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for all transactions and for ensuring compliance with the laws and regulations that have significant financial implications. In reviewing the effectiveness of the internal control system, the Board considers the results of work carried out to audit and review the activities of the Company. The Board also considers the management accounts for each quarter, reports from each Board Committee, annual budgetary proposals, major issues and strategic opportunities for the Company. As an integral strategy in achieving its corporate goals, the Board ensures that an optimal mix between risk and return is maintained. To achieve this goal, a risk management and governance framework has been put in place to assist the Board in understanding business risk issues and key performance indicators affecting the ability of the Company to achieve its objectives both in the short and long term.

Creating Shareholders' Value

In order to assure the shareholders of the Company's commitment to activities that create and enhance shareholder value, the Board signs a performance contract with the Ministry of The National Treasury and Planning of the Government of Kenya as well as sets Corporate Performance strategies with Management and continues to perform an annual evaluation exercise to review and audit its role and success or otherwise to meet the challenges envisaged at the beginning of each year.

Directors' Emoluments and Loans

The aggregate amount of emoluments paid to directors for services rendered during the financial year 2025 are disclosed in the notes to the financial statements under note 10. Non-executive directors are paid sitting allowances for every meeting attended. There were no arrangements for the directors to acquire benefits through the acquisition of the Company's shares. There were no loans advanced to directors during the financial year.

Directors' interests as at 31 December 2025:

	Number of shares	Shareholding %
The National Treasury of Kenya	3,360,000,000	60.00%
Major Shareholders as at 31 December 2025		
Cabinet Secretary to The National Treasury of Kenya	3,360,000,000	60.00%
Jubilee Holding Limited	152,690,792	2.73%
Investments & Mortgages Nominees Ltd A/C 028950	131,106,600	2.34%
Kenya Commercial Bank Nominees Limited A/C 915b Kenya Commercial Bank Nominees Limited A/C 915b	55,342,488	0.99%
Stanbic Nominees Limited R6631578	54,375,544	0.97%
Standard Chartered Nominees Non- Resd. A/C Ke10085	48,000,000	0.86%
Standard Chartered Nominees Resd A/C Ke11443	45,273,238	0.81%
Brandt, Jonathan Lawrence	38,032,300	0.68%
Kestrel Capital Nominee Services Limited A/C 8	35,024,000	0.63%
Kerai, Harji Mavji; Mavji, Ramila Harji	30,000,000	0.54%
Others	1,649,747,582	29.46%
Total	5,599,592,544	100.00%

The distribution of the Company's shareholding as at 31 December 2025 is as shown below:

Shares Range	Shareholders	Number of Shares	% Shareholding
1 – 500	31,581	7,627,301	0.14%
501 – 1,000	11,402	8,197,275	0.15%
1,001 – 5,000	42,868	133,019,156	2.38%
5,001 – 10,000	12,267	83,760,158	1.50%
10,001 – 50,000	11,094	209,420,520	3.74%
50,001 – 100,000	1,288	91,416,419	1.63%
100,001 – 500,000	1,187	245,989,616	4.39%
500,001- 1,000,000	173	123,494,386	2.21%
1,000,001-2,000,000,000	214	4,696,667,713	83.88%
Total	112,074	5,599,592,544	100%

The distribution of the shareholders based on their nationalities as at 31 December 2025 is as follows:

Nationality	Shareholders	Shares held	% Shareholding
Local Institutional Investors	5,300	4,289,752,461	76.61%
Local Individual Investors	106,326	1,245,882,032	22.25%
Foreign Investors	448	63,958,051	1.14%
Total	112,074	5,599,592,544	100%

Directors' interests as at 31 December 2024:

	Number of shares	Shareholding %
The National Treasury of Kenya	3,360,000,000	60


Major Shareholders as at 31 December 2024

Cabinet Secretary to The National Treasury of Kenya	3,360,000,000	60.00%
Jubilee Holding Limited	152,690,792	2.73%
Investments & Mortgages Nominees Ltd A/C 028950	131,106,600	2.34%
Standard Chartered Kenya Nominees Ltd A/C Ke000954	90,000,000	1.61%
Kenya Commercial Bank Nominees Limited A/C 915b Kenya Commercial Bank Nominees Limited A/C 915b	55,342,488	0.99%
Kerai, Harji Mavji; Mavji, Ramila Harji	55,000,000	0.98%
Stanbic Nominees Limited R6631578	54,375,544	0.97%
Standard Chartered Nominees Non- Resd. A/C Ke10085	48,000,000	0.86%
Standard Chartered Nominees Resd A/C Ke11443	45,273,238	0.81%
Brandt, Jonathan Lawrence	37,390,800	0.67%
Others	1,570,413,082	28.05%
	5,599,592,544	100.00%

Shares Range	Shareholders	Number of Shares	% Shareholding
1 – 500	27,869	7,033,287	0.13%
501 – 1,000	10,593	7,518,966	0.13%
1,001 – 5,000	41,264	129,259,973	2.31%
5,001 – 10,000	11,857	80,453,022	1.44%
10,001 – 50,000	10,218	188,231,127	3.36%
50,001 – 100,000	1,122	79,475,274	1.42%
100,001 – 500,000	993	203,003,914	3.63%
500,001- 1,000,000	144	105,265,477	1.88%
1,000,001-2,000,000,000	198	4,799,351,504	85.71%
	104,258	5,599,592,544	100.00%


The distribution of the shareholders based on their nationalities as at 31 December 2024 is as follows:

Nationality	Shareholders	Shares held	% Shareholding
Local Institutional Investors	5,254	4,330,285,020	77.33%
Local Individual Investors	98,564	1,167,295,274	20.85%
Foreign Investors	440	102,012,250	1.82%
	104,258	5,599,592,544	100%



.....
Eric Gumbo, MBS (Chairman)
 Director

 26th March 2026



.....
David Muthusi
 Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of Kenya Reinsurance Corporation Limited (the "Company") as at the end of the financial year and of its profit and loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Kenyan Companies Act, 2015.

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

- (i) designing, implementing, and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

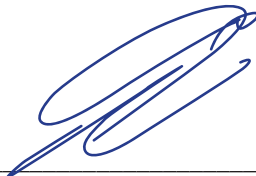
Having made an assessment of the Company and its subsidiaries' ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon their ability to continue as a going concern.

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

Approved by the board of directors on 26th March 2026 and signed on its behalf by:



Dr. Hillary M. Wachinga
Principal Officer



Eric Gumbo, MBS
Director



David Muthusi
Director

REPORT OF THE CONSULTING ACTUARIES

I have conducted an actuarial valuation of the long-term business of Kenya Reinsurance Corporation Limited (the "Company") as at 31 December 2025.

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

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

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

Name of Actuary **Abed Mureithi**
Qualification **FIA, FeASK**

Signed
25/3/2026



I have conducted an actuarial valuation of the short-term business of Kenya Reinsurance Corporation Limited (the "Company") as at 31 December 2025.

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

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

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

Name of Actuary **Ezekiel Macharia**
Qualification **FIA, FeASK**

Signed

25/3/2026



DIRECTORS' REMUNERATION REPORT

The directors' remuneration policy and strategy for Kenya Reinsurance Corporation Limited (the "Company").

The Board establishes and approves formal and transparent remuneration policies to attract and retain both executive and non-executive Board members. These policies clearly stipulate remuneration elements such as directors' fees, honorarium and attendance allowances that are competitive and in line with those of other agencies in the industry.

In accordance with the guidelines provided under the State Corporations Act and by the Salaries and Remuneration Commission as well as shareholder approval granted at the Annual General Meeting; the directors are paid a taxable director's fee at KShs 80,000 for every month served (KShs 960,000 per annum) and a sitting allowance of KShs 30,000 for every meeting attended. The Chairman is also paid a monthly honorarium of KShs 80,000.

The Company does not grant personal loans, guarantees, share options or incentives to its non-executive directors. The Managing Director is entitled to such loans as are available to other employees as per the Corporation's human resource policies.

Contract of service

In accordance with the Capital Markets Authority (CMA) regulations on non-executive directors and the Corporation's Articles of Association, a third of the directors retire every year by rotation and subject themselves to election at every Annual General Meeting by the shareholders.

The Managing Director and Chief Executive Officer (CEO) has a contract of service with the Corporation starting 28th March 2023 ending on 28th March 2028.

Changes to directors' remuneration

During the period, there were no changes in directors' remuneration which is set as per the guidelines provided in the State Corporations Act and by the Salaries and Remuneration Commission.

Statement of voting on the directors' remuneration report at the previous Annual General Meeting

During the Annual General Meeting held on 16th June 2025, the shareholders approved directors' remuneration for the year ended 31 December 2024 by show of hands.

At the Annual General Meeting to be held by 30 June 2026, approval will be sought from shareholders of this Directors' remuneration report for the financial year ended 31 December 2025.

The following tables show the remuneration for the managing Director and CEO and Non-Executive Directors in respect of qualifying services for the year ended 31 December 2025 together with the comparative figures for 2024.

YEAR ENDED 31 DECEMBER 2025

Director	Category	Gross payments Kshs	Director fees Kshs	Allowances Kshs	Total Kshs
Eric Gumbo, MBS	Chairman, non-executive	-	960,000	1,461,079	2,421,079
Dr. Hillary Wachinga	Managing Director	29,573,800	-	-	29,573,800
Omar Shallo	Non -Executive	-	960,000	3,086,939	4,046,939
David Muthusi	Non -Executive	-	960,000	2,945,346	3,905,346
Dr. Zacharia Nyaega	Non -Executive	-	960,000	4,363,114	5,323,114
Abdirahin Abdi - MGH	Non -Executive	-	511,475	1,429,159	1,940,634
James Irungu Kirika	Non -Executive	-	960,000	2,514,218	3,474,218
Eric Korir	Non -Executive	-	-	1,134,904	1,134,904
Leah Rotich - MBS	Non -Executive	-	511,475	2,174,308	2,685,783
Jackline Nyandeje	Non -Executive	-	511,475	1,471,998	1,983,473
Eunice Nyala	Non -Executive	-	960,000	2,183,868	3,143,868
Catherine Kimura	Non -Executive	-	448,525	986,333	1,434,858
Thamuda Hassan	Non -Executive	-	448,525	418,333	866,858
Robert Waruiru	Non -Executive	-	448,525	371,983	820,508
Cabinet Secretary - The National Treasury	Non -Executive	-	960,000	-	960,000
TOTAL		29,573,800	9,600,000	24,541,582	63,715,382

YEAR ENDED 31 DECEMBER 2024

Director	Category	Gross payments Kshs	Director fees Kshs	Allowances Kshs	Total Kshs
Catherine Kimura	Chairman, non-executive	-	960,000	2,747,000	3,707,000
Dr. Hillary Wachinga	Managing Director	30,097,030	-	-	30,097,030
Omar Shallo	Non -Executive	-	960,000	1,479,441	2,439,441
David Muthusi	Non -Executive	-	960,000	3,709,913	4,669,913
Dr. Zacharia Nyaega	Non -Executive	-	960,000	2,173,438	3,133,438
Thamuda Hassan	Non -Executive	-	960,000	2,118,500	3,078,500
James Irungu Kirika	Non -Executive	-	960,000	2,977,000	3,937,000
Eric Gumbo	Non -Executive	-	960,000	4,265,105	5,225,105
Eric Korir	Non -Executive	-	-	1,893,500	1,893,500
Robert Waruiru	Non -Executive	-	960,000	2,425,000	3,385,000
Eunice Nyala	Non -Executive	-	960,000	2,663,500	3,623,500
Cabinet Secretary - The National Treasury	Non -Executive	-	960,000	-	960,000
TOTAL		30,097,030	9,600,000	26,452,397	66,149,427

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA REINSURANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 DECEMBER, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

The accompanying financial statements of Kenya Reinsurance Corporation Limited set out on pages 82 to 189 which comprise of the Consolidated and Company statements of financial position as at 31 December, 2025 and the statements of profit or loss and other

comprehensive income, statements of cash flows and statements of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Deloitte and Touche LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all information and explanations which, to the best of my knowledge and belief were necessary for the purpose of the audit were obtained.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Reinsurance Corporation Limited as at 31 December, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Reinsurance Corporation Limited Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. Investment Properties in Dispute

As reported in the previous year, and as disclosed in Note 35 to the financial statements, the Corporation owns properties worth Kshs.936,077,000 which are currently in dispute and are subject to ongoing court cases. The disputed investments have not been disclosed under investment in property but have been disclosed separately in Note 35 – property under dispute. These are as indicated below;

(i) Parcel of Land along Ngong Road

The Corporation invested Kshs.350,000,000 in the purchase of a parcel of land measuring approximately 59.87 hectares along Ngong Road. However, the land is the subject of dispute between the Corporation and Kenya Forest Service that is yet to be resolved by the National Land Commission. Although the Corporation has obtained confirmation from the Director of Survey that the Corporation's land is distinct from that of Kenya Forest Service, the matter remains unresolved since the National Land Commission has not adjudicated the matter or provided its verdict. The Corporation has therefore not realized full benefits from the ownership of the land as Management is not in a position to make long-term investment plans.

(ii) Parcel of Land along Kiambu Road

The Corporation is the registered owner of a parcel of land measuring approximately 99.5813 hectares along Kiambu Road with a cost value of Kshs.563,077,000. The Corporation is in an ownership dispute with one of the Directors of the vendor of the land and the case is in Court.

The Corporation is therefore, not realizing the full value for money invested in the property.

(iii) Parcel of Land in Shanzu, Mombasa

The Corporation is the registered owner of a parcel of land measuring approximately 17.3 hectares located at Shanzu Mombasa at a cost of Kshs.23,000,000. The Corporation is in an ownership dispute with the Kenya Prisons Service.

In the circumstances, the property is not being utilized to generate income and therefore not realizing the full value for money invested.

2. Idle Investment Property

As previously reported, and as disclosed in Note 16 to the financial statements, the Corporation owns a parcel of land within the precincts of Jomo Kenyatta International Airport (JKIA) valued at Kshs.1,047,000,000. However, Management has disclosed that it has restricted access to the land due to bureaucracy associated with accessibility of a high security area such as the Jomo Kenyatta International Airport (JKIA) where Kenya Airports Authority's development approval is required for any proposed development.

The Corporation is therefore not realising the full potential of the investment.

3. Long Outstanding Receivables

The consolidated statement of financial position reflects other receivables balance of Kshs.553,378,000 which as disclosed in Note 26 to the financial statements includes receivable balance of Kshs.300,150,000 from Kenya Urban Roads Authority for which an impairment amount of Kshs.127,459,000 has been made against the balance. As disclosed in Note 26 to the financial statements, the receivable is in respect of compensation of part of land that was compulsorily acquired by the National Land Commission in the financial year 2017 for purpose of a road construction by the Kenya Urban Roads Authority.

Management has not provided reasons why the balance has remained outstanding since 2017 and no action is being taken to ensure recovery of the balance.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in

forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

Key Audit Matter	How the Matter was Addressed
<p>Determination of insurance contract liabilities</p> <p>The determination of future contractual cash flows in relation to the insurance contract liabilities involves a significant estimation process by the Directors. An amount of Kshs.13,952,186,000 relating to insurance contract liabilities is reported in the consolidated statement of financial position as at 31 December, 2025 and an amount of Kshs.12,186,996,000 relating to insurance contract liabilities is reported in the company statement of financial position as at 31 December, 2025.</p> <p>A large component of the insurance contract liabilities provision relates to contractual cash flows attributable to claims incurred but not reported at year end.</p> <p>The ultimate cost of settling claims is estimated using a range of loss reserving techniques. These techniques assume that the Group’s own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims’ development data on which the projections are based. Judgement is applied to assess the extent to which past trends might not apply in the future and how future trends are expected to emerge.</p> <p>As a result, I identified insurance contract liabilities as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement and</p>	<p>In responding to this key audit matter, I performed the procedures:</p> <ul style="list-style-type: none"> • I evaluated the appropriateness of the relevant controls implemented by Directors over the determination of claims incurred but not reported liability. • I assessed the competence, capabilities and objectivity of the Company's actuaries. • I challenged the Directors on the suitability of the approach and methodology adopted by the Company's actuaries and evaluated whether these are consistent with the requirements of IFRS Accounting Standards and industry norms. • I involved the Deloitte Actuarial specialists in assisting me with the evaluation of the judgements and models adopted by the Directors in the determination of incurred but not reported liability. • I performed further audit procedures to check the data used in the computation of incurred but not reported liability for accuracy. • I assessed the appropriateness of the related disclosures in Notes 1, 2 and 28 to the financial statements. <p>Based on my procedures, I noted no material exceptions and consider the</p>

Key Audit Matter	How the Matter was Addressed
estimation uncertainty associated with determining the liabilities.	directors' key assumptions and methodology applied to be reasonable

I have fulfilled the responsibilities described in the Auditor-General's Responsibilities for the Audit section of the report including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above provide the basis for my audit opinion on the accompanying financial statements.

Other Information

The Directors are responsible for the Other Information set out on page 49 to 59 which comprise of Group Information, Report of the Directors, Statement of Corporate Governance, Statement of Directors' Responsibilities, Report of the Consulting Actuary and Directors' Remuneration Report. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. In my opinion, I confirm that the Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliances in the Board

1.1. Non-Compliance with the Gender Rule in the Appointment of Board Members

Review of Board composition for the Corporation as at 31 December, 2025 revealed that the Board did not comply with the two-thirds gender rule, as seven (7) of the 10 non-executive directors were of the same gender representing 70%. This was contrary to the requirements of Article 27(8) of the Constitution which requires the State to take measures to ensure that not more than two-thirds of the members of elective or appointive bodies shall be of the same gender. Further, Chapter 1 of Mwongozo Code of Governance for State Corporations requires compliance with the constitutional gender principle in Board composition.

In the circumstances, the appointing authority was in breach of the law.

1.2. Lack of Performance Appraisal for the Board

During the year under review, the Board did not undergo performance appraisal contrary to the requirements of Paragraph 1.12 of the Mwongozo Code of Governance for State Corporations which requires Boards to undertake annual performance evaluation to assess their effectiveness and enhance accountability.

In the circumstances, Management was in breach of the guidelines.

2. Slow Implementation of Projects

Review of Corporation's projects' implementation status revealed the following unsatisfactory matters.

2.1 Proposed Implementation of Electrical Infrastructure Refurbishment Works- Anniversary Towers

As previously reported, the Corporation entered into a contract with a contractor in July, 2023 for the Proposed Implementation of the Electrical Infrastructure Refurbishment Works for Anniversary Towers at a contract price of Kshs.84,732,944 for eighteen (18) months and expected completion date of 31 December, 2024. However, as at 31 December, 2025, the progress was estimated at only 5%, an indication that the Project was behind schedule.

In the circumstances, the expected project completion date was not realized and the Corporation may not realize value for money in the Project.

2.2 Proposed Security Systems Installation for Reinsurance Plaza, Kisumu

As previously reported, the Corporation entered into a contract with a contractor in November, 2022 for the Proposed Security Systems Installation for Reinsurance Plaza Kisumu, at a contract price of USD.1,057,180.37 (approximately Kshs.129,004,011.88)

for a duration of thirty-six (36) weeks and expected completion date of November, 2023. However, information provided by Management indicated that the contractor abandoned the work during the early stage of implementation. As at 31 December, 2025, the project was stalled at only 5% completion. Management has not provided explanations for the unsatisfactory state of affairs on the project.

In the circumstances, the Corporation may not realize the intended benefits from the Security Systems Installation Project at Reinsurance Plaza, Kisumu.

2.3 Proposed Improvements, Refurbishment to Reinsurance Plaza, Kisumu

As previously reported, the Corporation entered into a contract with a contractor in November, 2021 for the Proposed Improvements to Internal Common Areas and Reinstatement of Boundary Wall for Reinsurance Plaza in Kisumu at a contract price of Kshs.29,654,802 for a duration of twenty-four (24) weeks. The initial expected completion date was 31 July, 2022 but was extended to 30 November, 2023. However, the contract was terminated on 3 December, 2023 when the Project was about 60% complete. Review of the project status as at 31 December, 2025 indicated that the Project had stalled and the works were yet to be re-tendered.

In the circumstances, value for money in respect of the Project could not be confirmed.

2.4 Proposed Integrated Security Management System for Anniversary Towers and Kenya Re Towers

As previously reported, the Corporation entered into a contract with a contractor in December, 2020 for the Proposed Integrated Security Management System for Anniversary and Kenya Re Towers at a contract price of USD 2,642,071.70 (approximately Kshs.294,165,092.60) for a duration of twenty (20) weeks and expected initial completion date of 31 July, 2021. Review of the Project's file indicated that the Contractor had sought and was granted several extensions with the latest extension covering up to 30 June, 2025. As at 31 December, 2025, the progress was estimated at 98% and was yet to be handed over to the Corporation, almost five (5) years after commencement. Management has not provided satisfactory explanations for the significant delay in completion of the Project.

In the circumstances, value for money for the Integrated Security Management System Project could not be confirmed.

2.5 Proposed Integrated Security Management System for Reinsurance Plaza Nairobi

As previously reported, the Corporation entered into a contract with a contractor in January, 2020 for Proposed Integrated Security Management System for Reinsurance Plaza Nairobi at a contract price of USD1,067,391.71 (approximately Kshs.107,765,788.35) for a duration of thirty-nine (39) weeks and expected completion date of 30 November, 2020. Review of the Project's file indicated that the contractor had sought and was granted several extensions, the latest covering up to 28 February, 2025. Although the status as at 31 December, 2025, indicated that the Project was substantially

complete, there was significant delay of about five (5) years in completion of the Project. Management has not provided satisfactory explanation for the significant delay in completion of the Project.

In the circumstances, value for money in respect of the Project could not be confirmed.

2.6 Proposed Improvement and Refurbishment of Reinsurance Plaza, Nairobi

As previously reported, the Corporation entered into a contract with a contractor in November, 2021 for Proposed Improvement and Refurbishment of Internal and External Common Areas for Reinsurance Plaza, Nairobi at a contract price of Kshs.31,706,606 for a duration of twenty-four (24) weeks and expected completion date of 28 July, 2022. Although the status as at 31 December, 2025, indicated that the Project was completed and the completion certificate issued on 30 October, 2024 there was a significant delay of about two years and four months in completion of the Project. Further, Management did not provide details of any time extensions from the initial expected completion date of 28 July, 2022.

In the circumstances, value for money in respect of this Project could not be confirmed.

3. Delayed Payment to Service Provider

Review of payables records indicated that the Corporation delayed payment amounting to Kshs.703,680 to a contractor for service duly rendered. The service provider had a valid contract with the Corporation for tender no. KRC/2019/172 for the provision of on-call services for minor repairs and small works as and when need arose. The contract was signed on 19 July, 2022 and was to run for two (2) years. As a result of the delayed settlement, the supplier sought legal redress for claim of payment which may result penalties.

The delay in payment of the Contractor was contrary to Section 176(1)(c) of the Public Procurement and Asset Disposal Act, 2015 which states, *inter alia*, that a person shall not delay without justifiable course the payment of contractors beyond the contractual period and contractor performance obligations.

In the circumstances, Management was in breach of the law.

4. Non-Compliance with the One-Third Basic Pay Rule

Analysis of payroll for 2025 revealed that one hundred and forty-five (145) employees had net salaries that were less than one-third of their respective basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007 (revised 2012) which provides that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

In the circumstances, Management was in breach of the law.

5. Irregularities in Human Resource Practice

5.1 Payment of Full Salary on Suspension

Review of the Corporation's payroll for the year revealed that two senior officers who were on suspension from 2 September, 2025 to 2 November, 2025 continued to earn full salaries during the period of suspension contrary the requirements of Part K.7 (2) of the Public Service Commission (PSC) Human Resource Policies and Procedure Manual which requires that where an officer is suspended from the exercise of the functions of his public office, he shall be entitled to full house allowance, medical benefits and no basic salary.

In the circumstances, Management was in breach of the guidelines.

5.2 Acting Appointments Beyond Limit Allowed

Review of Human Resource records revealed that eleven (11) officers served in acting capacity for periods exceeding six (6) months without substantive appointment. This was contrary to Section 34(3) of the Public Service Commission Act, CAP 185 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months.

Further one officer was promoted on 30 January, 2024 to the position of Underwriter, Job Grade 3A. However, the officer was appointed as an Acting Assistant Manager, Job Group 3B on 1 August, 2025 before serving the mandatory two (2) years. This was contrary to Section 34(2) of the Public Service Commission Act, CAP 185 which states that a person shall not be appointed to hold a public office in an acting capacity unless the person satisfies all the prescribed qualifications for holding the public office.

In the circumstances, Management was in breach of the law.

6. Failure to Seek Salaries and Remuneration Commission Approval for Payment of Bonus

During the year under review, the Corporation paid bonus of Kshs.102,266,081 to staff and Kshs.3,456,000 to Board of Directors. However, Management did not provide approval from Salaries and Remuneration Commission (SRC) for payment of the bonus. This was contrary to Article 230 of the Constitution which establishes the SRC to set, review, and advise on remuneration and benefits for public officers to ensure fiscal sustainability, fairness, and equity.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Outdated Operating System and Database Versions

Review of the information systems in place revealed that the Oracle 12C supporting the Storebrand International Contract System (SICS) application was outdated and thus was no longer supported by the vendor with the End-of-Life date noted as 31 March, 2022. Further, the version of Linux server supporting Oracle E-Business Suite (EBS) 8.7 was outdated and was thus not supported by the vendor with the End-of-Life date noted as 16 May, 2023.

In the circumstances, the utilization of databases or servers that are outdated and no longer supported may expose the Corporation to security vulnerabilities, as such the corporation no longer receives security updates from the vendor.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Companies Act, 2015, I report, based on my audit, that:

- i. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. The information given in the Directors' report on pages 4 to 6 is consistent with the financial statements; and

- iii. The auditable part of the Directors' remuneration report on pages 14 to 16 has been properly prepared in accordance with the Companies Act, 2015.

Basis for Conclusion

The Companies Act, 2015 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Company's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Corporation'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 Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Corporation's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

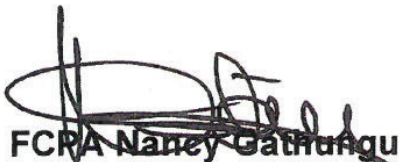
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 March, 2026

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RIPOTI YA MKAGUZI MKUU WA HESABU ZA KIFEDHA KUHUSU KENYA REINSURANCE CORPORATION LIMITED YA MWAKA ULIOKAMILIKA 31 DESEMBA, 2025

UTANGULIZI

Ninakumakinisha kuhusu yaliyomo kwenye ripoti yangu iliyogawika katika sehemu tatu:

- A. Ripoti kuhusu Taarifa za Kifedha inayoangazia iwapo taarifa za kifedha zimewasilishwa kwa usahihi kulingana na mwongozo unaofaa wa kuripoti masuala ya kifedha, viwango vya uhasibu, sheria zinazofaa na kanuni zenye athari ya moja kwa moja kwa taarifa hizo za kifedha;
- B. Ripoti kuhusu Uzingatiaji wa sheria na Ufaafu katika Matumizi ya Rasilimali za Umma inayoangazia ufuataji sheria zinazostahili, kanuni, sera, notisi za gazeti rasmi la serikali, nyaraka, miongozo na maelekezo na iwapo rasilimali za umma zimetumika kwa njia ya busara, bora, ya kiuchumi, yenye uwazi na wajibifu ili kuhakikisha kuwa Serikali inatimiza kanuni ya thamani ya pesa na kwamba pesa kama hizo zinatumika kwa majukumu yaliyokusudiwa; na
- C. Ripoti kuhusu Ufanisi wa Vidhibiti vya Ndani, Udhibiti wa Hatari na Uongozi inayoangazia jinsi shirika hili lilivyobuni vidhibiti na viwianishaji vya kuongoza shughuli za ndani. Hii inalingana na ufaafu wa kiambajengo cha uongozi, mazingira ya kudhibiti hatari, na vidhibiti vya ndani vilivyobuniwa na kutekelezwa na waliotwikwa jukumu la uongozi ili kufanikisha uendeshaji wa shirika kwa utaratibu, ufanisi na ufaafu.

Maoni ambayo hayajabadilishwa huwa yanatolewa Mkaguzi Mkuu wa Hesabu anapoamini kuwa taarifa za kifedha zimewasilishwa kwa usahihi kulingana na mwongozo unaofaa wa kuripoti masuala ya kifedha. Ripoti hii kuhusu Taarifa za Kifedha inafaa kusoma kwa mwambatano na Ripoti kuhusu Uzingatiaji wa Sheria na Ufaafu katika Utumiaji wa Rasilimali za Umma, na Ripoti kuhusu Ufanisi wa Vidhibiti vya Ndani, Udhibiti wa Hatari na Uongozi.

Sehemu hizo tatu za ripoti hii zinalenga kushughulikia majukumu ya kiserikali na wajibu wa Mkaguzi Mkuu wa Hesabu za Serikali jinsi ilivyoelezwa katika Kifungu cha 229 cha Katiba, Sheria ya Usimamizi wa Fedha za Umma, 2012 na Sheria ya Ukaguzi wa Hesabu za Umma, 2015. Sehemu hizo tatu za ripoti hii, zikisomwa kwa mwambatano zinaunda ripoti ya Mkaguzi Mkuu wa Hesabu za Kifedha.

RIPOTI KUHUSU TAARIFA ZA KIFEDHA

Maoni

Taarifa andamani za kifedha za shirika la Kenya Reinsurance Corporation Limited zilizo katika ukurasa wa 82 hadi 189, zinazojumuisha taarifa jumuishi na hali ya kifedha ya kampuni hii kufikia tarehe 31 Desemba 2025, na taarifa za faida na hasara na mapato mengine kamilifu, taarifa ya mtiririko wa kifedha na taarifa za mabadiliko ya hisa za mwaka huo uliokamilika, na muhtasari wa sera muhimu za uhasibu pamoja na maelezo mengine ya ufafanuzi, zimekaguliwa kwa niaba yangu na Deloitte and Touche LLP, wakaguzi wa hesabu za kifedha walioteuliwa chini ya Kipengee cha 23 cha Sheria ya Ukaguzi wa Umma, 2015. Wakaguzi hao wameripoti kwangu ipasavyo matokeo ya ukaguzi wao na kwa msingi wa ripoti yao, nimeridhika kwamba habari zote na maelezo yote ambayo, kwa ufahamu wangu wote, naamini yalihatijika kwa minajili ya ukaguzi huu, yalipatikana.

Kwa maoni yangu, taarifa hizo za kifedha zinaakisi, katika peo zote zinazoangaziwa, hali ya kifedha ya Kenya Reinsurance Corporation Ltd kufikia tarehe 31 Desemba 2025, na matokeo yake ya kifedha na mtiririko wa pesa kuhusu mwaka huo uliokamilika, kulingana na Viwango vya Kimataifa vya Kuripoti Masuala ya Kifedha (IFRS) na kufuata Sheria ya Kampuni za Kenya, 2015.

Msingi wa Maoni

Ukaguzi huu uliendeshwa kulingana na Viwango vya Kimataifa vya Taasisi Kuu za Ukaguzi wa Kifedha (ISSAIs). Mimi sihusiani na Usimamizi wa Kenya Reinsurance Corporation Limited kulingana na ISSAI 130 kuhusu Maadili ya Kikazi. Nimetimiza majukumu mengine ya kimaadili kulingana na ISSAI na kwa mujibu wa mahitaji mengine ya kimaadili yanayotumika katika kutekeleza ukaguzi wa taarifa za kifedha nchini Kenya. Ninaamini kuwa ushahidi wa ukaguzi niliopata unatosha na unastahili katika kutoa msingi wa maoni yangu.

Msisitizo wa Suala

1. Mali za Uwekezaji Zinazokumbwa na Mzozo

Jinsi ilivyoripotiwa katika mwaka uliotangulia, na kufichuliwa katika Kipengee cha 35 kuhusu taarifa za kifedha, Shirika hili linamiliki mali za thamani ya Kshs. 936, 077, 000 ambazo kwa sasa zina mzozo, kwa hivyo zinahusika katika kesi mahakamani. Uwekezaji huo ulio na mzozo haujatajwa chini ya mali zilizowekezwa bali umetajwa kando katika Kipengee cha 35-Mali zinazokumbwa na mzozo. Mali hizo zimeorodheshwa ifuatavyo;

(i) Kipande cha Ardhi kando ya barabara ya Ngong

Shirika hili liliwekeza Ksh350,000,000 katika ununuzi wa kipande cha ardhi chenye ukubwa wa takribani hekta 59.87 kando ya barabara ya Ngong. Hata hivyo, kipande hicho kinazozaniwa baina ya Shirika hili na shirika la Huduma ya Misitu Kenya mbele ya Tume ya Kitaifa ya Ardhi. Ingawa Shirika hili limepokea uthibitisho kutoka kwa Mkurugenzi wa Usororveya kwamba ardhi ya Shirika hili ni tofauti na ile ya Huduma ya Misitu ya Kenya, suala hilo bado halijatatuliwa kwa sababu Tume ya Kitaifa ya Ardhi haijasikiliza na kutoa uamuzi. Kwa hivyo, Shirika hili halijanufaika kikamilifu na umiliki wa ardhi hiyo kwa sababu Usimamizi wake hauwezi kuweka mipango ya uwekezaji wa muda mrefu.

