contents

KENINDIA

KENINDIA

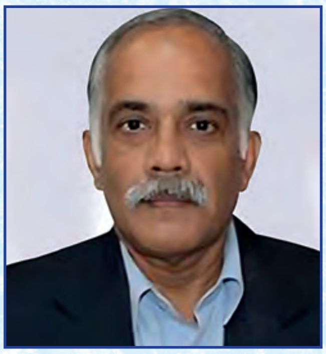
company information

Registered Office	Kenindia House Loita Street P.O. Box 44372-00100 Nairobi Kenya	
Website	www.kenindia.com	
Email	kenindia@kenindia.com	
Subsidiaries	Tanzindia Assurance Company Limited Kenya Pravack Limited Kenindia Asset Management Company Limited	
Board of Directors	Dr M P Chandaria, OBE,CBS, EBS	Chairman (Alternate Mr. Bijal Sunilkumar Chandaria)
	Mr.Leon Nyandusi Nyachae	Director
	Mr Hemnabh Ranvir Khatau	Director
	Mr Satyajit Tripathy	Director
	Mr Ramaswamy Narayanam	Director
	Mr Siddhartha Mohanty	Director
	Mrs Elizabeth Musyoka	Director
	Dr P M Kingori	Director
	Mr P V S Rao	Director
	Mr B S Sharma	Director
	Mr Yogesh Meshram	Managing Director (Resigned 28.08.2023)
		Managing Director (Appointed 29.09.2023)
Company Secretary	Adili Corporate Services Kenya ALN House Eldama Ravine Close, Off Eldama Ravine Road Nairobi	
Independent Auditor	Grant Thornton LLP Certified Public Accountants (Kenya) 5th Floor, Avocado Towers Muthithi Road, Westlands P. O. Box 46986-00100, Nairobi	
Management Team		
	Mr Yogesh Meshram	Managing Director/Principal Officer
	Ms Irene A Owiti	Chief Operating Officer
	Mr Viswanatha Varma Bellapukonda	General Manager, Finance/Financial Controller
	Mr. Babu Rajan Udinoor Veetile	General Manager- General Division Operations
	Mr Madhu Vayaliparampil Sreedharan	General Manager- Life Division

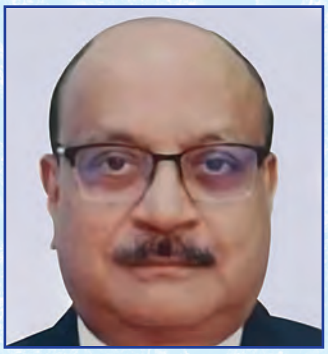
Dr M. P. Chandaria
Chairman

Leon Nyachae
Vice Chairman

Siddhartha Mohanty
Director



Ramaswamy N.
Director



Satyajit Tripathy
Director

Hemnabh Khatau
Director

Dr. Patricia M. King'ori
Director

Elizabeth Musyoka
Director

P. V. S. Rao
Director

Yogesh Meshram
Managing Director / Principal Officer

Notice is hereby given that pursuant to the Companies Act, No. 17 of 2015, the Forty-fourth Annual General Meeting of the Company will be held in a hybrid format via electronic communication (ZOOM) on Friday, 27 September 2024 at the Registered Office of the Company, Kenindia House, 12th Floor, Loita Street, Nairobi at 2.30 p.m. to transact the business detailed below.

Audited financial statements for the year ended 31 December 2023 have been e-mailed to shareholders. Shareholders will be able to follow the meeting and vote electronically in the manner detailed in the notes below. Shareholders are requested to send their questions in respect of the items in the agenda at least 48 hours before the meeting to Ms Phoebe Macharia of Adili Corporate Services Kenya LLP, the Company Secretary. e-mail: Phoebe.Macharia@adili.africa with the subject "Kenindia Assurance Company Limited – 2024 Annual General Meeting."

ORDINARY BUSINESS

1 To read the notice convening the meeting.
2 To receive the proxy forms and confirm the presence of a quorum.
3 To consider and if thought fit, adopt the audited financial statements for the year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon.
4 To declare a dividend.
The Directors recommend a final dividend of KShs 7.50 per share for the year ended 31 December 2023.
5 To approve Directors' fees.
6 To re-elect the Directors of the Company:
(a) Mr Leon Nyandusi Nyachae, retires by rotation in accordance with Article 93a of the Company's Articles of Association and, being eligible, offers himself for re-election;
(b) Ms Elizabeth Mueni Musyoka, retires by rotation in accordance with Article 93a of the Company's Articles of Association and, being eligible, offers herself for re-election;
(c) Mr Mr Hemnabh Ranvir Khatau, having been appointed as a Director on 20 September 2022, retires in accordance with Article 97 of the Company's Articles of Association and, being eligible, offers himself for re-election.
7 To appoint an Auditor
Messrs. Grant Thornton LLP have expressed their willingness to continue as auditors of the Company. The Directors recommend that they be re-appointed as the auditors in terms of the Insurance Act (Cap 487) and in accordance with the Companies Act 2015 and that the Directors be authorized to fix their remuneration.

SPECIAL BUSINESS

8 To receive an update on raising of additional capital by way of a rights issue.

By Order of the Board

Phoebe Macharia
Adili Corporate Services Kenya LLP—the Company Secretary
3 September 2024

NOTES FOR ZOOM MEETING:

1. The Zoom meeting invite will be sent to all shareholders via email. If the invite is not received within 24 hours to the meeting kindly reach out to us via e-mail Phoebe.Macharia@adili.africa
2. Financial Statements for the year ended 31 December 2023, Notice for the Annual General Meeting and proxy form are also available on the Company's Website.
3. Shareholders are requested to submit their questions with respect to items on the agenda 48 hours to the meeting by e-mail to Ms Phoebe Macharia of Adili Corporate Services Kenya LLP, the Company Secretary, at least 48 hours before the meeting e-mail: Phoebe.Macharia@adili.africa with the subject "Kenindia Assurance Company Limited – 2024 Annual General Meeting."
4. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy form, which can be printed and e-mailed to Ms Phoebe Macharia of Adili Corporate Services Kenya or deposited at the Registered Office of the Company at least 24 hours before the time appointed for the meeting to be valid, is attached separately.
5. Corporate Members are requested to appoint representatives by completing and signing the letter of representation to reach the Registered Office not less than 24 hours before the time appointed for holding the meeting or adjourned meeting. Letters of Representation are being sent separately to corporate members.

KENINDIA

On behalf of the Board of Directors of Kenindia Assurance Company Limited, I am pleased to present to you the Annual Report and Audited Financial Statements of the Company for the year ended 31st December 2023.

OVERVIEW OF THE ECONOMY

Kenya's economy grew by 5.2% in 2023 compared to 4.8% in 2022; the improved growth performance is attributed to a strong rebound in the agriculture sector which had faced a persistent and severe drought as well as a moderate growth in the services sector.

The recovery of agriculture has led to improvements in food supply and coupled with monetary policy tightening has helped reduce inflationary pressures. In 2023, tourism continued to expand, credit to the private sector improved and manufacturing activity is expected to improve from the anticipated growth in the agro-processing sector.
The economy however still faces several challenges to sustain its growth momentum such as heightened fiscal and external vulnerabilities manifested through high public debt, elevated cost of living, exchange rate pressures, global economic uncertainties, and tight global financial conditions.

2024 GDP growth is projected at between 4.5–5.2%. Improved investor confidence and credit to the private sector—to be anchored by a reduction in domestic borrowing by the government—which is projected to strengthen private investment over the medium term. The outlook assumes adequate rainfall, government staying on the fiscal consolidation path, and the continuous implementation of the government's structural reform agenda. It is expected that that the private sector will play a stronger role in Kenya's medium-term recovery.

Kenya's efforts in trade integration could also significantly contribute to substantial economic growth.

FINANCIAL MARKETS

The year began with the Central Bank Rate (CBR) at 8.75%. the rate was raised three times during the year 2023 to close at 12.50% bringing borrowing costs to the highest they have been in over a decade. Analysts noted that the continued exchange rate depreciation was exerting upward pressure on domestic prices, thereby increasing the cost of living and reducing purchasing power. Additionally, the rising public sector external debt service was steadily offsetting the gains made towards the Government's strong fiscal consolidation. The continued weakening of the exchange rate also contributed to a significant increase in the Kenya shilling value of foreign currency denominated debt.

In 2023, the rate on the 91-day Treasury bill closed at 15.9 % compared to 8.2 % at the end of 2022. The upward trajectory in yields is mainly on the back of investors attaching higher risks amid high inflation, currency depreciation, and tight liquidity positions, hence the need for higher returns to cushion against possible loss.
The Kenya Shilling depreciated by 26.8% against the US Dollar to close at Kshs 156.5 in 2023, compared to Kshs 123.4 at the end of 2022.

The depreciation of the Kenyan shilling in 2023 was driven by Increased dollar demand by importers especially in the oil and energy sector, as well as manufacturers against a low supply of dollar currency leading to shortage of USD in the Kenyan market, the need for government external debt servicing and costs of imports outweighing dollar inflows.

NSE SHARE INDEX

The NSE 20 share index closed the year at 1,501.16 points. This is a 10.44% decline from 1,676.10 points at the beginning of the year.

INFLATION

The annual average inflation increased from 7.6% in 2022 to 6.6 % in December 2023. This decline was driven by the easing of food and energy prices, pass-
through effects from exchange rate appreciation, and the impact of monetary
policy actions. Some of these actions included raising the Central Bank Rate.

COMPANY PERFORMANCE

The year 2023 saw a significant change in the reporting of Insurance companies' financial performance with the adoption of IFRS 17, Insurance contracts, a significant accounting standard for the insurance industry. This was a key focus area for the company.

IFRS 17 changed how insurance contracts are measured and reported, shifting the focus from premiums written to insurance revenue. This change significantly affected the financial statements and key performance indicators of the company.

(I) GENERAL INSURANCE BUSINESS

The General Insurance business recorded insurance revenue of Kshs 1.79 billion, compared to Kshs 2.50 billion in 2022.

Net profit after tax for year 2023 was 43.74 million whilst that of year 2022 was Kshs 397.15 million.

(II) LIFE ASSURANCE BUSINESS

The long-term business recorded insurance revenue of Kshs 1.92 billion against Kshs 1.80 billion in 2022, registering a 6.43% increase.

Insurance revenue for Ordinary Life Business was Kshs 928.45 million against Kshs 1.01 billion for the year 2022, registering a 9.21% decline.

The Group Life Business registered a 39.03 % increase with insurance revenue of Kshs 68.84 million in 2023 compared to Kshs 41.97 million in 2022.

The Annuities business line recorded a 30.76% increase to Kshs 608.30 million in 2023, from Kshs 421.16 million in 2022.

Deposit Administration and Retirement Fund insurance revenue decreased from Kshs 320.45 million in 2022 to Kshs 316.38 million in 2023, recording a decline of 1.29%.

During the year 2023, the Kesho Hela Income Draw Down product under the Retirement Fund was in its second year. The insurance revenue for the year 2023 was Kshs 1.38 million compared to Kshs 2.19 million recorded for year 2022.

The insurance contract liabilities of the Long term business stood at Kshs 73.13 billion as at 31st December 2023, compared to Kshs 62.45 billion in the previous year representing a growth of 14.59%.