(ii) Kipande cha Ardhi kando ya barabara ya Kiambu

Shirika hili ni mmiliki aliyesajiliwa wa kipande cha ardhi chenye ukubwa wa takribani hekta 99.5813 kilicho kando ya barabara ya Kiambu chenye thamani ya Ksh563,077,000. Shirika hili liko katika mzozo wa umiliki dhidi ya mmoja wa Wakurugenzi wa wauzaji wa ardhi hiyo na kesi hiyo iko Kortini.

Kwa hivyo, shirika hili halinufaiki na thamani kamili ya pesa zilizowekezwa katika mali hiyo.

(iii) Kipande cha Ardhi eneo la Shanzu Mombasa

Shirika hili ndilo mmiliki aliyesajiliwa wa kipande cha ardhi chenye ukubwa wa takribani hekta 17.3 kinachopatikana eneo la Shanzu Mombasa chenye thamani ya Ksh23,000,000. Shirika hili liko katika mzozo wa umiliki wa ardhi hiyo dhidi ya shirika la Huduma za Jela Kenya (Kenya Prison Service).

Kutokana na hilo, mali hiyo haitumiwi kuleta mapato na hivyo basi Shirika halinufaiki kikamilifu na thamani ya pesa zilizowekezwa katika mali hiyo.

2. Mali ya Uwekezaji ambayo Haitumiki.

Jinsi ilivyoripotiwa hapo awali, na ilivyofichuliwa katika Kipengee cha 16 cha taarifa za kifedha, Shirika hili linamiliki kipande cha ardhi ndani ya Uwanja wa Ndege wa Kimataifa wa Jomo Kenyatta (JKIA) chenye thamani ya Ksh 1,047,000, 000. Hata hivyo, Uongozi umefichua kuwa ufikiaji wa ardhi hiyo umezuiwa kutokana na kanuni inayohusiana na ufikiaji wa maeneo yanayowekeka ulinzi wa hali ya juu kama vile Uwanja wa Kimataifa wa Ndege wa Jomo Kenyatta (JKIA) ambapo Mamlaka ya Viwanja vya Ndege sharti itoe idhini kwa mpango wowote wa ustawi unaopendekezwa.

Kwa hivyo, shirika hili halipati manufaa kamili ya uwekezaji huo.

3. Malimbikizo ya Muda Mrefu

Taarifa jumishi ya hali ya kifedha inaonyesha malipo mengine ya Kshs. 553, 378,000 yaliofichuliwa katika Kipengee cha 26 cha taarifa za kifedha, ambayo yanajumuisha malipo ya Kshs. 300,150,000 kutoka kwa Mamlaka ya Kusimamia Barabara za Mijini nchini Kenya ambapo Kshs. 127,459,000 ziliondolewa. Kama ilivyofichuliwa katika Kipengee cha 26 cha taarifa za kifedha, malipo hayo ni fidia ya kipande cha ardhi ambacho ililazimu kichukuliwe na Tume ya Kitaifa ya Ardhi katika mwaka wa kifedha wa 2017 ili kitumiwe na Mamlaka ya Kusimamia Barabara za Mijini kujenga barabara. Usimamizi haujatoa sababu za malipo hayo kutolipwa tangu mwaka wa 2017 na hakuna hatua ambayo imechukuliwa ili kupokea malipo hayo.

Maoni yangu hayajaathiriwa na masuala haya.**Masuala Makuu ya Ukaguzi wa Kifedha**

Masuala makuu ya ukaguzi ni yale ambayo kulingana na uamuzi wangu wa kitaalamu, yana umuhimu mkubwa katika ukaguzi wa taarifa za kifedha za mwaka huu. Masuala haya yalishughulikiwa kikamilifu katika muktadha wa ukaguzi wa taarifa za kifedha kwa jumla, na katika kubuni maoni kuyahusu, wala sitatoa maoni tofauti kuhusu masuala hayo. Kwa kila moja ya masuala hayo, maelezo yametolewa ya jinsi ukaguzi huu utavyoshughulikia suala hilo.

Suala Kuu la Ukaguzi	Jinsi Ukaguzi wetu ulivyoshughulikia suala hili
<p>Ubainishaji wa gharama za mikataba ya bima</p> <p>Ubainishaji wa gharaza za mikataba ya bima katika siku zijazo unahusisha makadirio mengi ya Wakuregenzi. Kiasi cha Kshs. 13,952,186,000 za gharama za mikataba ya bima kimetajwa kwenye taarifa jumuishi ya hali ya kifedha kufikia tarehe 31 Desemba, 2025 na kiasi cha Kshs. 12,186,996,000 za gharama za mikataba ya bima kimetajwa kwenye taarifa za kampuni kuhusu hali ya kifedha kufikia tarehe 31 Desemba, 2025.</p> <p>Kiasi kikubwa cha gharama hizi za mikataba ya bima kinahusishwa na madai ya visa vilivyofanyika lakini bado havijaripotiwa kufikia mwishoni mwa mwaka huo.</p> <p>Gharama ya jumla ya mikataba ya bima inakadiriwa kwa kutumia mbinu mbalimbali. Mbinu hizi zinachukulia kwamba Kampuni ina tajriba ya kutabiri madai ya siku zijazo na hivyo inajua gharama ya jumla ya kufidia madai hayo. Dhana zinazotumika, vikiwemo viwango vya hasara na ongezeko la gharama za madai ya siku zijazo zinatokana hasa na takwimu za awali za madai ambazo makadirio hufanywa kwa kujikita kwazo. Uamuzi hutolewa ili kupima kiwango ambacho kutokea kwa madai ya zamani huenda kusiweze kufaa siku zijazo na kwamba madai mapya yanatarajiwa kuibuka.</p> <p>Kwa mantiki hayo, nilibainisha gharama za mikataba ya bima kama jambo linalowakilisha suala kuu la Ukaguzi kwa sababu ya umuhimu wa salio kwenye taarifa za kifedha kwa jumla, kwa kujumuisha na kubadilika kwa uamuzi na ukadiriaji kunakohusishwa na ubainishaji wa gharama hizo.</p>	<p>Katika kushughulikia suala hili kuu la ukaguzi, nilifuata hatua zifuatazo:</p> <ul style="list-style-type: none"> • Nilitathmini ufaafu wa vidhibiti husika ambavyo vilitekelezwa na Wakuregenzi katika kubainisha visa vilivyofanyika lakini bado havijaripotiwa. • Nilipima umilisi, uwezo na maadili ya wataalam wa bima wa Kampuni hii. • Niliwauliza Wakuregenzi ufaafu wa mbinu na njia zilizotumiwa na wataalam wa bima wa Kampuni hii na kutathmini ikiwa zinakidhi Viwango vya Kimataifa vya Kuripoti Masuala ya Kifedha (IFRS) na maadili ya sekta hii. • Nilihusisha wataalam wa bima wa Shirika la Deloitte katika kutathmini maamuzi na vielelezo vilivyotumiwa na Wakuregenzi ili kubaini visa vilivyofanyika lakini bado havijaripotiwa. • Nilifanya hatua za ziada za Ukaguzi ili kuona kama takwimu iliyotumika katika kupima gharama ya visa vilivyofanyika lakini bado havijaripotiwa zilikuwa na usahihi. • Nilipima ufaafu wa ripoti sawia katika Kipengee cha 1, 2 na 28 vya taarifa za kifedha. <p>Kwa kuzingatia hatua zangu, sikugundua kasoro zozote kwenye taarifa na ninachukulia kwamba dhana kuu za wakuregenzi na mbinu iliyotumika inafaa.</p>

Nimetekeleza wajibu uliofafanuliwa katika Majukumu ya Mkaguzi Mkuu wa Hesabu katika sehemu ya Ukaguzi ya ripoti hii ikiwemo kuhusiana na masuala haya. Ukaguzi huu ulijumuisha ipasavyo, matokeo ya hatua zilizobuniwa ili kushughulikia tathmini ya hatari ya upotoshi wa taarifa za fedha. Matokeo ya hatua hizo za ukaguzi, zikiwemo hatua zilizifuatwa ili kushughulikia masuala yaliyotolewa hapo juu yanatoa msingi wa maoni ya ukaguzi wangu kuhusu taarifa za fedha zilizoambatanishwa.

Maelezo Mengine

Ni jukumu la Wakurugenzi kutoa maelezo mengine yaliyo katika ukurasa wa 2 hadi 16 ambayo yanajumuisha, Taarifa za Shirika, Ripoti ya Wakurugenzi, Taarifa ya Wasimamisi wa Kampuni, Taarifa kuhusu majukumu ya Wakurugenzi, Ripoti ya Mtaalam wa Bima na Ripoti ya Malipo ya Wakurugenzi. Haya Maelezo Mengine hayajumuishi Taarifa za Fedha na ripoti ya ukaguzi wangu.

Kuhusiana na ukaguzi wangu wa Taarifa za Fedha za Kampuni ya Kenya Reinsurance Corporation, jukumu langu ni kusoma hayo Maelezo Mengine na, katika kufanya hivyo, ninatathmini ili kubaini iwapo hayaendani kwa kiasi kikubwa na Taarifa za Fedha za Shirika hili au kile nilichopata kufahamu kwenye ukaguzi huu, au vinginevyo kukosekana kwa usahihi. Ikiwa ninatoa pendekezo kulingana na kazi ambayo nimefanya, ninaona kwamba hakuna taarifa kuhusu Maelezo Mengine, ninapaswa kuripoti ukweli huo. Ninathibitisha kwamba hayo Maelezo Mengine hayatofautiani na taarifa za fedha.

Maoni yangu kuhusu Taarifa za Fedha za Kampuni hii hayajumuishi hayo Maelezo Mengine na sitoi pendekezo lolote la uhakiki kuzihusu.

RIPOTI KUHUSU UHALALI NA UFAAFU KATIKA MATUMIZI YA RASILIMALI ZA UMMA

Hitimisho

Kama inavyotakikana katika Kifungu cha 229(6) cha Katiba, kulingana na hatua za ukaguzi zilizofanywa, ninathibitisha kwamba, kando na masuala yaliyofafanuliwa katika sehemu ya Msingi wa Hitimisho kuhusu Uhalali na Ufaafu katika Matumizi ya Raslimali za Umma ya ripoti yangu, hakuna kitu kilichoteka umakinifu wangu hadi kikanifanya niamini kwamba rasilimali za umma hazijatumika kihalali na kwa njia inayofaa.

Msingi wa Hitimisho

1. Kutozingatia Sheria kwenye Bodi

1.1. Kutozingatia Utekelezaji wa Sheria ya Jinsia katika Uteuzi wa Wanachama wa Bodi

Uchanganuzi wa wanachama wa Bodi ya Shirika hili kufikia tarehe 31 Desemba, 2025 ulifichua kwamba Bodi hiyo haikuzingatia sheria ya theluthi tatu ya jinsia, kwani wakurugenzi wasio watendaji saba (7) kati ya 10 wanaowakilisha 70% walikuwa wa jinsia moja. Hii ilikuwa kinyume na mahitaji ya Kifungu cha 27(8) cha Katiba kinachoelekeza kwamba Taifa litachukua hatua ili kuhakikisha kwamba theluthi tatu ya wanachama wanaoteuliwa au kuchaguliwa kwenye bodi hawatakuwa wa jinsia moja. Zaidi ya hayo, Sura ya 1 ya Kanuni za Uongozi za Mashirika ya Umma inahimiza uzingatiaji wa sheria ya jinsia ya wanachama wa Bodi.

Kwa kufanya hivyo, Usimamizi ulikiuka Sheria.

1.2. Kukosekana kwa Tathmini ya Utendajikazi wa Bodi

Katika mwaka huyo unaochanganuliwa, Bodi hii haikufanya tathmini ya utendajikazi kinyume na mahitaji ya Aya ya 1.12 ya Mwongozo Code of Governance kwa Mashirika ya Umma inayohitaji Bodi kufanya tathmini ya utendajikazi kila mwaka ili kupima ufanisi na kuongeza uwajibikaji.

Kwa kufanya hiyo, Usimamizi ulikiuka Sheria.

2. Kutoharakisha Utekelezaji wa Miradi

Uchanganuzi wa hali ya utekelezaji wa miradi ulifichua masuala yafuatayo ambayo hayaridhishi.

2.1 Utekelezaji wa Kazi ya Ukarabati wa Miundomsingi ya Umeme Iliyopendekezwa - Jumba la Anniversary Towers

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi Julai, 2023 kwa ajili ya Utekelezaji wa Kazi ya Ukarabati wa Miundomsingi ya Umeme Iliyopendekezwa katika jumba la Anniversary Towers kwa kandarasi ya Kshs. 84,732,944 kwa muda wa miezi kumi na nane (18), na kazi hiyo ilitarajiwa kukamilika tarehe 31 Desemba, 2024. Hata hivyo, kufikia tarehe 31 Desemba, 2025, ilikadiriwa kuwa mradi huo ulikuwa umetekelezwa kwa 5%, ishara kwamba ulikuwa nyuma ya muda uliopangiwa.

Kutokana na hilo, mradi huo haukukamilika katika muda uliopangwa na shirika hili halitapata thamani ya pesa kwenye mradi huo..

2.2 Uunganishaji wa Mifumo ya Usalama Uliopendekezwa katika jengo la Reinsurance Plaza Mjini Kisumu

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi wa Novemba, 2022 kwa ajili ya Mradi wa Uunganishaji wa Mifumo ya Usalama Uliopendekezwa katika jengo la Reinsurance Plaza mjini Kisumu kwa kandarasi ya USD 1,057,180.37 (takribani Kshs. 129,004,011.88) kwa muda wa wiki thelathini na sita (36) na ulitarajiwa kukamilika Novemba 2023. Hata hivyo, maelezo yaliyotolewa na Usimamazi yalionyesha kwamba mkandarasi huyo alitelekeza mradi huo katika hatua za mwanzo za utekelezaji. Kufikia tarehe 31 Desemba, 2025, mradi huo ulikuwa umekwama baada ya kutekelezwa kwa 5%. Usimamizi haujatoa maelezo ya kuridhisha kuhusu hali mbaya ya mradi huo.

Kutokana na hilo, Shirika hili huenda lisipate manufaa yaliyotarajiwa kutoka kwa Mradi huu wa Kuunganisha Mifumo ya Usalama katika jumba la Reinsurance Plaza mjini Kisumu.

2.3 Uboreshaji na Ukarabati Uliopendekezwa katika jumba la Reinsurance Plaza Mjini Kisumu

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi wa Novemba, 2021 kwa ajili ya Uboreshaji Uliopendekezwa wa Maeneo Yanayotumiwa na kila mtu ndani ya jumba hili na Urejeshaji wa uzio wa ukuta katika jumba la Reinsurance Plaza mjini Kisumu kwa kandarasi ya Kshs. 29,654,802 kwa muda wa wiki ishirini na nne (24). Hapo awali, mradi huo ulitarajiwa kukamilika tarehe 31 Julai, 2022 lakini tarehe hiyo ilisongeshwa hadi tarehe 30 Novemba, 2023. Hata hivyo, kandarasi hiyo ilibatilishwa tarehe 3 Desemba, 2023 mradi ukiwa umefikia 60%. Tathmini ya hali ya mradi kufikia tarehe 31 Desemba, 2025 ilionyesha kuwa mradi huo ulikuwa umekwama na zabuni ya kazi hiyo haikuwa imetangazwa upya.

Kutokana na hilo, thamani ya pesa kwenye mradi huo haiwezi kuthibitishwa.

2.4 Mfumo Jumuishi wa Kudhibiti Usalama Uliopendekezwa katika majumba ya Anniversary Towers na Kenya Re Towers

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi wa Desemba, 2020 kwa ajili ya mradi wa Mfumo Jumuishi wa Kudhibiti Usalama katika majumba ya Anniversary Towers na Kenya Re Towers kwa kandarasi ya USD 2,642,071.70 (takribani Kshs. 294,165,092.60) kwa muda wa wiki ishirini (20) na ulitarajiwa kukamilika tarehe 31 Julai, 2021. Tathmini ya hali ya mradi huo ilionyesha kuwa mkandarasi huyo alikuwa ameomba na kuruhusiwa kusongesha muda huo mara kadhaa, mara ya mwisho ikiwa tarehe 30 Juni, 2025. Kufikia tarehe 31 Desemba, 2025, ilikadiriwa kuwa mradi huo ulikuwa umefikia 98% na bado haukuwa umekabidhiwa shirika hili, karibu miaka matano (5) tangu ulipoanza. Usimamizi haujatoa maelezo ya kuridhisha ni kwa nini mradi huo ulichelewa sana kukamilika.

Kutokana na hilo, thamani ya pesa ya mradi wa Mfumo Jumuishi wa Kudhibiti Usalama haiwezi kuthibitishwa.

2.5 Mfumo Jumuishi wa Kudhibiti Usalama Uliopendekezwa katika jengo Reinsurance Plaza Mjini Nairobi

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi wa Januari 2020 kwa ajili ya mradi wa Mfumo Jumuishi wa Kudhibiti Usalama katika jumba la Reinsurance Plaza, Nairobi kwa kandarasi ya USD 1,067,391.71 (takribani Kshs. 107,765,788.35) kwa muda wa wiki thelathini na tisa (39) na ulitarajiwa kukamilika tarehe 30 Novemba, 2020. Tathmini ya mradi huu ilionyesha kuwa mkandarasi huyo aliomba na muda huo usongeshwe mara kadhaa, mara ya mwisho ikiwa tarehe 28 Februari, 2025. Ingawa hali ya mradi huo kufikia tarehe 31 Desemba, 2025 ilionyesha kwamba mradi huo ulikuwa umekamilika, ulicheleweshwa sana kwa karibu miaka mitano (5). Hata hivyo, usimamizi haujatoa maelezo yoyote kuhusu kucheleweshwa kwa muda wa kukamilisha mradi huo.

Kutokana na hilo, thamani ya pesa ya mradi huo haiwezi kuthibitishwa.

4.6 Uboreshaji na Ukarabati Uliopendekezwa wa jumba la Reinsurance Plaza

Kama ilivyoripotiwa hapo awali, Shirika hili liliingia kwenye mkataba na mkandarasi mwezi wa Novemba 2021 kwa ajili ya mradi wa Uboreshaji na Ukarabati wa Maeneo yanayotumiwa na kila mtu ndani na nje jumba la Reinsurance Plaza kwa kandarasi ya Kshs. 31,706,606 kwa muda wa wiki ishirini na nne (24) na ulitarajiwa kukamilika tarehe 28 Julai 2022. Ingawa hali ya mradi huo kufikia tarehe 31 Desemba 2025 ilionyesha kuwa mradi ulikamilika na cheti cha kukamilika kwake kutolewa tarehe 30 Oktoba, 2024, mradi huo ulichelewa kukamilika kwa karibu miaka miwili na miezi minne. Aidha, Usimamizi haukutoa maelezo yoyote ya usongeshaji wa muda kutoka tarehe 28 Julai, 2022 ambayo mradi huo ulitarajiwa kukamilika.

Kutokana na hilo, thamani ya pesa ya mradi huo haiwezi kuthibitishwa.

3. Kucheleweshwa kwa Malipo ya Watoaji wa Huduma

Uchanganuzi wa rekodi za malipo ulionyesha kuwa Shirika hili lilichelewesha malipo ya Kshs. 703,680 kwa mkandarasi aliyetoa huduma kikamilifu. Mtoaji huduma huyo alikuwa ameingia kwenye mkataba halali na Shirika hili tenda na. KRC/2019/172 ili kutoa huduma za mawasiliano kwa ukarabati mdogo na kazi ndogondogo iwapo yatahitajika. Kandarasi ilisainiwa tarehe 19 Julai, 2022 na ilifaa kuchukuwa muda wa miaka miwili (2). Kutokana na ucheleweshaji huo, mkandarasi huyo alichukua hatua za kisheria ili kulipwa malipo hayo jambo ambalo huenda likasababisha faini.

Kucheleweshwa kwa malipo ya mkandarasi huyo ili kinyume na Kipengee cha 176(1)(c) cha Sheria ya Ununuzi wa Umma na Uuzaji wa Mali, 2015 kinachoeleza kwamba, mwongoni mwa mambo mengine, mtu hatachelewesha bila sababu murua, malipo ya wakandarasi kwa zaidi ya muda wa kandarasi na baada ya mkandarasi kukamilisha kazi yake.

Kutokana na Hilo, Usimamizi ulikiuka Sheria.

4. Kutozingatia Sheria ya Theluthi Moja ya Malipo ya Jumla

Uchanganuzi wa mishahara katika mwaka wa 2025 ulifichua kuwa wafanyakazi wote mia moja na arobaini na tano (145) walipata mishahara ya kiwango cha chini ya thuluthi moja ya mishahara yao kabla ya marupurupu. Hii ilikuwa kinyume na Kipengee cha 19(3) cha Sheria ya Ajira, 2007 (iliyorekebisha 2012) ambacho kinaeleza kwamba, bila kujali haki ya kukata madeni na mikopo yoyote, na bila kuzingatia mahitaji ya sheria yoyote ilioandikwa, jumla ya makato yote yayanawesha kukatwa na mwajiri kutoka kwa mishahara ya wafanyakazi wake wakati wowote ule isipite thuluthi mbili ya kiasi cha mishahara hiyo au nyongeza au kiwango kingine kinachoweza kupendekwa na Waziri bila kujali mwajiri au mwajiriwa au daraja la waajiri au waajiriwa au biashara au sekta zao.

Kulingana na hilo, Usimamizi ulikiuka sheria.

5. Ukiukaji wa Sheria katika Kuandika Wafanyakazi

5.1 Ulipaji wa Mishahara Kamili kwa Wafanyakazi Waliosimamishwa Kazi

Uchanganuzi wa mishahara ya Shirika hili katika mwaka unaochanganuliwa ulifichua kuwa maafisa wawili wa ngazi ya juu ambao waliosimamishwa kazi kuanzia tarehe 2 Septemba, 2025 hadi tarehe 2 Novemba, 2025 waliendelea kupata mishahara kamili katika kipindi hicho cha kusimamishwa kazi. Hii ni kinyume na mahitaji ya Sehemu ya K.7 (2) ya Tume ya Huduma za Umma (PSC) Sera za Nguvukazi na Mwongozo wa Hatua inayoeleza kwamba afisa anayeshikilia ofisi ya umma akisimamishwa kazi, atapokea kikamilifu Marupurupu ya Nyumba na Matibabu lakini si Mshahara.

Kutokana na Hilo, Usimamizi ulikiuka Sheria hiyo.

5.2. Kuhudumu katika Nafasi za Ukaimu kwa Zaidi ya Muda Unaoruhusiwa

Uchanganuzi wa rekodi za Nguvukazi ulifichua kwamba maafisa kumi na mmoja (11) walihudumu katika nafasi za ukaimu kwa kipindi cha zaidi ya miezi sita (6) bila cheo cha kudumu. Hii ilikuwa kinyume na Kipengee cha 34 (3) cha Sheria ya Tume ya Huduma za Umma (PSC), Sura ya 185 kinachoeleza kwamba afisa anaweza kuteuliwa ili kuhudumu kwa nafasi ya ukaimu kwa kipindi cha angalau siku 30 lakini si zaidi ya miezi sita.

Aidha, afisa mmoja alipandishwa cheo tarehe 30 Januari, 2024 hadi kuwa mtoaaji bima, Kazi ya Daraja la 3A. Hata hivyo, afisa huyo tena aliteuliwa kama Kaimu Meneja Msaidizi, Kazi ya Daraja la 3B tarehe 1 Agosti, 2025 kabla ya kuhudumu kwa kipindi kinachohitajika cha miaka miwili (2). Hii ilikuwa kinyume na Kipengee cha 34 (2) cha Sheria ya Tume ya Huduma za Umma, Sura ya 185, ambacho kinasema, mtu hatateuliwa kuwa kaimu katika ofisi ya umma isipokuwa kama mtu huyo anakidhi mahitaji yote yaliyotolewa ili kufuzu kuhudumu katika ofisi hiyo.

Kwa kufanya hivyo, Usimamizi ulikiuka Sheria.

6. Kutopata Idhini ya Tume ya Kuratibu Mishahara na Marupurupu kwa Malipo ya Bonasi

Katika kipindi kinachochanganuliwa, Shirika hili lilipa wafanyakazi bonasi ya Kshs. 102,266,081 na Kshs. 3,456,000 kwa Bodi ya Wakuregenzi. Hata hivyo, Usimamizi haukutoa idhini iliyotolewa na Tume ya Kuratibu Mishahara na Marupurupu (SRC) kwa malipo ya bonasi hiyo. Hii ilikuwa kinyume na Kifungu cha 230 cha Katiba kilichoanzisha SRC kuratibu, kupitia, na kushauri kuhusu mishahara na marupurupu ya maafisa wa umma ili kuhakikisha uthabiti na usawa katika matumizi ya umma.

Kwa kufanya, Usimamizi ulikiuka Sheria.

Ukaguzi huu ulifanywa kulingana na kiwango cha ISSAI 3000 na ISSAI 4000. Viwango hivi vinanihitaji nitimize mahitaji ya kimaadili na nipange kutekeleza ukaguzi huu ili nipate hakikisho kuhusu iwapo shughuli, miamala ya kifedha na maelezo yaliyo kwenye taarifa za kifedha yamezingatia maelezo ya mamlaka zote zinazoyaongoza. Ninaamini kwamba ushahidi wa ukaguzi huu ambao nimepata ni wa kutosha na unafaa kutoa msingi wa pendekezo la hitimisho langu.

RIPOTI YA UFAAFU WA MIFUMO YA UELEKEZAJI, UDHIBITI WA HATARI NA UONGOZI

Hitimisho

Kama inavyotakikana katika Kifungu cha 7(1) cha Sheria ya Ukaguzi wa Hesabu za Umma ya mwaka, 2015, kulingana na hatua za ukaguzi zilizofanywa, kando na masuala yaliyofafanuliwa katika sehemu ya msingi wa hitimisho kuhusu Ufaafu wa Mifumo ya Uelekezaji, Udhhibiti wa Hatari na Uongozi ya ripoti yangu, ninathibitisha kwamba, hakuna kitu kilichoteka umakinifu wangu ili kunifanya niamini kwamba mifumo ya uelekezaji, udhibiti wa hatari na uongozi kwa jumla, haikufaulu.

Msingi wa Hitimisho

Matoleo ya Zamani ya Programu ya Kompyuta na Kanzidata

Uchanganuzi wa mifumo ya taarifa iliyopo ulifichua kwamba programu ya Oracle 12C inayoendesha Mfumo wa Storebrand International Contract System (SICS) ilikuwa haijasasishwa, hivyo basi, haikuwa inatolewa na muuzaji, huku muda wake wa mwishokutumika ukiwa tarehe 31 Machi, 2022. Kadhalika, toleo la sava ya Linux inayoendesha programu ya Oracle E-Business Suite (EBS) 8.7 lilikuwa haijasasishwa na hivyo haikuwa inatolewa na muuzaji, huku muda wake wa mwisho kutumika ukiwa tarehe 16 Mei, 2023.

Kutokana na hilo, utumiaji wa kanzidata au sava ambazo haijasasishwa na ambazo hazierendeshwi na muuzaji unaweza kuhatarisha usalama wa Shirika hili. Kwa mfano, shirika hili halipokei jumbe za usasishaji wa kiusalama kutoka kwa muuzaji.

Ukaguzi huo ulifanywa kulingana na Viwango vya ISSAI 2315 na ISSAI 2330. Viwango hivi vinanihitaji nipange na kufanya ukaguzi huu ili nipate hakikisho kuhusu kama michakato na mifumo inayofaa ya uelekezaji, udhibiti wa hatari na uongozi kwa jumla iliendeshwa kwa ufanisi, katika hali zote. Ninaamini kwamba ushahidi wa ukaguzi huu ambao nimepata ni wa kutosha na unafaa kutoa msingi kwa pendekezo la hitimisho langu.

RIPOTI KUHUSU MAHITAJI MENGINE YA KISHERIA NA YA UDHIBITI

Hitimisho

Kama inavyotakiwa na Sheria ya Kampuni za Kenya ya 2015, ninariporti kulingana na ukaguzi wangu kwamba:

- i. Nimepata taarifa na maelezo yote ambayo, ninafahamu na kuamini, yalikuwa muhimu kwa ajili ya ukaguzi huu;
- ii. Maelezo yaliyotolewa kwenye ripoti ya Mkurugenzi Mkuu katika ukurasa wa 4 hadi 6 zinawiana na taarifa za fedha; na
- iii. Sehemu inayoweza kukaguliwa ya ripoti ya Mkurugenzi mkuu kuhusu mishahara katika ukurasa wa 14 hadi 16 imetayarishwa inavyofaa na kulingana na Sheria ya Kampuni, 2015.

Msingi wa Hitimisho

Sheria ya Kampuni, 2015 inahitaji niriporti kuhusu mahitaji ya kisheria na ya udhibiti, au kuhusu maelezo ya matokeo yaliyofichuliwa. Masuala haya yanahitaji utoaji wa maoni tofauti kuhusu uzingatiaji wa sheria na kanuni wa Shirika hili. Ninaamini kuwa ushahidi wa ukaguzi niliopata unatosha na unafaa kutoa msingi wa hitimisho langu.

Majukumu ya Wasimamizi na na Bodi ya Wakurugenzi

Wasimamizi wana jukumu la kutayarisha na kuwasilisha kwa haki taarifa hizi za fedha kulingana na Viwango vya Kimataifa vya Kuripoti Fedha (IFRS) na kudumisha mifumo ya ndani ya udhibiti jinsi Wasimamizi wanavyoamua, hatua ambayo ni muhimu katika kuwezesha utayarishaji wa taarifa sahihi za fedha zisizokuwa na upotoshi wa nyenzo/mali iwe ni kutokana na ulaghai au dosari na kwa tathmini yake kuhusu ufanisi wa udhibiti wa ndani, udhibiti wa hatari na uongozi.

Katika kutayarisha taarifa hizi za fedha, Wasimamizi wana jukumu la kutathmini uwezo wa Shirika hili kuendelea kuhudumu kutokana na rasilimali za kutosha, wakifichua inavyofaa masuala yanayohusiana na rasilimali hizo za kutosha na kutumia msingi wa rasilimali za kutosha katika uhasibu, isipokuwa kama Wasimamizi wanafahamu nia ya kufungwa kwa Kampuni hii au kusitisha shughuli zake.

Wasimamizi pia wana jukumu la kuwasilisha taarifa za fedha kwa Mkaguzi Mkuu kulingana na Sehemu ya 47 ya Sheria ya Ukaguzi wa Hesabu za Umma ya mwaka 2015.

Kando na jukumu la kutayarisha na kuwasilisha taarifa za fedha lililoelezwa hapo juu, Wasimamizi pia wana jukumu la kuhakikisha kwamba shughuli hizi, miamala ya pesa na maelezo ya kifedha yaliyo kwenye taarifa za

fedha, zimetii maelekezo ya mamlaka inayosimamia sekta hii na kuhakikisha rasilimali za umma zimetumika kwa njia inayofaa.

Waliotwikwa jukumu la uongozi wa jukumu la kusimamia harakati ya kutoa ripoti ya kifedha ya Shirika hili, kuhakiki ufanisi wa jinsi Usimamizi unavyozingatia utiifu wa sheria husika na kanunu za udhibiti zinazofaa, ukihakikisha zipo harakati na mifumo inayofaa katika kushughulikia majukumu muhimu kuhusiana na uongozi kwa jumla na udhibiti wa hatari, na kuhakikisha kuna mazingira thabiti na faafu ya udhibiti.

Majukumu ya Mkaguzi Mkuu kwa Ukaguzi huu

Jukumu langu ni kufanya ukaguzi wa taarifa za kifedha kulingana na Kifungu cha 229(4) cha Katiba, Kipengee cha 35 cha Sheria ya Ukaguzi wa Hesabu za Umma ya mwaka 2015 na Viwango vya Kimataifa vya Taasisi Kuu za Ukaguzi wa Kifedha (ISSAIs). Viwango hivi vinahitaji kwamba, katika kufanya ukaguzi huu, nipate hakikisho dhahiri kuhusu iwapo taarifa hizi za kifedha kwa jumla hazina makosa, iwe ni kutokana na ulaghai au dosari isiyo ya makusudi, na kutoa ripoti ya mkaguzi ambayo inajumuisha maoni yangu kulingana na masharti ya Sheria ya Ukaguzi wa Umma ya 2015 na kuwasilisha ripoti ya ukaguzi kulingana na Kipengee cha 48 cha Sheria ya Ukaguzi wa Hesabu za Umma ya mwaka 2015. Hakikisho dhahiri ni hakikisho la kiwango cha juu lakini si lazima kila mara ukaguzi uliofanywa kulingana na viwango vya ISSAI ubaini uwepo wa makosa. Makosa yanaweza kuibuka kutokana na ulaghai au dosari na yanachukuliwa kuwa wazi ikiwa, binafsi au kwa jumla, yanatarajiwa kushawishi maamuzi ya kiuchumi ya watumiaji yakichukuliwa kwa msingi wa taarifa hizi za fedha.