ACTUARIAL VALUATION

The Company's Actuarial Valuation for Life Business was carried out at the end of the year. The actuarial surplus inclusive of Annuities, Deposit Administration and Retirement Fund (net of actuarial reserves set aside brought forward) before any allocation for the year 2023 was Kshs 10.082 billion. The Company declared an interest rate of 11.25 % (2022-10.75%) on Retirement Benefit funds, a simple Reversionary Bonus of 6.00% (2022-6.00%) on with-profit Ordinary Life Policies, 4.00% (2022 :4.00%) final additional terminal bonus for ordinary Life Policies matured, bonus of 12.00 % (2022 :11.00%) on Capital Advantage policies and 12.00% (2022 : 11.00 %) interest on Bima Account plan.

The company declared a one-off special bonus for the year 2023 of 1%, (2022: 0%) on with-profit Ordinary Life Policies and terminal bonus of 1% (2022: 0%) on ordinary Life policies matured.

The Actuary recommended a transfer of Kshs 653.00 million (2022: 503.00 million) out of the actuarial surplus, for the benefit of shareholders.

INVESTMENT INCOME

The net investment income of the company increased by 16.14%, to Kshs 9.28 billion in 2023 from Kshs 7.99 billion in 2022. The net investment income of the Life business was Kshs 8.72 billion in 2023 compared to Kshs 7.38 billion in 2022, an increase of 18.25%. The net investment income of non-life business was Kshs. 553.55 million in 2023 compared to Kshs 610.58 million in 2022, a decline of 9.34%.

GROUP PERFORMANCE

Insurance revenue accounted by Tanzindia Assurance Company Limited, a subsidiary of the Company was Kshs. 1.02 billion in the year 2023 as compared to Kshs 769.03 million for the year 2022, being an increase of 32.68% and its net profit after tax was Kshs. 150.33 million in 2023, with a Kshs. 15.08 million net loss recorded in the year 2022.
The total assets for the Group stood at Kshs 90.99 billion in 2023 as compared to Kshs 79.64 billion in 2022. The shareholders’ funds increased from Kshs 6.32 billion in December 2022 to Kshs. 7.01 billion at the end of 2023.

DIVIDENDS

The Board has recommended a dividend of Kshs 7.50 per share for the year ended 31st December 2023 subject to the members’ approval at the Annual General meeting.

BOARD

The directors who held office in 2023 are listed on page 1 of these financial statements.

FUTURE OUTLOOK

Kenya’s economy is projected to continue its recovery, and even though at a slower pace, a 5.0% growth is projected for year 2024. The insurance sector is poised for major changes as underwriters settle into the second year of reporting under IFRS 17, Insurance Contracts. Companies must be prepared to face challenges and disruptions that are inevitable through innovation and adaptability.

As in previous years, our focus will remain on supporting the company profitability and balance sheet strength through oversight and strategic execution, while continuing to focus on providing attractive opportunities in the market. the Company shall continue to work with all stakeholders to support confidence, resilience and profitability so our product offering remains attractive for our customers.

APPRECIATION

On behalf of the Board, I would like to congratulate and thank the Company’s management and staff for their sincere efforts in implementing the strategic plan during the year and taking the Company to a progressive direction in these challenging times.

My deep appreciation is also extended to my fellow Board members for the invaluable guidance they have extended to the company’s leadership. I also extend my sincere appreciation to you, our Shareholders and members for continuous support provided to the company. I also sincerely thank all our brokers, agents and associates for their committed support.

M P CHANDARIA
CHAIRMAN

Corporate governance refers to the system of rules, practices and processes by which a company is directed and controlled. It encompasses relationships between the Board, the Company's Management and other stakeholders and provides a framework for decision-making and accountability.

The Board of Directors of Kenindia Assurance Company Limited is committed to upholding the highest standards of corporate governance. The role of the Board is to determine the Company's policies and strategies, monitor the attainment of business objectives and ensure that the Company meets its obligations to the shareholders and all the stakeholders. The Board is responsible to shareholders for promoting the long-term success of the Company, and in particular, for setting the Company's strategy, monitoring management's performance against the strategy, setting the Company's risk appetite, ensuring the Company has adequate resources and effective controls are in place in the business. The Board also sets the values and the culture of the Company and has a duty to protect the interests of the policyholders.

Key elements of the Company's corporate governance practices are highlighted below:

BOARD OF DIRECTORS

The Company has a competent and diverse Board of Directors which provides effective oversight and strategic guidance to the Management team. The roles of the Chairman and the Managing Director are segregated. A non-executive director acts as the Chairman of the Board. The Managing Director is in charge of the day-to-day running of the business. The current Board is composed of one Executive Director (Managing Director) and eight non-executive Directors, including three independent Directors. The Board consists of committed individuals with diverse and complementary skills to ensure that there is sufficient wealth of experience in the Board and balanced decision-making.
The Directors are given appropriate and timely information enabling them to maintain full and effective control over all strategic, financial, operational and compliance issues. During the period under review and up to the date of this statement, none of the Directors has received any benefit from the Company other than the Director's fees and emoluments disclosed in the financial statements and no loans have been advanced to the Directors during this period.

BOARD COMMITTEES

The Board has delegated certain duties to Board Committees. It has five Committees all of which are guided by clear terms of reference. The Committees are instrumental in monitoring business operations, systems and internal controls. The Committees are as follows:

(i) Executive Committee
The Committee is chaired by Mr. Leon Nyandusi Nyachae. Other committee members are: two non-executive Directors and two independent Directors and the Managing Director. The Committee reviews the Company's operations, strategies, investments, asset liability management, and policyholders' protection amongst others. Its main functions include sanctioning of insurance claims and capital expenditure in excess of the financial limits set for the Managing Director. The meetings for this Committee are held quarterly.

(ii) Nomination and Remuneration Committee:
The Committee is chaired byan independent Director. The other members are two non-executive Directors and the Managing Director. The Committee's main function is to identify and nominate for approval by the Board, candidates to fill Board vacancies, succession planning of the Board and other senior executives and make recommendations to the Board with regard to any changes and advise on remuneration.

(iii) Audit Committee
The Committee is chaired by an independent Director, Mrs. Elizabeth Mueni Musyoka and includes three non-executive Directors and one Independent Director. The Managing Director, Financial Controller and Chief Internal Auditor attend meetings of the Committee as and when necessary. The Committee also meets with the external auditors in accordance with its terms of reference. The Committee meets at least four times a year.

(iv) Credit Management Committee
The Committee is chaired by Dr. Manilal Premchand Chandaria (OBE, CBS, EBS), a non-executive Director and includes two other non-executive Directors, one independent Director and the Managing Director. The Committee's terms of reference include reviewing the Credit Policy of the Company, outstanding receivables from the premium debtors and provisioning/write-off of bad and doubtful debts, amongst others. The Committee meets at least four times a year.

(v) Risk Management Committee

The Committee is chaired by Mr. Venkata Sambasiva Rao Pamidimukkala , a non-executive Director and includes two other non-executive Directors, one independent Director and the Managing Director. The terms of reference include continuously reviewing the potential risks that the Company is exposed to, monitoring the system of management of risks and ensuring that the required action is taken by management to mitigate the impact of risks, amongst others, with the assistance of the Company's Risk Manager. The Committee meets at least four times in a year.

Board Meeting Attendance

Name of Director	Position	20.03.23	22.06.23	26.09.23	15.12.23
Dr. Manilal Premchand Chandaria OBE CBS EBS	Chairman	√	√	√	√
Mr. Leon Nyandusi Nyachae	Member	√	√	√	√
Mr. Hemnabh Ranvir Khatau	Member	√	√	√	√
Mr. Devesh Srivastava (Resigned on 30 September 2023)	Member	√	-	-	-
Mr. Satyajit Tripathy	Member	√	x	x	x
Mr Siddhartha Mohanty	Member	-	√	√	√
Dr. Patricia M. King'ori	Member	√	√	√	√
Mrs. Elizabeth M. Musyoka	Member	√	√	√	√
Mr. V S Rao Pamidimukkala	Member	√	√	x	√
Mr. B Shanker Sharma (Resigned on 29 August 2023)	Managing Director	√	√	-	-
Mr. Yogesh Meshram (Appointed 29 August 2023)	Managing Director	-	-	√	√

KEY

√Attended

×Absent with apologies

SHAREHOLDERS

The list of 10 major shareholders and their individual holdings at the year-end was as follows

	Number of Shares	%age of holding
Life Insurance Corporation of India	1,020,906	10.21
General Insurance Corporation of India	918,752	9.19
The National Insurance Company Limited	918,752	9.19
The New India Assurance Company Limited	918,752	9.19
The United India Insurance Company Limited	918,752	9.19
The Oriental Insurance Company Limited	899,601	9.00
Sansora Investments Limited	791,350	7.91
The Chandaria Foundation Registered Trustees	776,956	7.77
Mehta Group Limited	617,042	6.17
Lex Holdings Limited	458,204	4.58
Others (numbering 30)	1,760,933	17.60
Total		100.00

The Company continues to undertake Corporate Social Responsibility activities by promoting various activities among the local communities in which it operates. The Company is committed to the principle of responsible citizenship and makes Corporate Social Responsibility an integral part of its annual business plans. Under its Corporate Social Responsibility (CSR) programs, the Company conducts community support activities every year. Members of staff participated in various activities. The main activities taken up by the company during the year were the following:

a) Starehe Girls Charity Walk
b) University of Nairobi Insurance Students' Prize
c) Support to Machakos Catholic Diocese (HIV Programme Community Based Organization)
d) Support to Smile Community Centre
e) Support to Ebenezer Children's Home

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of financial affairs of the Group comprising Kenindia Assurance Company Limited and its subsidiaries: Kenya Pravack Limited, Kenindia Asset Management Limited, and Tanzindia Assurance Company Limited.

Principal Activities

The Group underwrites all classes of life and non-life insurance risks as defined by the Insurance Act. The Group also provides its customers with asset management solutions for their savings and retirement needs.

Results

Group	**2023** **KSh'000**	**2022 restated** **KSh'000**
Group profit before tax	837,630	1,108,527
Taxation (charge)/credit	89,485	118,320
Group profit after tax	927,115	1,226,846
Non-controlling interest	(52,616)	5,277
Net profit for the year	**874,499**	**1,232,123**

Company	**2023** **KSh'000**	**2022 restated** **KSh'000**
Company profit before tax	622,156	1,112,178
Taxation (charge)/credit	156,134	133,030
Net profit for the year	**778,290**	**1,245,208**

Business Review

The total insurance service revenue of the Group decreased from Ksh 5.067 billion in 2022 to Ksh 4.730 billion in 2023 and for the Company from Ksh 4.298 billion in 2022 to Ksh 3.709 billion in 2023 . The profit before tax for the Group was Ksh 837.63 million in 2023 and Kshs. 1.108 billion in year 2022. The Company recorded profit before tax of Ksh. 622.15 million in 2023 down from Ksh. 1.112 billion in 2022 as a result of IFRS 17 impacts.

As at 31 December 2023, the net asset position of the Group increased to 8.807 billion from Ksh 7.972 billion in 2022 and for the Company from Ksh 7.715 billion in 2022 to Ksh 8.326 billion in 2023.

Key Performance Indicators (Company)

	Long term assurance business 2023	**Long term assurance business 2022**	**Short term insurance business 2023**	**Short term insurance business 2022**
Retention ratio	99%	99%	63%	62%
Incurred claims ratio	-	-	66%	82%
Net commission ratio	3%	3%	8%	10%
Management expenses ratio	6%	6%	35%	25%
Combined ratio	-	-	144%	123%

Dividend

The directors recommend the payment of a dividend of Ksh 75 million which represents Ksh 7.50 per share in respect of the year ended 31 December 2023 (2022: Ksh 50.00 million representing Ksh 5.00 per share).

Events After The Reporting Period

The financial statements were prepared based on management estimates and judgement as at the reporting date.

Directors

The Board of Directors as at 31st December 2023 is shown on page 1.

Directors' Indemnities

In line with sound governance practices, the Company maintains Directors' and officers' liability insurance, which gives appropriate cover for legal action, brought against its Directors. The Company has also granted indemnities to each of its Directors and the Secretary to the extent permitted by law.

Statement As To Disclosure To The Company's Auditor

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

a) there is, so far as the Director is aware no relevant audit information of which the Company's auditor is unaware:
b) the Director has taken all the steps that the Director ought to have taken as a director so as to be aware of any relevant audit information and to establish the Company's auditor is aware of that information.

Independent Auditor

Grant Thornton continues in office in accordance with Section 719 of the Kenyan Companies Act, 2015 and have expressed their willingness to continue in office. The Directors monitor the effectiveness, objectivity and independence of the auditors. The Directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The Directors recommend their re-appointment.

Approval Of Annual Report And Financial Statements

The Report of the Directors was approved by the Board of Directors on 29 June 2024 and signed on its behalf by the Secretary.

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For Adili Corporate Services Kenya
Company Secretaries

statement of the directors' responsibilities

KENINDIA

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 the group and company as at the end of the financial year and of its profit or loss and other comrehensive income for that year. It also requires the directors to ensure that the group and 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 International Financial Reporting Standards 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 group and company's 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 the group and company's 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.

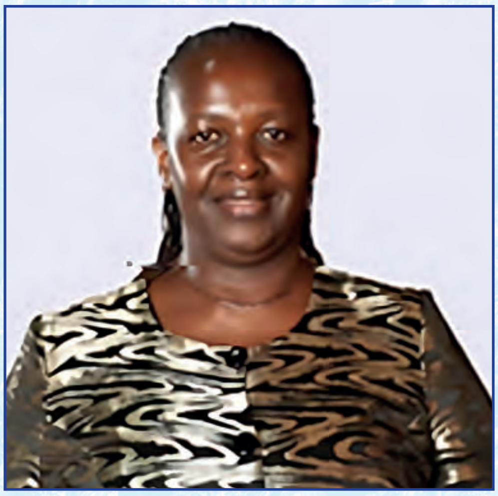
Approved by the board of directors on 29 June 2024 and signed on its behalf by:

DR. M. P. CHANDARIA
Director

MR. LEON NYACHAE
Director

MR. YOGESH MESHRAM
Managing Director / Principal Officer

Yogesh Meshram
Managing Director / Principal Officer



Irene Owiti
Chief Operating Officer

B Viswanatha Varma
General Manager (Finance)

Babu Rajan U. V.
General Manager (General Business)

V. S. Madhu
General Manager (Life Business)

report of the consulting actuary

I have conducted an actuarial valuation of the life assurance business and an actuarial valuation of the general insurance business of Kenindia Assurance Company Limited as at 31 December 2023.

The valuation was conducted in accordance with generally accepted actuarial principles and in accordance with the requirements of the Kenyan Insurance Act.

In completing the actuarial valuation, I have relied upon the audited financial statements of the Company and data and information provided by the Company.

Gauri Shah
Fellow of the Actuarial Society of Kenya
Fellow of the Institute & Faculty of Actuaries
29 June 2024

Grant Thornton

TO THE MEMBERS OF KENINDIA ASSURANCE COMPANY LIMITED

Opinion

We have audited the accompanying financial statements of Kenindia Assurance Company Limited (the “company”) and its subsidiaries (together, the group), set out on pages 9 to 157, which comprises the consolidated and company statement of financial position as at 31st December 2023, statements of comprehensive income, statements of changes in equi:y, statements of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the group and company as at 31st December 2023 and of the financial performance and cash flows of the group for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

Basis of opinion

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

Key audit matters

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

Key Audit Matters (continued)

Key audit matter	How the matter was addressed
Initial application of IFRS 17 - Insurance Contracts and valuation of insurance contract liabilities	
The Group adopted IFRS 17, Insurance Contracts effective from I January 2023. IFRS 17 replaced IFRS 4. IFRS I7 presents a profound change to accounting and presentation in financial statements of insurancei companies. The implementation of IFRS 17 increases some of! the inherent risk factors associated with estimates. Understanding these inherent risk factors is key to management's design of processes and controls and to auditor's design of testing. The process involves complex and subjective judgements about future events both internal and external to the business, for which slight changes in these assumptions can result in material impacts to the estimate. We identified this as a key audit matter due to the significance of the balances to the financial statements ad the high degree of estimation uncertainity and significant judgement applied by management in the determination of the value of these liabilities. We also considered the disclosures on the contract liabilities as critical to the undertsanding of the financial statements.	To test the initial application of IFRS 17, our audit procedures included, but were not limited to the following: Obtaining an understanding of the initial application and transition adjustments process. We focused on management's selection of accounting policies and the related determination of the transition approach, the development of fair value and actuarial models, as well as management's process to ensure integrity of data used. Testing the workings for the conversion of the fFRS 4 balances to IFRS 17 including agreeing the opening and comparative balances used in the conversion workings to the prior year audited financial statements. Evaluating whether the Group's policies on insurance contracts are in accordance with IFRS 17 Involving our actuarial and accounting specialists to assist in the audit of the initial application of IFRS 17. Evaluating whether the management assumptions and methodologies are determined in accordance with the requirement of IFRS 17 Testing the inputs and disclources infonnation underying the determination of the discount rates and developing a range of independent estimates and comparing those to the dicount rates selected by management
Valuation of investment property	
Valuauon of investment property is judgmental and involves the use of assumptions that have a high estimation uncertainty. We considered this as a key audit matter owing to the significance of these mvestments on group and company financial statements	Our audit procedures in this area included; · Assessing the competencies and objectivity as well as verifying the qualifications of the independent external expert engaged by management; · We reviewed the assumptions and methodologies applied by the expert in determining the fair value of investment property.
Valuation of unquoted equity investments	
The Group holds significant unquoted investments comprising investments in unlisted shares measured at fair value through other comprehensive income. The group estimates the fair value of these investments which involves significant judgement and assumptions that have a high estimation uncertamty. We considered this as a key audit matter owing to the significance of these mvestments on group and company financial statements	Our audit procedures in this area included We assessed management's processes and controls for determination of the fair values of investments, · We tested the accuracy of the computations, and We evaluated the adequacy and appropriateness of disclosures in the financial statements.

Key Audit Matters (continued)

Allowance for expected credit losses	
The Group applies IFRS 9 impairment approach in the determination of expected credit losses. This was a key audit matter because significant judgement was involved in determining the credit losses on financial assets including investments in government securities, other receivables and deposits with financial institutions Key areas of judgement included; . • the interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the group's credit loss model: • identification of exposures with a significant deterioration in credit quality; • assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward- looking macroeconomic factors; and • the need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.	Our audit procedures in this area included· . We assessed and tested the design and operating effectiveness of controls over the data used to determine impairment losses on financial assets . We assessed the modellmg techniques/ methodology used against the requirements of IFRS 9 Financial Instruments; and . We have assessed the reasonableness of modelling assumptions used in determining the expected credit losses. . We have reviewed the adequacy of IFRS 9 disclosures in the financial statements

Other information

The directors are responsible for the other information, Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any fonn of assurance conclusion thereon.

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

Responsibility of Directors' and Those Charged with Governance for the annual report and financial statements

The directors are responsible for the preparation and fair presentation of the annual report and financial statements that give a true and fair view in accordance with International Fmancial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine 1s necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and financial statements, the directors are responsible for assessing the company's ability to continue as a gomg concern, disclosing, as applicable, matters related to going concern and using the gomg concern basis of accounting unless the directors either intend to liquidate the company or to cease operations. or have no realistic alternative but to do so

Those charged with governance are responsible for overseeing the Group's financial reporting process

Auditor's responsibilities for the audit of the annual financial statements

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

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

i) Identify and assess the risks of material misstatement of the annual report and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Ifwe conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the annual report and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the annual report and financial statements

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

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

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on pages 2-3 is consistent with the financial statements.
The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Elizabeth Muhindi, Practising Certificate No 2123.

For and on behalf of Grant Thornton LLP
Certified Public Accountants (Kenya)
Nairobi

30TH JUNE, 2024

K/586/1223/AUD

KENINDIA

financial highlights

For The Year Ended 31 December 2023

	2023	RESTATED 2022
GROUP	**KShs '000**	**KShs '000**
INSURANCE REVENUE		
(I) SHORT TERM BUSINESS	2,806,653	3,267,446
(II) LONG TERM BUSINESS	1,923,371	1,800,262
TOTAL	**4,730,024**	**5,067,708**
INVESTMENT INCOME		
(I) SHORT TERM BUSINESS	704,548	639,830
(II) LONG TERM BUSINESS	8,723,689	7,377,299
TOTAL	**9,428,237**	**8,017,129**
PROFIT BEFORE TAX	837,630	1,108,527
PROFIT AFTER TAX	927,115	1,226,846
NON CONTROLLING INTEREST	52,616	(5,277)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	832,296	1,283,889
SHARE CAPITAL	1,000	1,000
SHAREHOLDERS' FUND	7,014,507	6,321,777
INSURANCE CONTRACT LIABILITIES		
(I) SHORT TERM BUSINESS	7,301,574	7,396,460
(II) LONG TERM BUSINESS	73,130,561	62,457,018
TOTAL	**80,432,135**	**69,853,478**
TOTAL ASSETS	**90,993,463**	**79,641,051**
COMPANY		
INSURANCE REVENUE		
(I) SHORT TERM BUSINESS	1,786,270	2,498,407
(II) LONG TERM BUSINESS	1,923,371	1,800,262
TOTAL	**3,709,641**	**4,298,669**
INVESTMENT INCOME		
(I) SHORT TERM BUSINESS	553,545	610,577
(II) LONG TERM BUSINESS	8,723,689	7,377,299
TOTAL	**9,277,234**	**7,987,876**
PROFIT BEFORE TAX	622,156	1,112,178
PROFIT AFTER TAX	778,290	1,245,208
SHARE CAPITAL	1,000	1,000
SHAREHOLDERS' FUND	6,694,453	6,173,731
INSURANCE CONTRACT LIABILITIES		
(I) SHORT TERM BUSINESS	6,002,163	5,986,593
(II) LONG TERM BUSINESS	73,130,561	62,457,018
TOTAL	**79,132,724**	**68,443,611**
TOTAL ASSETS	**88,851,698**	**77,783,929**

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glossary of abbreviations

ARC	Asset for remaining coverage
CAR	Capital adequacy ratio
CSM	Contractual service margin
DPF	Discretionary Participation Features
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
IAS 1	IAS 1 Presentation of Financial Statements
IFRS	International Financial Reporting Standards
IFRS 7	IFRS 7 Financial Instruments: Disclosures
IFRS 9	IFRS 9 Financial Instruments
IFRS 13	IFRS 13 Fair Value Measurement
IFRS 17	IFRS 17 Insurance Contracts
LIC	Liability for incurred claims
LRC	Liability for remaining coverage
OCI	Other comprehensive income
PAA	Premium allocation approach
PV	Present value
PVFCF	Present value of future cashflows
RA	Risk Adjustment