Katika kufanya Ukaguzi huu, Kifungu cha 229(6) cha Katiba pia kinanihitaji nitoe hitimisho kuhusu, iwapo katika hali zote shughuli, miamala ya kifedha na maelezo yalitolewa kwenye taarifa za kifedha yanatii mamlaka zinazoyaongoza au la, na kwamba rasilimali za umma zilitumika kwa njia inayofaa. Aidha, ninazingatia mazingira ya udhibiti ya shirika hili ili kutoa hakikisho kuhusu ufaafu wa michakato na mifumo ya vidhibiti vya ndani, udhibiti wa hatari na uongozi kulingana na Kipengee cha 7 (1)(a) cha Sheria ya Ukaguzi wa Umma, 2015.

Vilevile, ninahitajika kuwasilisha ripoti ya ukaguzi kulingana na Kifungu cha 229 (7) cha Katiba.

Maelezo ya kina ya majukumu yangu katika ukaguzi huu yanapatikana kwenye tovuti ya Ofisi ya Mkaguzi Mkuu wa Hesabu za Kifedha: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. Maelezo haya yanaunda sehemu ya ripoti yangu ya mkaguzi.



FCPA Nancy Gathungu, CBS
MKAGUZI MKUU WA HESABU ZA SERIKALI
Nairobi
Tarehe 26 Machi, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 KShs '000	2024 KShs '000
Total insurance revenue	6(a)	17,069,518	18,849,176
Ceding commission	6(b)	(4,488,196)	(4,697,717)
Insurance revenue		12,581,322	14,151,459
Insurance service expenses	9(a)	(11,119,692)	(10,493,951)
Net expenses from reinsurance contracts	6(c)	(1,353,170)	(708,418)
Insurance service result		108,460	2,949,090
Interest revenue calculated using the effective interest method	7(a)	4,542,384	4,501,757
Impairment gain/(loss) on financial assets	10	143,287	(217,229)
Share of results of associate	17	816,498	610,186
Fair value gains on revaluation of investment properties	16	305,824	343,011
Other investment income	7(b)	1,035,560	1,112,549
Net foreign exchange (loss)		(247,651)	(1,683,848)
Net investment income		6,704,362	4,666,426
Finance (expenses) from insurance contracts	9(b)	(252,042)	(637,072)
Finance income/(expenses) from reinsurance contracts	9(c)	29,823	(79,131)
Net insurance finance (expenses)		(222,219)	(716,203)
Net insurance and investment result		6,482,143	6,899,313
Other income	8	136,550	113,516
Operating and other expenses	10	(1,793,498)	(1,364,656)
Profit before income tax		4,825,195	5,648,173
Income tax expense	11	(901,602)	(1,211,021)
Profit for the year		3,923,593	4,437,152
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of quoted equity instruments classified as FVTOCI	22	669,524	368,583
Net gains on revaluation of unquoted equity instruments	21	122,131	235,324
Share of movement in associate reserves:			
– fair value reserve	17	269,209	99,963
Share of gain on property revaluation of associate	17	993	10,603
Remeasurement gain/losses on defined benefit plans, net of tax	30	37,749	14,067
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of held at FVTOCI government securities	24	63,973	152,225
Foreign exchange differences on translation of foreign operations	14	436,930	(1,013,637)
Share of movement in associate reserves:			
– currency translation	17	157,655	(1,966,666)
Total other comprehensive income/(loss)		1,758,164	(2,099,538)
Total comprehensive income		5,681,757	2,337,614
Earnings per share - basic and diluted	12	0.70	0.79

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 KShs '000	2024 KShs '000
Total insurance revenue	6(a)	14,521,866	16,066,157
Ceding commission	6(b)	(3,874,985)	(3,930,043)
Insurance revenue		10,646,881	12,136,114
Insurance service expenses	9(a)	(9,973,520)	(8,274,347)
Net expenses from reinsurance contracts	6(c)	(1,289,296)	(706,712)
Insurance service result		(615,935)	3,155,055
Interest revenue calculated using the effective interest method	7(a)	4,085,722	4,164,976
Impairment gain/(loss) on financial assets	10	144,794	(218,120)
Share of results of associate	17	816,498	610,186
Fair value gains on revaluation of investment properties	16	305,824	343,011
Other investment income	7(b)	1,035,560	1,112,549
Net foreign exchange (loss)/gain		(128,921)	(1,729,512)
Net investment income		5,643,542	4,283,090
Finance (expenses) from insurance contracts	9(b)	(290,693)	(622,930)
Finance income/(expenses) from reinsurance contracts	9(c)	29,393	(78,780)
Net insurance finance (expenses)		(261,300)	(701,710)
Net insurance and investment result		5,382,242	6,736,435
Other income	8	136,550	113,516
Operating and other expenses	10	(1,433,972)	(1,106,755)
Profit before income tax		4,084,820	5,743,196
Income tax expense	11	(765,996)	(1,205,351)
Profit for the year		3,318,824	4,537,845
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of quoted equity instruments classified as FVTOCI	22	669,524	368,583
Net gains on revaluation of unquoted equity instruments	21	122,131	235,324
Share of movement in associate reserves:			
– fair value reserve	17	269,209	99,963
Share of gain on property revaluation of associate	17	993	10,603
Remeasurement gain/losses on defined benefit plans, net of tax	30	37,749	14,067
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains on revaluation of government securities at FVTOCI	24	63,973	152,225
Share of movement in associate reserves:			
– currency translation	17	157,655	(1,966,666)
Total other comprehensive income/(loss)		1,321,234	(1,085,901)
Total comprehensive income		4,640,058	3,451,944
Earnings per share - basic and diluted	12	0.59	0.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	As at 31 December	
		2025 KShs '000	2024 KShs '000
Assets			
Property and equipment	15	74,812	81,784
Investment properties	16	13,420,999	13,060,800
Deferred tax asset	29(ii)	225,350	101,507
Defined benefit asset	30	96,905	60,538
Investment in associate	17	9,989,115	9,161,534
Intangible assets	19	76,283	46,280
Mortgage loans	20	906,443	824,558
Unquoted equity instruments	21	934,712	603,113
Quoted equity instruments	22	2,055,301	1,409,983
Corporate bonds	23	225,595	44,820
Government securities	24(a)	26,510,495	25,240,439
Inventory	25	26,205	18,529
Reinsurance contract assets	28	192,236	606,158
Income tax receivable	11(c)	1,899,376	166,719
Other receivables	26	553,378	478,280
Deposits with financial institutions	27	13,996,911	14,320,929
Cash and bank balances	33(b)	1,020,600	587,098
Total assets		72,204,716	66,813,069
Equity			
Share capital	13	13,998,982	13,998,982
Revaluation reserve	14	37,904	36,911
Fair value reserve	14	1,015,334	(109,503)
Translation reserve	14	2,090,555	1,495,970
Statutory reserve	14	10,791,002	10,376,154
Retained earnings	14	26,580,505	23,873,946
Total equity		54,514,282	49,672,460
Liabilities			
Insurance contract liabilities	28	13,952,186	13,776,637
Reinsurance contract liabilities	28	1,060,287	1,022,804
Deferred tax liability	29(i)	1,702,582	1,419,534
Other payables	32	975,379	921,634
Total liabilities		17,690,434	17,140,609
Net assets		54,514,282	49,672,460

The financial statements on pages 82 to 189 were approved and authorized for issue by the board of directors on **26th March, 2026** and were signed on its behalf by:



Dr. Hillary M. Wachinga
Principal Officer



Eric Gumbo, MBS
Director



David Muthusi
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	As at 31 December	
		2025 KShs '000	2024 KShs '000
Assets			
Property and equipment	15	32,229	34,087
Investment properties	16	13,420,999	13,060,800
Defined benefit asset	30	96,905	60,538
Investment in subsidiary	18	3,045,060	2,761,398
Investment in associate	17	9,989,115	9,161,534
Intangible assets	19	76,283	46,280
Mortgage loans	20	873,939	815,527
Unquoted equity instruments	21	934,712	603,113
Quoted equity instruments	22	2,055,301	1,409,983
Corporate bonds	23	225,595	44,820
Government securities	24(a)	25,034,494	24,410,357
Inventory	25	19,911	12,953
Reinsurance contract assets	28	179,587	595,235
Income tax receivable	11(c)	2,000,179	273,902
Due from related party	31(c)	194,283	144,822
Other receivables	26	509,970	451,200
Deposits with financial institutions	27	9,384,655	10,047,728
Cash and bank balances	33(b)	476,441	173,762
Total assets		68,549,658	64,108,039
Equity			
Share capital	13	13,998,982	13,998,982
Revaluation reserve	14	37,904	36,911
Fair value reserve	14	1,015,334	(109,503)
Translation reserve	14	1,681,321	1,523,666
Statutory reserve	14	10,762,482	10,357,519
Retained earnings	14	25,088,751	22,977,077
Total equity		52,584,774	48,784,652
Liabilities			
Insurance contract liabilities	28	12,186,996	11,942,760
Reinsurance contract liabilities	28	884,555	881,551
Deferred tax liability	29(i)	1,702,582	1,419,534
Due to related party	31(c)	363,718	292,843
Other payables	32	827,033	786,699
Total liabilities		15,964,884	15,323,387
Net Assets		52,584,774	48,784,652

The financial statements on pages 82 to 189 were approved and authorized for issue by the board of directors on **26th March, 2026** and were signed on its behalf by:



Dr. Hillary M. Wachinga
Principal Officer



Eric Gumbo, MBS
Director



David Muthusi
Director

KENYA REINSURANCE CORPORATION LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Share capital Sh'000'	Revaluation reserve Sh'000'	Fair value reserve Sh'000'	Translation reserve Sh'000'	Statutory reserve Sh'000'	Retained earnings Sh'000'	Total Sh'000'
At 1 January 2024		6,999,491	26,308	(965,598)	4,476,274	8,584,946	29,053,364	48,174,785
Profit for the year		-	-	-	-	1,791,207	2,645,945	4,437,152
Other comprehensive income/(loss)		-	10,603	856,095	(2,980,303)	-	14,067	(2,099,538)
Total comprehensive income for the year		-	10,603	856,095	(2,980,303)	-	14,067	2,337,614
Dividends declared – 2023		-	-	-	-	-	(839,939)	(839,939)
Bonus issue	14	6,999,491	-	-	-	-	(6,999,491)	-
At 31 December 2024	14	13,998,982	36,911	(109,503)	1,495,970	10,376,154	23,873,946	49,672,460
At 1 January 2025		13,998,982	36,911	(109,503)	1,495,970	10,376,154	23,873,946	49,672,460
Profit for the year	14	-	-	-	-	414,848	3,508,746	3,923,593
Other comprehensive income/(loss)	14	-	993	1,124,837	594,585	-	37,749	1,758,164
Total comprehensive income for the year		-	993	1,124,837	594,585	414,848	3,546,495	5,681,757
Dividends declared – 2024	34	-	-	-	-	-	(839,936)	(839,936)
At 31 December 2025	14	13,998,982	37,904	1,015,334	2,090,555	10,791,002	26,580,505	54,514,282

KENYA REINSURANCE CORPORATION LIMITED COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Share capital Sh'000'	Revaluation reserve Sh'000'	Fair value reserve Sh'000'	Translation reserve Sh'000'	Statutory reserve Sh'000'	Retained earnings Sh'000'	Total Sh'000'
At 1 January 2024		6,999,491	26,308	(965,598)	3,490,332	8,569,566	28,052,548	46,172,647
Profit for the year		-	-	-	-	1,787,953	2,749,892	4,537,845
Other comprehensive income/(loss)		-	10,603	856,095	(1,966,666)	-	14,067	(1,085,901)
Total comprehensive income for the year		-	10,603	856,095	(1,966,666)	-	14,067	3,451,944
Dividends declared – 2023		-	-	-	-	-	(839,939)	(839,939)
Bonus issue.	14	6,999,491	-	-	-	-	(6,999,491)	-
At 31 December 2024	14	13,998,982	36,911	(109,503)	1,523,666	10,357,519	22,977,077	48,784,652
At 1 January 2025		13,998,982	36,911	(109,503)	1,523,666	10,357,519	22,977,077	48,784,652
Profit for the year		-	-	-	-	404,963	2,913,861	3,318,824
Other comprehensive income/(loss)		-	993	1,124,837	157,655	-	37,749	1,321,234
Total comprehensive income for the year		-	993	1,124,837	157,655	404,963	2,951,610	4,640,058
Dividends declared – 2024	34	-	-	-	-	-	(839,936)	(839,936)
At 31 December 2025	14	13,998,982	37,904	1,015,334	1,681,321	10,762,482	25,088,751	52,584,774

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	For the year ended	
		2025 KShs '000	2024 KShs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from (used in)/generated from operating activities	33(a)	(1,383,249)	2,538,018
Dividends received		182,893	146,247
Interest received		4,487,434	4,501,757
Tax paid in the year	11(c)	(2,411,144)	(2,760,665)
Net cash generated from operating activities		875,934	4,425,357
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment property	16	(54,376)	(9,006)
Purchase of property and equipment	15	(21,180)	(5,358)
Purchase of intangible assets	19	(36,023)	(23,145)
Purchase of unquoted equity instruments	21	(209,468)	(12,284)
Purchase of corporate bonds	23	(181,910)	-
Dividend received from investment in associate	17	416,775	-
Net cash (used in) investing activities		(86,183)	(49,793)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	34	(839,936)	(839,939)
Net cash (used in) financing activities		(839,936)	(839,939)
Net (decrease)/increase in cash and cash equivalents		(50,185)	3,535,625
Cash and cash equivalents at 1 January		7,450,706	4,288,728
Effects of Movements in exchange rate on cash and cash equivalents		3,792	(373,647)
Cash and cash equivalent at 31 December	33(b)	7,404,313	7,450,706

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	For the year ended	
		2025 KShs '000	2024 KShs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from (used in)/generated from operating activities	33(a)	994,540	(225,051)
Dividends received		182,893	146,198
Interest received		4,034,962	3,851,907
Tax paid in the year	11	(2,209,225)	(2,479,641)
Net cash generated from operating activities		3,003,169	1,293,413
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment property	16	(54,376)	(9,006)
Purchase of property and equipment	15	(19,031)	(3,577)
Purchase of intangible assets	19	(36,023)	(23,145)
Purchase of unquoted equity	21	(209,469)	(12,284)
Purchase of corporate bonds	23	(181,910)	-
Dividend received from investment in associate	17	416,775	-
Investment in subsidiary	18	(283,662)	-
Net cash (used in) investing activities		(367,696)	(48,012)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	34	(839,936)	(839,939)
Cash flows from financing activities		(839,936)	(839,939)
Net increase in cash and cash equivalents		1,795,537	405,462
Cash and cash equivalents at 1 January		3,449,315	3,129,785
Effects of Movements in exchange rate on cash and cash equivalents		820	(85,932)
Cash and cash equivalent at 31 December	33(b)	5,245,672	3,449,315

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of compliance with IFRS Accounting standards.

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board.

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

a. Basis of preparation

The consolidated and separate financial statements are prepared on a going concern basis in compliance with IFRS Accounting standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. The consolidated and separate financial statements have been prepared on a historical cost basis, except for investments in securities carried at fair value and investment properties which have been measured at fair value and actuarially determined liabilities at their present value. The consolidated and separate financial statements are presented in Kenya Shillings (KShs), rounded to the nearest thousand, which is also the functional currency.

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

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

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the Group and Company. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving the judgements of most significance to the financial statements, and the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, are disclosed in note (2).

b. Basis of consolidation

(i) Subsidiary

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

b. Basis of consolidation (Continued)

(i) Subsidiary (Continued)

- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date the control ceases. All inter-company balances, transactions, income and expenses and profits and losses resulting from inter-company transactions are eliminated in full on consolidation. Losses within a subsidiary are attributed to the non-controlling interest even if this results in a deficit balance.

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

1. The Group financial statements reflect the result of consolidation of the financial statements of the Company and its wholly owned subsidiaries, Kenya Reinsurance Corporation Limited Côte d'Ivoire, Kenya Reinsurance Corporation Zambia Limited and Kenya Reinsurance Corporation Uganda Limited.
2. 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.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(i) Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability.

The group has adopted the amendments to IAS 21 for the first time in the current year.

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

New and revised IFRS Accounting Standards in issue but not yet effective

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

New and Amendments to standards

*Effective for annual
periods beginning on or after*

<i>Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of financial instrument</i>	
<i>Annual Improvements to IFRS Accounting Standards – Volume 11 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows</i>	1 January 2026
<i>Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity</i>	
<i>IFRS 18 - Presentation and Disclosure in Financial Statements</i>	
<i>IFRS 19 - Subsidiaries without Public Accountability: Disclosures</i>	1 January 2026

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

1 January 2026
1 January 2027
1 January 2027

(i) Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instrument

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

- Contractual terms that are consistent with a basic lending arrangement.

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

- Assets with non-recourse features.

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- Contractually linked instruments.

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

(i) Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instrument (Continued)

- Investments in equity instruments designated at FVTOCI.

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- Contractual terms that could change the timing or amount of contractual cash flows.

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI comprehensive income and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application is permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

(ii) Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

- a) IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

- b) IFRS 7 Financial Instruments: Disclosures - Gain or loss on derecognition

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

- c) Guidance on implementing IFRS 7 - Disclosure of deferred difference between fair value and transaction price

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

- d) Guidance on implementing IFRS 7 - Introduction and credit risk disclosures

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

(ii) Annual Improvements to IFRS Accounting Standards — Volume 11 (Continued)

e) IFRS 9 Financial Instruments - Derecognition of lease liabilities

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

f) IFRS 9 Financial Instruments - Transaction price

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

g) IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent. The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

h) IAS 7 Statement of Cash Flows - Cost method

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application of permitted. An entity is required to apply the amendments to IFRS 9.2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

(iii) Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

a) Amendments to IFRS 9 Financial Instruments

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - o to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - o to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

(iii) Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (Continued)

- b) Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

iv) IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

v) IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

c. Other income recognition

Acquisition cost recoveries are recognised as income in the period in which they are earned. Interest income is recognised on a time proportion basis that takes into account the effective yield on the principal outstanding. Dividend's receivable is recognised as income in the period in which the right to receive payment is established.

d. Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

d. Tax (Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in associates, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

e. Investment properties

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from the changes in fair value of investment properties are included in profit or loss in the period which they arise.

An investment property is derecognised upon disposal or when investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period which the property is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

f. Property and equipment

All property and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation and any accumulated impairment losses. All other property and equipment are stated at historical cost less depreciation and any accumulated impairment losses.

Increases in the carrying amount of land and buildings arising from revaluations are credited to other comprehensive income and accumulated in the revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to profit or loss. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Depreciation is calculated on the straight-line basis to write off the cost of the property and equipment over their expected useful lives at the following annual rates: -

Computer equipment	25.0%
Motor vehicles	25.0%
Furniture, fittings, and equipment	12.5%

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets – computer software and licenses

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, not exceeding a period of three years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

h. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. The Group has only entered into agreements where it acts as lessee in the respective subsidiaries, thus there are lease liabilities or right of use assets in terms of IFRS 16 at the subsidiaries and not company level.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a systematic basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i. Inventories

Inventories comprise stationery items and repair materials. Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Revaluation reserve

The revaluation reserve relates to property and equipment of the associate which carries property and equipment at the revalued amount. The revaluation surplus represents the surplus on the revaluation of property and equipment, net of deferred tax. Movements in the revaluation reserve are shown in the statement of changes in equity. The reserve is non-distributable.

k. Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

l. Translation reserve

The translation reserve relates to cumulative foreign exchange movement on the net investment in ZEP RE Limited an associate company accounted for under the equity method and the foreign denominated subsidiaries.

m. Statutory reserve

The statutory reserve represents actuarial surpluses from the long-term business whose distribution is subject to restrictions imposed by the Kenyan Insurance Act. The Act restricts the amounts of surpluses of the long-term business available for distribution to shareholders to 30% of the accumulated profits of the long-term business.

n. Investment in associate

Investment in associate is accounted for using the equity method of accounting in both the separate and consolidated financial statements. The associate is a company in which the Group exercises significant influence but which it does not control. Significant influence is the power to participate in financial and operating policy decisions of the investment, but it is not control or joint control over those policies.

Under the equity method, the investment in associate is carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the carrying value of the investments. Losses of the associate in excess of the group's interest in the associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

o. Investment in subsidiaries

Investments in subsidiaries are carried in the Company's separate statement of financial position at cost less provisions for impairment losses. Where in the opinion of directors, there has been impairment in the value of the investment; the loss is recognised as an expense in the period in which the impairment is recognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

p. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate at the reporting date. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency, are treated as monetary items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of foreign operations is recognised in OCI.

The foreign currency gain or loss on debt investments at FVOCI, financial instruments at amortised cost is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the period.

(ii) Foreign operations

Foreign currency differences foreign operations are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety, or partially such that the Company loses control of a subsidiary or retains neither joint control nor significant influence after the partial disposal of an interest in a joint venture or associate, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the Company disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of part of a joint venture or associate while retaining joint control or significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

q. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company management committee (being the Company's chief operating decision maker) to make decisions about resources allocated to each operating segment and assess performance, and for which discrete financial information is available.

If the Company changes its basis of segment reporting, then comparative segment information is restated so that it aligns with the segment information reported for the current year.

r. Insurance and reinsurance contracts classification.

The Group issues insurance contracts in the normal course of business to compensate other entities (primary insurer) for claims arising from one or more insurance contracts issued by those entities. Insurance contracts can also transfer financial risk. The Group issues both life and non-life insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

r. Insurance and reinsurance contracts classification (Continued)

For reporting purposes, insurance contracts refers to insurance contracts issued by the Group to primary insurers and reinsurance contracts refers to the reinsurance contracts held by the group. The Group does not issue any direct insurance contracts to primary policyholders. The Group does not issue any contracts with direct participating features.

s. Insurance and reinsurance contracts accounting treatment

Separating components from insurance contracts

The Group assesses its non-life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standard instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

t. Insurance and reinsurance contracts accounting treatment

Level of aggregation

The Group identifies portfolios of insurance contracts issued at a class level. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- any group of contracts that are onerous at initial recognition;
- any group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently; and
- any group of remaining contracts in the portfolio.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for primary insurer with different characteristics are included in the same group.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information such as expected combined loss ratio
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group identifies a portfolio of insurance contracts as onerous if the fulfilment cash flows allocated to the portfolio is a net outflow. Portfolio of insurance contracts that are onerous are grouped separately from those that are not onerous.

Insurance contracts issued more than one year apart are included in different portfolios

Recognition

The Group recognises a group of insurance contracts issued from the earliest of the following.

- The beginning of the coverage period of the group of contracts. The coverage period is the period during which the Group provides coverage for insured events in respect of all premiums within the boundary of an insurance contract.
- The date when the first payment from an insurance contract holder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the primary insurer.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

t. Insurance and reinsurance contracts accounting treatment (Continued)

Recognition (Continued)

- The date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

and

- The date the Group recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundaries

The group includes in the measurement of a group of contracts all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Group can compel the primary insurer to pay premiums or has a substantive obligation to provide insurance services.

A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular primary insurer and can set a price or level of benefits that fully reflects those reassessed risks; or
- the group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Insurance Contracts -initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary

Or

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

t. Insurance and reinsurance contracts accounting treatment (Continued)

Insurance Contracts -initial measurement (Continued)

- The extent of future cash flows related to any derivatives embedded in the contracts
 - The length of the coverage period of the group of contracts
- For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
 - Minus any insurance acquisition cash flows at that date,
 - Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
 - Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts held – initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as reinsurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from reinsurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

t. Insurance and reinsurance contracts accounting treatment (Continued)

Insurance contracts – subsequent measurement (Continued)

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group uses a systematic and rational method to allocate:

- (a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - to that group; and
 - to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- (b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

t. Insurance and reinsurance contracts accounting treatment (Continued)

Insurance contracts – modification and derecognition (Continued)

- The rights and obligations relating to the contract are extinguished (i.e., discharged, canceled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities. Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Group disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

Insurance revenue comprises the total insurance revenue net of the ceding commission (Commissions paid to cedants that are not contingent on claims).

Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Claims paid in the period
- Changes in the LIC in the period
- Expenses incurred in the provision of insurance services in the period i.e. expenses attributable to the provision of insurance services and those directly incurred in the provision of insurance services.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

t. Insurance and reinsurance contracts accounting treatment (Continued)

Insurance service expenses (Continued)

- Amortisation of insurance acquisition cash flows in the period
- Changes in loss component of onerous groups of contracts in the period

Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Loss-recovery components

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

Net income or expense from reinsurance contracts held

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

u. 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.

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

v. Dividends on ordinary share capital

Dividends on ordinary shares are charged directly to equity in the period in which they are declared and approved by shareholders or paid out (for interim dividends).

w. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

w. Provisions (Continued)

Where the Company expects some or all a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented through profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

x. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than insurance and reinsurance contract assets, investment property, deferred tax assets and employee benefit assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units.

Impairment losses are recognised in profit or loss. Impairment losses recognised for a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

y. Earnings per share

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS are calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS are determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

z. Other finance costs

Other finance costs comprise:

- interest expenses and exchange differences on financial liabilities measured at amortised cost, including dividends on preference shares classified as financial liabilities and interest on lease liabilities.
- unwinding of the discount on provisions; and
- the ineffective portion of the changes in the fair value of hedging instruments in net investment hedges and costs of hedging reclassified from OCI

aa. Revenue

Revenues comprise:

- insurance revenue;
- interest revenue calculated using the effective interest method.
- other investment revenue, which includes net gains on financial assets at FVTPL and derivatives that do not form part of qualifying hedging relationships, net gains on derecognition of debt investments at FVOCI (and available-for-sale financial assets in 2024), dividends on equity investments, and lease income and fair value gains from investment and properties

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

z. Other finance costs (Continued)

bb. Financial instruments – Initial recognition and subsequent measurement

Recognition and initial measurement

The Group recognises deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has designated certain debt investments in non-life segments as at FVTPL on initial recognition because they relate to insurance contracts that are measured in a way that incorporates current information and all related insurance finance income and expenses are recognised in profit or loss. The assets would otherwise be measured at FVOCI.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

bb. Financial instruments – Initial recognition and subsequent measurement (Continued)

Business model assessment (Continued)

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Business model assessment

Classification

Financial assets at amortized cost

This category has financial assets are measured at amortised cost. A financial asset is classified in this category if acquired principally for the purpose for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group has designated Held to maturity Government securities at amortised cost, Corporate Bonds, Deposits with financial institutions and Mortgage loans into this category.

Equity instrument designated as at FVTOCI

On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

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's has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, The Group's measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through other comprehensive income (OCI), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through other comprehensive income are included in the cost of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

bb. Financial instruments – Initial recognition and subsequent measurement (Continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government, and corporate bonds.

Based on these factors, The Group's classifies its debt instruments into one of the following three measurement categories:

- **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 OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Equity instruments

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

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, USE). The quoted market price used for financial assets held by The Group's is the current bid price.

Measurement

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.

Impairment

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

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of The Group's about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

bb. Financial instruments – Initial recognition and subsequent measurement (Continued)

Impairment (Continued)

- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:
 - An adverse change in the payment status of issuers or debtors in the Company; or
 - National or local economic conditions that correlate with defaults on the assets in the Company.

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

- Government securities measured at amortised cost;
- Other receivables.
- Corporate bonds.
- Deposits with financial institutions; and

No impairment loss is recognised on equity investments and ETF offshore investments measured at FVOCI.

Definition of default

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

- the counterparty or borrower is unlikely to pay their credit obligations to The Group's in full, without recourse by The Group's 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 Company. This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the group; or
- In assessing whether the counterparty or borrower is in default, The Group's considers indicators that are:
 - Qualitative: e.g. Breach of covenant and other indicators of financial distress;
 - Quantitative: e.g. Overdue status and non-payment of another obligation of the same issuer to the Company; 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's 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 Company's historical experience where data is available, expert credit assessment and forward-looking information.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

bb. Financial instruments – Initial recognition and subsequent measurement (Continued)

Significant increase in credit risk (SIICR) (Continued)

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

The effective interest rate method

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement.

In its Interest income calculated using the effective interest method the Group only includes interest on financial instruments at amortised cost or FVOCI.

Other interest income

Includes interest on all financial assets measured at FVPL, using the contractual interest rate. The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

dd. Cash and cash equivalents

Cash and cash equivalents include short term liquid investments which are readily convertible into known amounts of cash, and with original maturities of three months or less from the date of acquisition.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for purposes of the statement of cash flows.

Defined benefit scheme

The Group operates a defined benefit pension scheme (the "Scheme") for its employees. The assets of this scheme are held in a separate trustee administered fund. The scheme is funded by contributions from the employer. Contributions are determined by the rules of the scheme. The cost of providing retirement benefits is assessed using the attained age method

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

dd. Cash and cash equivalents (Continued)

Defined benefit scheme (Continued)

by qualified actuaries. The scheme is valued annually. The projected unit credit method has been used to determine the value of the liability.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the Scheme.

Effective 30 September 2010, the Scheme was closed to new entrants.

Statutory defined contributions scheme

The Group also contributes to the statutory defined contribution pension scheme, the National Social Security Fund (NSSF). The Company's obligations to retirement benefits schemes are charged to the profit or loss as they fall due.

Other Employee entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the end of the reporting period. These are short term in nature and are settled within 12 months.

Non pensionable employees are entitled to a gratuity. The gratuity is recognised when the benefits accrue to the employees. Gratuity payments are specified lump sum payments paid to employees when the contract comes to an end. The final payout is based on the contracted period of service. The expense accruals are recognised in profit or loss and the liability recognised in the statement of financial position.

ff. Dividends

Dividends payable to shareholders are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been ratified at the Annual General Meeting.

gg. Comparatives

There have been no changes to the comparatives.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose between short term business and long-term business insurance. This disaggregation has been determined based on how the Group is managed.

Insurance and reinsurance contracts

The Group applies the Premium Allocation Approach (PAA) to measure liabilities for remaining coverage for groups of insurance contracts issued and reinsurance contracts held for both non-life and life segments. When measuring liabilities for incurred claims, the Corporation discounts the future cash flows and includes an explicit risk adjustment for non-financial risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES (Continued)

Onerous groups

For onerous groups of insurance contracts, where the sum of expected future cash outflows and the risk adjustment for non-financial risk exceed the expected future cash inflows, the Group establishes a loss component of the liability for remaining coverage. The loss component is recognised as an expense and is subsequently excluded from determination of insurance revenue.

Liability for incurred claims

The Group estimates the ultimate cost of settling claims incurred at the reporting date and other expected recoveries by reviewing claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter-Ferguson methods.

These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each subsidiary and line of business. The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based. Judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Risk adjustment for non-financial risk

To account for uncertainty resulting from non-financial risk relating to amount and timing of future cash flows, the estimated present value of expected future cash flows was subjected to an explicit risk adjustment for non-financial risk. Risk adjustments factors were determined separately for each line of business.

The risk adjustments for non-financial risk were determined using the following techniques:

- Value at Risk for Life at 75% confidence interval
- Value at Risk for non-life at 75% confidence interval

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

Discount rates

Estimates of future cash flows are discounted to reflect the time value of money. The discount rates selected are consistent as possible with the overall cash flow characteristics of the groups of insurance contracts. The Corporation determined the discount rate by using the bottom-up approach.

The country specific risk-free yield curves published by Central Banks were used as a starting point. The Corporation factored in the effect of illiquidity premiums on the risk-free yield curves to take account of liquidity differences between the insurance contracts liabilities and the liquidity of instruments used in determining risk-free interest rates. For illiquidity premium (ILP), in the absence of any other rates for any other African country, the European Insurance and Occupational Pensions Authority (EOIPA) ILP recommended rates for South Africa was selected. This was used as a proxy to represent experience in Africa.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES (Continued)

Discount rates (Continued)

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years	
	2025	2024	2025	2024	2025	2024	2025	2024
Short term and long-term contracts issued								
Kenya Shilling	9.21%	11.41%		13.44%		14.14%		13.60%
Uganda Shilling	14.76%	15.39%		15.85%		16.02%		16.62%
Zambia Kwacha	14.50%	16.50%		11.34%		19.09%		22.15%
Cote D'Ivoire XOF	2.56%	2.56%		4.75%		5.77%		5.22%

Contingent liabilities

The Group is exposed to various contingent liabilities in the normal course of business including a number of legal cases. The Directors evaluate the status of these exposures on a regular basis to assess the probability of the Group incurring related liabilities. However, provisions are only made in the financial statements where, based on the Directors' evaluation, a present obligation has been established. Judgement and assumptions are required in:

- assessing the existence of a present obligation (legal or constructive) as a result of a past event,
- assessing the probability that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Estimating the amount of the obligation to be paid out.