KENINDIA

consolidated statement of profit or loss

For The Year Ended 31 December 2023

	Note	Long term assurance business KShs'000	Short term insurance business KShs'000	Total 2023 KShs'000	Long term assurance business KShs'000	Short term insurance business KShs'000	Total 2022 KShs'000
Insurance revenue	10	1,923,371	2,806,653	4,730,023	1,800,262	3,267,446	5,067,708
Insurance service expenses	11	(2,296,414)	(3,072,991)	(5,369,405)	(2,329,414)	(3,563,796)	(5,893,210)
Insurance service result from insurance contracts issued		**(373,043)**	**(266,338)**	**(639,381)**	**(529,152)**	**(296,350)**	**(825,502)**
Insurance service income for reinsurance contracts held	12	48,435	511,954	560,389	25,693	699,381	725,074
Insurance expenses for reinsurance contracts held	12	(37,654)	(784,373)	(822,027)	(23,199)	(587,076)	(610,275)
Net income/ (expense) from reinsurance contracts held		**10,781**	**(272,419)**	**(261,638)**	**2,494**	**112,304**	**114,799**
Insurance service result		**(362,262)**	**(538,757)**	**(901,019)**	**(526,657)**	**(184,046)**	**(710,703)**
Investment, fees and commission income	18a	**8,723,689**	**704,548**	**9,428,237**	**7,377,299**	**639,830**	**8,017,129**
Insurance finance expense:							
Finance income/(expenses) from insurance contracts issued	13	(7,556,645)	62,562	(7,494,083)	(6,002,037)	(77,913)	(6,079,951)
Finance income/(expenses) from reinsurance contracts held	13	(4,004)	(25,324)	(29,328)	(548)	12,402	11,855
Net insurance income/ (finance) expense		**(7,560,648)**	**37,238**	**(7,523,411)**	**{6,002,585)**	**(65,511)**	**(6,068,096)**
Net insurance and investment result		**800,779**	**203,029**	**1,003,808**	**848,057**	**390,273**	**1,238,330**
Other income		-	35,900	35,900	-	2,667	2,667
Other expenses		(66,224)	(135,854)	(202,078)	-	(132,470)	(132,470)
Profit before tax for the year		**734,555**	**103,075**	**837,630**	**848,057**	**260,470**	**1,108,527**
Taxation/credit	20	-	89,485	89,485	-	118,320	118,320
Profit for the year		**734,555**	**192,560**	**927,115**	**848,057**	**378,789**	**1,226,846**
Other comprehensive income							
Items that may be reclassified to reclassified to profit or loss in subsequent periods:							
- Government securities	34b	-	(45,708)	(45,708)	-	(30,088)	(30,088)
- Unquoted shares	30	339	99,097	99,436	8	28,866	28,874
		339	53,389	53,728	8	(1,222)	(1,214)
Deferred tax		-	(29,729)	(29,729)	(3)	(8,660)	(8,663)
Net of Tax		**339**	**23,660**	**23,999**	**5**	**(9,882)**	**(9,877)**
Items that will not be reclassified to reclassified to profit or loss in subsequent periods:							
- Revaluation of buildings		-	21,694	21,694		4,589	4,589
Deferred tax on revaluation		-	(6,508)	(6,508)		(1,377)	(1,377)
		-	**15,186**	**15,186**	**-**	**3,212**	**3,212**
Foreign currency translation reserve			18,241	18,241		7,354	7,354
Net other comprehensive income		**339**	**57,087**	**57,426**	**5**	**684**	**689**
Total comprehensive income for the year		**734,894**	**249,647**	**984,541**	**848,062**	**379,474**	**1,227,536**
Profit for the year Attributable to:							
Equity holders of parent		734,555	139,944	874,499	848,057	384,066	1,232,123
Non-controlling interest		-	52,616	52,616	-	(5,277)	(5,277)
		734,555	**192,560**	**927,115**	**848,057**	**378,789**	**1,226,846**
Basic earnings per share (Ksh)	8b	**-**	**-**	**83.23**	**-**	**-**	**86.42**
Diluted earnings per share (Ksh)	8b	**-**	**-**	**83.23**	**-**	**-**	**86.42**

company statement of profit or loss

For The Year Ended 31 December 2023

KENINDIA

		Long term assurance business	Short term insurance business	Total 2023	Long term assurance business	Short term insurance business	Total 2022
		KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Insurance revenue	10	1,923,371	1,786,270	3,709,641	1,800,262	2,498,407	4,298,669
Insurance service expenses	11	(2,296,414)	(2,509,491)	(4,805,905)	(2,329,414)	(2,558,390)	(4,887,804)
Insurance service result from insurance contracts issued		**(373,043)**	**(723,221)**	**(1,096,264)**	**(529,152)**	**(59,983)**	**(589,135)**
Insurance service income for reinsurance contracts held	12	48,435	511,954	560,389	25,693	477,479	503,172
Insurance expenses for reinsurance contracts held	12	(37,654)	(387,905)	(425,559)	(23,199)	(587,076)	(610,275)
Net income/ (expense) from reinsurance contracts held		**10,781**	**124,049**	**134,830**	**2,494**	**(109,598)**	**(107,103)**
Insurance service result		**(362,262)**	**(599,172)**	**(961,433)**	**(526,657)**	**(169,581)**	**(696,238)**
Investment, fees and commission income	18b	**8,723,689**	**553,545**	**9,277,234**	**7,377,299**	**610,577**	**7,987,877**
Insurance finance expense:							
Finance income/(expenses) from insurance contracts issued	13	(7,556,645)	62,562	(7,494,083)	(6,002,037)	(77,913)	(6,079,951)
Finance income/(expenses) from reinsurance contracts held	13	-	(25,324)	(25,324)	-	12,402	12,402
Net insurance income/ (finance) expense		**(7,556,645)**	**37,238**	**(7,519,407)**	**(6,002,037)**	**(65,511)**	**(6,067,548)**
Net insurance and investment result		**804,783**	**(8,389)**	**796,394**	**848,605**	**375,486**	**1,224,090**
Other income		-	5,026	5,026	-	1,919	1,919
Other expenses		(70,228)	(109,035)	(179,263)	(548)	(113,283)	(113,831)
Profit before tax for the year		**734,555**	**(112,398)**	**622,156**	**848,057**	**264,121**	**1,112,178**
Taxation credit	20	-	156,134	156,134	-	133,030	133,030
Profit for the year		**734,555**	**43,735**	**778,290**	**848,057**	**397,152**	**1,245,208**
Other comprehensive income							
Items that may be reclassified to reclassified to profit or loss in subsequent periods:							
- Government securities	34b	-	(45,708)	(45,708)	-	(30,088)	(30,088)
- Unquoted shares	30	339	99,097	99,436	8	28,866	28,874
		339	53,389	53,728	8	(1,222)	(1,214)
Deferred tax		-	(29,729)	(29,729)	(3)	(8,659)	(8,662)
Net of Tax		**339**	**23,660**	**23,999**	**5**	**(9,881)**	**(9,876)**
Items that will not be reclassified to reclassified to profit or loss in subsequent periods:							
- Revaluation of buildings		-	21,694	21,694		4,589	4,589
Deferred tax on revaluation		-	(6,508)	(6,508)		(1,377)	(1,377)
		-	**15,186**	**15,186**	**-**	**3,212**	**3,212**
Net other comprehensive income		**339**	**38,846**	**39,185**	**5**	**(6,669)**	**(6,664)**
Total comprehensive income for the year		**734,894**	**82,581**	**817,475**	**848,062**	**390,483**	**1,238,544**
Basic earnings per share (Ksh)	8b	**-**	**-**	**81.75**	**-**	**-**	**123.85**
Diluted earnings per share (Ksh)	8b	**-**	**-**	**81.75**	**-**	**-**	**123.85**

consolidated statement of financial position

KENINDIA

For The Year Ended 31 December 2023

REPRESENTED BY:	Note	Long term assurance business Ksh'000	Short term insurance business Ksh'000	Total Ksh'000
Assets				
Property and equipment	25a	21,095	860,602	881,697
Intangible assets	26a	3,252	8,260	11,512
Prepaid operating lease rentals	27	892,780	6,808	899,588
Right-of-use assets	38	14,150	16,697	30,847
Deferred tax asset	29	-	868,668	868,668
Investment properties	28	2,057,156	1,313,900	3,371,056
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)	18a	359	1,166,041	1,166,400
Financial assets at fair value through profit or loss	19a	330,249	34,161	364,410
Loans receivable	32	82,402	9,065	91,467
Reinsurance contract assets	15	90,168	3,755,121	3,845,289
Other receivables	33	72,656	166,594	239,250
Government securities:				
At amortised cost	34a	73,418,343	3,421,740	76,840,083
At fair value through other comprehensive income	34b	-	430,890	430,890
Deposits with financial institutions	37a	909,091	609,675	1,518,766
Bank and cash balances	37a	212,496	145,109	357,605
Total Assets		**78,104,198**	**12,889,265**	**90,993,462**
Equity				
Share capital	21	400,000	600,000	1,000,000
Share premium	21	-	1,198	1,198
Fair value reserve	22a	-	552,206	552,206
Revaluation reserve	22c	-	454,753	454,753
General reserve	22d	-	-	
Retained earnings	23	1,794,167	3,182,844	4,977,011
Foreign currency translation reserve	22b	-	29,339	29,339
Equity attributable to shareholders of parent		**2,194,167**	**4,820,340**	**7,014,507**
Statutory reserve	24	1,631,184	-	1,631,184
Non-controlling interest	22	-	161,477	161,477
Total Equity		**3,825,351**	**4,981,817**	**8,807,168**
Liabilities				
Insurance contract liabilities	14	73,130,561	7,301,574	80,432,135
Reinsurance contract liabilities	14	23,063	-	23,063
Taxation payable	20	91,657	17,170	108,827
Deferred tax liability	35	699,079	115,590	814,669
Other payables	36	318,389	371,270	689,661
Bank overdraft	37	-	81,631	81,631
Lease liability	41	16,096	20,212	36,308
Total liabilities		**74,278,846**	**7,907,447**	**82,186,294**
Total Equity and Liabilities		**78,104,198**	**12,889,265**	**90,993,462**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director

Mr. Leon Nyachae, Director

Mr. Yogesh Meshram, Director

consolidated statement of financial position

For The Year Ended 31 December 2022

KENINDIA

	Note	Long term assurance business restated Ksh'000	Short term insurance business restated Ksh'000	Total restated Ksh'000
Assets				
Property and equipment	12	23,154	856,236	879,390
Intangible assets	14	3,188	11,598	14,786
Prepaid operating lease rentals	15	929,051	6,926	935,977
Right-of-use assets	38	9,951	19,921	29,872
Deferred tax asset	29	-	702,267	702,267
Investment properties	16a	2,044,800	1,308,740	3,353,540
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)	18a	20	934,122	934,142
Financial assets at fair value through profit or loss	19a	473,751	45,660	519,411
Loans receivable	20	97,806	8,535	106,341
Reinsurance contract assets	22	41,018	3,564,345	3,605,363
Other receivables	24	131,871	211,542	343,413
Taxation recoverable	7a	-	77,958	77,958
Government securities:				
At amortised cost	25a	62,398,510	3,309,933	65,708,443
At fair value through other comprehensive income	25c	-	644,769	644,769
Deposits with financial institutions	33	776,318	639,209	1,415,527
Bank and cash balances	32a	145,089	224,762	369,851
Total Assets		**67,074,527**	**12,566,524**	**79,641,051**
Equity				
Share capital	21	400,000	600,000	1,000,000
Share premium	21	-	1,198	1,198
Fair value reserve	22a	-	528,546	528,546
Revaluation reserve	22c	-	459,207	459,207
General reserve	22d	-		-
Retained earnings	23	1,387,067	2,934,661	4,321,728
Foreign currency translation reserve	22b	-	11,098	11,098
Equity attributable to shareholders of parent		**1,787,067**	**4,534,710**	**6,321,777**
Statutory reserve	24	1,541,040	-	1,541,040
Non-controlling interest	22	-	108,861	108,861
Total Equity		**3,328,107**	**4,643,571**	**7,971,678**
Liabilities				
Insurance contract liabilities	14	62,457,018	7,396,460	69,853,478
Reinsurance contract liabilities	14	25,663	173,918	199,581
Taxation payable	20	83,791	17,335	101,126
Deferred tax liability	35	660,445	23,799	684,244
Other payables	36	507,988	197,448	705,436
Bank overdraft	37	-	90,957	90,957
Lease liability	41	11,515	23,036	34,551
Total Liabilities		**63,746,420**	**7,922,953**	**71,669,373**
Total Equity and Liabilities		**67,074,527**	**12,566,524**	**79,641,051**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director **Mr. Leon Nyachae, Director** **Mr. Yogesh Meshram, Director**

KENINDIA

consolidated statement of financial position

For The Year Ended 31 December 2021

	Note	Long term assurance business restated Ksh'000	Short term insurance business restated Ksh'000	Total restated Ksh'000
Assets				
Property and equipment		21,518	862,262	883,780
Intangible assets		4,375	16,451	20,826
Prepaid operating lease rentals		967,774	7,045	974,819
Right-of-use assets		14,876	29,166	44,042
Deferred tax asset		-	551,781	551,781
Investment properties		2,025,707	1,297,480	3,323,187
Due from Kenya Motor Insurance Pool		-	51,759	51,759
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)		12	787,146	787,158
Financial assets at fair value through profit or loss		595,812	118,565	714,377
Loans receivable		82,718	4,828	87,546
Reinsurance contract assets		30,083	2,691,787	2,721,870
Other receivables		339,382	211,029	550,411
Taxation recoverable		-	75,062	75,062
Government securities:				
At amortised cost		52,740,264	2,995,045	55,735,309
At fair value through other comprehensive income		-	784,901	784,901
Deposits with financial institutions		412,767	739,274	1,152,041
Bank and cash balances		31,152	126,121	157,273
Total Assets		**57,266,440**	**11,349,702**	**68,616,142**
Equity				
Share capital		400,000	600,000	1,000,000
Share premium		-	1,198	1,198
Fair value reserve		(453)	538,427	537,974
Revaluation reserve		-	475,635	475,635
General reserve		723,683	-	723,683
Retained earnings		361,284	2,519,470	2,880,754
Foreign currency translation reserve		-	3,744	3,744
Equity attributable to shareholders of parent		**1,484,514**	**4,138,474**	**5,622,988**
Statutory reserve		1,387,637	-	1,387,637
Non-controlling interest		-	108,861	108,861
Total Equity		**2,872,151**	**4,247,335**	**7,119,486**
Liabilities				
Insurance contract liabilities		53,355,687	6,342,576	59,698,263
Reinsurance contract liabilities		14,845	167,990	182,835
Taxation payable		264,643	17,381	282,024
Deferred tax liability		594,493	12,024	606,517
Bank overdraft		-	6,299	6,299
Lease liability		15,811	29,245	45,056
Other payables		148,811	526,852	675,663
Total liabilities		**54,394,290**	**7,102,367**	**61,496,657**
Total Equity and Liabilities		**57,266,441**	**11,349,702**	**68,616,142**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director **Mr. Leon Nyachae, Director** **Mr. Yogesh Meshram, Director**

company statement of financial position

For The Year Ended 31 December 2023

KENINDIA

	Note	Long term assurance business Ksh'000	Short term insurance business Ksh'000	Total Ksh'000
Assets				
Property and equipment	25b	21,095	847,256	868,351
Intangible assets	26b	3,252	7,315	10,567
Prepaid operating lease rentals	27	892,780	6,688	899,468
Right-of-use assets	41	14,150	16,697	30,847
Deferred tax asset	35	-	868,097	868,097
Investment properties	28	2,057,156	1,292,400	3,349,556
Investment in subsidiaries	29	-	105,612	105,612
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)	30	359	964,671	965,031
Financial assets at fair value through profit and loss	31	330,249	25,474	355,723
Loans receivable	32	82,402	3,569	85,971
Reinsurance contract assets		90,168	2,561,697	2,651,865
Other receivables	33	72,656	149,120	221,776
Taxation recoverable	20	-	51,098	51,098
Government securities:				
At amortised cost	34a	73,418,343	3,333,159	76,751,502
At fair value through other comprehensive income	34b	-	430,890	430,890
Deposits with financial institutions	37	909,091	65,358	974,449
Bank and cash balances	37b	212,496	18,399	230,895
Total Assets		**78,104,198**	**10,747,500**	**88,851,698**
Equity				
Share capital	21	400,000	600,000	1,000,000
Share premium	21	-	1,198	1,198
Fair value reserve	22a	(109)	553,622	553,513
Revaluation reserve	22c	-	454,753	454,753
Retained earnings	23	1,794,167	2,890,822	4,684,989
Total ordinary shareholders' equity		**2,194,058**	**4,500,395**	**6,694,453**
Statutory reserve	24	1,631,184	-	1,631,184
Total equity		**3,825,242**	**4,500,395**	**8,325,637**
Liabilities				
Insurance contract liabilities	14	73,130,561	6,002,163	79,132,724
Reinsurance contract liabilities	14	23,063	-	23,063
Taxation payable	20	91,657	-	91,657
Deferred tax liability	35	699,081	52,307	751,388
Other payables	36	318,496	129,500	447,997
Bank overdraft	37	-	42,924	42,924
Lease liability	41	16,096	20,212	36,308
Total Liabilities		**74,278,955**	**6,247,106**	**80,526,061**
Total Equity and Liabilities		**78,104,198**	**10,747,500**	**88,851,698**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director | **Mr. Leon Nyachae, Director** | **Mr. Yogesh Meshram, Director**

KENINDIA

company statement of financial position

For The Year Ended 31 December 2022

	Note	Long term assurance business restated Ksh'000	Short term insurance business restated Ksh'000	Total restated Ksh'000
Assets				
Property and equipment	25b	23,154	843,901	867,055
Intangible assets	26b	3,188	10,449	13,637
Prepaid operating lease rentals	27	929,051	6,805	935,856
Right-of-use assets	41	9,951	19,921	29,872
Deferred tax asset	35	-	701,697	701,697
Investment properties	28	2,044,800	1,338,397	3,383,197
Investment in subsidiaries	29	-	105,612	105,612
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)	30	20	816,005	816,025
Financial assets at fair value through profit and loss	31	473,751	31,171	504,922
Loans receivable	32	97,806	3,752	101,558
Reinsurance contract assets	22	41,017	2,377,071	2,418,088
Other receivables	33	131,870	170,730	302,600
Taxation recoverable	20	-	52,390	52,390
Government securities:				
At amortised cost	34a	62,398,510	3,249,142	65,647,652
At fair value through other comprehensive income	34b	-	625,572	625,572
Deposits with financial institutions	37	776,318	299,170	1,075,488
Bank and cash balances	37b	145,089	57,619	202,708
Total assets		**67,074,525**	**10,709,404**	**77,783,929**
Equity				
Share capital	21	400,000	600,000	1,000,000
Share premium	21	-	1,198	1,198
Fair value reserve	22a	(448)	529,962	529,514
Revaluation reserve	22c	-	459,207	459,207
Retained earnings	23	1,387,067	2,796,745	4,183,812
Total ordinary shareholders' equity		**1,786,619**	**4,387,112**	**6,173,731**
Statutory reserve	24	1,541,039	-	1,541,039
Total Equity		**3,327,658**	**4,387,112**	**7,714,770**
Liabilities				
Insurance contract liabilities	14	62,457,018	5,986,593	68,443,611
Reinsurance contract liabilities	14	25,663	173,918	199,581
Taxation payable	20	83,791	-	83,791
Deferred tax liability	35	660,445	6,657	667,102
Other payables	36	508,435	114,922	623,356
Bank overdraft	37	-	17,167	17,167
Lease liability	41	11,515	23,036	34,551
Total Liabilities		**63,746,867**	**6,322,293**	**70,069,159**
Total Equity and Liabilities		**67,074,525**	**10,709,405**	**77,783,929**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director **Mr. Leon Nyachae, Director** **Mr. Yogesh Meshram, Director**

company statement of financial position

For The Year Ended 31 December 2021

KENINDIA

	Long term assurance business restated Ksh'000	Short term insurance business restated Ksh'000	Total restated Ksh'000
Assets			
Property and equipment	21,518	850,802	872,320
Intangible assets	4,375	14,927	19,302
Prepaid operating lease rentals	967,774	6,922	974,696
Right-of-use assets	14,876	27,478	42,354
Deferred tax asset	-	551,209	551,209
Investment properties	2,025,707	1,277,746	3,303,453
Due from Kenya Motor Insurance Pool	-	51,759	51,759
Investment in subsidiaries	-	105,612	105,612
Unquoted equity investments - Designated at fair value through other comprehensive income (FVTOCI)	12	787,140	787,152
Financial assets at fair value through profit and loss	595,812	33,952	629,764
Loans receivable	82,718	2,409	85,127
Reinsurance contract assets	30,083	2,102,848	2,132,931
Other receivables	339,382	181,666	521,048
Taxation recoverable	-	47,595	47,595
Government securities:			
At amortised cost	52,740,264	2,938,451	55,678,715
At fair value through other comprehensive income	-	764,718	764,718
Deposits with financial institutions	412,767	355,577	768,344
Bank and cash balances	31,152	75,695	106,847
Total assets	**57,266,440**	**10,176,506**	**67,442,946**
Equity			
Share capital	400,000	600,000	1,000,000
Share premium	-	1,198	1,198
Fair value reserve	(453)	539,843	539,390
Revaluation reserve	-	475,635	475,635
General reserve	723,683	-	723,683
Retained earnings	361,284	2,352,880	2,714,164
Total ordinary shareholders' equity	**1,484,514**	**3,969,556**	**5,454,070**
Statutory reserve	1,387,637	-	1,387,637
Total equity	**2,872,151**	**3,969,556**	**6,841,707**
Liabilities			
Insurance contract liabilities	53,355,687	5,643,046	58,998,733
Reinsurance contract liabilities	14,845	167,990	182,835
Other payables	264,434	361,409	625,843
Bank overdraft	-	944	944
Lease liability	15,811	29,204	45,015
Deferred tax liability	594,702	4,357	599,059
Taxation payable	148,811	-	148,811
Total Liabilities	**54,394,290**	**6,206,950**	**60,601,240**
Total Equity and Liabilities	**57,266,440**	**10,176,506**	**67,442,946**

The annual report and financial statements were approved and authorised for issue by the Board of Directors on 29th June 2024 and signed on its behalf by