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

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 Insurance risk

The Group insures most classes of insurance business including accident, engineering, medical liability, motor, fire, aviation, and life (Group and Individual). The bulk of the business written is of a short-term nature.

Insurance risk comprises the following risks:

- Insurance risk: the risk transferred from the cedant to the Group, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount, or timing of claims.
- Cedant behaviour risk: the risk that a cedant will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, withdraw deposits or annuitize a contract earlier or later than expected.
- Expense risk: the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

The Group has in place a detailed underwriting manual covering risk acceptance procedures, accumulation control and how to arrange for reinsurance protection. It guides the underwriters in their day-to-day transaction of business, while emphasising prudence and professionalism. The group aims to have a diversified portfolio of business with a sufficiently large population of risks, in order to reduce reliance on one geographical area or class of business.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Mortality, morbidity and longevity risks are mitigated by the use of reinsurance. The Group allows local management to select reinsurers from a list of reinsurers approved by the Group. The aggregation of risk ceded to individual reinsurers is monitored at both country and Group levels.

Policyholder behaviour risk is considered when designing products – e.g. by means of additional charges on the early surrender of contracts in order to recover acquisition cash flows. Persistency is monitored at local entity level and experience is benchmarked against local market information. From time to time, local management may implement specific initiatives to improve retention.

Expense risk is managed at local entity level through the annual budgeting process and regular expense analyses. The risk under any one insurance contract arises from the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. A key risk, related to pricing and provisioning, that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established based on past experience.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The Group also manages these risks through its underwriting strategy and adequate reinsurance arrangements and proactive claims handling.

Underwriting limits are in place to enforce appropriate risk selection criteria. The Group re-insures to specialist reinsurance companies a proportion of its portfolio or certain types of insurance risk. This serves primarily to:

- reduce the net liability on large individual risks
- obtain greater diversification of insurance risks
- provide protection against large losses

Insurance risk comprises the following risks:

The reinsurance arrangements include proportional and non-proportional treaties. The expected effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than set limits per class of business. The group purchases reinsurance as a part of its risk's mitigation programme. Reinsurance ceded is placed on both a proportional and a non-proportional basis. Most of the proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the group to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the group's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory. Claims are managed through a dedicated claims management team, with formal claims acceptance limits and appropriate training and development of staff to ensure payment of all genuine claims. Claims experience is assessed regularly, and appropriate actuarial reserves are established to reflect up-to-date experience and any anticipated future events.

This includes reserves for claims incurred but not yet reported. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The group's placement of retrocession is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

The risk exposure is mitigated by diversification across large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines as well as the use of reinsurance arrangements. The group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors,

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the group to pursue third parties for payment of some or all costs. The group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the group.

Concentration of reinsurance risk

The Group's concentration of reinsurance risk is determined by class of business. The shared characteristic that identifies each concentration is the insured event and the key indicator is the net earned premium as disclosed in note 6. There were no significant shifts in the portfolio concentration.

Geographical concentration

The following table sets out the carrying amounts of the Group's insurance contracts (net of reinsurance) by country of issue.

	2025 KShs'000	2024 KShs'000
Kenya	12,891,964	12,229,078
Uganda	466,822	602,560
West Africa	1,032,876	969,135
Zambia	428,575	392,515
	14,820,237	14,193,288

The carrying amounts of the Group's non-life insurance contracts (net of reinsurance) are analysed below by type of product.

Concentration by class of business

2025-Group

	Insurance Contracts		Reinsurance Contracts		Net Carrying Amount KShs'000
	Liability for Remaining Coverage KShs'000	Liability for Incurred Claims KShs'000	Asset for Remaining Coverage KShs'000	Asset for Incurred Claims KShs'000	
Agriculture	(53,382)	514,502	-	-	461,120
Aviation	(30,550)	106,361	9,060	(1,087)	83,784
Engineering	(1,503,354)	2,342,897	751,903	(78,350)	1,513,096
Fire Domestic	(19,931)	111,259	93	-	91,421
Fire Industrial	(1,417,479)	5,326,690	115,925	(148,288)	3,876,847
Liability	(115,092)	152,258	63,615.11	(99.60)	100,682
Marine	(337,933)	1,081,688	91,709	(12,592)	822,872
Medical	(1,166,736)	4,208,591	23,861	(164)	3,065,553
Miscellaneous	(553,503)	957,804	109,524	(5,070)	508,755
Motor Commercial	(184,035)	1,665,483	-	-	1,481,448
Motor Private	(117,982)	374,228	-	-	256,246
Personal Accident	(81,513)	342,147	51,235	(488)	311,381
Theft	(62,824)	318,304	-	-	255,480
Workmen Compensation	(8,887)	42,765	-	-	33,878
Total – Short-Term	(5,653,201)	17,544,977	1,216,926	(246,139)	12,862,564

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Concentration by class of business (Continued)

Group Life	(148,172)	2,141,300	(42,259)	(60,453)	1,890,416
Individual Life	(12,096)	79,378	-	(24)	67,258
Total – Long-Term	(160,268)	2,220,678	(42,259)	(60,477)	1,957,673
Total	(5,813,469)	19,765,655	1,174,666	(306,615)	14,820,237

2024-Group

	Insurance Contracts		Reinsurance Contracts		Net
	Liability for Remaining Coverage KShs'000	Liability for Incurred Claims KShs'000	Asset for Remaining Coverage KShs'000	Asset for Incurred Claims KShs'000	Carrying Amount KShs'000
Agriculture	(43,798)	444,672	-	-	400,874
Aviation	(26,310)	104,626	8,401	(792)	85,924
Engineering	(1,378,147)	2,291,959	898,054	(275,080)	1,536,786
Fire Domestic	76,371	103,589	32,453	(482,496)	(270,083)
Fire Industrial	(1,756,245)	4,605,921	235,105	(174,380)	2,910,402
Liability	(118,035)	225,16	-	-	107,131
Marine	(395,441)	1,071,946	117,449	(15,459)	778,495
Medical	(1,315,724)	4,493,880	64,957	(10,715)	3,232,399
Miscellaneous	(565,933)	994,459	106,087	(3,477)	531,138
Motor Commercial	(198,384)	1,621,492	-	-	1,423,108
Motor Private	(185,683)	328,766	-	-	143,083
Personal Accident	(190,442)	440,241	21,720	(2,354)	269,165
Theft	(142,155)	401,334	-	-	259,179
Workmen Compensation	(12,776)	51,516	19,455.61	-	58,195
Total – Short-Term	(6,252,702)	17,179,567	1,503,683	(964,753)	11,465,795
Group Life	304,571	2,484,746	(57,583)	(64,670)	2,667,064
Individual Life	(18,389)	78,842	-	(24)	60,428
Total – Long-Term	286,182	2,563,588	(57,583)	(64,694)	2,727,492
Total	(5,966,520)	19,743,155	1,446,099	(1,029,447)	14,193,288

2025-Company

	Insurance Contracts		Reinsurance Contracts		Net
	Liability for Remaining Coverage KShs'000	Liability for Incurred Claims KShs'000	Asset for Remaining Coverage KShs'000	Asset for Incurred Claims KShs'000	Carrying Amount KShs'000
Agriculture	(51,115)	503,019	-	-	451,904
Aviation	(25,348)	94,526	9,060	(1,087)	77,151
Engineering	(808,960)	2,040,63	750,115	(73,177)	1,908,612
Fire Domestic	(17,297)	111,201	93	-	93,997
Fire Industrial	(1,029,704)	3,739,832	50,811	(127,898)	2,633,041
Liability	(41,282)	90,276	1,259.00	-	50,253
Marine	(277,368)	881,588	91,709	(12,592)	683,337
Medical	(894,973)	3,337,165	-	-	2,442,192
Miscellaneous	(430,670)	774,173	73,420	(4,993)	411,930
Motor Commercial	(155,764)	1,547,188	-	-	1,391,424

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Concentration by class of business (Continued)

Motor Private	(65,202)	285,495	-	-	220,293
Personal Accident	(42,277)	322,729	51,235	(488)	331,199
Theft	(28,614)	277,340	-	-	248,726
Workmen Compensation	(7,127)	41,529	-	-	34,402
Total – Short-Term	(3,875,701)	14,046,695	1,027,702	(220,235)	10,978,461
Group Life	(149,554)	2,130,532	(42,332)	(60,143)	1,878,503
Individual Life	(27,272)	62,296	-	(24)	35,000
Total – Long-Term	(176,826)	2,192,828	(42,332)	(60,167)	1,913,503
Total	(4,052,527)	16,239,523	985,370	(280,402)	12,891,964

Concentration by class of business

2024-Company

	Insurance Contracts		Reinsurance Contracts		Net Carrying Amount KShs'000
	Liability for Remaining Coverage KShs'000	Liability for Incurred Claims KShs'000	Asset for Remaining Coverage KShs'000	Asset for Incurred Claims KShs'000	
Agriculture	(33,929)	437,960	-	-	404,031
Aviation	(20,817)	92,381	8,401	(792)	79,173
Engineering	(927,745)	1,985,732	892,062	(272,273)	1,677,776
Fire Domestic	(24,702)	103,582	9,138	(482,496)	(394,478)
Fire Industrial	(1,306,709)	3,355,883	187,116	(151,299)	2,084,991
Liability	(57,234)	82,801	-	-	25,567
Marine	(339,594)	973,985	117,449	(15,459)	736,381
Medical	(1,131,313)	3,558,376	-	-	2,427,063
Miscellaneous	(466,882)	827,334	100,729	(3,433)	457,748
Motor Commercial	(196,112)	1,511,523	-	-	1,315,411
Motor Private	(135,603)	257,849	-	-	122,246
Personal Accident	(184,232)	421,192	21,405	(2,354)	256,011
Theft	(126,769)	358,247	-	-	231,478
Workmen Compensation	(12,457)	50,558	-	-	38,101
Total – Short-Term	(4,964,098)	14,017,403	1,336,300	(928,106)	9,461,499
Group Life	304,679	2,509,746	(57,625)	(64,227)	2,692,573
Individual Life	(8,004)	83,034	-	(24)	75,006
Total – Long-Term	296,675	2,592,780	(57,625)	(64,251)	2,767,579
Total	(4,667,423)	16,610,183	1,278,675	(992,357)	12,229,078

3.1.2 Sensitivity Analysis

The table below analyses how the profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by retrocession and assumes that all other variables remain constant. The gross amount represents impact before expected retrocession recoveries. Net amount represents the expected impact after incorporating expected retrocession recoveries.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

3.1.2 Sensitivity Analysis (Continued)

2025 GROUP

Life	Profit or Loss		Equity	
	Gross KShs'000	Net KShs'000	Gross KShs'000	Net KShs'000
Ultimate loss ratio (10% increase)	(450,478)	439,894	(311,443)	(307,926)
Ultimate loss ratio (10% decrease)	489,396	469,071	342,577	328,349
Inflation rate (1% increase)	(21,343)	(20,738)	(14,940)	(14,517)
Inflation rate (1% decrease)	21,343	20,738	14,940	14,517
Non-Life				
Ultimate loss ratio (10% increase)	(1,190,003)	(1,165,423)	(833,002)	(815,796)
Ultimate loss ratio (10% decrease)	1,200,294	1,175,669	840,206	822,968
Inflation rate (1% increase)	(119,016)	(116,555)	(83,311)	81,588
Inflation rate (1% decrease)	119,016	116,555	83,311	(81,588)

COMPANY

Life	Profit or Loss		Equity	
	Gross KShs'000	Net KShs'000	Gross KShs'000	Net KShs'000
Ultimate loss ratio (10% increase)	(444,919)	(434,465)	(311,443)	(304,126)
Ultimate loss ratio (10% decrease)	483,356	463,282	338,350	324,298
Inflation rate (1% increase)	(21,080)	(20,483)	(14,756)	(14,338)
Inflation rate (1% decrease)	21,080	20,483	14,756	14,338
Non-Life				
Ultimate loss ratio (10% increase)	(1,017,364)	(995,360)	(712,155)	(696,752)
Ultimate loss ratio (10% decrease)	1,027,363	1,005,343	719,154	703,740
Inflation rate (1% increase)	(101,736)	(71,215)	(99,534)	(69,674)
Inflation rate (1% decrease)	101,736	71,215	99,534	69,674

2024 GROUP

Life	Profit or Loss		Equity	
	Gross KShs'000	Net KShs'000	Gross KShs'000	Net KShs'000
Ultimate loss ratio (10% increase)	(400,058)	(385,736)	(280,040)	(270,015)
Ultimate loss ratio (10% decrease)	391,208	376,887	273,846	263,821
Inflation rate (1% increase)	(18,448)	(17,975)	(12,914)	(12,583)
Inflation rate (1% decrease)	18,448	17,975	12,914	12,583
Non-Life				
Ultimate loss ratio (10% increase)	(1,260,798)	(1,229,898)	(882,559)	(860,929)
Ultimate loss ratio (10% decrease)	1,243,917	1,211,663	870,742	848,164
Inflation rate (1% increase)	(124,768)	(122,976)	(87,338)	(86,083)
Inflation rate (1% decrease)	124,768	122,976	87,338	86,083

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Concentration by class of business (Continued)

COMPANY

	Profit or Loss Gross KShs'000	Net KShs'000	Equity Gross KShs'000	Net KShs'000
Life				
Ultimate loss ratio (10% increase)	(158,014)	(151,888)	(135,077)	(129,840)
Ultimate loss ratio (10% decrease)	157,851	151,731	134,937	129,706
Inflation rate (1% increase)	(11,153)	(10,461)	(7,341)	(6,831)
Inflation rate (1% decrease)	11,153	10,461	7,341	6,831
Non-Life				
Ultimate loss ratio (10% increase)	(1,290,847)	(1,279,432)	(1,021,918)	(1,012,881)
Ultimate loss ratio (10% decrease)	1,312,751	1,301,142	1,042,418	1,033,200
Inflation rate (1% increase)	(65,496)	(65,326)	(37,878)	(37,778)
Inflation rate (1% decrease)	65,496	65,326	37,878	37,778

(a) Significant judgements and estimates

Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Corporation's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Claims Development

The table below illustrates how estimates of cumulative claims for the Corporation's non-life segment have developed over time on a gross and net of reinsurance basis. Each table shows how the Corporation's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date.

Insurance – Short Term

GROUP-2025

	2019 & Prior KShs'000	2020 KShs'000	2021 KShs'000	2022 KShs'000	2023 KShs'000	2024 KShs'000	2025 KShs'000	Total KShs'000
At the end of accident year	16,183,449	1,369,302	1,537,879	1,709,077	1,694,026	2,074,551	2,082,705	26,593,723
One year later	26,271,692	2,945,429	4,412,968	3,404,414	3,481,224	3,238,521	-	43,833,759
Two years later	13,530,295	1,415,365	1,524,033	1,545,231	1,084,125	-	-	19,139,011
Three years later	6,808,320	353,842	616,771	677,817	-	-	-	8,448,148
Four years later	3,039,405	298,059	522,198	-	-	-	-	3,858,228
Five years later	1,943,060	155,609	-	-	-	-	-	2,121,571
Six years later	3,113,700	-	-	-	-	-	-	3,113,700
Current estimate of cumulative claims	71,699,043	6,809,286	9,191,019	7,727,441	7,730,644	8,261,579	6,315,533	117,734,545
Less cumulative payments to date	70,889,921	6,497,562	8,551,575	6,930,044	6,489,897	5,666,435	2,082,705	107,108,139
Pipeline Claims + Claims Payable	-	-	-	-	-	-	7,568,394	7,568,394
ULAE	-	-	-	-	-	-	88,008	88,008
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	18,282,808
Impact of Discounting	-	-	-	-	-	-	(2,368,137)	(2,368,137)
Risk Adjustment	-	-	-	-	-	-	1,630,306	1,630,306
Total liability included in the statement of financial position	809,122	311,724	639,444	797,397	1,240,747	2,595,144	11,151,399	17,544,977

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Claims Development

The table below illustrates how estimates of cumulative claims for the Corporation's non-life segment have developed over time on a gross and net of reinsurance basis. Each table shows how the Corporation's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date.

Insurance – Short Term

GROUP-2024

	2018 & Prior KShs'000	2019 KShs'000	2020 KShs'000	2021 KShs'000	2022 KShs'000	2023 KShs'000	2024 KShs'000	Total KShs'000
At the end of accident year	42,753,117	1,859,626	1,280,045	1,564,073	1,600,203	1,667,256	2,127,039	52,851,360
One year later	8,473,681	3,843,157	2,961,613	4,206,417	3,111,612	3,545,039	-	26,141,519
Two years later	4,400,399	3,639,314	1,415,650	1,525,882	1,396,646	-	-	12,377,892
Three years later	2,226,697	2,187,289	329,770	631,755	-	-	-	5,375,511
Four years later	816,858	843,005	281,080	-	-	-	-	1,940,942
Five years later	1,398,143	491,804	-	-	-	-	-	1,889,947
Six years later	525,235	-	-	-	-	-	-	525,235
Current estimate of cumulative claims	58,106,187	13,183,757	6,763,882	8,874,535	7,143,042	7,539,017	6,813,722	108,424,142
Less cumulative payments to date	57,235,726	12,869,135	6,260,627	7,918,423	5,949,131	5,150,791	2,127,039	97,510,871
Pipeline Claims + Claims Payable	-	-	-	-	-	-	6,970,264	6,970,264
ULAE	-	-	-	-	-	-	83,524	83,524
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	-
Impact of Discounting	-	-	-	-	-	-	(2,487,941)	(2,487,941)
Risk Adjustment	-	-	-	-	-	-	1,700,449	1,700,449
Total liability included in the statement of financial position	870,461	314,623	503,255	956,112	1,193,911	2,388,226	10,952,979	17,179,567

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

COMPANY-2025

	2019 & Prior KShs'000	2020 KShs'000	2021 KShs'000	2022 KShs'000	2023 KShs'000	2024 KShs'000	2025 KShs'000	Total KShs'000
At the end of accident year	15,941,115	1,221,667	1,420,997	1,264,674	1,453,258	1,896,761	1,881,896	25,080,368
One year later	25,610,073	2,750,624	3,732,288	2,617,867	2,803,564	3,082,736	-	40,597,153
Two years later	13,024,196	1,323,800	1,419,006	1,082,122	831,959	-	-	17,681,084
Three years later	6,509,659	316,461	582,900	571,985	-	-	-	7,981,005
Four years later	2,958,645	258,808	513,536	-	-	-	-	3,730,988
Five years later	1,853,781	147,184	-	-	-	-	-	2,000,965
Six years later	2,912,389	-	-	-	-	-	-	2,912,389
Current estimate of cumulative claims	69,583,954	6,318,711	8,240,506	6,219,827	6,106,605	7,248,884	5,480,919	109,199,407
Less cumulative payments to date	68,809,859	6,018,543	7,668,727	5,536,648	5,088,781	4,979,497	1,881,896	99,983,952
Pipeline Claims + Claims Payable	-	-	-	-	-	-	5,528,168	5,528,168
ULAE	-	-	-	-	-	-	70,037	70,037
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	14,813,660
Impact of Discounting	-	-	-	-	-	-	(2,191,731)	(2,191,731)
Risk Adjustment	-	-	-	-	-	-	1,424,766	1,424,766
Total liability for incurred claims included	774,095	300,168	571,779	683,179	1,017,824	2,269,387	8,430,263	14,046,695

in the statement of financial position

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

COMPANY-2024

	2018 & Prior KShs'000	2019 KShs'000	2020 KShs'000	2021 KShs'000	2022 KShs'000	2023 KShs'000	2024 KShs'000	Total KShs'000
At the end of accident year	41,919,273	1,816,968	1,221,667	1,420,997	1,264,674	1,453,258	1,896,761	50,993,597
One year later	8,153,226	3,726,465	2,750,624	3,732,288	2,617,867	2,803,564	-	23,784,035
Two years later	4,212,762	3,558,610	1,323,800	1,419,006	1,082,122	-	-	11,596,301
Three years later	2,162,029	2,169,043	316,461	582,900	-	-	-	5,230,433
Four years later	792,964	830,151	258,808	-	-	-	-	1,881,922
Five years later	1,341,360	478,322	-	-	-	-	-	1,819,681
Six years later	496,683	-	-	-	-	-	-	496,683
Current estimate of cumulative claims	56,546,637	12,877,363	6,348,246	8,016,936	5,992,241	6,391,173	5,887,120	102,059,716
Less cumulative payments to date	55,720,490	12,584,498	5,863,827	7,154,703	4,964,664	4,256,822	1,896,761	92,441,765
Pipeline Claims + Claims Payable	-	-	-	-	-	-	5,190,694	5,190,694
ULAE	-	-	-	-	-	-	69,249	69,249
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	-
Impact of Discounting	-	-	-	-	-	-	(2,364,512)	(2,364,512)
Risk Adjustment	-	-	-	-	-	-	1,504,021	1,504,021
Total liability for incurred claims included in the statement of financial position	826,147	292,864	484,418	862,232	1,027,577	2,134,351	8,389,813	14,017,403

NOTES TO THE FINANCIAL STATEMENTS (Continued)**3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****3.1 Insurance risk (Continued)**

Insurance – Long Term

GROUP-2025

	2019 & Prior KShs '000	2020 KShs '000	2021 KShs '000	2022 KShs '000	2023 KShs '000	2024 KShs '000	2025 KShs '000	Total KShs '000
At the end of accident year	4,751,121	650,135	708,223	545,392	693,235	606,556	770,236	8,724,898
One year later	598,417	409,968	909,579	667,445	410,610	562,657	-	3,558,677
Two years later	299,627	81,557	84,355	51,046	39,547	-	-	556,131
Three years later	283,082	61,499	28,694	68,821	-	-	-	442,096
Four years later	218,464	73,377	18,824	-	-	-	-	310,665
Five years later	102,047	242,207	-	-	-	-	-	344,254
Six years later	82,613	-	-	-	-	-	-	82,613
Current estimate of cumulative claims	6,283,445	1,471,346	1,593,195	1,158,463	756,598	669,211	478,389	12,410,647
Less cumulative payments to date	6,335,371	1,518,743	1,749,674	1,332,703	1,143,392	1,169,213	770,236	14,019,333
Pipeline Claims + Claims Payable	-	-	-	-	-	-	474,340	474,340
ULAE	-	-	-	-	-	-	17,022	17,022
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	2,100,834
Impact of Discounting	-	-	-	-	-	-	(247,688)	(247,688)
Risk Adjustment	-	-	-	-	-	-	368,318	368,318
Total liability for incurred claims included in the statement of financial position	51,926	47,397	156,479	174,241	386,794	500,002	903,839	2,220,678

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Insurance – Long Term

GROUP-2024

	2018 & Prior KShs '000	2019 KShs '000	2020 KShs '000	2021 KShs '000	2022 KShs '000	2023 KShs '000	2024 KShs '000	Total KShs '000
At the end of accident year	2,759,069	453,417	650,135	708,223	545,392	693,235	606,556	6,416,027
One year later	1,269,083	408,610	409,968	909,579	667,445	410,610	-	4,075,295
Two years later	352,025	142,079	81,557	84,355	51,046	-	-	711,061
Three years later	209,710	213,389	61,499	28,694	-	-	-	513,292
Four years later	67,937	188,676	73,377	-	-	-	-	329,990
Five years later	29,082	75,626	-	-	-	-	-	104,708
Six years later	45,584	-	-	-	-	-	-	45,584
Current estimate of cumulative claims	4,722,017	1,443,757	1,211,129	1,542,807	1,033,502	606,171	131,741	10,691,125
Less cumulative payments to date	4,771,435	1,481,796	1,276,536	1,730,850	1,263,883	1,103,846	606,556	12,234,902
Pipeline Claims + Claims Payable	-	-	-	-	-	-	1,068,417	1,068,417
ULAE	-	-	-	-	-	-	8,334	8,334
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	-
Impact of Discounting	-	-	-	-	-	-	(366,462)	(366,462)
Risk Adjustment	-	-	-	-	-	-	309,522	309,522
Total liability for incurred claims included in the statement of financial position	49,418	38,039	65,407	188,044	230,380	497,674	1,494,626	2,563,588

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Insurance – Long Term

COMPANY-2025

	2019 & Prior KShs '000	2020 KShs '000	2021 KShs '000	2022 KShs '000	2023 KShs '000	2024 KShs '000	2025 KShs '000	Total KShs '000
At the end of accident year	4,746,503	649,994	708,204	544,801	693,235	606,556	770,236	8,719,529
One year later	594,369	408,229	908,203	662,171	409,724	561,669	-	3,544,366
Two years later	296,117	81,557	84,355	52,454	39,547	-	-	554,029
Three years later	283,151	61,499	28,694	68,821	-	-	-	442,165
Four years later	218,120	73,377	18,824	-	-	-	-	310,321
Five years later	102,047	242,207	-	-	-	-	-	344,254
Six years later	82,613	-	-	-	-	-	-	82,613
Current estimate of cumulative claims	6,271,182	1,470,010	1,594,777	1,156,702	760,882	673,934	483,325	12,410,810
Less cumulative payments to date	6,322,921	1,516,864	1,748,280	1,328,246	1,142,507	1,168,225	770,236	13,997,278
Pipeline Claims + Claims Payable	-	-	-	-	-	-	468,519	468,519
ULAE	-	-	-	-	-	-	16,787	16,787
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	2,071,774
Impact of Discounting	-	-	-	-	-	-	(244,166)	(244,166)
Risk Adjustment	-	-	-	-	-	-	365,220	365,220
Total liability for incurred claims included in the statement of financial position	51,739	46,854	153,503	171,544	381,625	494,291	893,271	2,192,828

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.1 Insurance risk (Continued)

Insurance – Long Term

COMPANY-2024

	2018 & Prior KShs '000	2019 KShs '000	2020 KShs '000	2021 KShs '000	2022 KShs '000	2023 KShs '000	2024 KShs '000	Total KShs '000
At the end of accident year	2,759,069	453,417	649,994	708,204	544,801	693,235	606,556	6,415,276
One year later	1,264,956	405,223	408,229	908,203	662,171	409,724	-	4,058,506
Two years later	351,481	141,299	81,557	84,355	52,454	-	-	711,146
Three years later	207,201	213,389	61,499	28,694	-	-	-	510,783
Four years later	67,108	188,710	73,377	-	-	-	-	329,195
Five years later	28,941	75,626	-	-	-	-	-	104,567
Six years later	45,348	-	-	-	-	-	-	45,348
Current estimate of cumulative claims	4,713,786	1,439,782	1,209,830	1,544,490	1,032,162	612,646	136,909	10,689,604
Less cumulative payments to date	4,763,118	1,477,664	1,274,656	1,729,456	1,259,426	1,102,960	606,556	12,213,873
Pipeline Claims + Claims Payable	-	-	-	-	-	-	1,116,883	1,116,883
ULAE	-	-	-	-	-	-	7,914	7,914
Gross undiscounted liability for incurred claims	-	-	-	-	-	-	-	-
Impact of Discounting	-	-	-	-	-	-	(362,078)	(362,078)
Risk Adjustment	-	-	-	-	-	-	305,830	305,830
Total liability for incurred claims included in the statement of financial position	49,332	37,882	64,826	184,966	227,264	490,314	1,538,196	2,592,780

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from insurance liabilities as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The risk management policies established identify and analyse the risks faced by the Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. These risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

3.2.1 Liquidity risk

Liquidity risk is current or prospective risk to earnings and capital arising from the Group's failure to meet its maturing obligations when they fall due without incurring unacceptable losses. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To this end, there is a Board approved policy to effectively manage liquidity at all times to meet claims payable, unexpected outflow/non-receipt of expected inflow of funds as well as ensure adequate diversification of funding sources. The Finance, Investment and Tender Oversight Committee undertakes liquidity management and scenario analysis as per the policy.

Funds are raised mainly from reinsurance premiums and investment income and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Group strategy.

In addition, the Corporation holds a portfolio of liquid assets as part of its liquidity risk management strategy.