Dr.M.P.Chandaria, Director **Mr. Leon Nyachae, Director** **Mr. Yogesh Meshram, Director**

consolidated statement of changes in equity

For The Year Ended 31 December 2023

KENINDIA

	Share capital (Note 21) Ksh'000	Share premium (Note 21) Ksh'000	Fair value reserve (Note 22b) Ksh'000	Revaluation reserve (Note 22) Ksh'000	Retained earnings (Note 23) Ksh'000	Foreign currency translation reserve Ksh'000	Non-controlling interest reserves Ksh'000	Total ordinary shareholders' equity Ksh'000	Fair value reserve Life Business Ksh'000	Retained earnings Life Business Ksh'000	Statutory reserve (Note 24) Ksh'000	Total equity and reserves Ksh'000
At 1 January 2023	**1,000,000**	**1,198**	**528,546**	**459,207**	**2,934,661**	**11,098**	**108,861**	**5,043,571**	**(448)**	**1,387,067**	**1,541,039**	**7,971,230**
Profit for the year												
-Short term business	-	-	-	-	139,944		52,616	192,560			-	192,560
-Long term business	-	-	-	-	-			-			734,555	734,555
Other comprehensive income	-	-	23,660	15,186	-	18,241		57,087	339		-	57,426
Total comprehensive income	**-**	**-**	**23,660**	**15,186**	**139,944**	**18,241**	**52,616**	**249,647**	**339**	**-**	**734,555**	**984,541**
Transfer of excess depreciation				(19,640)	19,640			-				-
Reclassification to/ from insurance liabilities	-	-	-	-	88,599			88,599			707,669	796,268
Transactions with owners:												
Dividends paid for 2022	-	-	-	-	-		-	-		(50,000)	-	(50,000)
Transfers, net of tax	-	-	-	-	-		-	-		653,000	(653,000)	-
Tax charged on transfer from reserves	-	-	-	-	-			-		(195,900)	-	(195,900)
Deferred tax liability on the statutory reserves	-	-	-	-	-			-			(699,079)	(699,079)
At 31 December 2023	**1,000,000**	**1,198**	**552,206**	**454,753**	**3,182,844**	**29,339**	**161,477**	**5,381,817**	**(109)**	**1,794,167**	**1,631,184**	**8,807,060**

consolidated statement of changes in equity

For The Year Ended 31 December 2022

KENINDIA

	Share capital Ksh'000 Company	Share premium Ksh'000 Company	Fair value reserve Ksh'000 General Business	Revaluation reserve Ksh'000 General Business	Retained earnings Ksh'000 General Business	Foreign currency translation reserve Ksh'000 General Business	Non-controlling interest Ksh'000	Total Reserves Ksh'000 General Business	Fair value reserve Ksh'000 Life Business	General reserve Ksh'000 Life Business	Retained earnings Ksh'000 Life Business	Statutory reserve Ksh'000 Life Business	Total ordinary shareholders' equity Ksh'000 Company
At 1 January 2022	**1,000,000**	**1,198**	**538,427**	**475,635**	**2,386,719**	**3,744**	**107,218**	**4,512,941**	**(453)**	**723,683**	**42,768**	**318,516**	**5,597,455**
Adjustment on initial application of IFRS 17												-	-
-Short term business	-	-	-	-	132,751	-	6,920	139,671		-		-	139,671
-Long term business	-	-	-	-	-					-		1,982,339	1,982,339
Reclassification to retained earnings	-	-	-	-						-	318,516	(318,516)	-
Deferred tax on the statutory reserve	-	-	-	-						-		(594,702)	(594,702)
Restated balance as at 1 January 2022	**1,000,000**	**1,198**	**538,427**	**475,635**	**2,519,470**	**3,744**	**114,138**	**4,652,612**	**(453)**	**723,683**	**361,284**	**1,387,637**	**7,124,763**
Profit for the year								-					-
-Short term business	-	-	-	-	384,066		(5,277)	378,789		-		-	378,789
-Long term business	-	-	-	-				-				848,057	848,057
Other comprehensive income	-	-	(9,881)	3,212	-	7,354		685	5	-		-	690
Total comprehensive income	-	-	(9,881)	3,212	384,066	7,354	(5,277)	379,474	5	-	-	848,057	1,227,536
Transfer of excess depreciation	-	-	-	(19,640)	19,640	-				-		-	-
Transfer to general reserves										299,600	-299,600		
Reclassification to/ from insurance liabilities	-	-	-	-	36,485			36,485		-		468,791	505,276
Transfer to retained earnings								-		(1,023,283)	1,023,283		-
Transactions with owners:													
Dividends paid for 2021	-	-	-	-	(25,000)	-		(25,000)		-	(50,000)	-	(75,000)
Transfers, net of tax	-	-	-	-							503,000	(503,000)	-
Tax charged on transfer from reserves									-	-	(150,900)		(150,900)
Deferred tax liability on the statutory reserves												(660,445)	(660,445)
Restated balance as at 31 December 2022	**1,000,000**	**1,198**	**528,546**	**459,207**	**2,934,661**	**11,098**	**108,861**	**5,043,571**	**(448)**	**-**	**1,387,067**	**1,541,040**	**7,971,230**

company statement of changes in equity

For The Year Ended 31 December 2023

KENINDIA

	Share capital (Note 21) Ksh'000	Share premium (Note 21) Ksh'000	Fair value reserve (Note 22b) Ksh'000	Revaluation reserve (Note 22) Ksh'000	Retained earnings (Note 23) Ksh'000	Total ordinary shareholders' equity Ksh'000	Fair value reserve Life Business Ksh'000	Retained earnings Life Business Ksh'000	Statutory reserve (Note 24) Ksh'000	Total equity and reserves Ksh'000
At 1 January 2023	**1,000,000**	**1,198**	**529,962**	**459,207**	**2,796,745**	**4,787,112**	**(448)**	**1,387,067**	**1,541,039**	**7,714,770**
Profit for the year										
-Short term business	-	-	-	-	43,735	43,735			-	43,735
-Long term business	-	-	-	-	-	-			734,555	734,555
Other comprehensive income	-	-	23,660	15,186	-	38,846	339		-	39,185
Total comprehensive income	-	-	23,660	15,186	43,735	82,581	339	-	734,555	817,475
Transfer of excess depreciation				(19,640)	19,640	-				-
Reclassification to/ from insurance liabilities	-	-	-	-	30,702	30,702			707,669	738,371
Transactions with owners:										
Dividends paid for 2022	-	-	-	-	-	-		(50,000)	-	(50,000)
Transfers, net of tax	-	-	-	-		-		653,000	(653,000)	-
Tax charged on transfer from reserves	-	-	-	-	-	-		(195,900)	-	(195,900)
Deferred tax liability on the statutory reserves	-	-	-	-	-	-			(699,079)	(699,079)
At 31 December 2023	**1,000,000**	**1,198**	**553,622**	**454,753**	**2,890,822**	**4,900,395**	**(109)**	**1,794,167**	**1,631,184**	**8,325,637**

company statement of changes in equity

For The Year Ended 31 December 2022

KENINDIA

	Share capital Ksh'000 Company	Share premium Ksh'000 Company	Fair value reserve Ksh'000 General Business	Revaluation reserve Ksh'000 General Business	Retained earnings Ksh'000 General Business	Total Reserves Ksh'000 General Business	Fair value reserve Ksh'000 Life Business	General reserve Ksh'000 Life Business	Retained earnings Ksh'000 Life Business	Statutory reserve Ksh'000 Life Business	Total ordinary shareholders' equity Ksh'000 Company
At 1 January 2022	**1,000,000**	**1,198**	**539,843**	**475,635**	**2,185,058**	**4,201,734**	**(453)**	**723,683**	**42,768**	**318,516**	**5,286,248**
						-				-	-
Adjustment on initial application of IFRS 17						-				-	-
						-				-	-
-Short term business	-	-	-	-	167,822	167,822		-		-	167,822
-Long term business	-	-	-	-	-	-		-		1,982,339	1,982,339
Reclassification to/ from insurance liabilities	-	-	-	-		-		-			-
						-					-
Reclassification to retained earnings	-	-	-	-		-		-	318,516	(318,516)	-
Deferred tax on the statutory reserve	-	-	-	-		-		-		(594,702)	(594,702)
Restated balance as at 1 January 2022	**1,000,000**	**1,198**	**539,843**	**475,635**	**2,352,880**	**4,369,556**	**(453)**	**723,683**	**361,284**	**1,387,637**	**6,841,707**
						-					-
Profit for the year						-					-
						-					-
-Short term business	-	-	-	-	397,152	397,152		-		-	397,152
						-					
-Long term business	-	-	-	-		-				848,057	848,057
						-					
Other comprehensive income	-	-	(9,881)	3,212	-	(6,669)	5	-			(6,664)
Total comprehensive income	-	-	(9,881)	3,212	397,152	390,483	5	-	-	848,057	1,238,544
Transfer of excess depreciation	-	-	-	(19,640)	19,640			-			
Transfer to general reserves								299,600	(299,600)		
Reclassification to/ from insurance liabilities	-	-	-	-	52,073	52,073		-		468,791	520,864
Transfer to retained earnings						-		(1,023,283)	1,023,283		
Transactions with owners:						-					
Dividends paid for 2021	-	-	-	-	(25,000)	(25,000)		-	(50,000)		(75,000)
Transfers, net of tax	-	-	-	-					503,000	(503,000)	
Tax charged on transfer from reserves							-	-	(150,900)		(150,900)
Deferred tax liability on the statutory reserves										(660,445)	(660,445)
Restated balance as at 31 December 2022	**1,000,000**	**1,198**	**529,962**	**459,207**	**2,796,745**	**4,787,112**	**(448)**	**-**	**1,387,067**	**1,541,039**	**7,714,770**

KENINDIA

consolidated statement of cash flows

For The Year Ended 31 December 2023

	Note	2023 Ksh'000	2022 Ksh'000
Cash flows from operating activities			
Profit before tax	**Note**	**794,886**	**1,163,208**
Adjustments for:			
Depreciation on property and equipment	25	42,082	42,239
Amortisation of intangible assets	26	4,933	6,336
Amortisation of prepaid lease	27	36,388	38,839
Depreciation on right-of-use assets	41	11,889	-
Fair value gain on investment property	18	(17,516)	(29,826)
Exchange adjustment on property and equipment	25	2,182	879
Exchange adjustment on intangible assets	26	2,418	(116)
Interest from government securities carried at amortised cost	18 b	(9,043,999)	(7,752,225)
"Interest from government securities carried at fair value through other comprehensive income)"	18 b	(90,488)	(92,887)
Interest on deposits with financial institutions	18 b	(127,990)	(75,334)
Interest on loans and receivables	18 b	(14,112)	(11,075)
Dividends received from nvestments in equity instruments	18 b	(67,614)	(64,710)
Fair value loss on quoted investments	31a	42,794	132,343
Gain on disposal of property and equipment	18c	(14,806)	6
Working capital changes;			
Changes in insurance contract liabilities	14	10,968,895	10,416,293
Changes in reinsurance contract assets	14	(323,768)	(723,347)
Changes in reinsurance contract liabilities	14	(176,518)	16,746
Decrease in other receivables	33	104,163	(29,648)
Decrease/(increase) in other payables	36	-	156,103
Cash generated from operations		**2,133,819**	**3,193,824**
Income tax paid	20	(204,683)	(238,719)
Net cash flows generated from operating activities		**1,929,136**	**2,955,104**

consolidated statement of cash flows

For The Year Ended 31 December 2023

KENINDIA

	Note	2023 Ksh'000	2022 restated Ksh'000
Cash flows from investing activities			
Purchase of property and equipment	25	(30,054)	(20,647)
Purchase of intangible assets	26	(1,458)	(179)
Increase in right of use assets	41	(975)	14,171
Proceeds from disposal of property and equipment		2,101	3,313
Movement in unquoted equity investments	30	(232,258)	(33,055)
(Increase)/decrease in loans receivable	32	14,874	(18,795)
Net investment in government securities carried at amortised cost:			
- Additions	34a	(10,925,783)	(9,973,133)
Net investment in government securities carried at fair value through other comprehensive income:			
-Maturities	34b	110,931	
- Disposals	34b	50,000	140,132
Change in deposits with financial institutions (maturing after 90 days of date of acquisiti	37	(103,239)	9,920
Interest from government securities carried at amortised cost	18	9,043,999	7,752,225
Interest from government securities carried at fair value through other comprehensive income	18	90,488	92,887
Interest on deposits with financial institutions	18	127,990	75,334
Interest on loan receivables	18	14,112	11,075
Dividends received from investement in equity instruments	18	67,614	64,710
Net cash flows used in investing activities		**(1,771,658)**	**(1,882,042)**
Cash flows from financing activities			
Lease liability	41	1,757	(10,505)
Dividends paid	21d	(50,000)	(75,000)
Net cash flows used in financing activities		**(48,243)**	**(85,505)**
Increase in cash and cash equivalents		**109,234**	**987,558**
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year"		1,785,378	808,918
Increase in cash and cash equivalents		109,234	987,558
Exchange differences on translation of foreign operations	22	(18,241)	(11,098)
Cash and cash equivalents at the end of the year (Note 37)	**37**	**1,876,371**	**1,785,378**