Maturity profiles

Maturity profiles of insurance contract liabilities (present value of future cash flows basis)

The following table summarises the maturity profile of portfolios of insurance contracts that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

GROUP

	2025						
	Up to 1 year KShs'000	1-2 years KShs'000	2-3 years KShs'000	3-4 years KShs'000	4-5 years KShs'000	>5 years KShs'000	Total KShs'000
Short term business	11,764,016	2,835,587	1,257,789	781,690	346,628	559,267	17,544,977
Long term business	1,500,872	248,413	188,637	113,944	114,718	54,094	2,220,678
TOTAL	13,264,888	3,084,000	1,446,426	895,634	461,346	613,361	19,765,655

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2.1 Liquidity risk (Continued)

Maturity profiles (Continued)

Maturity profiles of insurance contract liabilities (present value of future cash flows basis) (Continued)

GROUP

	2024						Total KShs'000
	Up to 1 year KShs'000	1-2 years KShs'000	2-3 years KShs'000	3-4 years KShs'000	4-5 years KShs'000	>5 years KShs'000	
Short term business	11,400,547	2,919,474	1,225,425	711,644	329,059	593,418	17,179,567
Long term business	2,303,436	108,483	32,064	12,740	20,421	86,444	2,563,588
Total	13,703,983	3,027,957	1,257,489	724,384	349,480	679,862	19,743,155

COMPANY

	2025						Total KShs'000
	Up to 1 year KShs'000	1-2 years KShs'000	2-3 years KShs'000	3-4 years KShs'000	4-5 years KShs'000	>5 years KShs'000	
Short term business	9,108,214	2,419,367	1,077,936	667,021	300,180	473,977	14,046,695
Long term business	1,479,211	246,254	187,331	113,301	114,045	52,686	2,192,828
Total	10,587,42	2,665,621	1,265,267	780,322	414,225	526,663	16,239,523

	2024						Total KShs'000
	Up to 1 year KShs'000	1-2 years KShs'000	2-3 years KShs'000	3-4 years KShs'000	4-5 years KShs'000	>5 years KShs'000	
Short term business	8,979,688	2,533,356	1,070,514	630,849	293,725	509,271	14,017,403
Long term business	2,336,564	106,855	31,384	12,384	20,132	85,461	2,592,780
Total	11,316,252	2,640,211	1,101,898	643,233	313,857	594,732	16,610,183

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2.1 Liquidity risk (Continued)

Maturity profiles (Continued)

Maturity analysis of financial assets and financial liabilities (contractual undiscounted cash flow basis)

The following table summarises the maturity profile of financial assets of the Group and Company based on remaining undiscounted contractual cash flows, including interest receivable:

GROUP

31 December 2025	Total Carrying Amount KShs '000	Total KShs '000	On demand KShs '000	Contractual cash flows		
				0-1 years KShs '000	1-5 years KShs '000	>5 years KShs '000
Financial assets						
Amortised cost:						
- Government securities	25,139,287	42,399,600	-	3,605,035	19,887,409	18,907,156
- Corporate bonds	225,595	327,580	-	69,995	257,585	-
Other receivables	553,378	475,984	475,984	-	-	-
Mortgage loans	906,443	906,443	-	36,847	50,764	818,832
Deposits with financial institutions	13,996,911	13,996,911	-	13,996,911	-	-
Cash and cash equivalents	1,020,600	1,020,600	1,020,600	-	-	-
Held at FVTOCI						
- Quoted equities	2,055,301	2,055,301	2,055,301	-	-	-
- Government securities	1,371,208	2,717,806	-	166,824	789,500	1,761,482
- Unquoted equities	934,712	934,712	934,712	-	-	-
Financial liabilities						
Amortised cost:						
Other payables	975,379	933,669	933,669	-	-	-
Total	45,228,056	64,834,937	4,486,597	17,875,612	20,985,258	21,487,470

31 December 2024	Total Carrying Amount KShs '000	Total KShs '000	On demand KShs '000	Contractual cash flows		
				0-1 years KShs '000	1-5 years KShs '000	>5 years KShs '000
Financial assets						
Amortised cost:						
- Government securities	23,942,835	33,391,105	-	3,267,070	13,337,792	16,786,243
- Corporate bonds	44,820	56,958	-	5,876	5,876	45,206
Other receivables	478,183	478,183	478,183	-	-	-
Mortgage loans	824,558	824,558	-	24,743	112,446	687,369
Deposits with financial institutions	14,320,929	14,320,929	-	14,320,929	-	-
Cash and cash equivalents	587,098	587,098	587,098	-	-	-
Held at FVTOCI						
- Quoted equities	1,409,983	1,409,983	1,409,983	-	-	-
- Government securities	1,297,604	2,994,136	-	103,212	612,848	2,278,076
- Unquoted equities	603,113	603,113	603,113	-	-	-
Financial liabilities						
Amortised cost:						
Other payables	921,634	883,461	883,461	-	-	-
Total	42,587,489	53,782,602	2,194,916	17,721,830	14,068,962	19,796,894

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2.1 Liquidity risk (Continued)

Maturity profiles (Continued)

COMPANY

31 December 2024	Total Carrying Amount KShs '000	Total KShs '000	On demand KShs '000	Contractual cash flows		
				0-1 years KShs '000	1-5 years KShs '000	>5 years KShs '000
31-December 2025						
Financial assets: Amortised cost						
- Government securities	23,663,286	39,644,205	-	2,983,365	19,186,048	17,474,792
- Corporate bonds	225,595	327,580	-	69,995	257,585	-
Other receivables	509,970	448,515	448,515	-	-	-
Mortgage loans	873,939	873,939	-	36,847	50,764	786,328
Deposits with financial institutions	9,384,655	9,384,655	-	9,384,655	-	-
Due from related party	194,283	194,283	194,283	-	-	-
Cash and bank balances	476,441	476,44	476,44	-	-	-
Held at FVTOCI						
- Quoted equities	2,055,301	2,055,301	2,055,301	-	-	-
- Government securities	1,371,208	2,717,806	-	166,824	789,500	1,761,482
- Unquoted equities	934,712	934,712	934,712	-	-	-
Financial liabilities:						
Amortised cost						
Other payables	827,033	794,835	794,835	-	-	-
Due to related party	363,718	363,718	363,718	-	-	-
Total	40,880,141	57,739,549	4,791,364	12,641,686	20,283,897	20,022,602

COMPANY

31-December 2024

Financial assets: Amortised cost

- Government securities	23,112,753	32,213,473	-	2,923,959	13,130,173	16,159,341
- Corporate bonds	44,820	56,958	-	5,876	5,876	45,206
Other receivables	451,200	451,200	451,200	-	-	-
Mortgage loans	815,527	815,527	-	24,743	112,446	678,338
Deposits with financial institutions	10,047,728	10,047,728	-	10,047,728	-	-
Due from related party	144,822	144,822	144,822	-	-	-
Cash and bank balances	173,762	173,762	173,762	-	-	-

Held at FVTOCI

- Quoted equities	1,409,983	1,409,983	1,409,983	-	-	-
- Government securities	1,297,604	2,994,136	103,212	612,848	2,278,076	-
- Unquoted equities	603,113	603,113	603,113	-	-	-

Financial liabilities:

Amortised cost

Other payables	786,699	754,469	754,469	-	-	-
Due to related party	292,843	292,843	292,843	-	-	-

Total	39,180,854	49,958,014	3,830,192	13,105,518	13,861,343	19,160,961
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2.1 Liquidity risk (Continued)

Maturity profiles (Continued)

Maturity profiles

The table below summarises the expected utilisation or settlement of assets and liabilities:

GROUP

	2025			2024		
	No more than 12 months KShs'000	More than 12 months KShs'000	Total KShs'000	No More than 12 months KShs'000	More than 12 months KShs'000	Total KShs'000
Financial assets	15,923,954	26,519,834	26,510,496	15,732,585	25,240,440	40,973,025
Cash and cash equivalents	1,020,600	-	1,020,600	587,098	-	587,098
Deposit with financial institutions	13,996,911	-	13,996,911	14,320,929	-	14,320,929
Debt instruments at FVOCI	-	1,371,208	1,371,208	-	1,297,604	1,297,604
Debt instruments at amortised cost	906,443	25,139,288	26,045,731	824,558	23,942,836	24,767,394
Insurance contract assets	89,500	102,736	192,236	483,879	122,279	606,158
Reinsurance held	89,500	102,736	192,236	483,879	122,279	606,158
Insurance contract liabilities	12,952,064	2,060,409	15,012,473	11,949,676	2,849,770	14,799,446
Insurance issued	11,891,777	2,060,409	13,952,186	10,926,867	2,849,770	13,776,637
Reinsurance held	1,060,287	-	1,060,287	1,022,809	-	1,022,809
Financial liabilities measured at amortised cost	975,379	-	975,379	921,634	-	921,634
Other payables	975,379	-	975,379	921,634	-	921,634

COMPANY

	2025			2024		
	No more than 12 months KShs'000	More than 12 months KShs'000	Total KShs'000	No More than 12 months KShs'000	More than 12 months KShs'000	Total KShs'000
Financial assets	10,735,035	25,034,494	35,769,529	11,037,017	24,410,357	35,447,374
Cash and cash equivalents	476,441	-	476,441	173,762	-	173,762
Deposit with financial institutions	9,384,655	-	9,384,655	10,047,728	-	10,047,728
Debt instruments at FVOCI	-	1,371,208	1,371,208	-	1,297,604	1,297,604
Debt instruments at amortised cost	873,939	23,663,286	24,537,225	815,527	23,112,753	23,928,280
Insurance contract assets	77,088	102,499	179,587	473,358	121,877	595,235
Reinsurance held	77,088	102,499	179,587	473,358	121,877	595,235
Insurance contract liabilities	11,055,549	2,016,002	13,071,551	9,934,856	2,889,455	12,824,311
Insurance issued	10,170,994	2,016,002	12,186,996	9,053,305	2,889,455	11,942,760
Reinsurance held	884,555	-	884,555	881,551	-	881,551
Financial liabilities- measured at amortised cost.	1,190,752	-	1,190,752	1,079,542	-	1,079,542
Other payables	827,033	-	827,033	786,699	-	786,699
Due to related party	363,718	-	363,718	292,843	-	292,843

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

3.2.2 Market risk

Management of market risk

Market risk is the risk that changes in market prices, interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Overall authority for market risk is vested in the board of directors. The board of directors is responsible for the development of detailed risk management policies and for the day-to-day review of their implementation.

3.2.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is managed principally through monitoring interest rate gaps. The board of directors is the monitoring body for compliance with these limits and is assisted by risk management in its day-to-day monitoring activities.

The interest earning financial assets that the Group holds include investments in government securities, mortgage loans, corporate bonds, and deposits with financial institutions.

The interest rate risk of the above future cash flows is low primarily because they are at fixed interest rates. A change of 1% in interest rates would have immaterial effects on the future cash flows.

In respect of insurance contract liabilities for incurred claims to which the PAA is applied, the liability would be adjusted using a discount rate updated at each reporting period, therefore, resulting in the balance being sensitive to interest rate movements.

Interest rate sensitivity

The Group has no significant concentration of interest rate risk.

The Group is exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred. The Group's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

GROUP

	2025	2024
	KShs'000	KShs'000
Insurance contract liabilities		
Short term business	(165,837)	(173,288)
Long term business	(21,250)	(29,176)
Reinsurance held		
Short term business	1,195	2,576
Long term business	616	759
Debt instruments at FVOCI	1,371	1,668
Debt instruments at amortized cost	26,046	29,144

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

COMPANY

	2025 KShs'000	2024 KShs'000
Insurance contract liabilities		
Short term business	(150,069)	(163,275)
Long term business	(20,987)	(28,276)
Reinsurance held		
Short term business	1,109	2,500
Long term business	608	755
Debt instruments at FVOCI	1,371	1,668
Debt instruments at amortized cost	24,537	29,144

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

GROUP

	Change in Interest rate	2025 Impact on profit before tax KShs'000	Impact on equity KShs'000	2024 Impact on profit before tax KShs'000	Impact on equity KShs'000
Insurance and reinsurance contracts	+100 bps	14,820	10,374	16,125	11,287
	-				
Debt instruments	+100 bps	34,169	23,918	30,812	21,568
Insurance and reinsurance contracts	- 100 bps	-	-	(16,231)	(11,362)
	-	(14,820)	(10,374)	-	-
Debt instruments	- 100 bps	(34,169)	(23,918)	(30,812)	(21,568)

COMPANY

	Change in Interest rate	2025 Impact on profit before tax KShs'000	Impact on equity KShs'000	2024 Impact on profit before tax KShs'000	Impact on equity KShs'000
Insurance and reinsurance contracts	+100 bps	12,892	9,024	15,166	10,616
Debt instruments	+100 bps	32,486	22,740	29,503	20,652
Insurance and reinsurance contracts	- 100 bps	(12,892)	(9,024)	(15,269)	(10,688)
Debt instruments	- 100 bps	(32,486)	(22,740)	(29,503)	(20,652)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

3.2.2.2 Currency rate risk

The Group writes business from several countries and as a result receives premiums in several currencies. The Group's obligations to, and receivables from the cedants are therefore in these original currencies. The Group is therefore exposed to the exchange rate risk where there is a mismatch between assets and liabilities per currency.

The Group's main operations are concentrated in Kenya and its assets and liabilities are reported in the local currency. It has transactions in foreign currency which are mainly denominated in US Dollars.

Foreign exchange risk also arises from commercial transactions, recognized assets and liabilities in foreign currencies such as deposits with financial institutions.

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Assets in foreign currencies				
Deposits with financial institutions	7,809,510	7,378,284	3,173,253	3,105,084
Cash and bank	567,909	441,008	23,744	27,672
Net foreign currency asset position	8,377,419	7,819,292	3,196,997	3,132,756

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant, of the Group's and the Company's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities).

	USD	GROUP Effect on before tax KShs'000	Effect on equity KShs'000	COMPANY Effect on profit before tax KShs'000	Effect on equity KShs'000
2025	Increase in US\$ by 10%	839,434	587,604	323,793	226,655
	Decrease in US\$ by 10%	(839,434)	(587,604)	(323,793)	(226,655)
2024	Increase in US\$ by 10%	782,132	547,492	313,478	219,435
	Decrease in US\$ by 10%	(782,132)	(547,492)	(313,478)	(219,435)

3.2.2.3 Price risk

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 which are classified as Held at FVTOCI financial assets. Exposure to equity price risks 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 equities 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. The Group's unlisted equities are also subject to price risk however, the Group has carried them at cost less any impairment cost. Refer to note 22.

As at the reporting date, the exposure to listed equity securities at fair value was KShs 2,055 million (2024: KShs 1,041). An increase/decrease of 15% in the value of the listed equity would result in a decrease / increase in profits of KShs 308.3 million (2024: KShs 156 million) and an increase/decrease in equity by KShs 215.8 million (2024: KShs 109 million).

3.2.3 Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Group manages, limits and controls concentration of credit risks periodically against internal and regulatory requirements with respect to individual counterparties or related company of counterparties, industry sectors, business lines, product types, amongst others.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

Key areas where the Group is exposed to credit risk are:

- amounts due from reinsurers in respect of claims already paid.
- amounts due from cedants.
- amounts due from reinsurance intermediaries.
- mortgage advances to its customers and staff.
- government and corporate bonds.
- deposits with financial institutions.
- cash and bank balances.

The Group structures the levels of credit risk it accepts by placing credit limits on its exposure to a single counterparty or company of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the board of directors.

The creditworthiness of cedants is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The Group maintains records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. There are no offset where counter parties are both debtors and creditors of the group in these financial statements. Management information reported to the board of directors includes details of provisions for impairment on amounts due from cedants and subsequent write-offs.

Investments in government securities are deemed adequately secured by the Government of Kenya with no inherent default risk. The credit risk on the corporate bonds, deposits and balances with financial institutions is considered to be low because the counterparties are companies and banks with high credit ratings. The credit risk on mortgages is managed by ensuring that the mortgage issued is secured by the related property and that the mortgage amount given is below the value of the related property.

The following table details the maximum exposure before consideration of any collateral:

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Government securities	26,510,495	25,240,439	25,034,494	24,410,357
Corporate bonds	225,595	44,820	225,595	44,820
Deposits with financial institutions	13,996,911	14,320,929	9,384,655	10,047,728
Mortgage loans	906,443	824,558	873,939	815,527
Cash and Bank balances	1,020,600	587,098	476,441	173,762
Other receivables	553,378	478,280	509,970	451,200
Total assets bearing credit risk	43,213,422	41,496,124	36,505,094	35,943,394

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Mortgage loans are summarized as follows:				
Performing	906,443	636,274	873,939	627,243
Under performing	38,527	230,311	38,527	230,311
	944,970	866,585	912,466	857,554
Less: provision for impairment (note 20)	(38,527)	(42,027)	(38,527)	(42,027)
Total	906,443	824,558	873,939	815,527

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

The accounts under the fully performing category are paying their debts as they continue trading. All assets subject to credit risk are performing (stage 1) except for mortgage loans where some loans are underperforming. The default rate is low. Credit control department actively monitors overdue account balances. In addition, the Group settles claims on a net basis i.e. net of any re-insurance receivables due from cedants. An impairment analysis is performed at each reporting date on an individual basis. The debt that is impaired has been fully provided for. The maximum exposure to credit risk at the reporting date is the carrying amount. Refer to note 20 impairment analysis of mortgage loans.

The tables below set out the credit quality analysis of debt investments measured at FVOCI and amortised cost without taking into account collateral or other credit enhancement. Unless specifically indicated, the amounts in the table represent gross carrying amount.

Government Securities

	GROUP 2025 KShs '000 Stage 1	2024 KShs '000 Stage 1	COMPANY 2025 KShs '000 Stage 1	2024 KShs '000 Stage 1
A	1,207,473	1,045,332	1,207,473	1,045,332
B	-	-	-	-
B-	25,364,071	24,418,132	23,885,199	23,586,930
	26,571,544	25,463,464	25,092,672	24,632,262
ECL Impairment	(61,049)	(223,025)	(58,178)	(221,905)
Amortised Cost	26,510,495	25,240,439	25,034,494	24,410,357
Measured at FVOCI				
Credit rating				
A	-	-	-	-
B	-	-	-	-
B-	1,374,441	1,310,468	1,374,441	1,310,468
	1,374,441	1,310,468	1,374,441	1,310,468
ECL Impairment	(3,233)	(12,864)	(3,233)	(12,864)
Amortised Cost	1,371,208	1,297,604	1,371,208	1,297,604
Measured at Amortised				
Credit rating				
A	1,207,473	1,045,332	1,207,473	1,045,332
B	-	-	-	-
B-	23,989,630	23,107,665	22,510,758	22,276,462
	25,197,103	24,152,997	23,718,231	23,321,794
ECL Impairment	(57,816)	(210,162)	(54,945)	(209,041)
Amortised Cost	25,139,287	23,942,835	23,663,286	23,112,753

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

* The source of the credit rating is S&P Global.

Fair value of financial assets and liabilities

i. Financial instruments not measured at fair value.

The following fair value disclosures have been made in respect of quoted Government securities and quoted corporate bonds which have been carried at amortised cost. The carrying amounts of the remaining financial instruments i.e., cash and bank, government securities held to maturity, corporate bonds and receivables, approximate their fair values hence no fair value disclosures have been made.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – 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 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

ii. Fair value hierarchy

The following table shows an analysis of financial and non- financial assets and liabilities recorded at fair value by level of the fair value hierarchy.

GROUP	Level 1 KShs '000	Level 2 KShs '000	Level 3 KShs '000	Total KShs '000
At 31 December 2025				
Government securities	1,371,208	-	-	1,371,208
Quoted equity instruments	2,055,301	-	-	2,055,301
Investment properties	-	-	13,420,999	13,420,999
Unquoted equity	-	934,712	-	934,712
At 31 December 2024				
Government securities	1,297,604	-	-	1,297,604
Quoted equity instruments	1,409,983	-	-	1,409,983
Investment properties	-	-	13,060,800	13,060,800
Unquoted equity	-	603,113	-	603,113
COMPANY				
At 31 December 2025				
Government securities	1,371,208	-	-	1,371,208
Quoted equity instruments	2,055,301	-	-	2,055,301
Investment properties	-	13,420,999	13,420,999	-
Unquoted equity	-	934,712	-	934,712

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

At 31 December 2024	Level 1 KShs '000	Level 2 KShs '000	Level 3 KShs '000	Total KShs '000
Government securities	1,297,604	-	-	1,297,604
Quoted equity instruments	1,409,983	-	-	1,409,983
Investment properties	-	-	13,060,800	13,060,800
Unquoted equity	-	603,113	-	603,113

Management assessed that the fair values of assets and liabilities not measured at market prices and determined that their fair values approximate their carrying amounts.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2025 are as shown below:

Property	Valuation technique	Significant unobservable inputs	Sensitivity
Reinsurance Plaza Nairobi L.R. No. 209/8770	Income Capitalization Method	Capitalisation Rate (8.5% - 9%). Rental Escalation Rate & Frequency (7.5% per annum).	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. An increase in the rental escalation rate and its frequency will result in a significant increase in fair value and vice versa.
Reinsurance Plaza Kisumu-Kisumu Municipality/ Block 7/378	Income Capitalization Method	Capitalisation Rate (8.5% - 9.1%). Rental Escalation Rate & Frequency (5% per annum).	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. An increase in the rental escalation rate and its frequency will result in a significant increase in fair value and vice versa.
Anniversary Towers Nairobi -LR No. 209/9744	Income Capitalization Method	Capitalisation Rate (8.5% - 9%). Rental Escalation Rate & Frequency (7.5% per annum).	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. An increase in the rental escalation rate and its frequency will result in a significant increase in fair value and vice versa.
Kenya Re Towers Nairobi- LR No. 209/11260	Income Capitalization Method	Capitalisation Rate (8.5%). Rental Escalation Rate & Frequency (7.5% per annum).	A slight increase in the capitalisation rate would result in a significant decrease in fair value and vice versa. An increase in the rental escalation rate and its frequency will result in a significant increase in fair value and vice versa.
Upper Hill Plot -L.R. No.209/12922	Market Comparable Approach	Market prices of similar vacant land parcels, taking into account the differences in location, land use regulations, and individual factors such as frontage and size, between the various comparables and the subject property. <i>(Weighted Average Adjusted Price per acre 520 - 630M/acre)</i>	A slight increase in market price would result in a significant increase in fair value and vice versa.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

Property	Valuation technique	Significant unobservable inputs	Sensitivity
JKIA Plot- LR No. 9042/222	Market Comparable Approach	Market prices of similar land parcels , taking into account the differences in location, accessibility, land use regulations, zoning restrictions, and individual factors such as frontage and size, between the various comparables and the subject property. <i>(Weighted Average Adjusted Price per acre 60-85M/acre)</i>	A slight increase in market price would result in a significant increase in fair value and vice versa.
Mbagathi plot- L.R no:209/11976	Market Comparable Approach	Market prices of similar undeveloped land parcels , taking into account the differences in location, land use regulations, and individual factors such as frontage and size, between the various comparables and the subject property. <i>(Weighted Average Adjusted Price per acre 300 - 350M/acre)</i>	A slight increase in market price would result in a significant increase in fair value and vice versa.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. FINANCIAL AND INSURANCE RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

3.2 Financial Risk (Continued)

The Group has performed an assessment and currently there are no significant interrelationships between significant unobservable inputs and other unobservable inputs used in the fair value measurement. The valuation of investment properties was carried out by Geoffrey Kiprotich Koros - P/No. ISK/CGS/ 202688667 of Legend Valuers Ltd, professional independent valuers as at 31st December 2025.

Unquoted equity

The group invests in private companies which are not quoted in an active market. There has been recent traded prices of the shares of these companies. The group has adopted these recent traded prices in the valuation of the unquoted investment. These have been recognised as level two.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

4 CAPITAL MANAGEMENT

Capital includes ordinary shares and equity attributable to the shareholders of the Group.

Externally imposed capital requirements are set and regulated by various Insurance Regulatory Authorities in the countries of operations. These requirements are put in place to ensure solvency margins are maintained in the insurance industry. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders value.

Further, the Company currently has a paid-up capital of KShs 14 billion for the combined composite business, which meets the minimal requirement of KShs 800 million as per the Insurance Act.

The Group's objectives in managing its capital are:

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

The Group has a number of sources of capital available to it and seeks to optimize its retention capacity in order to ensure that it can consistently maximize returns to shareholders. The Group considers not only the traditional sources of capital funding but the alternative sources of capital including retrocession, as appropriate, when assessing its deployment and usage of capital.

The Group manages as capital all items that are eligible to be treated as capital. The Group has no borrowings. During the year the Group held the minimum paid up capital required and also met the required solvency margins. The Group's lead regulator, Insurance Regulatory Authority (IRA) monitors capital requirements for the Group as a whole. The Company and its individual subsidiaries are directly supervised by their local regulators.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SEGMENTAL REPORTING

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess performance.

Thus, under IFRS 8 the Group's reportable segments are long term business and short-term business. The short-term business segment includes among others motor, marine, aviation, fire, and accident. The long-term business segment includes individual and group life. These segments are the basis on which the CODM allocates resources and assesses performance. Investment and cash management for the Group's own accounts are also reported as part of the above segments. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest and investment income is credited to business segments based on segmental capital employed. The Group's main geographical segment of business is in Kenya.

The management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the corporation's total revenue in 2025 or 2024.

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

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Insurance Revenue				
Short term business	14,113,308	15,875,827	11,620,786	13,125,734
Long term business	2,956,210	2,973,349	2,901,080	2,940,423
Ceding commission	(4,488,196)	(4,697,717)	(3,874,985)	(3,930,043)
	12,581,322	14,151,459	10,646,881	12,136,114

Investment income:

Short term business

Rental income from investment properties	730,636	826,532	730,636	826,532
Interest on government securities held to maturity	2,476,438	2,110,015	2,308,799	1,979,919
Dividends receivable on quoted equity instruments	154,401	123,871	154,401	123,871
Interest on commercial mortgages	36,446	37,739	36,446	37,739
Interest on deposits with financial institutions- held to maturity	833,654	933,140	545,304	727,270
Interest on corporate bonds- held to maturity	5,892	5,924	5,892	5,924
Interest on staff mortgages and loans	17,636	25,764	16,963	24,955
	4,255,103	4,062,985	3,798,441	3,726,210

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SEGMENTAL REPORTING (Continued)	Short term business KShs'000	Long term Business KShs'000	Total 2025 KShs'000	Total 2024 KShs'000
Long term business				
Rental income from investment properties	122,031	139,770	122,031	139,770
Interest on government securities held to maturity	879,425	901,723	879,425	901,723
Dividends receivable on available-for-sale quoted equity instruments	28,492	22,376	28,492	22,376
Interest on deposits with financial institutions- held to maturity	291,856	487,452	291,856	487,446
Interest on corporate bonds- held to maturity	1,037	-	1,037	-
	1,322,841	1,551,321	1,322,841	1,551,315
Total investment income	5,577,944	5,614,306	5,121,282	5,277,525

Other disclosures:

GROUP	Short term business KShs'000	Long term Business KShs'000	Total 2025 KShs'000	Total 2024 KShs'000
Reportable segment profits before tax	4,123,063	702,132	4,825,195	5,648,173
Income tax expense	(614,318)	(287,284)	(901,602)	(1,211,021)
Reportable segment profits after tax	3,508,745	414,848	3,923,593	4,437,152
Reportable segment total assets	58,838,258	13,366,459	72,204,717	66,813,069
Net	58,838,258	13,366,459	72,204,717	66,813,069
Reportable segment total liabilities	15,630,025	2,060,409	17,690,434	17,140,609
Net	15,630,025	2,060,409	17,690,434	17,140,609
Depreciation of property and equipment	(25,017)	(5,240)	(30,257)	(33,628)
Amortisation of intangible assets	(6,020)	-	(6,020)	(18,100)
Property and equipment additions	21,275	-	21,275	5,358
Intangible assets additions	36,023	-	36,023	23,145
Employee costs	976,570	62,334	1,038,904	944,190
Share of associates profit	816,498	-	816,498	610,186

COMPANY

Reportable segment profits before tax	3,396,809	688,011	4,084,820	5,743,196
Income tax expense	(482,948)	(283,048)	(765,996)	(1,205,351)
Reportable segment profits after tax	2,913,861	404,963	3,318,824	4,537,845
Reportable segment total assets	55,271,175	13,278,484	68,549,659	64,108,039
Less:				
: Related party balances	(194,283)	-	(194,283)	(144,822)
: Investment in subsidiaries	(3,045,060)	-	(3,045,060)	(2,761,398)
Reportable segment total assets-Net	52,031,832	13,278,484	65,310,316	61,201,819
Reportable segment total liabilities	13,948,882	2,016,002	15,964,884	15,323,387
Less:				
: Related party balances	(363,718)	-	(363,718)	(292,843)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SEGMENTAL REPORTING (Continued)

	Short term business KShs'000	Long term Business KShs'000	Total 2025 KShs'000	Total 2024 KShs'000
Net	13,585,164	2,016,002	15,601,166	15,030,544
Depreciation of property and equipment	(16,717)	(4,173)	(20,891)	(20,522)
Amortisation of intangible assets	(6,020)	-	(6,020)	(18,100)
Property and equipment additions	19,031	-	19,031	3,577
Intangible assets additions	36,023	-	36,023	23,145
Employee costs	837,033	53,428	890,461	792,925
Share of associates profit	816,498	-	816,498	610,186

	REVENUE		NON-CURRENT ASSETS	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Geographical Information				
Kenya	10,646,881	12,136,114	13,453,228	13,094,887
West Africa	710,099	476,886	9,263	10,694
Zambia	514,074	632,506	528	309
Uganda	710,268	905,952	32,792	36,694
Total	12,581,322	14,151,459	13,495,811	13,142,584

6 INSURANCE REVENUE AND NET EXPENSES FROM REINSURANCE CONTRACTS

The Group is organised into two main divisions, short term business and long-term business. Long term business relates to the underwriting of risks relating to death of an insured person. Short business relates to all other categories of short-term insurance business written by the Group, analysed into several sub-classes of business based on the nature of the assumed risks.

6 (a) Total insurance revenue

The total insurance revenue of the Group can be analysed between the main classes of business as shown below:

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Long-term business				
Group life	2,825,426	2,843,820	2,786,689	2,833,302
Ordinary life	130,784	129,529	114,391	107,121
Total	2,956,210	2,973,349	2,901,080	2,940,423
Short-term business				
Agriculture	92,089	(793,333)	84,302	(805,956)
Aviation	133,794	94,442	116,559	86,256
Engineering	1,700,747	2,299,719	1,368,254	1,878,347
Fire Domestic	120,203	2,073,005	110,856	1,527,846
Fire Industrial	5,239,909	3,129,556	4,365,974	2,738,678
Liability	264,827	281,296	119,287	182,078
Marine	758,263	853,065	640,764	710,495
Medical	3,093,340	4,328,603	2,599,593	3,506,464
Miscellaneous	1,612,106	3,010,947	1,377,788	2,778,171
Motor Commercial	227,255	504,996	201,935	426,806
Motor Private	247,900	24,138	154,922	35,765
Personal Accident	432,762	(9,308)	394,994	(26,368)
Theft	182,522	7,441	82,020	20,659
Workmen Compensation	7,591	71,260	3,538	66,493
Total	14,113,308	15,875,827	11,620,786	13,125,734
Total	17,069,518	18,849,176	14,521,866	16,066,157

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 INSURANCE REVENUE AND NET EXPENSES FROM REINSURANCE CONTRACTS (Continued)

6 (b) Ceding commission

The ceding commission of the Group and company can be analysed between the main classes of business as shown below:

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Short term	3,589,384	3,918,939	2,990,649	3,161,434
Long term	898,812	778,778	884,336	768,609
Total	4,488,196	4,697,717	3,874,985	3,930,043

6 (c) Net expenses from reinsurance contracts

Short Term

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Allocation of reinsurance premiums	(1,541,399)	(1,635,344)	(1,478,834)	(1,520,064)
Recoveries of incurred claims and other insurance service expenses	225,246	552,984	200,150	404,021
Adjustments to assets for incurred claims	(102,127)	280,465	(85,218)	327,445
Amortization of insurance acquisition cash flows	47,607	220,832	39,365	195,935
Effect of changes in non-performance risk of reinsurers	454	1,692	382	(542)
Total	(1,370,221)	(579,371)	(1,324,155)	(593,205)

Long Term

Allocation of reinsurance premiums	(179,640)	(157,799)	(151,990)	(133,587)
Recoveries of incurred claims and other insurance service expenses	76,413	12,317	76,413	12,317
Adjustments to assets for incurred claims	12,047	(12,320)	12,299	(12,525)
Amortization of insurance acquisition cash flows	107,348	29,434	97,252	20,963
Effect of changes in non-performance risk of reinsurers	883	(679)	885	(675)

Total	17,051	(129,047)	34,859	(113,507)
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Grand Total	(1,353,170)	(708,418)	(1,289,296)	(706,712)
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7 INVESTMENT INCOME

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
(a) Interest Income – Calculated using effective interest method				
Interest on Government securities.	3,355,863	3,011,738	3,188,224	2,881,642
Interest on corporate bonds	6,929	5,924	6,929	5,924
Interest on deposits with financial institutions	1,125,510	1,420,586	837,160	1,214,716
Interest on commercial mortgages	36,446	37,739	36,446	37,739
Interest on staff mortgages and loans	17,636	25,770	16,963	24,955
	4,542,384	4,501,757	4,085,722	4,164,976

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 INVESTMENT INCOME (Continued)

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
(b) Other Investment Income				
Rental income from investment properties	852,667	966,302	852,667	966,302
Dividends receivable on quoted equity instruments at FVTOCI	182,893	146,247	182,893	146,247
	1,035,560	1,112,549	1,035,560	1,112,549
Total investment income	5,577,944	5,614,306	5,121,282	5,277,525

8 OTHER INCOME

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
COMESA Yellow Card income	54,432	62,226	54,432	62,226
HQ Management Support Income	45,842	46,713	45,842	46,713
Miscellaneous income	36,276	4,577	36,276	4,577
	136,550	113,516	136,550	113,516

9 INSURANCE SERVICE EXPENSES AND NET FINANCE EXPENSES FROM INSURANCE CONTRACTS

(a) Insurance service expense

Short Term	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Claims and benefits	9,322,000	9,775,017	8,099,098	8,130,717
Changes to Liability for Incurred Claims	(906,223)	(1,818,558)	(755,383)	(2,315,242)
Losses on onerous insurance contracts	56,301	(45,801)	48,323	(42,472)
Amortization of insurance acquisition cashflows	438,716	768,578	374,774	694,547
Total	8,910,794	8,679,237	7,766,812	6,467,551
Long Term	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Claims and benefits	2,044,963	1,507,969	2,042,809	1,507,939
Changes to Liability for Incurred Claims	159,576	292,042	159,597	284,197
Losses on onerous insurance contracts	4,301	(18,657)	4,301	(18,658)
Amortization of insurance acquisition cashflows	58	33,360	-	33,318
Total	2,208,898	1,814,714	2,206,707	1,806,796
Grand total	11,119,692	10,493,951	9,973,520	8,274,347

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 INSURANCE SERVICE EXPENSES AND NET FINANCE EXPENSES FROM INSURANCE CONTRACTS (Continued)

(b) Net finance income/(expenses) from insurance contracts

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Long-term business				
Group life	(120,995)	86,594	(118,055)	82,835
Ordinary life	1,792	(229)	143	(509)
Total	(119,203)	86,365	(117,912)	82,326
Short-term business				
Agriculture	5,389	(516,465)	5,058	(516,619)
Aviation	1,314	(1,801)	1,265	(1,724)
Engineering	(92,484)	(68,337)	(94,323)	(67,408)
Fire Domestic	(1,985)	4,422	(1,989)	4,631
Fire Industrial	(61,109)	131,007	(72,245)	139,237
Liability	(14,748)	21,898	(12,197)	23,810
Marine	(25,375)	(15,589)	(24,951)	(14,553)
Medical	36,280	(53,555)	19,275	(53,845)
Miscellaneous	76,039	2,066	65,615	3,604
Motor Commercial	(28,848)	(198,029)	(28,786)	(199,478)
Motor Private	(17,847)	(6,370)	(19,112)	(1,408)
Personal Accident	(1,771)	(16,375)	(2,197)	(16,524)
Theft	(4,941)	(14,079)	(5,388)	(12,984)
Workmen Compensation	(2,753)	7,770	(2,806)	8,005
Total	(132,839)	(723,437)	(172,781)	(705,256)
Grand total	(252,042)	(637,072)	(290,693)	(622,930)

(c) Net finance (expense)/income from reinsurance contracts

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Long-term business				
Group life	2,374	234	2,303	318
Ordinary life	-	154	-	154
Total	2,374	388	2,303	472

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 INSURANCE SERVICE EXPENSES AND NET FINANCE EXPENSES FROM INSURANCE CONTRACTS (Continued)

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Short-term business				
Agriculture	-	572	-	566
Aviation	(49)	(51)	(49)	(62)
Engineering	13,415	(30,429)	13,777	(30,242)
Fire Domestic	-	234	-	142
Fire Industrial	13,580	(48,499)	13,869	(47,652)
Liability	(8)	9	-	-
Marine	642	(2,369)	642	(2,369)
Medical	1,019	634	-	-
Miscellaneous	(1,317)	(986)	(1,316)	(988)
Motor Commercial	-	-	-	-
Motor Private	-	56	-	54
Personal Accident	167	1,268	167	1,258
Theft	-	19	-	17
Workmen Compensation	-	25	-	24
Total	27,449	(79,519)	27,090	(79,252)
Grand total	29,823	(79,131)	29,393	(78,780)

10 OPERATING AND OTHER EXPENSES

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Staff costs	1,038,904	944,190	890,461	792,925
Depreciation (note 15)	30,258	33,627	20,890	20,522
Amortisation (note 19)	6,020	18,100	6,020	18,100
Auditors' remuneration	48,661	49,174	22,883	18,576
Directors' – emoluments	67,470	49,147	19,175	14,718
Directors' – fees	18,358	20,577	9,600	9,600
Directors' – training	6,755	10,363	1,212	1,196
Rent provisions	14,930	22,629	14,930	22,629
Annual General Meeting expenses	10,616	16,254	10,616	16,254
Investment property direct operating expenses	230,387	213,098	230,387	213,098
Travel and accommodation	241,955	100,840	199,112	68,175
Advertisement	11,343	12,315	11,063	11,962
Professional and consultancy fees	87,737	112,943	74,543	104,562
Rent and rates	12,152	10,090	12,152	10,090
Hardware and software maintenance	116,042	92,157	115,943	92,035
Donations, sponsorship and CSR activities	20,226	6,768	21,813	6,750
Utilities	-	-	-	-
Bank charges	20,645	19,359	12,132	12,394
Impairment of receivables	-	-	-	-
Taxation expenses in subsidiaries	6,670	-	9,561	-
Provision for un-reconciled inventory	-	3,571	-	3,571
Other expenses*	506,352	416,304	372,937	307,683
Attributed expenses	(701,983)	(796,411)	(611,898)	(638,085)
	1,793,498	1,364,656	1,433,972	1,106,755

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 OPERATING AND OTHER EXPENSES (Continued)

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
**Impairment (gains)/losses on financial assets	(143,287)	217,229	(144,794)	218,120
Operating expenses	1,650,211	1,581,885	1,289,178	1,324,875
Staff costs consist:				
Salaries and wages	623,804	580,432	522,037	488,765
Retirement benefit costs (note 30)	1,382	(1,960)	1,382	(1,960)
Medical expenses	62,300	58,693	56,275	50,649
Leave allowance	43,486	41,423	35,376	36,452
National social security benefit costs	12,262	7,782	8,734	4,248
Gratuity accrual	15,615	11,478	4,552.00	-
Bonus	130,860	120,289	124,888	108,496
Housing levy	7,313	5,857	7,313	5,857
Staff welfare expenses	59,006	35,710	51,997	27,081
Training and recruitment	40,785	33,401	39,638	31,702
Leave pay provision	1,705	3,732	1,232	1,720
Pension contributions to defined contribution scheme	40,386	47,353	37,037	39,915
	1,038,904	944,190	890,461	792,925

Other expenses*- Included here are Corporate and other sundry expenses rating fees and legal expenses.

** Impairment of losses on financial assets relates to ECL on government securities, corporate bonds, cash at bank and deposit with financial institutions.

11 TAXATION

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
(a) Income tax expense				
Current tax on the taxable profit for the year	689,114	1,912,908	482,948	1,823,653
	689,114	1,912,908	482,948	1,823,653
Deferred tax charge/ (credit) (note 29)	283,048	(618,302)	283,048	(618,302)
Deferred tax credit (note 29)	(70,560)	(83,585)	-	-
	901,602	1,211,021	765,996	1,205,351

The Group's current tax charge is computed in accordance with income tax rules applicable to composite insurance and reinsurance companies. A reconciliation of the tax charge is shown below:

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
(b) Profit before tax	4,825,195	5,648,173	4,084,820	5,743,196
Tax calculated at the statutory income tax rate of 30% (2024: 30%)	1,447,559	1,694,452	1,225,446	1,722,959
Tax effects of non-taxable income	(736,004)	(755,900)	(692,751)	(790,077)
Tax effect of non-deductible expenses	190,047	272,469	233,301	272,469
	901,602	1,211,021	765,996	1,205,351

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 TAXATION (Continued)

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Attributable to:				
Long term business	283,048	(618,302)	283,048	(618,302)
Short term business	618,554	1,829,323	482,948	1,823,653
	901,602	1,211,021	765,996	1,205,351
(c) Income tax payable				
At 1 January	-	772,624	(273,902)	382,085
Charge for the year	-	1,912,908	482,948	1,823,653
Paid in the year	-	(2,655,723)	(2,209,225)	(2,479,641)
Translation differences	-	(29,809)	-	-
	-	-	(2,000,179)	(273,902)
Income tax recoverable				
At 1 January	166,719	61,778		
Tax charge	(689,114)	-		
Paid in the year	2,411,144	104,941		
Translation differences	10,627	-		
	1,899,376	166,719		

*Non taxable income include life business profit (taxed separately, share of profit from associate and revaluation gain on offshore bonds.

*Non deductible expenses include expenses disallowed as per income tax act.

12. EARNINGS PER SHARE (EPS)

Earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs'000	2024 KShs'000
Profit attributable to shareholders	3,923,593	4,437,152	3,318,824	4,537,845
Weighted average number of ordinary shares in issue	5,599,592	5,599,592	5,599,592	5,599,592
Basic and diluted earnings per share	0.70	0.79	0.59	0.81
Weighted average number of ordinary shares				
Issued ordinary shares at 1 January	5,599,592	2,799,796	5,599,592	2,799,796
Effect of bonus issue in August 2024	-	2,799,796	-	2,799,796
Weighted average number of shares during the year	5,599,592	5,599,592	5,599,592	5,599,592

13. SHARE CAPITAL

	2025 KShs '000	2024 KShs '000
(i) Authorized: share capital (2024 -6,400,000,000 ordinary shares of KShs 2.50 each)	Number of shares	
(ii) Issued and fully paid	5,599,592,544	13,998,982

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. RESERVES

Retained earnings

The retained earnings balance represents the amounts available for distribution to the shareholders of the Group, except for cumulative fair value gains on the Group's investment properties amounting to KShs 8,713,099,738 (2024: KShs 8,407,276,087) whose distribution is subject to restrictions imposed by legislation.

Revaluation reserve

The revaluation reserve relates to property and equipment of the foreign associate which carries property and equipment at the revalued amount. Although the groups policy is to measure property and equipment at cost, the revaluation reserve of the foreign associate is immaterial for group purposes and has thus not been adjusted to reflect the cost model. The reserve is non-distributable.

The revaluation surplus represents the surplus on the revaluation of property and equipment, net of deferred tax. Movements in the revaluation reserve are shown in the statement of changes in equity.

Fair value reserve

The fair value reserve include cumulative changes in the fair value of financial instruments at fair value through OCI until the investment is derecognised. Movements in the fair value reserve are shown in the statement of changes in equity.

Translation reserve

The translation reserve relates to cumulative foreign exchange movement on the net investment in ZEP RE, an associate company accounted for under the equity method and cumulative foreign exchange movement on the subsidiaries. Movements in the translation reserve are shown in the statement of changes in equity.

15. PROPERTY AND EQUIPMENT

GROUP	Motor Vehicles KShs'000	Computers KShs'000	Furniture and equipment KShs'000	Total KShs'000
31 December 2025				
COST				
At 1 January 2025	51,239	249,691	192,714	493,645
Additions	-	13,747	7,433	21,180
Effect of movements in exchange rates	3,087	2,063	4,599	9,749
At 31 December 2025	54,326	265,501	204,746	524,574
ACCUMULATED DEPRECIATION				
At 1 January 2025	51,239	222,557	138,066	411,861
Charge for the year	-	19,007	11,251	30,258
Effect of movements in exchange rates	3,034	1,685	2,924	7,642
At 31 December 2025	54,272	243,249	152,241	449,762
CARRYING VALUE				
At 31 December 2025	54	22,252	52,506	74,812

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PROPERTY AND EQUIPMENT (Continued)

GROUP	Motor Vehicles KShs'000	Computers KShs'000	Furniture and equipment KShs'000	Total KShs'000
31-December-2024				
COST				
At 1 January 2024	58,790	248,606	203,509	510,905
Additions	-	4,912	446	5,358
Effect of movements in exchange rates	(7,551)	(3,827)	(11,241)	(22,618)
At 31 December 2024	51,239	249,691	192,714	493,645
ACCUMULATED DEPRECIATION				
At 1 January 2024	56,032	205,142	127,892	389,066
Charge for the year	2,368	20,313	10,946	33,627
Effect of movements in exchange rates	(7,161)	(2,897)	(773)	(10,832)
At 31 December 2024	51,239	222,557	138,066	411,861
CARRYING VALUE				
At 31 December 2024	-	29,169	52,615	81,784
COMPANY				
31 December 2025				
COST				
At 1 January 2025	22,803	237,020	119,966	379,789
Additions	-	12,702	6,329	19,031
At 31 December 2025	22,803	249,722	126,295	398,820
ACCUMULATED DEPRECIATION				
At 1 January 2025	22,803	210,543	112,357	345,702
Charge for the year	-	17,785	3,105	20,890
31 December 2025	22,803	228,328	115,460	366,591
CARRYING VALUE				
At 31 December 2025	-	21,394	10,835	32,229
COMPANY				
31 December 2024				
COST				
At 1 January 2024	22,803	233,704	119,705	376,212
Additions	-	3,316	261	3,577
At 31 December 2024	22,803	237,020	119,966	379,789
ACCUMULATED DEPRECIATION				
At 1 January 2024	22,803	192,656	109,720	325,179
Charge for the year	-	17,886	2,636	20,522
31 December 2024	22,803	210,543	112,357	345,702
CARRYING VALUE				
At 31 December 2024	-	26,477	7,610	34,087

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. INVESTMENT PROPERTIES – GROUP AND COMPANY

	Reinsurance Plaza Nairobi L.R. No. 209/8770 Kshs '000'	Reinsurance Plaza Kisumu Kisumu Municipality/ Block 7/378 Kshs '000'	Anniversary Towers Nairobi -LR No. 209/9744 Kshs '000'	Kenya Re Towers Nairobi- LR No. 209/11260 Kshs '000'	Upper Hill Plot -L.R. No. 209/12922 Kshs '000'	JKIA Plot- LR. No. 9042/222 Kshs '000'	Mbagathi plot-L.R No. 209/11976 Kshs '000'	Total Kshs '000'
At 1 January	3,250,000	1,082,300	3,328,100	1,889,400	989,000	813,000	1,709,000	13,060,800
Additions	12,995	(139)	2,114	39,407	-	-	-	54,376
Fair value gains/losses	41,005	19,839	18,786	(7,807)	-	234,000	-	305,824
At 31 December 2025	3,304,000	1,102,000	3,349,000	1,921,000	989,000	1,047,000	1,709,000	13,420,999
2024								
At 1 January	3,134,000	1,054,000	3,245,000	1,829,500	985,000	780,000	1,675,000	12,702,500
Additions	7,225	4,752	-	3,302	10	-	-	15,289
Fair value gains	108,775	23,548	83,100	56,598	3,990	33,000	34,000	343,011
At 31 December 2024	3,250,000	1,082,300	3,328,100	1,889,400	989,000	813,000	1,709,000	13,060,800

i. The revalued properties consist of office properties situated in Nairobi and Kisumu held to earn rentals and/or capital appreciation and land acquired for development of office buildings and housing projects for rental and/or capital appreciation.

a. The valuation of investment properties was carried out by Geoffrey Kiprotich Koros - P/No. ISK/CGS/202688667 of Legend Valuers Ltd, professional independent valuers as at 31 December 2025.

ii. Fair value of the properties was determined using the open market basis and depreciated cost replacement method. Open market basis means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location, or condition of the specific property.

iii. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the profit or loss.

*The Company is the registered owner of Land LR No. 9042/222 within the precinct of Jomo Kenyatta International Airport (JKIA) valued at Kshs.1,047,000,000 as at 31 December 2025. However, the company has restricted access to the land as imposed by Kenya Airport Authority (KAA) mainly due to security reasons. The Company is entitled to transact with the land as it owns the title documents. The company only requires the approval of The National Treasury if they decide to sell the property. To develop the property, the Company requires the approval of the Kenya Airports Authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. INVESTMENT PROPERTIES – GROUP AND COMPANY (Continued)

Future minimum rentals receivable under non-cancellable operating leases

The Group has entered into operating leases on its investment property portfolio consisting of certain office buildings. These leases have terms of 6 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lease does not have an option to purchase the property at the expiry of the lease period.

The total actual rents recognised as income during the year is KShs 853 million (2024: KShs 966 million). Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

Maturity analysis of operating lease payments

	2025 KShs'000	2024 KShs'000
Year 1	829,802	852,385
Year 2	863,856	883,945
Year 3	924,274	927,821
Year 4	1,000,515	980,798
Year 5	1,092,702	1,045,768
Year 6	1,194,079	1,107,096
	5,905,228	5,797,813

The following table presents the amounts reported in profit or loss:

	2025 KShs'000	2024 KShs'000
Lease Income on operating leases	852,667	966,302

17. INVESTMENT IN ASSOCIATE – GROUP AND COMPANY

The group has a 20.20% (2024:19.70%) interest in ZEP-Re, a reinsurance company that underwrites all classes of life and non-life reinsurance risks. ZEP Re Limited is a private entity that is not listed on any public exchange. The Company was established on 23rd November 1990 in Mbabane, Swaziland through an Agreement of Heads of State and Governments. The current signatories to the Company's charter include Angola, Burundi, Comoros, D.R. Congo, Djibouti, Kenya, Eritrea, Ethiopia, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, Somali, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe. The Group's interest in ZEP Re Limited is accounted for using the equity method in both separate and consolidated financial statements.

	2025 KShs '000	2024 KShs '000
At 1 January	9,161,534	10,407,449
Share of profit for the year	816,498	610,186
Less dividends received	(416,775)	-
	9,561,258	11,017,635
Share of revaluation reserve-net of tax	993	10,603
Share of fair value reserve-net of tax	269,209	99,963
Currency translation adjustment-net of tax	157,655	(1,966,666)
	427,857	(1,856,101)
Net carrying amount of the investment	9,989,115	9,161,534
<i>Summary financial information for ZEP-Re</i>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. INVESTMENT IN ASSOCIATE – GROUP AND COMPANY (Continued)

The presentation and functional currency for ZEP-Re is US Dollars. The following exchange rates have been applied in converting the balances to Kenya shillings:

	2025 KShs	2024 KShs
Closing rate	129.01	129.29
Average rate	129.31	134.70
Ownership	20.20%	19.70%
Summary financial information for ZEP-Re		
Current assets	19,099,221	16,914,472
Non- current assets	55,129,500	49,044,500
Current liabilities	(1,937,769)	(2,195,413)
Non- current liabilities	(22,398,317)	(17,258,312)
Equity	49,892,635	46,505,247
Group's share of net assets of associate	10,078,313	9,161,534
Total Income	43,351,926	40,164,238
Total expense	39,309,856	37,071,873
Profit	4,042,070	3,092,365
Other comprehensive income for the year	1,337,633	560,337
Total Comprehensive income	5,379,703	3,652,702
Group's share of profit for the year	816,498	610,186

* The associate company is exempt from all forms of taxation.

18. INVESTMENT IN SUBSIDIARY – COMPANY

Details of the company's subsidiaries at the end of the reporting year are as follows:

	Country of incorporation	Proportion of ownership interest and voting power held at	Investment at cost:		
			2025 KShs '000	2024 KShs '000	
Kenya Reinsurance Corporation Côte d'Ivoire	Ivory Coast	100%	100%	1,962,318	1,962,318
Kenya Reinsurance Corporation Zambia*	Zambia	100%	100%	498,534	214,872
Kenya Reinsurance Corporation Uganda Limited-SMC	Uganda	100%	100%	584,208	584,208
Initial investment				3,045,060	2,761,398

The primary business of the three subsidiaries is reinsurance.

*The head office injected additional capital to Zambia subsidiary of KSh 284 million.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. INTANGIBLE ASSETS – GROUP AND COMPANY

	Intangible Assets KShs'000	Total KShs'000
31 December 2025		
COST		
At 1 January 2025	1,070,997	1,070,997
Additions	36,023	36,023
At 31 December 2025	1,107,020	1,107,020
AMORTISATION		
At 1 January 2025	1,024,717	1,024,717
Charge for the year	6,020	6,020
At 31 December 2025	1,030,737	1,030,737
NET CARRYING AMOUNT		
At 31 December 2025	76,283	76,283
31 December 2024		
COST		
At 1 January 2024	1,047,852	1,047,852
Additions	23,145	23,145
At 31 December 2024	1,070,997	1,070,997
AMORTISATION		
At 1 January 2024	1,006,617	1,006,617
Charge for the year	18,100	18,100
At 31 December 2024	1,024,717	1,024,717
NET CARRYING AMOUNT		
At 31 December 2024	46,280	46,280

20. MORTGAGE LOANS

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Staff mortgages	636,071	534,124	603,567	525,093
Commercial mortgages	308,899	332,462	308,899	332,462
	944,970	866,586	912,466	857,555
Less: impairment provision ECL	(38,527)	(42,027)	(38,527)	(42,027)
	906,443	824,558	873,939	815,527

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. MORTGAGE LOANS (Continued)

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Maturity analysis:				
Within 1 year	36,847	24,743	36,847	24,743
Within 1 to 5 years	50,764	112,446	50,764	112,446
Over 5 years	818,832	687,369	786,328	678,338
	906,443	824,558	873,939	815,527
Impairment provision analysis:				
Balance brought forward	(42,027)	(36,511)	(42,027)	(36,511)
Impairment provision	3,500	(5,516)	3,500	(5,516)
Balance carried forward	(38,527)	(42,027)	(38,527)	(42,027)

The weighted average effective interest rate on the mortgages was 7.48% (2024 – 7.18%). Mortgage loans are fully secured.

21. UNQUOTED EQUITY INSTRUMENTS

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
At 1 January	603,113	355,505	603,113	355,505
Additions	209,468	12,284	209,468	12,284
Fair value gain	122,131	235,324	122,131	235,324
At 31 December	934,712	603,113	934,712	603,113
	Shareholding			
Family bank	1%	252,000	-	-
Africa Reinsurance Limited	0.23%	235,226	186,956	186,956
African Trade Insurance Agency (ATIA)	0.26%	257,912	228,290	228,290
Uganda Reinsurance Company Limited (Uganda Re)	10.90%	189,574	187,867	187,867
		934,712	603,113	934,712

The above unquoted instruments relate to investments in the financial markets, notably the banking and insurance sectors. The unquoted equities are not actively traded, and management does not intend to dispose them in the immediate future.

The fair value measurement of the above unquoted equity instruments has been disclosed at fair value through OCI.

22. QUOTED EQUITY INSTRUMENTS

GROUP and COMPANY	2025 KShs '000	2024 KShs '000
At 1 January	1,409,983	1,041,400
Fair value gain	669,524	368,583
Gain on sale of quoted equity	(17,815)	-
Disposals	(6,391)	-
At 31 December	2,055,301	1,409,983

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. CORPORATE BONDS HELD TO MATURITY

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
At 1 January	44,820	44,747	44,820	44,747
Purchases during the year	181,910	-	181,910	-
Interest received	(5,876)	(5,875)	(5,876)	(5,875)
Interest earned	6,929	5,924	6,929	5,924
Opening ECL Impairment	557	581	557	581
Closing ECL Impairment	(2,745)	(557)	(2,745)	(557)
	225,595	44,820	225,595	44,820
Made up as below:				
	Maturity			
Safaricom Ltd	11-Dec-2030	181,910	-	-
Family Bank Limited	18-Dec-2026	225,595	44,820	44,820
		225,595	44,820	44,820

The average effective interest rate on the corporate bonds at 31 December 2025 was 11.70% (2024: 13 %).

24. (a) GOVERNMENT SECURITIES – GROUP AND COMPANY

FVOCI	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
At 1 January	1,297,604	1,155,352	1,297,604	1,155,352
Maturities during the year	-	-	-	-
Fair value gain on government securities at FVTOCI	63,973	152,225	63,973	152,225
Interest received	(166,824)	(166,824)	(166,824)	(166,824)
Interest earned	166,824	166,824	166,824	166,824
Opening ECL Impairment	12,864	2,891	12,864	2,891
Closing ECL Impairment	(3,233)	(12,864)	(3,233)	(12,864)
	1,371,208	1,297,604	1,371,208	1,297,604
Maturing:				
Within 3 months	-	-	-	-
Within 4 to 12 months	-	-	-	-
Within 1 to 5 years	219,753	209,610	219,753	209,610
Over 5 years	1,151,455	1,087,994	1,151,455	1,087,994
At 31 December	1,371,208	1,297,604	1,371,208	1,297,604
AMORTISED COST				
At 1 January	23,942,835	19,893,748	23,112,753	19,075,084
Purchases during the year	4,107,279	5,825,609	3,197,410	5,411,135
Maturities during the year	(3,158,138)	(1,580,353)	(2,831,859)	(1,312,200)
Amortisation of discount/premium on bonds	(1,858)	(209,421)	(1,858)	(209,421)
Interest received	(3,135,142)	(2,515,702)	(2,988,656)	(2,401,749)
Interest earned	3,194,436	2,838,770	3,021,400	2,714,818
Opening ECL Impairment	210,184	45,421	209,041	44,127
Closing ECL Impairment	(57,816)	(210,185)	(54,945)	(209,041)
Translation differences	37,507	(145,052)	-	-
	25,139,287	23,942,835	23,663,286	23,112,753

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. (a) GOVERNMENT SECURITIES – GROUP AND COMPANY (Continued)

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
Maturing:				
Within 3 months	117,447	99,528	-	-
Within 4 to 12 months	415,202	2,971,703	119,934	2,742,810
Within 1 to 5 years	12,405,433	10,844,628	12,191,431	10,682,832
Over 5 years	12,201,205	10,026,976	11,351,921	9,687,111
At 31 December	25,139,287	23,942,835	23,663,286	23,112,753
Total	26,510,495	25,240,439	25,034,494	24,410,357

Treasury bonds amounting to Kshs 4,493,700,000 (2024 – KShs 4,493,700,000) are held under lien by the Commissioner of Insurance as required by the Kenyan Insurance Act. The weighted average effective interest rate on the government securities was 12.99% (2024 – 12.95%). The amortised cost and FVOCI were combined previously, but has been split in these financial statements to comply with IFRS 7 disclosures

24 (b) EQUITY AND DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The breakdown of equity and debt instruments measured at FVOCI is, as follows.

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
Fair value.				
Unquoted equity instruments	934,712	603,113	934,712	603,113
Quoted equity instruments	2,055,301	1,409,983	2,055,301	1,409,983
Government debt instruments	1,371,208	1,297,604	1,371,208	1,297,604
Total equity and debt instruments at FVOCI	4,361,221	3,310,700	4,361,221	3,310,700

24 (c) DEBT INSTRUMENTS AT AMORTISED COST

The breakdown of debt instruments measured at amortised cost is as follows.

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
Debt instruments at amortised cost				
Government debt instruments	25,139,284	23,942,835	23,663,286	23,112,753
Corporate Bond	225,595	44,820	225,595	44,820
Total debt instruments at amortised cost	25,364,879	23,987,655	23,888,881	23,157,573

25. INVENTORY

	GROUP		COMPANY	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
As 31 December	26,205	18,529	19,911	12,953

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. OTHER RECEIVABLES

	2025 KShs '000	GROUP 2024 KShs '000	2025 KShs '000	COMPANY 2024 KShs '000
Staff advances	87,705	58,358	72,909	45,937
Prepayments	77,394	47,539	61,455	38,581
Gross rental receivables	380,954	366,193	380,954	366,193
Dividend's receivable	5,764	4,769	5,764	4,769
Receivable from KURA*	300,150	300,150	300,150	300,150
Impairment of KURA	(127,459)	(96,907)	(127,459)	(96,907)
IDB asset*	21,278	21,278	21,278	21,278
Impairment of IDB	(9,036)	(6,870)	(9,036)	(6,870)
Other receivables	197,582	149,963	184,909	144,262
Rental receivables provisions	(380,954)	(366,193)	(380,954)	(366,193)
	553,378	478,280	509,970	451,200

* The balance from KURA (Kenya Urbans Roads Authority) of KShs 300,150,000 relates to the sale of a portion of Mbagathi land to KURA for a road construction.

** The balance from IDB (Industrial Development Bank) of KShs 21,277,500 relates to divesture from that investment.

The movement in Rental receivables provisions is as below:

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
At 1 January	(366,193)	(343,564)	(366,193)	(343,564)
Additional provision	(14,761)	(22,629)	(14,761)	(22,629)
At 31 December	(380,954)	(366,193)	(380,954)	(366,193)

Other trade receivables are non-interest bearing and generally on terms of 30 to 120 days.

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

	2025 KShs '000	GROUP 2024 KShs '000	2025 KShs '000	COMPANY 2024 KShs '000
Deposit with financial institutions	14,083,729	14,436,725	9,430,798	10,125,838
Expected credit losses.	(86,818)	(115,796)	(46,143)	(78,110)
	13,996,911	14,320,929	9,384,655	10,047,728

The weighted average effective interest rate on deposits with financial institutions was 7.9 % (2024– 9.11 %).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

GROUP

	2025			2024		
	Assets KShs '000	Liabilities KShs '000	Net KShs '000	Assets KShs '000	Liabilities KShs '000	Net KShs '000
Insurance contracts issued						
Long Term	-	2,060,409	2,060,409	-	2,849,770	2,849,770
Short Term	-	11,891,777	11,891,777	-	10,926,867	10,926,867
Total insurance contracts issued	-	13,952,186	13,952,186	-	13,776,637	13,776,637
Reinsurance contracts held						
Long Term	102,736	-	102,736	122,279	-	122,279
Short Term	89,500	1,060,287	(970,787)	483,879	1,022,809	(538,930)
Total reinsurance contracts held	192,236	1,060,287	(868,051)	606,158	1,022,809	(416,651)

COMPANY

	2025			2024		
	Assets KShs '000	Liabilities KShs '000	Net KShs '000	Assets KShs '000	Liabilities KShs '000	Net KShs '000
Insurance contracts issued						
Long Term	-	2,016,002	2,016,002	-	2,889,455	2,889,455
Short Term	-	10,170,994	10,170,994	-	9,053,305	9,053,305
Total insurance contracts issued	-	12,186,996	12,186,996	-	11,942,760	11,942,760
Reinsurance contracts held						
Long Term	102,499	-	102,499	121,877	-	121,877
Short Term	77,088	884,555	(807,467)	473,358	881,551	(408,193)
Total reinsurance contracts issued	179,587	884,555	(704,968)	595,235	881,551	(286,316)

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss.

For each segment, the Corporation presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

GROUP – Insurance contracts issued

Analysis by remaining coverage and incurred claims - Short Term Business 2025.

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	(546,035)	103	298,214	19,099	(228,619)
Opening liabilities	(5,841,896)	135,128	15,169,761	1,692,493	11,155,486
Net opening balance	(6,387,931)	135,231	15,467,975	1,711,592	10,926,867
Changes in the statement of profit or loss and OCI					
Insurance revenue	(14,113,308)	-	-	-	(14,113,308)
Insurance service expense					
Incurred claims and other insurance service expense	-	-	9,322,000	-	9,322,000
Amortisation of insurance acquisition cash flows	438,716	-	-	-	438,716
Ceding commissions	3,589,384				3,589,384
Losses and reversals of losses on onerous contracts	-	56,301	-	-	56,301
Adjustments to liabilities for incurred claims	-	-	(803,303)	(102,920)	(906,223)
	4,028,100	56,301	8,518,697	(102,920)	12,500,178
Investment components and premium refunds	-	-	-	-	-
Insurance service result	(10,085,208)	56,301	8,518,697	(102,920)	(1,613,130)
Net finance expenses from insurance contracts	-	-	132,839	-	132,839
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(10,085,208)	56,301	8,651,536	(102,920)	(1,480,291)
Cash flows	-	-	-	-	-
Premiums received	14,151,919	-	-	-	14,151,919
Claims and other insurance service expenses paid, including investment components	-	-	(8,580,220)	-	(8,580,220)
Insurance acquisition cash flows	256,403	-	-	-	256,403
Ceding acquisition cashflows	3,589,384				3,589,384
Total cash flows	10,818,938	-	(8,580,220)	-	2,238,718

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	(194,755)	4,224	375,380	21,634	206,483
Net closing balance	(5,848,957)	195,756	15,914,671	1,630,306	11,891,777
Closing assets	(772,484)	-	244,449	17,430	(510,605)
Closing liabilities	(5,076,473)	195,756	15,670,222	1,612,876	12,402,381
Net closing balance	(5,848,957)	195,756	15,914,671	1,630,306	11,891,777

GROUP – Insurance contracts issued

Analysis by remaining coverage and incurred claims - Short Term Business 2024.

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	(511,621)	-	200,404	11,766	(299,451)
Opening liabilities	(6,092,198)	189,070	15,475,679	2,493,707	12,066,258
Net opening balance	(6,603,819)	189,070	15,676,083	2,505,473	11,766,807
Changes in the statement of profit or loss and OCI					
Insurance revenue	(15,875,827)	-	-	-	(15,875,827)
Insurance service expense					
Incurred claims and other insurance service expense	-	-	9,775,017	-	9,775,017
Amortisation of insurance acquisition cash flows	768,578	-	-	-	768,578
Ceding commission	3,918,939	-	-	-	3,918,939
Losses and reversals of losses on onerous contracts	-	(45,801)	-	-	(45,801)
Adjustments to liabilities for incurred claims	-	-	(1,067,612)	(750,944)	(1,818,556)
	4,687,517	(45,801)	8,707,405	(750,944)	12,598,177
Investment components and premium refunds					
Insurance service result	(11,188,310)	(45,801)	8,707,405	(750,944)	(3,277,650)
Net finance expenses from insurance contracts	-	-	723,437	-	723,437
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(11,188,310)	(45,801)	9,430,842	(750,944)	(2,554,213)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Cash flows					
Premiums received	15,741,243	-	-	-	15,741,243
Claims and other insurance service expenses paid, including investment components	-	-	(8,985,117)	-	(8,985,117)
Insurance acquisition cash flows	(766,723)	-	-	-	(766,723)
Ceding acquisition cashflows	(3,909,483)	-	-	-	(3,909,483)
Total cash flows	11,065,037	-	(8,985,117)	-	2,079,920
Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	339,161	(8,038)	(653,833)	(42,937)	(365,647)
Net closing balance	(6,387,931)	135,231	15,467,975	1,711,592	10,926,867
Closing assets	(546,035)	103	298,214	19,099	(228,619)
Closing liabilities	(5,841,896)	135,128	15,169,761	1,692,493	11,155,486
Net closing balance	(6,387,931)	135,231	15,467,975	1,711,592	10,926,867

COMPANY – Insurance contracts issued

Analysis by remaining coverage and incurred claims - Short Term Business – 2025.