company statement of cash flows

For The Year Ended 31 December 2023

		2023	2022
			restated
		Ksh'000	Ksh'000
Cash flows from operating activities			
Profit before tax	**Note**	**622,156**	**1,112,178**
Adjustments for:			
Depreciation on property and equipment	25	38,080	38,657
Depreciation on right of use assets	41	11,889	12,482
Amortisation of intangible assets	26	4,528	5,844
Amortisation of prepaid lease	27	36,388	38,839
Fair value loss/(gains) on investment property	18 b	(17,016)	(29,087)
Interest from government securities at amortised cost	18 b	(9,032,783)	(7,744,597)
Interest from government securities at fair value through other comprehensive income	18 b	(90,488)	(90,488)
Interest on deposits with financial institutions	18 b	(100,159)	(55,623)
Interest on loans receivable	18 b	(14,112)	(11,075)
Dividends received from equity investments	18 b	(63,118)	(61,016)
Fair value loss/(gains) on quoted equity investments	18 b	149,199	124,843
Loss on sale of property and equipment	18 c	7,601	3,319
Loss on sale of government bonds	18 c	7,205	-
Loan receivable impairment	32	-	(4,239)
Fair value loss on government securities	34	45,708	30,088
Gain on disposal of government securities	34	1,189	10,768
Loss on sale of quoted investments		-	-
Working capital changes;			
Changes in insurance contract liabilities	15	10,907,323	9,379,190
Changes in reinsurance contract assets	14	(233,777)	(285,157)
Changes in reinsurance contract liabilities	14	(176,518)	16,746
Changes in other payables	36	(175,359)	(2,487)
Changes in other receivables	33	80,823	218,448
Cash generated from operations		**2,008,761**	**2,707,633**
Income tax paid		(191,823)	(226,148)
Net cash flows generated from operating activities		**1,816,938**	**2,481,485**

company statement of cash flows

For The Year Ended 31 December 2023

KENINDIA

	Note	2023 Ksh'000	2022 restated Ksh'000
Cash flows from investing activities			
Purchase of property and equipment	25 b	(27,223)	(17,072)
Purchase of intangible assets	26	(1,458)	(179)
Changes in right of use assets	41	(12,864)	-
Proceeds from disposal of property and equipment	25	4,804	3,313
Decrease in due from motor pool- Unquoted investment	33	-	51,759
Other movement in property and equipment	25	(19,754)	(19,639)
Movement in investment property	28	(16,625)	(50,657)
Change in unquoted equity investments	30	(149,006)	(28,873)
(Increase)/decrease in loans receivable	32	(1,729)	396
Net movement in investment in government securities at amortised cost:			
- Additions	34	(11,105,040)	(9,979,704)
Net (increase)/decrease in investment in government securities thro other comprehensive income			
- Maturities	34	110,931	106,179
- Disposals	34	50,000	-
Change in deposits with financial institutions (maturing after 90 days of date of acquisition)	37	155,095	16,189
Interest from government securities at amortised cost	18 b	9,032,783	7,744,597
Interest from government securities thro other comprehensive income	18 b	90,488	90,488
Interest on deposit with financial institutions	18 b	100,159	28,918
Interest on loans and advances	18 b	14,112	217
Dividends received from equity investments	18 b	63,118	61,016
Net cash flows used in investing activities		**(1,712,208)**	**(1,993,052)**
Cash flows from financing activities			
Net movement in lease liability	41	1,757	(10,464)
Dividends paid	21d	(50,000)	(75,000)
Net cash flows used in financing activities		**(48,243)**	**(85,464)**
Increase in cash and cash equivalents		**56,486**	**402,971**
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1,105,934	702,963
Increase in cash and cash equivalents		56,486	402,971
Cash and cash equivalents at the end of the year (Note 37)	**37**	**1,162,420**	**1,105,934**

1. GENERAL INFORMATION

Kenindia Assurance Company Limited ("the Company") carries out insurance business, both life and non-life. It is incorporated in Kenya under the Companies Act as a private limited liability company. The Company is domiciled in Kenya and the address of its registered office is disclosed below:
Kenindia Assurance Company Limited
Kenindia House, Loita Street Nairobi

2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). They were authorised for issue by the Company's board of directors on 29 June 2024.
Details of the Company's material accounting policy information are included in disclosed in Note 9.
This is the first set of the Company's annual financial statements in which IFRS 17 Insurance Contracts has been applied. The related changes in accounting standards and policies are in Note 5.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Kenya Shillings, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, management has made judgements and estimates that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Company's accounting policies and that will have the most significant effect on the amounts recognised in financial statements:

- Note 6 E impairment of financial assets: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL;
- Note 9 B classification of insurance, reinsurance and investment contracts: assessing whether the contract transfers significant insurance risk and whether an insurance contract contains direct participation features;
- Note 9 c (ii)– level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining Company's contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently;
- Note 9(c)(v) – measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract;
- Notes 5(i) and 9(C)(ix) – transition to IFRS 17: determining whether sufficient reasonable and supportable information is available to apply a full or modified retrospective approach.

b) Key sources of estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Key sources of uncertainties (Continued)

- Notes 6(E) and 9(E)(iii) – impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information;
- Notes 8(ii)– measurement of the fair value of financial instruments, investment properties and owner-occupied properties with significant unobservable inputs;
- Insurance contract assets and liabilities and reinsurance contract assets and liabilities.

By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF and reinsurance contracts held, the Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

– Future cash flows
– Discount rates
– Allocation rate for insurance finance income or expenses
– Risk adjustment for non-financial risk
– Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Sensitivity analysis of carrying amounts to changes in assumptions
Presented below is the sensitivity analysis to the key assumptions that could result in material adjustment to the carrying amounts of assets and liabilities within the next financial year. The sensitivity analysis considers impact on profit or loss and equity.

Insurance Contract liabilities		**2023**	**2022**
		Shs ‘000	**Shs'000**
Base		73,127,136	62,457,018
Change in assumption			
Mortality rates	+6% increase	73,134,409	62,462,875
Longevity rates	-7% decrease of mortality rates	73,118,553	62,442,046
Morbidity / disability rates	+40% increase in the first year followed by +15% increase in subsequent years and -10% decrease	73,127,136	62,457,018
Expenses	+5% increase in expenses. +1% increase in expense inflation.	73,202,277	62,542,648
Lapses rates	15% increase for new business. +5% increase for in force business	73,116,548	62,444,705
Interest rate	10% decrease	73,848,541	63,023,310
Catastrophe	+1 .5 per mille increase in mortality rates	73,168,625	62,502,712

<u>**Technique for estimation of future cash flows**</u>
In estimating fulfilment cash flows included in the contract boundary, the Company considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Company uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Key sources of uncertainties (Continued)

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims, policy surrender rates. The Company maximises the use of observable inputs for market variables
and utilises internally generated group-specific data. For life insurance contracts, the Company uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.
In measuring investment-linked life insurance contracts' cash flows or a portion of those cash flows, the Company uses a fair value of a 'replicating asset' or a 'replicating portfolio of assets' where cash flows exactly match the cash flows (or some of the cash flows) of a group of insurance contracts in all scenarios in terms of timing, amount and uncertainty. The fair value of the asset reflects both the expected present value of the cash flows and their associated risk, and this matches the characteristics of the group of insurance contracts in all scenarios.

Method of estimating discount rates

The company has opted to use the top-down approach for the Annuities portfolio to ensure that the discount rate better matches the reference asset portfolio. The discount rate for the Annuities portfolio is therefore based on the investment returns earned on the assets backing the portfolio's liabilities. For all other life portfolios the company has opted to use the bottom-up approach for discounting. The risk-free rate has been taken as the Nairobi Securities Exchange Yield Curve as at each measurement date. A liquidity adjustment of 0% has been applied to the risk-free rate as the contracts under all other life insurance portfolios (except Annuities) are deemed to be liquid due to the exit and cancellation terms of the contracts.

For the general business, the bottom-up approach has been used to determine the discount rates for all classes of business. No adjustment for illiquidity premium has been applied. The company assessed the illiquidity of all classes of business written and determined that all general insurance policies they underwrite can be terminated and/or exited and as such would not require an illiquidity premium adjustment. The Nairobi Securities Exchange (NSE) government bond yield curve has been used as the risk-free discount rates. The table below shows the impact of discounting by class of business.

The Company used the following yield curves to discount cash flows:

2023	Currency	1 year	5 years	10 years	20 years	30 years
Life	KShs	16.10%	17.45%	15.70%	15.73%	16.10%

2022	Currency	1 year	5 years	10 years	20 years	30 years
Life	KShs	10.31%	13.53%	13.77%	13.93%	14.20%

Estimation of allocation rate for insurance finance income or expenses

The Company uses either the constant or crediting rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the group contracts. In determining the constant rate, the Company estimates the expected insurance finance income or expenses over the remaining duration of the group that is partly implicit in the estimated cash flows.

For direct participating contracts for which the Company does not hold the underlying items, the Company uses the crediting rate for the systematic allocation of insurance finance income or expenses. In determining the crediting rate, the Company estimates the constant factor.

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4. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Key sources of uncertainties (Continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Company- specific price for bearing that risk and reflects the degree of the Company's risk aversion. The Company determines the risk adjustment for non-financial risk at the groups of insurance contracts level.

In estimating the risk adjustment for the Life business, the Company has used the cost of capital approach to determine the risk adjustment for all portfolios with a confidence level of 90% for the purposes of IFRS 17 reporting. The cots of capital has been calculated as discounted future capital requirements based on IRA Risk Based Capital guidelines excluding financial risk components.The resultant risk adjustment factor is approximately 5% of future expected claims and expenses across all portfolios except pensions.

For the Non-Life business the has chosen the Value-at-Risk approach to estimate the risk adjustment for non-financial risk (RA) for all portfolios within their general insurance business. This utilises the bootstrapping approach using the Over Dispersed Poisson (ODP) model to come up with a distribution. The confidence interval was set at 99.5%. The table below shows the RA estimated for each class of business.

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Company allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Company estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

The Company's total carrying amount of insurance and reinsurance contract assets and liabilities is included in Note 26 and 36 as below:

	2023 Total Shs'000	2022 Total Shs'000
Insurance contract Assets	-	-
Insurance contract Liabilities	73,130,561	62,457,018
Net	**73,130,561**	**62,457,018**
Reinsurance Contract assets	2,536,341	2,334,246
Reinsurance Contract Liabilities	23,064	199,581
Net	**2,513,277**	**2,134,665**

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

i) Relevant new and amended standards adopted by the Company

During the year the following new and amended standard have been adopted by the Company:

IFRS 17 Insurance Contracts

The Company has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

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

Recognition, measurement and presentation of insurance contracts

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

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Company applies the PAA to simplify the measurement of some contracts, except for acquired contracts that do not qualify for the PAA. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

For an explanation of how the Company accounts for insurance and reinsurance contracts under IFRS 17, see Note 9(c).