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	(5,063,602)	99,504	12,513,382	1,504,021	9,053,305
Net opening balance	(5,063,602)	99,504	12,513,382	1,504,021	9,053,305
Changes in the statement of profit or loss and OCI					
Insurance revenue	(11,620,786)	-	-	-	(11,620,786)
Insurance service expense	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	8,099,098	-	8,099,098
Amortisation of insurance acquisition cash flows	374,774	-	-	-	374,774
Ceding commissions	2,990,649	-	-	-	2,990,649
Losses and reversals of losses on onerous contracts	-	48,323	-	-	48,323
Adjustments to liabilities for incurred claims	-	-	(676,127)	(79,255)	(755,383)
	3,365,423	48,323	7,422,971	(79,255)	10,757,462

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Investment components and premium refunds	-	-	-	-	-
Insurance service result	(8,255,363)	48,323	7,422,971	(79,255)	(863,324)
Net finance expenses from insurance contracts	-	-	172,781	-	172,781
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(8,255,363)	48,323	7,595,752	(79,255)	(690,543)
Cash flows	-	-	-	-	-
Premiums received	12,017,082	-	-	-	12,017,082
Claims and other insurance service expenses paid, including investment components	-	-	(7,487,205)	-	(7,487,205)
Insurance acquisition cash flows	269,004	-	-	-	269,004
Ceding acquisition cashflows	(2,990,649)	-	-	-	(2,990,649)
Total cash flows	9,295,437	-	(7,487,205)	-	1,808,232
Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	-	-	-	-	-
Net closing balance	(4,023,528)	147,827	12,621,929	1,424,766	10,170,994
Closing assets	-	-	-	-	-
Closing liabilities	(4,023,528)	147,827	12,621,929	1,424,766	10,170,994
Net closing balance	(4,023,528)	147,827	12,621,929	1,424,766	10,170,994

COMPANY – Insurance contracts issued

Analysis by remaining coverage and incurred claims – Short Term Business – 2024

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	(5,102,931)	141,975	12,863,939	2,307,906	10,210,889
Net opening balance	(5,102,931)	141,975	12,863,939	2,307,906	10,210,889
Changes in the statement of profit or loss and OCI					
Insurance revenue	(13,125,734)	-	-	-	(13,125,734)
Insurance service expense	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	8,130,717	-	8,130,717
Amortisation of insurance acquisition cash flows	694,547	-	-	-	694,547
Ceding commissions	3,161,434	-	-	-	3,161,434
Losses and reversals of losses on onerous contracts	-	(42,472)	-	-	(42,472)
Adjustments to liabilities	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

for incurred claims	-	-	(1,511,357)	(803,885)	(2,315,242)
	3,855,981	(42,472)	6,619,360	(803,885)	9,628,985
Investment components and premium refunds	-	-	-	-	-
Insurance service result	(9,269,753)	(42,472)	6,619,360	(803,885)	(3,496,750)
Net finance expenses from insurance contracts	-	-	705,256	-	705,256
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(9,269,753)	(42,472)	7,324,616	(803,885)	(2,791,494)
Cash flows					
Premiums received	13,160,360	-	-	-	13,160,360
Claims and other insurance service expenses paid, including investment components	-	-	(7,675,172)	-	(7,675,172)
Insurance acquisition cash flows	(693,700)	-	-	-	(693,700)
Ceding acquisition cashflows	(3,157,578)	-	-	-	(3,157,578)
Total cash flows	9,309,082	-	(7,675,172)	-	1,633,910
Transfer to other items in the statement of financial position	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	(5,063,602)	99,504	12,513,382	1,504,021	9,053,305
Closing assets	-	-	-	-	-
Closing liabilities	(5,063,602)	99,504	12,513,382	1,504,021	9,053,305
Net closing balance	(5,063,602)	99,504	12,513,382	1,504,021	9,053,305

GROUP – Insurance contracts issued

Analysis by remaining coverage and incurred claims – Long Term Business – 2025

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	185,148	101,034	2,261,449	302,139	2,849,770
Net opening balance	185,148	101,034	2,261,449	302,139	2,849,770
Changes in the statement of profit or loss and OCI					
Insurance revenue	(2,956,210)	-	-	-	(2,956,210)
Insurance service expense	-	-	2,044,963	-	2,044,963

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Amortisation of insurance acquisition cash flows	58	-	-	-	58
Ceding commissions	898,812	-	-	-	898,812
Losses and reversals of losses on onerous contracts	-	4,301	-	-	4,301
Adjustments to liabilities for incurred claims	-	-	101,216	58,360	159,576
	898,870	4,301	2,146,179	58,360	3,107,710
Investment components and premium refunds	-	-	-	-	-
Insurance service result	(2,057,340)	4,301	2,146,179	58,360	151,500
Net finance expenses from insurance contracts	-	-	119,203	-	119,203
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(2,057,340)	4,301	2,265,382	58,360	270,703
Cash flows	-	-	-	-	-
Premiums received	2,824,070	-	-	-	2,824,070
Claims and other insurance service expenses paid, including investment components	-	-	(2,728,618)	-	(2,728,618)
Insurance acquisition cash flows	(2,109,859)	-	-	-	(2,109,859)
Ceding acquisition cashflows	869,860	-	-	-	869,860
Total cash flows	1,584,070	-	(2,728,618)	-	(1,144,548)
Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	22,518	-	54,147	7,818	84,483
Net closing balance	(265,603)	105,335	1,852,360	368,318	2,060,409
Closing assets	-	-	-	-	-
Closing liabilities	(265,603)	105,335	1,852,360	368,318	2,060,409
Net closing balance	(265,603)	105,335	1,852,360	368,318	2,060,409

GROUP – Insurance contracts issued

Analysis by remaining coverage and incurred claims – Long Term Business – 2024

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	(126,809)	119,692	2,028,819	235,634	2,257,336
Net opening balance	(126,809)	119,692	2,028,819	235,634	2,257,336

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

**Changes in the statement of
profit or loss and OCI**

Insurance revenue	(2,973,349)	-	-	-	(2,973,349)
Insurance service expense					
Incurred claims and other insurance service expense	-	-	1,507,969	-	1,507,969
Amortisation of insurance acquisition cash flows	33,360	-	-	-	33,360
Ceding commissions	778,778	-	-	-	778,778
Losses and reversals of losses on onerous contracts	-	(18,657)	-	-	(18,657)
Adjustments to liabilities for incurred claims	-	-	217,302	74,740	292,042
	812,138	(18,657)	1,725,271	74,740	2,593,492

Investment components and premium refunds	-	-	-	-	-
Insurance service result	(2,161,211)	(18,657)	1,725,271	74,740	(379,857)

Net finance expenses from insurance contracts	-	-	(86,365)	-	(86,365)
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(2,161,211)	(18,657)	1,638,906	74,740	(466,222)

Cash flows					
Premiums received	3,261,940	-	-	-	3,261,940
Claims and other insurance service expenses paid, including investment components	-	-	(1,349,613)	-	(1,349,613)
Insurance acquisition cash flows	(31,319)	-	-	-	(31,319)
Ceding acquisition cashflows	(731,134)	-	-	-	(731,134)
Total cash flows	2,499,487	-	(1,349,613)	-	1,149,874

Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	(26,319)	-	(56,663)	(8,236)	(91,218)
Net closing balance	185,148	101,034	2,261,449	302,139	2,849,770

Closing assets	-	-	-	-	-
Closing liabilities	185,148	101,034	2,261,449	302,139	2,849,770
Net closing balance	185,148	101,034	2,261,449	302,139	2,849,770

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

COMPANY – Insurance contracts issued

Analysis by remaining coverage and incurred claims – Long Term Business – 2025

	Excluding loss component KSh '000	Loss component KSh '000	Liabilities for remaining coverage Estimates of Present Value of Future Cash Flows KSh '000	Liabilities for incurred claims Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	195,641	101,034	2,286,950	305,830	2,889,455
Net opening balance	195,641	101,034	2,286,950	305,830	2,889,455
Changes in the statement of profit or loss and OCI					
Insurance revenue	(2,901,080)	-	-	-	(2,901,080)
Insurance service expense	-	-	-	-	-
Incurred claims and other insurance service expense	-	-	2,042,809	-	2,042,809
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Ceding commissions onerous contracts	-	4,301	-	-	4,301
Adjustments to liabilities for incurred claims	-	-	100,207	59,390	159,597
	884,336	4,301	2,143,016	59,390	3,091,043
Investment components and premium refunds	-	-	-	-	-
Insurance service result	(2,016,744)	4,301	2,143,016	59,390	189,963
Net finance expenses from insurance contracts	-	-	117,912	-	117,912
Effect of movement in exchange or loss and OCI	(2,016,744)	4,301	2,260,928	59,390	307,875
Cash flows	-	-	-	-	-
Premiums received	2,753,653	-	-	-	2,753,653
Claims and other insurance service expenses paid, including investment components	-	-	(2,720,270)	-	(2,720,270)
Insurance acquisition cash flows	(2,099,047)	-	-	-	(2,099,047)
Ceding acquisition cashflows	884,336	-	-	-	884,336
Total cash flows	1,538,942	-	(2,720,270)	-	(1,181,328)
Transfer to other items in the statement of financial position	-	-	-	-	-
Translation differences	-	-	-	-	-
Net closing balance	(282,161)	105,335	1,827,608	365,220	2,016,002
Closing assets	-	-	-	-	-
Closing liabilities	(282,161)	105,335	1,827,608	365,220	2,016,002
Net closing balance	(282,161)	105,335	1,827,608	365,220	2,016,002

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

COMPANY – Insurance contracts issued

Analysis by remaining coverage and incurred claims – Long Term Business – 2024

	Liabilities for remaining coverage			Liabilities for incurred claims	
	Excluding loss component KSh '000	Loss component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	-	-	-	-	-
Opening liabilities	(154,375)	119,692	2,006,488	232,203	2,204,008
Net opening balance	(154,375)	119,692	2,006,488	232,203	2,204,008
Changes in the statement of profit or loss and OCI					
Insurance revenue	(2,940,423)	-	-	-	(2,940,423)
Insurance service expense					
Incurred claims and other insurance service expenses					
acquisition cash flows	33,318	-	-	-	33,318
Ceding commissions	768,609	-	-	-	768,609
Losses and reversals of losses on onerous contracts	-	(18,658)	-	-	(18,658)
Adjustments to liabilities for incurred claims	-	-	210,570	73,627	284,197
	801,927	(18,658)	1,718,509	73,627	2,575,405
Investment components and premium refunds	-	-	-	-	-
Insurance service result	(2,138,496)	(18,658)	1,718,509	73,627	(365,018)
Net finance expenses from insurance contracts	-	-	(82,326)	-	(82,326)
Effect of movement in exchange rates					
Total changes in the statement of profit or loss and OCI	(2,138,496)	(18,658)	1,636,513	73,627	(447,344)
Cash flows					
Premiums received	3,238,582	-	-	-	3,238,582
Claims and other insurance service expenses paid, including investment components	-	-	(1,355,721)	-	(1,355,721)
Insurance acquisition cash flows	(31,163)	-	-	-	(31,163)
Ceding acquisition cashflows	(718,907)	-	-	-	(718,907)
Total cash flows	2,488,512	-	(1,355,721)	-	1,132,791
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	195,641	101,034	2,286,950	305,830	2,889,455

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Closing assets	-	-	-	-	-
Closing liabilities	195,641	101,034	2,286,950	305,830	2,889,455
Net closing balance	195,641	101,034	2,286,950	305,830	2,889,455

GROUP – Reinsurance contracts held

Analysis by remaining coverage and incurred claims – Short Term Business – 2025

	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Assets for remaining coverage Estimates of Present Value of Future Cash Flows KSh '000	Assets for incurred claims Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	(10,346)	-	484,978	353	474,985
Opening liabilities	(1,493,337)	-	440,862	38,560	(1,013,915)
Net opening balance	(1,503,683)	-	925,840	38,913	(538,930)

Changes in the statement of profit or loss and OCI

Allocation of reinsurance premiums paid	(1,541,399)	-	-	-	(1,541,399)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	225,246	-	225,246
Recoveries and reversals o recoveries of losses on onerous contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	(92,726)	(9,401)	(102,127)
	(1,541,399)	-	132,520	(9,401)	(1,418,280)

Effect of changes in non-performance risk of reinsurers	-	-	454	-	454
Amortisation of insuranc acquisition cash flows	47,607	-	-	-	47,607
Net expenses from reinsurance contracts	(1,493,792)	-	132,974	(9,401)	(1,370,221)
Net finance income from reinsurance contracts	-	-	27,449	-	27,449
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,493,792)	-	160,423	(9,401)	(1,342,772)

Cash flows

Premiums paid	1,927,093	-	-	-	1,927,093
Other amount paid	-	-	-	-	-
Amounts received	(123,639)	-	(875,671)	-	(999,310)
Total cash flows	1,803,454	-	(875,671)	-	927,783
Transfer to other items in the statement of financial position	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Translation differences	(22,905)	-	5,449	587	(16,868)
Net closing balance	(1,216,926)	-	216,040	30,099	(970,787)
Closing assets	(52,600)	-	118,862	14,210	80,472
Closing liabilities	(1,164,326)	-	97,178	15,889	(1,051,259)
Net closing balance	(1,216,926)	-	216,040	30,099	(970,787)

GROUP – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Short Term Business – 2024

	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimates of Present Value of Future Cash Flows	Risk adjustment for non-financial risk	Total
	KSh '000	KSh '000	KSh '000	KSh '000	KSh '000
Opening assets	(67,268)	-	709,844	20,767	663,343
Opening liabilities	(85,968)	-	2,543	350	(83,075)
Net opening balance	(153,236)	-	712,387	21,117	580,268
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(1,635,344)	-	-	-	(1,635,344)
Amounts recoverable from reinsurers	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	552,984	-	552,984
Recoveries and reversals of recoveries of losses on onerous contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	259,625	20,840	280,465
	(1,635,344)	-	812,609	20,840	(801,895)
Investment components and premium refunds	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	1,692	-	1,692
Amortisation of insurance acquisition cash flows	220,832	-	-	-	220,832
Net expenses from reinsurance contracts	(1,414,512)	-	814,301	20,840	(579,371)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Net finance income from reinsurance contracts	-	-	(79,519)	-	(79,519)
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,414,512)	-	734,782	20,840	(658,890)
Cash flows					
Premiums paid	350,036	-	-	-	1,516,299
Other amount paid					
Amounts received	(302,799)	-	(499,150)	-	(1,968,212)
Total cash flows	47,237	-	(499,150)	-	(451,913)
Transfer to other items in the statement of financial position					
Translation differences	16,827	-	(22,177)	(3,044)	(8,395)
Net closing balance	(1,503,683)	-	925,840	38,913	(538,930)
Closing assets	(10,346)	-	484,978	353	474,985
Closing liabilities	(1,493,337)	-	440,862	38,560	(1,013,915)
Net closing balance	(1,503,683)	-	925,840	38,913	(538,930)

COMPANY – Reinsurance contracts held

Analysis by remaining coverage and incurred claims – Short Term Business – 2025

	Assets for remaining coverage			Assets for incurred claims	
	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	(9,138)	-	482,495	-	473,359
Opening liabilities	(1,327,162)	-	410,703	34,908	(881,551)
Net opening balance	(1,336,300)	-	893,198	34,908	(408,193)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(1,478,834)	-	-	-	(1,478,834)
Amounts recoverable from reinsurers	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	200,150	-	200,150
Recoveries and reversals of recoveries of losses on onerous contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	(77,793)	(7,425)	(85,218)
	(1,478,834)	-	122,357	(7,425)	(1,363,902)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Investment components and premium refunds	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	381	-	382
Amortisation of insurance acquisition cash flows	39,365	-	-	-	39,365
Net expenses from reinsurance contracts	(1,439,469)	-	122,738	(7,425)	(1,324,155)
Net finance income from reinsurance contracts	-	-	27,090	-	27,090
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,439,469)	-	149,828	(7,425)	(1,297,065)
Cash flows					
Premiums paid	1,843,092	-	-	-	1,843,092
Other amount paid	-	-	-	-	-
Amounts received	(95,025)	-	(850,274)	-	(945,299)
Total cash flows	1,748,067	-	(850,274)	-	897,793
Transfer to other items in the statement of financial position	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	(1,027,702)	-	192,752	27,483	(807,467)
Closing assets	(50,810)	-	114,388	13,511	77,091
Closing liabilities	(976,892)	-	78,364	13,972	(884,556)
Net closing balance	(1,027,702)	-	192,752	27,483	(807,467)

COMPANY – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Short Term Business – 2024

	Assets for remaining coverage			Assets for incurred claims	
	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non-financial risk KSh '000	Total KSh '000
Opening assets	(70,164)	-	586,008	4,222	520,066
Opening liabilities	(59,382)	-	2,155	309	(56,918)
Net opening balance	(129,546)	-	588,163	4,531	463,148
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(1,520,064)	-	-	-	(1,520,064)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and					

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

other insurance service expenses	-	-	404,021	-	404,021
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	297,068	30,377	327,445
	(1,520,064)	-	701,089	30,377	(788,598)
Effect of changes in non-performance risk of reinsurers	-	-	(542)	-	(542)
Amortisation of insurance acquisition cash flows	195,935	-	-	-	195,935
Net expenses from reinsurance contracts	(1,324,129)	-	700,547	30,377	(593,205)
Net finance income from reinsurance contracts	-	-	(79,252)	-	(79,252)
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,324,129)	-	621,295	30,377	(672,457)
Cash flows					
Premiums paid	236,364	-	-	-	1,402,627
Other amount paid	(118,989)	-	(316,260)	-	(1,601,512)
Amounts received					
Total cash flows	117,375	-	(316,260)	-	(198,885)
Transfer to other items in the statement of financial position	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	(1,336,300)	-	893,198	34,908	(408,193)
Closing assets	(9,138)	-	482,495	-	473,359
Closing liabilities	(1,327,162)	-	410,703	34,908	(881,551)
Net closing balance	(1,336,300)	-	893,198	34,908	(408,193)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

GROUP – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Long Term – 2025

	Assets for remaining coverage			Assets for incurred claims	
	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	57,585	-	56,664	8,030	122,279
Opening liabilities	-	-	-	-	-
Net opening balance	57,585	-	56,664	8,030	122,279
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(179,640)	-	-	-	(179,640)
Amounts recoverable from reinsurers	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	76,413	-	76,413
Recoveries and reversals of recoveries of losses on onerous contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	9,208	2,839	12,047
	(179,640)	-	85,621	2,839	(91,180)
Investment components and premium refunds	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	883	-	883
Amortisation of insurance acquisition cash flows	107,348	-	-	-	107,348
Net expenses from reinsurance contracts	(72,292)	-	86,504	2,839	17,051
Net finance income from reinsurance contracts	-	-	2,374	-	2,374
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(72,292)	-	88,878	2,839	17,051
Cash flows					
Premiums paid	157,134	-	-	-	157,134
Other amount paid	-	-	-	-	-
Amounts received	(100,257)	-	(95,984)	-	(196,241)
Total cash flows	56,877	-	(95,984)	-	(39,107)
Transfer to other items in the statement of financial position	-	-	-	-	-
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Translation differences	90	-	42	9	141
Net closing balance	42,259	-	49,600	10,877	102,736

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Closing assets	42,259	-	49,600	10,877	102,736
Closing liabilities	-	-	-	-	-
Net closing balance	42,259	-	49,600	10,877	102,736

GROUP – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Long Term – 2024

	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Assets for remaining coverage Estimates of Present Value of Future Cash Flows KSh '000	Assets for incurred claims Risk adjustment for non -financial risk KSh '000	Total KSh '000
Opening assets	71,336	-	68,947	8,464	148,747
Opening liabilities	-	-	-	-	-
Net opening balance	71,336	-	68,947	8,464	148,747
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(157,799)	-	-	-	(157,799)
Amounts recoverable from reinsurers	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	12,317	-	12,317
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	(11,901)	(419)	(12,320)
	(157,799)	-	416	(419)	(157,802)
Investment components and premium refunds	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(679)	-	(679)
Amortisation of insurance acquisition cash flows	29,434	-	-	-	29,434
Net expenses from reinsurance contracts	(128,365)	-	(263)	(419)	(129,047)
Net finance income from reinsurance contracts	-	-	388	-	388
Effect of movement in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(128,430)	-	125	(419)	(128,659)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Cash flows

Premiums paid	172,797	-	-	-	172,797
Other amount paid					
Amounts received	(58,189)	-	(12,317)	-	(70,506)
Total cash flows	114,608	-	(12,317)	-	102,291
Transfer to other items in the statement of financial position					
Translation differences	6	-	(91)	(15)	(100)
Net closing balance	57,585	-	56,664	8,030	122,279
Closing assets	57,585	-	56,664	8,030	122,279
Closing liabilities	-	-	-	-	-
Net closing balance	57,585	-	56,664	8,030	122,279

COMPANY – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Long Term – 2025

	Assets for remaining coverage			Assets for incurred claims	
	Excluding loss-recovery component KSh '000	Loss-recovery component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Risk adjustment for non- financial risk KSh '000	Total KSh '000
Opening assets	57,625	-	56,298	7,953	121,877
Opening liabilities	-	-	-	-	-
Net opening balance	57,625	-	56,298	7,953	121,877
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(151,990)	-	-	-	(151,990)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	76,413	-	76,413
Recoveries and reversals of recoveries of losses on onerous contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	9,431	2,867	12,299
	(151,990)	-	85,844	2,867	(63,278)
Effect of changes in non-performance risk of reinsurers	-	-	885	-	885
Amortisation of insurance acquisition cash flows	97,252	-	-	-	97,252
Net expenses from reinsurance contracts	(54,738)	-	86,729	2,867	34,859

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Net finance income from reinsurance contracts	-	-	2,303	-	2,303
Total changes in the statement of profit or loss and OCI	(54,738)	-	89,032	2,867	37,162
Cash flows					
Premiums paid	129,663	-	-	-	129,663
Amounts received	(90,218)	-	(95,984)	-	(186,202)
Total cash flows	39,445	-	(95,984)	-	(56,539)
Net closing balance	42,332	-	49,346	10,820	102,499
Closing assets	42,332	-	49,346	10,821	102,499
Closing liabilities	-	-	-	-	-
Net closing balance	42,332	-	49,346	10,821	102,499

COMPANY – Reinsurance contracts held

Analysis by remaining coverage and incurred claims - Long Term – 2024

	Excluding loss-recovery component KSh '000	Assets for remaining coverage Loss-recovery component KSh '000	Estimates of Present Value of Future Cash Flows KSh '000	Assets for incurred claims Risk adjustment for non- financial risk KSh '000	Total KSh '000
Opening assets	71,363	-	68,571	8,409	148,343
Opening liabilities	-	-	-	-	-
Net opening balance	71,363	-	68,571	8,409	148,343
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(133,587)	-	-	-	(133,587)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	12,317	-	12,317
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	(12,069)	(456)	(12,525)
	(133,587)	-	248	(456)	(133,795)
Investment components and premium refunds					
Effect of changes in non-performance risk of reinsurers	-	-	(675)	-	(675)
Amortisation of insurance acquisition cash flows	20,963	-	-	-	20,963

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INSURANCE AND REINSURANCE CONTRACTS (Continued)

Net expenses from reinsurance contracts	(112,689)	-	(427)	(456)	(113,507)
Net finance income from reinsurance contracts	-	-	472	-	472
Total changes in the statement of profit or loss and OCI	(112,624)	-	45	(456)	(113,035)
Cash flows					
Premiums paid	147,837	-	-	-	147,837
Other amount paid	(48,951)	-	(12,317)	-	(61,268)
Total cash flows	98,886	-	(12,317)	-	86,569
Net closing balance	57,625	-	56,298	7,953	121,877
Closing assets	57,625	-	56,298	7,953	121,877
Closing liabilities	-	-	-	-	-
Net closing balance	57,625	-	56,298	7,953	121,877

29. DEFERRED TAX LIABILITY

i. Deferred tax liability

Deferred income taxes are calculated on all temporary differences using the enacted tax rate of 30%. The net deferred tax liability is attributable to the following items:

GROUP and COMPANY	Group 2025 KShs '000	2024 KShs '000	Company 2025 KShs '000	2024 KShs '000
Excess depreciation over capital allowances	(49,203)	(99,108)	(49,203)	(99,108)
Leave pay provision	(9,659)	(9,669)	(9,659)	(9,669)
KURA provision	(40,949)	(31,133)	(40,949)	(31,133)
unrealised exchange gain	-	-	-	-
Provision for bonus	(39,058)	(34,286)	(39,058)	(34,286)
Defined benefit liability	(36,927)	(36,513)	(36,927)	(36,513)
Gratuity	(6,101)	(4,735)	(6,101)	(4,735)
ECL provision	(41,898)	(95,151)	(41,898)	(95,151)
Provision for asset valuation	(10,500)	(9,000)	(10,500)	(9,000)
Inventory Provision	(1,190)	(1,190)	(1,190)	(1,190)
Other provisions	(547,612)	(370,894)	(547,612)	(370,894)
Unrealised exchange loss	(32,711)	(207,464)	(32,711)	(207,464)
Onerous losses provision	(44,348)	(29,851)	(44,348)	(29,851)
Bad debts provisions	(1,324,604)	(1,334,997)	(1,324,604)	(1,334,997)
	(2,184,760)	(2,263,991)	(2,184,760)	(2,263,991)
Life fund actuarial surplus	3,892,146	3,683,525	3,892,146	3,683,525
Prior year under provision	(4,804)	-	(4,804)	-
Net deferred tax liability	1,702,582	1,419,534	1,702,582	1,419,534

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. DEFERRED TAX LIABILITY (Continued)

The movement on the deferred tax account during the year was as follows:

GROUP and COMPANY	2025	Group	2025	Company
	KShs '000	2024	KShs '000	2024
		KShs '000	KShs '000	KShs '000
At 1 January	1,419,534	2,037,836	1,419,534	2,037,836
Charge/(credit) for the year (note 11)	283,048	(618,302)	283,048	(618,302)
At 31 December	1,702,582	1,419,534	1,702,582	1,419,534

ii. Deferred tax asset

Deferred income taxes are calculated on all temporary differences using the enacted tax rate of 30%. The net deferred tax asset is attributable to the following items:

GROUP	2025	2024
	KShs '000	KShs '000
Leave pay provision	396	20
Provision for Bonus	1,835	(1,008)
Unrealised exchange (gains)/loss	(386)	11,045
Bad debts provisions	18,278	8,799
Other provisions	205,227	82,651
Net deferred tax asset	225,350	101,507

ii. Deferred tax asset (Continued)

The movement on the deferred tax account during the year was as follows:

GROUP	2025	2024
	KShs '000	KShs '000
At 1 January	101,507	33,918
Credit for the year.	70,560	83,585
Translation differences	53,283	(15,996)
At 31 December	225,350	101,507

30. RETIREMENT BENEFIT OBLIGATION – GROUP AND COMPANY

Defined Benefit Scheme

The Company operates a defined benefit pension plan (the "Fund") for some of its employees. The Company's defined benefit pension plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund.

The Fund is registered under irrevocable trust with the Retirement Benefits Authority, which requires final salary payments to be adjusted for the consumer price index upon payment during retirement. The Retirement Benefits Act, 1997 and the Regulations under the Act require the Fund to maintain a funding level of 100%. Where the funding level is below 100%, such deficits are required to be amortised over a period not exceeding 6 years.

The level of benefits provided depends on the member's length of service and salary at retirement age. Scheme members'

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. RETIREMENT BENEFIT OBLIGATION – GROUP AND COMPANY (Continued)

contributions are a fixed percentage of pensionable pay with the Company responsible for the balance of the cost of benefits accruing.

The Fund is managed by a Board of Trustees. The Board of Trustees is responsible for the overall operation and investments of the Fund. The Board of Trustees decides the investment portfolio mix based on the results of this annual review. Generally, it aims to have a portfolio mix of a variety of asset classes comprising quoted equities, government securities, property, and shares.

The weighted average duration of the liability as at 31 December 2025 is 5.96 (2024: 6.4).

During the reading of the budget statement for 2017/2018 by the Cabinet Secretary, National Treasury, amendments to the Retirement Benefit Regulations now provide for an equal 50/50 sharing of surplus between members and the Fund sponsor upon wind up of a Fund.

Effective 30 September 2010, the Fund was closed to new entrants and to future accrual of benefits and a new defined contribution plan ('DC Plan') was established in respect of new entrants and existing in-service members who opted to join the new DC Plan. As part of the terms of closure of the Fund, active in-service members and pensioners (including deferred pensioners) were entitled to annual pension increases of 3% per annum. Further, for existing in-service members, members' pensionable salaries for the purpose of determining their retirement or earlier benefits will increase at the lower of the actual increase granted and 5% per annum.

The major categories of plan assets of the fair value of the total plan assets are, as follows:

Asset Class	Amount KShs'000	2025	Amount KShs'000	2024
		Proportion %		Proportion %
Quoted equity investments	146,999	12%	108,029	9.96%
Fixed deposits, commercial papers and government securities	896,142	73%	733,482	67.63%
Net current assets	5,453	0.4%	19,714	1.82%
Properties and other fixed assets	185,000	15%	223,254	20.59%
Total	1,233,594	100%	1,084,479	100%

Sensitivity of the Scheme

The scheme is more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In assessing sensitivity analysis of the scheme to the discount rate used, the duration of the liability was considered. The results of the sensitivity analysis are summarized in the table below:

	At 31 December 2025		At 31 December 2024	
	Current discount rate (11.50% per annum) KShs'000	Discount rate less (11.50% per annum) KShs'000	Current discount rate (14% per annum) KShs'000	Discount rate less (14% per annum) KShs'000
Present Value of Obligation	576,019	656,621	547,807	624,500

As the bulk of the benefits payable under the Fund are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liabilities would not be affected by a change in the salary escalation rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. RETIREMENT BENEFIT OBLIGATION – GROUP AND COMPANY (Continued)

GROUP AND COMPANY

	2025	2024
	KShs '000	KShs '000
The actuarial valuation results were as follows:		
Present value of funded obligations	(620,246)	(546,508)
IFRIC 14 Additional Liability	(516,443)	(477,433)
Fair value of scheme assets	1,233,594	1,084,479

Net (asset) in the statement of financial position	96,905	60,538
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Movement in present value of funded obligation:

As at 1 January	546,508	465,576
Current service costs	9,300	4,974
Administration costs		
Interest cost	72,207	72,070
Actuarial gain	63,002	66,435
Benefits payment	(70,771)	(62,547)

At 31 December	620,246	546,508
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	2025	2024
	KShs '000	KShs '000
Movement in fair value of plan assets		

As at 1 January	1,084,479	941,487
Interest income on plan assets	146,884	150,185
Return on plan assets (excluding amount in interest income)	72,920	55,354
Benefits and expenses paid	(70,771)	(62,547)
Prior year adjustments	82	-

At 31 December	1,233,594	1,084,479
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Movement in net assets

As at 1 January	60,538	44,511
Net expense recognised in profit or loss	(1,382)	1,960
Company contributions		
Net charge recognised in other comprehensive income	37,749	14,067

At 31 December	96,905	60,538
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Amount recognised in profit or loss:

Current service cost net of employees' contributions	9,300	4,974
Net interest on obligation and plan assets	(7,918)	(6,934)

Total included in "staff costs" in respect of scheme	1,382	(1,960)
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Amount recognised in other comprehensive income:

Actuarial (gains)/loss-Financial	(89,419)	(25,148)
Change in additional IFRIC 14 liability	(27,831)	(55,353)
Return on plan assets (excluding amount in interest income)	72,920	66,434

Total (credit) to other comprehensive income	(44,330)	(14,067)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. RETIREMENT BENEFIT OBLIGATION – GROUP AND COMPANY (Continued)

Actuarial assumptions	2025	2024
Discount rate (% p.a.)	11.5%	14%
Future salary increases (% p.a.)	5%	5%
Future pension increases (% p.a.)	3%	3%
Retirement age (years)	60	60

Defined contribution scheme

The Company also makes contributions to a statutory provident fund, the National Social Security Fund (NSSF). Contributions are determined by local statute. For the year ended 31 December 2025, the Group contributed KShs 40,386,000 (2024 – KShs 47,353,000) to the defined contribution pension scheme and KShs 12,262,000 (2024 – KShs 7,782,000) for NSSF which has been charged to the statement of profit or loss. The Company contributed KShs 37,037,000 (2024 – KShs 35,915,000) to the defined contribution pension scheme and KShs 8,734,000 (2024 – KShs 4,248,000) to the NSSF.

31. DUE TO/FROM RELATED PARTIES

The Group has various related parties, primarily by virtue of being shareholders and common directorships. The other related parties include the staff of the Group. The following transactions were carried out with related parties.

	GROUP 2025 KShs'000	2024 KShs'000	COMPANY 2025 KShs '000	2024 KShs '000
(a) Transactions and balances with directors and staff				
(i) Directors' remuneration				
Fees	18,358	20,347	9,600	9,600
Other emoluments	67,470	17,044	19,175	9,920
	85,828	37,391	28,775	19,520
(ii) Key management remuneration				
Salaries and other short-term benefits	159,734	134,175	159,734	134,175
Post-employment benefits	-	-	-	-
	159,734	47,353	159,734	39,915
(iii) Loans to staff	660,288	534,124	627,784	525,093

Interest income on these loans was KShs 25,759,000 (2024: KShs 29,902,000). The effective interest on the loans is 3 % (2024 – 5%). Staff mortgages and car loans are fully secured.

	GROUP 2025 KShs'000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
(b) Transaction with associate company, ZEP Re				
(i) Net premium written	38,660	4,007	38,660	4,007
(ii) Claims incurred	(5)	-	(5)	-
	38,655	4,007	38,655	4,007

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. DUE TO/FROM RELATED PARTIES (Continued)

(c) Outstanding balances with related parties:

	Relationship	COMPANY 2025 KShs '000	2024 KShs '000
Due from:			
Amount due from Kenya Reinsurance Corporation Cote d'Ivoire	Subsidiary	86,111	63,100
Amount due from Kenya Reinsurance Corporation Zambia	Subsidiary	37,140	
		194,283	144,822
Due to:			
Amount due to Kenya Reinsurance Corporation Cote d'Ivoire	Subsidiary	363,718	292,843

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Outstanding balances are current and payable on demand.

32. OTHER PAYABLES

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Legal fees deposits	12,022	2,297	12,022	2,297
Rental deposits	179,956	178,654	179,956	178,654
Accrued leave pay	41,710	38,173	32,198	32,230
Accounts payable	247,226	279,767	180,316	221,264
Other creditors and accruals	494,465	422,743	422,541	352,254
	975,379	921,634	827,033	786,699

Other payables are non-interest bearing and have an average term of not more than 1 year.

33. (a) NOTES TO THE STATEMENT OF CASH FLOWS

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Profit before tax	4,825,195	5,648,173	4,084,820	5,743,196
Adjustment for:				
Depreciation (note 15)	30,258	33,627	20,890	20,522
Interest income	(4,542,384)	(4,824,876)	(4,085,722)	(4,164,976)
Impairment (gain)/loss on financial asset	(143,287)	217,229	(144,794)	218,120
Dividend income	(182,893)	(146,247)	(182,893)	(146,247)
Amortization of software (note 19)	6,020	18,101	6,020	18,100
Revaluation of bonds at fair value	1,858	209,421	1,858	209,421
Fair value gain on investment properties	(305,824)	(349,294)	(305,824)	(349,294)
Foreign exchange gains and losses, net	150,547	373,647	101,284	85,932
Share of profit of associate	(816,498)	(610,186)	(816,498)	(610,186)
Operating profit before working capital changes	(977,008)	569,595	(1,320,859)	1,024,588

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. (a) NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

Decrease in reinsurance contract assets	413,923	125,342	415,648	16,256
Increase/(decrease) in insurance contract liabilities	(175,549)	(247,506)	244,236	(472,137)
Increase/(decrease) in reinsurance contract liabilities	(37,483)	1,020,320	3,004	881,551
Increase in other payables	(53,746)	(44,606)	40,335	(13,900)
Increase in deposit with financial institutions	962,507	6,330,738	2,045,617	2,646,086
Increase in mortgage loans	(78,384)	41,398	(54,912)	34,502
Decrease in other receivables	(42,380)	(138,888)	(26,052)	(160,885)
Decrease in Inventories	(7,676)	(548)	(6,958)	(898)
Defined benefit asset	-	(1,960)	-	(1,960)
Movement in due from related party	-	-	(49,461)	(34,909)
Movement in due to related party	-	-	70,875	(44,410)
Purchase of government securities	(4,107,279)	(5,825,609)	(3,197,410)	(5,411,135)
Proceeds on maturity of government securities	3,158,138	1,580,353	2,831,859	1,312,200
Effect of exchange rate on foreign entities	(436,930)	(870,611)	-	-
Decrease in defined benefit liability	(1,382)	-	(1,382)	-
Net cash generated from (used in)/generated from operations	(1,383,249)	2,538,018	994,540	(225,051)

33 (b) CASH AND CASH EQUIVALENTS

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Cash and bank balances	1,020,600	587,098	476,441	173,762

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	GROUP 2025 KShs '000	2024 KShs '000	COMPANY 2025 KShs '000	2024 KShs '000
Short term bank deposits	6,383,713	6,863,608	4,769,231	3,275,553
Cash and bank balances	1,020,600	587,098	476,441	173,762
	7,404,313	7,450,706	5,245,672	3,449,315

34. DIVIDENDS – GROUP AND COMPANY

The directors propose the payment of a first and final dividend of KShs 0.15 (2024 – KShs 0.15) per share totalling to KShs 840 million in respect of the year ended 31 December 2025 (2024 – KShs 840 million). The proposed dividends are subject to approval by shareholders at the Annual General Meeting and therefore the cash dividend has not been included as a liability in these financial statements.

The cash dividend is payable subject to, where applicable, deduction of withholding tax as required under the Kenyan Income Tax Act, Chapter 470, Laws of Kenya.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. DIVIDENDS – GROUP AND COMPANY (Continued)

	2025	2024
Dividends per share is summarised as follows:		
Proposed dividends per share:		
Dividends appropriations (KShs '000')	839,939	839,939
Number of shares at 31 December	5,599,592,544	5,599,592,544
Dividends per share	0.15	0.15
Dividends per share declared and paid:		
Dividends appropriations (KShs '000')	839,939	839,939
Number of shares at 31 December	5,599,592,544	5,599,592,544
Dividends per share	0.15	0.15

35. PROPERTY UNDER DISPUTE – GROUP AND COMPANY

	2025 KShs '000	2024 KShs '000
Cost	936,077	936,077
Less: Impairment provision	(936,077)	(936,077)
The Inventory Property are listed below:		
L.R. No. 27269 Ngong Road	350,000	350,000
Land LR No.12236 Kiambu Road	563,077	563,077
Land LR MN-1-9141- Shanzu Mombasa	23,000	23,000
	936,077	936,077

There was no movement in impairment provision for inventory. The impairment allowance mainly relates to inventory properties that are currently in dispute and are subject to ongoing court cases.

The Group and Company financial statements, the Company has made investments in land out of which four (4) parcels of land located in various places and towns, registered in the Company's name have their ownership to title disputed. The Company has fully provided for the parcels in dispute in financial statements. The ownership disputes are as outlined below:

- a) L.R. No. 27269 Ngong Road

The Company invested Kshs.350, 000,000 in L.R. No. 27269 of approximately 59.87 hectares along Ngong Road which is a subject of dispute between the Company and Kenya Forest Service. The dispute of ownership of LR No.27269 is before the National Land Commission. The National Land Commission requested for the confirmed of boundaries from the Director of Surveys which have been forwarded to the Commission for verification. Although the Company has obtained confirmation from the Director of Survey that the Company's land is distinct from that of Kenya Forest Service, the matter remains unresolved until the National Land Commission adjudicate and give its verdict.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. PROPERTY UNDER DISPUTE – GROUP AND COMPANY (Continued)

b) Land LR No.12236 Kiambu Road

The Company is the registered owner of land LR No. 12236 of approximately 99.5813 hectares along Kiambu Road valued at Kshs.563, 077,000. The Company is in dispute with one of the directors of the vendor of the land and the case is in court.

Land LR MN-1-9141- Shanzu Mombasa.

The Company is the registered owner of land LR MIN-1-9141 of approximately 17.3 hectares located at Shanzu Mombasa valued at Kshs.23, 000,000. The Company is in dispute with Kenya Prisons Department and the case is in court.

36. EVENTS AFTER REPORTING DATE

There were no events after the reporting date which could have a material impact on the financial statements for the Group or the Company which have not been adequately adjusted for.

37. CONTINGENT LIABILITIES

The company identified contingent liabilities of KShs 30,361,162 arising from various ongoing court cases as at 31st December 2025. Due to the inherent uncertainties associated with the litigations, it is not currently possible to make a reasonable estimate of the likelihood of an unfavourable outcome in these cases.

39. INCORPORATION

The Company is incorporated and domiciled in Kenya under the Companies Act.

40. CURRENCY

The financial statements are presented in thousands of Kenya shillings (KShs '000).

NOTICE OF THE 2026 ANNUAL GENERAL MEETING

Notice is hereby given that the **28TH ANNUAL GENERAL MEETING of KENYA REINSURANCE CORPORATION LIMITED** will be held electronically on **Friday, 19th June 2026 at 11.00 a.m.** when the following business will be transacted, namely:

AGENDA

1. Constitution of the Meeting - To read the notice convening the Meeting and determine if a quorum is present.
2. To receive, consider and, if approved, adopt the Corporation's audited Financial Statements for the year ended 31st December 2025 together with the Chairman's, Directors' and Auditors' Reports thereon.
3. To approve payment of a first and final dividend of **KShs.0.15** per share for the financial year ended 31st December 2025 to the shareholders registered in our books as at 19th June 2026 to be paid on or about 31st July 2026.
4. Election of Directors:
In accordance with Article 110 of the Corporation's Articles of Association, the following directors retire by rotation and being eligible, offer themselves for re-election:
 - i. Ms. Eunice Nyala
 - ii. Mr. Eric Gumbo
 - iii. Mr. David Muthusi
 - iv. Mr. Irungu Kirika
 - v. Mr. Omar Shallo
 - vi. Dr. Zachariah Nyaega
 - vii. Hon. Abdirahin Abdi
 - viii. Mrs. Leah Rotich
 - ix. Mrs. Jackline Nyandeje
5. To approve the Directors' remuneration report for the period ended 31st December 2025.
6. **Auditors**
To note that the audit of the Corporation's books of accounts will continue to be undertaken by the Auditor General or an audit firm appointed by her in accordance with Section 23 of the Public Audit Act 2015.
7. To authorise the Directors to fix the remuneration of the Auditors.
8. To authorise the Directors to appoint members of the Audit Committee of the Board.
9. To transact any other business in respect of which due notice has been received.

By Order of the Board

Charles N. Kariuki
Corporation Secretary,
Kenya Reinsurance Corporation Limited
Reinsurance Plaza, 15th Floor, Taifa Road
P.O. Box 30271-00100
Nairobi

NOTES:

1. Any member may by notice duly signed by him or her and delivered to the Corporation Secretary on the above address, not less than fourteen (14) days and not more than twenty one (21) days before the date appointed for the Annual General Meeting give notice of his intention to propose any other person for election to the Board, such notice to be accompanied by a notice signed by the person proposed of his or her willingness to be elected. The proposed person need not be a member of the Company.
2. The company's Articles of Association provide for holding of virtual shareholder meetings.
3. Any shareholder wishing to follow the virtual meeting should register for the AGM by doing the following:
 - i) Dialling *483*233# for all networks and follow the various prompts regarding the registration process; or
 - ii) Sending an email request to be registered to kenyashares@image.co.ke.
 - iii) Shareholders with email addresses will receive a registration link via email through which they can use to register. To complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance Shareholders should dial the following helpline number: **0709 170 000/0709 170 030** from 9am to 4pm every working day.
4. Registration for the AGM **opens on Monday 25th May 2026** and will close on Wednesday **17th June 2026 at 11:00 am**.
5. In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website <https://www.kenyare.co.ke/>:
 - (i) a copy of this Notice and the proxy form;
 - (ii) the Company's audited financial statements for the year 2025The reports may also be accessed upon request by dialing the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.
6. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - a. sending their written questions by email to **Questions.Agm@kenyare.co.ke** or **kenyashares@image.co.ke**
 - b. to the extent possible, physically delivering their written questions with a return physical address or email address to the registered office of the Company at Reinsurance Plaza or Image Registrars offices at 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
 - c. sending their written questions with a return physical address or email address by registered post to the Company's address at P.O. Box 30271- 00100 Nairobi.Shareholders who will have registered to participate in the meeting shall be able to ask questions via sms by dialling the USSD code above and selecting the option (Ask Question) on the prompts.
Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.All questions and clarification received by the Company by **Thursday, 18th June 2026** at 5:00 pm and during the meeting will be responded to and published on the Company's website after the General Meeting. Some of the questions will also be answered during the meeting.
7. In accordance with Section 298(1) of the Companies Act, Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company but if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone. A proxy form is attached to this Notice and is available on the Company's website via this link: www.kenyare.co.ke. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street. A proxy must be signed by the appointor or his attorney duly authorized in writing, or, if the appointor is a company, either under seal, or under the hand of an officer or attorney duly authorized by the company. A completed form of proxy should be emailed to kenyashares@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than **17th June 2026** at 11.00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number or email address to the Company not later than Wednesday 17th June 2026 11.00 am. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 3 pm **17th June 2026** to allow time to address any issues.
8. The AGM will be streamed live via a link which shall be provided to all shareholders who will have **successfully** registered to participate in the Annual General Meeting. Duly registered shareholders and proxies will receive a short message service (SMS)/USSD prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the livestream.
9. Duly registered Shareholders and proxies **may access the AGM agenda** and follow the proceedings of the AGM **via** livestream platform. Duly registered Shareholders and proxies may vote (when prompted by the chairman) via the USSD prompts **as well as through the VOTE tab on the livestream link**.
10. **A poll shall be conducted for all the resolutions put forward on notice.**
11. Results of the AGM shall be published within 48 hours following conclusion of the AGM **on the Company's website www.kenyare.co.ke**

NOTISI YA MKUTANO MKUU WA MWAKA WA 2025

Notisi inatolewa kwamba **MKUTANO MKUU WA 28 WA KILA MWAKA** wa **SHIRIKA LA KENYA REINSURANCE CORPORATION LIMITED** utafanyika kwa njia ya kielektroniki siku ya **Ijumaa, tarehe 19 Juni 2026 saa tano kamili asubuhi** na shughuli zifuatazo zitafanyika:

AJENDA

1. Uandaaji wa Mkutano - Kusoma notisi ya kuitisha Mkutano na kubaini ikiwa kuna hadhira ya kutosha.
2. Kupokea, kuzingatia na, zikiidhinishwa, kuanza kutekeleza Taarifa za Kifedha za Shirika hili zilizokaguliwa za mwaka uliokamilika tarehe 31 Desemba 2025 pamoja na Ripoti za Mwenyekiti, Wakurugenzi na Mkaguzi wa Hesabu za Kifedha.
3. Kuidhinisha malipo ya mgawo wa kwanza na wa mwisho wa **KShs.0.15** kwa kila hisa kwa mwaka wa kifedha uliokamilika tarehe 31 Desemba 2025 kwa wenyehisa waliosajiliwa katika vitabu vyetu kufikia tarehe 19 Juni 2026 ili kulipwa siku ya au karibu na tarehe 31 Julai 2026.
4. Uchaguzi wa Wakurugenzi Wakuu:
Kwa mujibu wa Kipengee cha 110 cha Kanuni za Utendakazi wa Shirika hili, wakurugenzi wafuatao walistaafu kwa mzunguko na kwa sababu wanafuzu, wanajitokeza ili kuchaguliwa tena:
 - i. Bi. Eunice Nyala
 - ii. Bw. Eric Gumbo
 - iii. Bw. David Muthusi
 - iv. Bw. Irungu Kirika
 - v. Bw. Omar Shallo
 - vi. Dkt. Zachariah Nyaega
 - vii. Mhe. Abdirahin Abdi
 - viii. Bi. Leah Rotich
 - ix. Bi. Jackline Nyandeje
5. Kuidhinisha ripoti ya malipo ya Wakurugenzi kwa kipindi kilichokamilika tarehe 31 Desemba 2025.
6. Wakaguzi wa Hesabu za Pesa
Kufahamu kwamba ukaguzi wa vitabu vya hesabu vya Shirika hili utaendelea kutekelezwa na Mkuguzi Mkuu wa Serikali au kampuni ya ukaguzi atakayoteua kwa mujibu wa Kifungu cha 23 cha Sheria ya Ukaguzi wa Umma ya mwaka wa 2015.
7. Kuwapa Wakurugenzi hao mamlaka ya kuamua malipo ya Wakaguzi.
8. Kuwapa Wakurugenzi hao mamlaka ya kuteua wanachama wa Kamati ya Ukaguzi wa Bodi.
9. Kufanya shughuli nyingine zozote ambazo notisi imetolewa ipasavyo kuzihusu.

Kwa Agizo la Bodi

Charles N. Kariuki
Katibu wa Kampuni,
Kenya Reinsurance Corporation Limited
Reinsurance Plaza, Orofa ya, Taifa Road
S.L.P. 30271-00100
Nairobi

MAELEZO:

1. Mwanachama yeyote, kupitia notisi ambayo ameitia saina na kuiwasilisha kwa Katibu wa Kampuni hii kwenye anwani iliyo hapo juu, ndani ya siku zisizopungua kumi na nne (14) wala kuzidi ishirini na moja (21) kabla ya tarehe ya Mkutano Mkuu wa kila Mwaka iliyotolewa, anaweza kutoa notisi ya nia yake ya kupendekeza mtu mwingine yeyote ili achaguliwe kwenye Bodi, notisi ya aina hiyo iambatane na notisi iliyotiwa saina na mtu aliyependekezwa ili kuonyesha kwamba yuko tayari kuchaguliwa. Mtu aliyependekezwa si lazima awe mwanachama wa Kampuni hii.
2. Kanuni za Utendakazi wa kampuni zinaruhusu mikutano ya wenyehisa kufanyika kwa njia ya mtandao.
3. Mwenyehisa yeyote ambaye angependa kufuatilia mkutano huo utakaofanya mtandaoni anapaswa kujiandikisha kwa kufanya yafuatayo:
 - i) Kubofya namba hizi kwenye simu ya mkononi; *483*233# kwa laini yoyote ya simu kisha kufuata maelekezo kuhusu harakati ya kujisajili; au
 - ii) Kutuma ombi la kusajiliwa kupitia baruapepe kenyareshares@image.co.ke.
 - iii) Wenyehisa ambao wana anwani za baruapepe watapokea kiungio (linki) ya kujisajili ambayo wanaweza kutumia kujiandikisha. Ili kukamilisha harakati ya kujisajili, wenyehisa watahitajika kukumbuka namba za Vitambulisho/Pasipoti ambazo zilitumika kununua hisa zao na/au Nambari zao za Akaunti ya CDSC. Kwa usaidizi, wenyehisa wanaombwa kupiga namba zifuatazo za usaidizi: 0709 170 000/0709 170 030, kuanzia 9am hadi 4pm kila ya kazi.
4. Harakati ya kujisajili kwa Mkutano Mkuu wa kila Mwaka (AGM) itafunguliwa siku ya **Jumatatu tarehe 25 Mei 2026** na kufungwa **Jumatano tarehe 17 Juni 2026** saa tano kamili asubuhi.
5. Kwa mujibu wa Kifungu cha 283 (2) (c) cha Sheria ya Kampuni, nakala zifuatazo zinaweza kutazamwa kwenye tovuti ya Kampuni hii <https://www.kenyare.co.ke/>:
 - (i) nakala ya Notisi hii na fomu ya uwakilishi;
 - (ii) taarifa za fedha za Kampuni zilizokaguliwa za mwaka wa 2025
 Ripoti hizo pia zinaweza kupatikana mara moja kwa kupiga nambari ya USSD iliyo hapo juu na kisha kuchagua Reports. Ripoti na ajenda hizo pia zinaweza kupatikana kwenye linki/kiungio cha kufuatilia moja kwa moja mtandaoni.
6. Wenyehisa ambao wangependa kuuliza mswali au ufafanuzi wowote kuhusu Mkutano Mkuu wa Mwaka wanaweza kufanya hivyo kwa:
 - a. kutuma maswali yao yalioandikwa kupitia kwa baruapepe: Questions.Agm@kenyare.co.ke au kenyareshares@image.co.ke
 - b. inapowezekana, wenyehisa wanaweza kuwasilisha moja kwa moja maswali yao yalioandikwa na anwani ya mahali au baruapepe ya kurejesha majibu kwa ofisi rasmi ya Kampuni hii katika Reinsurance Plaza au ofisi ya Image Registrars, orofa ya 5 jumba la Absa Tower (lililokuwa likiitwa Barclays Plaza), barabara ya Loita Street; au
 - c. kutuma maswali yao yalioandikwa na anwani ya mahali au ya baruapepe ya kurejesha majibu kupitia anwani rasmi ya posta ya Shirika hili, S.L.P. 30271 - 00100 Nairobi.
 Wenyehisa watakoowa wamejiandikisha kushiriki katika mkutano huu wataweza kuuliza maswali kupitia sms kwa kupiga nambari ya USSD iliyo hapo juu kisha kuchagua (Ask Question).

Sharti wenyehisa watoe maelezo yao kamili (majina kamili, Nambari ya Kitambulisho/Pasipoti/Nambari ya Akaunti ya CDSC) wanapowasilisha maswali na maombi yao yanayohitaji ufafanuzi.

 Maswali yote na ufafanuzi wowote lazima yafikie Kampuni hii siku ya au kabla ya **Alhamisi, tarehe 18 Juni 2025** saa kumi na moja kamili jioni, na wakati wa mkutano huo maswali hayo yatajiibiwa na kuchapishwa kwenye tovuti ya Kampuni hii baada ya AGM. Baadhi ya maswali hayo yatajiibiwa kikamilifu wakati wa mkutano.
7. Kwa mujibu wa Kifungu cha 298(1) cha Sheria ya Kampuni, Wenyehisa walio na haki ya kuhudhuria na kupiga kura kwenye Mkutano Mkuu wa Mwaka wana haki ya kuteua mwakilishi wa kupiga kura kwa niaba yao. Si lazima mwenyehisa awe mwanachama wa Kampuni hii. Iwapo mwakilishi huyo si Mwenyekiti wa Mkutano huu Mkuu wa Mwaka, mwakilishi huyo atahitajika kuwa na simu ya rununu. Fomu ya uwakilishi imeambatanishwa kwenye Notisi hii, pia inapatikana kwenye tovuti ya Kampuni hii kupitia kiungio hiki: www.kenyare.co.ke. Nakala za karatasi za fomu ya uwakilishi zinapatikana pia katika anwani ifuatayo: Image Registrars Limited offices, 5th Floor Absa Towers (iliyokuwa Barclays Plaza), Loita Street. Lazima mwakilishi huyo atiliwe saina na aliyemteua au wakili wake ambaye ameidhinishwa ipasavyo kwa maandishi, au, ikiwa anayemteua ni kampuni, afisa au wakili aliyeidhinishwa ipasavyo na kampuni hiyo aitie muhuri. Fomu ya uwakilishi iliyojazwa inapaswa kutumwa kwa kenyareshares@image.co.ke au kuwasilishwa kwa ofisi za kampuni ya Image Registrars Limited, Orofa ya 5 ya Absa Towers (iliyokuwa Barclays Plaza), Loita Street, S.L.P. 9287 00100 GPO, Nairobi, ili kupokelewa kabla ya tarehe **17 Juni 2025** saa tano kamili asubuhi. Mtu yeyote aliyeteuliwa kama mwakilishi anapaswa kuwasilisha nambari yake ya simu au barua-pepe kwa Kampuni hii kabla ya Jumatano tarehe **17 Juni 2025** saa tano kamili asubuhi. Wenyehisa husika atafahamishwa kuhusu kukataliwa kwa usajili wowote wa mwakilishi wake kabla ya tarehe **17 Juni 2025** saa tisa kamili alasiri ili kutoa muda wa kushughulikia utata wowote uliopo.
8. Mkutano Mkuu wa Mwaka utaonyeshwa moja kwa moja mtandaoni kupitia kiungio ambacho kitatolewa kwa wenyehisa wote ambao watakuwa **wamefanikiwa** kujiandikisha ili kushiriki katika Mkutano huo Mkuu wa Mwaka. Wenyehisa na wawakilishi waliosajiliwa kikamilifu watapokea ujumbe mfupi (SMS)/USSD kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya Mkutano huo Mkuu wa Mwaka kama njia ya kuwakumbusha kuhusu Mkutano huo. Ujumbe wa pili wa SMS/USSD utatumwa saa moja kabla ya Mkutano huo, kuwakumbusha wenyehisa na wawakilishi waliosajiliwa kikamilifu kwamba Mkutano utaanza baada ya saa moja na kutoa kiungo cha kufuatilia mtandaoni moja kwa moja.
9. Wenyehisa na wawakilishi waliosajiliwa ipasavyo wanaweza kupata ajenda za Mkutano huo na kufuatilia shughuli za Mkutano huo kupitia jukwaa la kufuatilia mtandaoni moja kwa moja. Wenyehisa na wawakilishi hao wanaweza kupiga kura (wakiombwa na mwenyekiti) kupitia nambari ya USSD na **pia kupitia kichupo cha VOTE kwenye kiungio cha kufuatilia mtandaoni moja kwa moja.**
10. **Kura itapigwa kuhusu mapendekezo/maazimio yote yaliyotolewa kwenye notisi.**
11. Matokeo ya Mkutano huo Mkuu yatachapishwa ndani ya saa 48 baada ya kukamilika kwake **kwenye tovuti ya Kampuni hii: www.kenyare.co.ke**



2026 AGM Proxy Form

The Corporation Secretary,
 Kenya Reinsurance Corporation Limited,
 P. O. BOX 30271-00100
 NAIROBI, KENYA

I/We

_____ of _____
 being a *member/members of **KENYA REINSURANCE CORPORATION LIMITED**, hereby appoint

_____ of _____

or failing him/her _____ of _____
 as *my/our proxy to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held electronically on **Friday, 19th June 2026 at 11:00 a.m.** and at any adjournment thereof.

Signed this _____ day of _____, 2026

Signature(s)

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

Please clearly mark the box below to instruct your proxy how to vote

RESOLUTION	FOR	AGAINST	WITHHELD
Approval of the Report and Financial Statements for the Year ended 31 st December, 2025			
To approve a dividend of 0.15 per share			
Election of Directors: To elect the following candidates:			
1.			
2.			
3.			



2026 AGM Proxy Form

RESOLUTION	FOR	AGAINST	WITHHELD
To approve directors' Remuneration Report			
To authorize directors to fix auditor's remuneration			
To authorize directors to appoint members of audit committee			

ELECTRONIC COMMUNICATIONS PREFERENCE FORM

Please complete in BLOCK CAPITALS

Full name of member(s):

Address: _____

CDSC No (if known) _____
 (This can be found on your CDSC Statement)

Mobile Number _____

Date: _____

Signature: _____

Please tick ONE of the boxes below and return to Image Registrars at P.O. Box 9287-00100 Nairobi, 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street: Approval of Registration	
I/WE approve to register to participate in the virtual Annual General Meeting to be held on 19th June 2026 .	
Consent for use of the mobile number provided	
I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM	



2026 AGM Proxy Form

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed and returned to reach the Company's share registrar, Image Registrars Limited, 5th Floor, Absa Towers, Loita Street, P.O. Box 9287,GPO 00100, Nairobi, or via email to kenyareshares@image.co.ke to arrive not later than **Wednesday, 17th June 2026 at 11:00 a.m.** i.e. 48 hours before the meeting or any adjournment thereof.
2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled shareholder, one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. To appoint a proxy, insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.
5. To be valid the form of proxy should be completed, signed and delivered (together with a power of attorney or other authority(if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars, Barclays Plaza,5th Floor, Loita Street and address P.O.Box 9287-00100 Nairobi not later than **11.00 am on Wednesday, 17th June 2026** or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the meeting or adjourned meeting.
6. In the case of a company being a shareholder then this proxy form must be executed under its common.
7. seal or signed on its behalf by an officer of that company or an authorized attorney for that company.
8. A "vote withheld" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.



2026 Fomu Ya Uwakilishi

Katibu wa Shirika,
Kenya Reinsurance Corporation
Limited, S.L.P 30271-00100
NAIROBI, KENYA

Mimi/Sisi

_____ wa _____

nikiwa/tukiwa *mwanachama/wanachama wa shirika la **KENYA REINSURANCE CORPORATION LIMITED**, ni/tunamteua

_____ wa _____

au kwa kumkosa _____ wa _____

kama *mwakilishi wangu/wetu ili kupiga kura kwa niaba yangu/yetu* katika Mkutano Mkuu wa Mwaka wa Kampuni hii ambao utafanyika kwa njia ya kielektroniki siku ya Ijumaa, tarehe 19 Juni 2026 kuanzia saa tano kamili asubuhi, na siku nyingine iwapo utaahirishwa

Ilitiwa saina _____ siku ya _____ , 2026

Saini

Nina/Tunamwelekeza mwakilishi wangu/wetu kupiga kura kuhusu maamuzi yafuatayo jinsi nilivyo/tulivyoonyesha kwa kutia alama kwenye kisanduku kinachofaa kwa kutumia alama 'X'. Iwapo hakuna ishara iliyoonyeshwa, mwakilishi wangu/wetu atapiga kura au kutopiga kura yake kwa ruhusa yake na nina/tunamwamrisha mwakilishi wangu/wetu kupiga kura (au kutopiga kura yake) jinsi anavyotaka kuhusiana na suala jingine lolote ambalo litaibuliwa ifaavyo katika Mkutano huu.

Tafadhali weka alama inavyofaa kwenye kisanduku hapa chini ili kumwelekeza mwakilishi wako jinsi ya kupiga kura.

MAAMUZI	KWA	DHIDI YA	KUTOPIGA
Udhinishaji wa Ripoti na Taarifa za Kifedha kwa Mwaka uliokamilika tarehe 31 Desemba 2025			
Kuidhinisha mgao wa 0.15 kwa kila hisa			
Uchaguzi wa Wakurugenzi: Kuchagua wawaniaji wafuatao:			
1.			
2.			
3.			



2026 Fomu Ya Uwakilishi

MAAMUZI	KWA	DHIDI YA	KUTOPIGA
Kuidhinisha ripoti ya Malipo ya mkurugenzi mkuu			
Kuidhinisha wakurugenzi wakuu kuamua mshahara wa mkaguzi wa hesabu za kifedha			
Kuidhinisha wakurugenzi wakuu kuteua wanachama wa kamati ya ukaguzi wa hesabu za kifedha			

FOMU YA MAWASILIANO YA KIELEKTRONIKI

Tafadhali jaza kwa HERUFI KUBWA

Jina kamili mwanachama/wanachama:

Anwani: _____

Namba ya CDSC (kama inajulikana) _____
 (Hii inaweza kupatikana kwenye maelezo yako ya CDSC)

Namba ya simu _____

Tarehe: _____

Saini: _____

Tafadhali tia alama kwenye MOJAWAPO ya visanduku vilivyo hapa chini kisha urejeshe kwa Mkusanyaji Data (Image Registrar) kupitia S.L.P 9287 - 00100, Nairobi, orofa ya 5, Absa Towers (awali ikiitwa Barclays Plaza), Loita Street: Uidhinishaji wa Usajili	
Nina/tunaidhinisha kujisajili kushiriki mtandaoni katika Mkutano Mkuu wa Mwaka utakaofanyika tarehe 19 Juni 2026.	
Ruhusa ya kutumia Namba ya Simu iliyotolewa	
Nita/tutakubali kutoa ruhusa yangu/yetu ya kutumia namba ya simu iliyotolewa kwa ajili ya kupiga kura kwenye AGM	



2026 Fomu Ya Uwakilishi

Fahamu:

1. Ikiwa mwanachama hawezi kuhudhuria kibinafsi, Fomu hii ya Uwakilishi inapaswa kujazwa na kurejeshwa ili imfikie msajili wa hisa wa Kampuni, Image Registrars Limited, Orofa ya 5, Absa Towers, Loita Street, S.L.P 9287, GPO 00100, Nairobi, au kupitia barua-pepe kwa kenyareshares@image.co.ke ili kufika kabla ya **Jumatano, tarehe 17 Juni 2026 saa tano kamili asubuhi** yaani saa 48 kabla ya mkutano au kuahirishwa kwake
2. Iwapo mwanachama ni shirika, sharti Fomu ya Uwakilishi itiwae muhuri wa shirika hilo au sahihi ya afisa au wakili aliyeidhinishwa wa shirika hilo.
3. Kama mwenyehisa, una haki zote za mwenyehisa, mwakilishi mmoja au zaidi kutekeleza haki zako zote au mojawapo kama mwenyehisa, ya kuhudhuria na kuzungumza na kupiga kura kwa niaba yako kwenye mkutano huo. Ili kuteua mwakilishi huyo, andika jina kamili la mwakilishi wako katika nafasi iliyotolewa. Si lazima mwakilishi huyo awe mwenyehisa wa Kampuni hii.
4. Kujazwa na kuwasilishwa kwa fomu ya mwakilishi hakutakuzuia kuhudhuria mkutano huo na kupiga kura kwenye mkutano wewe binafsi, katika hali hiyo kura zozote zitakazopigwa na mwakilishi wako hazitazingatiwa.
5. Ili kuwa halali, fomu ya uwakilishi inapaswa kujazwa, kutiwa saina na kuwasilishwa (chini ya mamlaka ya wakili au mamlaka nyingine (ikiwa ipo) ambayo imekabidhiwa jukumu hilo au nakala iliyoidhinishwa ya mamlaka hiyo) kwa Wasajili wa Picha, Barclays Plaza, Orofa ya 5, barabara ya Loita Street na anwani S.L.P 9287-00100 Nairobi kabla ya **saa tano** asubuhi siku ya **Jumatano, Juni 17, 2026** au, ikiwa ni kura iliyopigwa baada ya tarehe ya mkutano, au kuahirishwa kwake, katika muda usiozidi saa 24 kabla ya muda uliowekwa wa kupiga kura, shughuli ambayo hutekelezwa zaidi ya saa 48 baada ya siku ya mkutano au kuahirishwa kwa mkutano huo.
6. Iwapo kampuni ni mwenyehisa, basi fomu hii ya mwakilishi lazima ikamilishwe chini ya
7. muhuri wa kampuni hiyo au itiwae saina kwa niaba yake na afisa wa kampuni hiyo au wakili aliyeidhinishwa wa kampuni hiyo.
8. Chaguo la "kuzuia kura" limejumuishwa kwenye fomu ya uwakilishi. Athari ya kisheria ya kuteua chaguo hili kuhusu maamuzi yoyote yale ni kwamba utachukuliwa kuwa hujapigia kura uamuzi husika. Idadi ya kura kuhusiana na kura zilizozuiwa, hata hivyo, itahesabiwa na kurekodiwa, lakini zitapuuzwa katika hesabu ya idadi ya kura za au dhidi ya kila uamuzi.

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Takaful: Paving the Path to a Sustainable Financial Future



October 21, 2025
Dusit Thani Hotel, Dubai-UAE

Presented to
**Kenya Reinsurance Corporation Limited
(Re-Takaful Window)**
is chosen to receive
Best Global Retakaful Window Operations



Kenya Re was honored with the Best Global Retakaful Window Operations award at the AlHuda CIBE – UAE awards, held at the Dusit Thani Hotel in Dubai, United Arab Emirates (UAE).



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