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using the full retrospective approaches, see Note 9 (c) (ix). Under the full retrospective approach, at 1 January 2022 the Company:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment in Note 9(c)(iii) was not applied before 1 January 2022;
- The fair value approach has been applied to measure certain contracts issued on or before 2021.
- The Company has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity as a single line item

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

i) Relevant new and amended standards adopted by the Company (Continued)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Amendments to IAS 8 Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

a) The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
b) Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
c) The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
d) A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.
   The amendments are effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.
   The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

i) Relevant new and amended standards adopted by the Company (Continued)

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

on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.
The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.
The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.
The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

ii) New standards and interpretations not yet adopted by the Company

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

New and Amendments to standards	Effective for annual periods beginning on or after
Amendments to IAS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Yet to be set, however earlier application permitted
Amendments to IAS 1- Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	Annual periods beginning on or after 1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	Annual periods beginning on or after 1 January 2024

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

Amendments to IAS 1 - Non-current Liabilities with Covenants
The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024.
Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the Company do not anticipate that the application of these amendments will have an impact on the Company's financial statements in future periods.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments aim at providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position- not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

ii) New standards and interpretations not yet adopted by the Company (continued)

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. In July 2021, the Board tentatively decided to defer the effective date of the 2020 amendments to no earlier than 1 January 2024.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Company.

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The directors of the Company anticipate that the application of these amendments may not have an impact on the Company’s financial statements in future periods should such transactions arise.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity’s statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Company.

5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

ii) New standards and interpretations not yet adopted by the Company (continued)

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Company.

iii) Early adoption of standards
The Company did not early-adopt any new or amended standards in 2023.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT

Risk management forms an important part of the governance structures for the Company. This section outlines the various types of risks faced by the Company and the strategies adopted to minimise the effect of the risks.

Management of risk is the responsibility of the Board of Directors but the daily monitoring has been delegated to the executive committee with a dedicated risk and compliance officer. Through its risk management structure, the Company seeks to manage the following key risks: Liquidity, Market, Interest rate, Credit, Insurance and Capital risks. Operational and reputational risks are inherent in the business and are managed through internal processes and controls. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

The Board Risk and Compliance committee is responsible for monitoring compliance with group risk management policies and procedures and for reviewing the robustness of the risk management framework. The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from its financial assets may not be sufficient to fund the obligations arising from its insurance and investment contracts.

Financial risk management strategy and policy

The Company manages these positions within an asset liability (ALM) framework that has been developed to achieve long-term investment returns in excess of its obligations under benefits payable to contract holders, as well as seeking to maximise the return on shareholders' funds, all within an acceptable framework. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The insurance contracts retain substantial exposure to the extent that the benefits payable to policyholders are not linked to the performance of the underlying assets and/or contract holders enjoy options embedded in their contracts which are not matched by identical options in the underlying investments. These exposures include duration risk, credit risk and market risk. The notes below explain how financial risks are managed using the categories utilised in the ALM framework.

A) Underwriting risk

Underwriting risk management
Underwriting risk consists of insurance risk, persistency risk and expense risk.
Insurance risk is the risk of the loss event occurrence, or the timing and amount of the loss being different from expectation. The Company's main income generating activity is the issuance of insurance contracts and therefore insurance risk is a principal risk.

The Company is exposed to different elements of insurance risks:

- For life insurance policies:
  - Mortality risk: the risk of losses arising from death of life insurance policyholders being earlier than expected
  - Morbidity risk: the risk of losses from medical claims occurring higher than expected
  - Longevity risks: the risk of losses arising from longer life of policyholders than expected

- Other policies:
  - Premium risk: the risk that premiums charged to policyholders are less than claims cost on business written
  - Reserve risk: the risk that the claims reserves are insufficient to cover all claims

For life insurance policies where death or disability is the insured risk, the most significant factors that could increase the amount and frequency of claims are epidemics or widespread changes in lifestyle, resulting in earlier or more claims than expected.

For annuity contracts where longevity is the main insurance risk, the most significant factor which could increase the amount and frequency of claims is improvement in medical science.

The Company is exposed to reserve risk and premium risk arising on all insurance contracts issued.

The Company mitigates its exposure by applying its underwriting strategy to diversify the type of insurance risks accepted and the level of insured benefit.

The Company also mitigates these risks by purchasing excess of loss reinsurance programmes against large individual claims and catastrophe losses and quota-share reinsurance arrangements to reduce the overall exposure for certain classes of business. The Company has a variety of approved reinsurers to mitigate reinsurance risk, the risk of placement of ineffective reinsurance arrangements.

The Company is exposed to longevity risk on its fixed annuity contracts issued, deferred variable annuity contracts issued, and universal life contracts with embedded guaranteed annuity options and related quota share reinsurance contracts.

The Company is exposed to mortality and morbidity risk on its term life assurance contracts issued and direct participating investment-linked insurance policies and related quota-share reinsurance contracts.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Underwriting risk management (Continued)

Concentration by class of business

	2023			2022		
Concerntration by class of business	**Insurance contracts issued Shs '000**	**Reinsurance contracts Issued Shs '000**	**Net Shs '000**	**Insurance contracts issued Shs '000**	**Reinsurance contracts issued Shs '000**	**Net Shs '000**
Life Assurance	7,841,006	480,292	7,360,713	7,570,313	654,015	6,916,298
Group life assurance	17,140,199	11,938,249	5,201,951	9,784,403	6,655,061	3,129,343
Annuity and income draw down	3,499,345	-	3,499,345	3,205,712	-	3,205,712
Pension	-	-	-	-	-	-
	615,021,369	310,820,099	304,201,270	769,414,567	390,681,939	378,732,629
Short term business						
Aviation	-	-	-	-	-	-
Engineering	18,222,639	12,612,406	5,610,233	36,398,092	29,487,399	6,910,693
Fire Domestic	32,893,147	3,973,929	28,919,218	41,558,337	5,307,775	36,250,562
Fire Industrial	327,214,407	265,125,115	62,089,292	417,888,659	337,362,525	80,526,134
Motor Private	101,727,067	5,481	101,721,587	122,413,185	-3,034,807	125,447,992
Motor Commercial	10,027,888	159,457	9,868,431	13,437,524	34,574	13,402,951
Liability	11,825,178	9,994,045	1,831,134	12,769,661	10,195,688	2,573,973
Marine	68,381,462	11,378,581	57,002,881	76,705,997	34,455	76,671,541
Medical	532,059	372,141	159,918	579,449	391,478	187,971
Personal Accident	3,036,308	2,070,418	965,890	4,668,423	3,188,324	1,480,099
Theft	5,189,125	3,342,424	1,846,700	6,900,898	4,264,990	2,635,907
Workmens	34,510,916	718,386	33,792,530	34,954,527	2,652,256	32,302,271
Compensation Miscellaneous	1,461,171	1,067,715	393,455	1,139,816	797,281	342,534
Total	**643,501,918**	**323,238,640**	**320,263,279**	**789,974,995**	**397,991,014**	**391,983,981**

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Underwriting risk management (Continued)

December 31, 2023	Insurance contract liabilities	Reinsurance contract asset
	Kshs. '000	Kshs. '000
Indirect Participating features	2,275,961	-
Direct Participating features	-	117,081
Investment contract with DPF	16,248,647	4,175
Non-Participating features	4,337,514	-
Group Life	107,743	82,848
Deposit Administration	50,160,697	-
Short term business	5,929,381	2,446,174
Insurance Contract Liabilities	**79,059,942**	**2,650,277**

December 31, 2022	Insurance contract liabilities	Reinsurance contract asset
	Kshs. '000	Kshs. '000
Indirect Participating features	2,376,247	-
Direct Participating features	-	403,651
Investment contract with DPF	14,848,825	11,316
Non-Participating features	3,005,182	-
Group Life	54,452	37,481
Deposit Administration	42,172,312	-
Short term business	5,848,067	2,293,229
Insurance Contract Liabilities	**68,305,085**	**2,745,677**

The Company is also exposed to the following two risks which are not insurance risks but related to insurance contracts:

- Lapse or persistency risk – the risk that the counterparty will cancel the contract earlier or later than the Company had expected in pricing the contract
- Expense risk – the risk of unexpected increases in the administrative costs associated with the servicing of a contract, rather than in costs associated with insured events.

These risks arise from all insurance contracts. A sensitivity analysis to changes in lapse and expense rates has been presented under Key sources of estimation uncertainty.

The Company manages persistency risk based on the underwriting policy and guidelines on persistency management which are reviewed by the Reserving Committee regularly. The Company frequently monitors the expense level of each business unit to address expense risk.

The Company's Reserving Committee is responsible for managing the Company's insurance and reinsurance risk by:

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Concentration of risk

- Ensuring that the Company has appropriate underwriting and reinsurance strategy within an overall risk management framework, including an effective system of internal control
- Identifying, assessing and measuring insurance risk across the Company, from an individual policy to a portfolio level
- Establishing a robust control framework regarding the authorization structure for the approval and renewal of insurance and reinsurance policies
- Ensuring that risk management policies and procedures are reviewed regularly to reflect changes in the Company's activities and market conditions
- Monitoring that individual and aggregate claims reserves are reviewed regularly by internal actuaries using a variety of actuarial techniques
- Ensuring reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital
- Monitoring that reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis
- Limiting concentrations of exposure by class of business, counterparties, geographic location etc.

The internal audit function performs regular audits ensuring that the established controls and procedures are adequately designed and implemented.

There were no significant changes in the Company's objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous period.

The Company monitors insurance risk per class of business. An analysis of the Company's insurance risk concentration (both before and after reinsurance) per class of business is provided in the following tables

	2023			2022		
Concentration by class of business	**Insurance contracts issued**	**Reinsurance contracts Issued**	**Net**	**Insurance contracts issued**	**Reinsurance contracts issued**	**Net**
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Life assurance	7,841,006	480,292	**7,360,713**	7,570,313	654,015	**6,916,298**
Group life assurance	17,140,199	11,938,249	**5,201,951**	9,784,403	6,655,061	**3,129,343**
Annuity and income draw down	3,449,345	-	**3,499,345**	3,205,712	-	**3,205,712**
Pension	-	-	**-**	-	-	**-**
Short term business	615,021,369	310,820,099	**304,201,270**	769,414,567	391,681,939	**378,732,629**
Total	**643,501,918**	**323,238,640**	**320,263,279**	**789,974,995**	**397,991,014**	**391,983,981**

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Concentration of risk (Continued)

Groups of reinsurance contract assets	2023	2022
	Shs'000	Shs'000
Concentration by reinsurer		
Africa Reinsurance Corporation	3,032	(10,271)
Kenya Reinsurance Corporation	27,757	(43,312)
ZEP Reinsurance Corporation Ltd	56	(58,200)
Total	**30,845**	**(111,783)**

The Directors do not believe that there are significant concentrations of insurance or reinsurance risks.

Sensitivities

The following table details the impact of changes in key assumptions on the Company's profit or loss, equity and CSM before and after risk mitigation from reinsurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

31 December 2023

		Best Estimate Liability	**CSM**	**Profit Before Tax**
		Shs'000	**Shs'000**	**Shs'000**
Change in assumption				
Mortality rates	+6% increase	73,134,409	7,273	741,828
Longevity rates	-7% decrease of mortality rates	73,118,553	(8,583)	725,972
Morbidity / disability rates	+40% increase in the first year followed by +15% increase in subsequent years and -10% decrease	73,127,136	-	734,555
Expenses	+5% increase in expenses. +1% increase in expense inflation.	73,202,277	75,141	809,696
Lapses rates	15% increase for new business. +5% increase for in force business	73,116,548	(10,588)	723,967
Interest rate	10% decrease	73,848,541	721,405	1,455,960
Catastrophe	+1 .5 per mille increase in mortality rates	73,168,625	41,489	776,044

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Concentration of risk (Continued)

31 December 2022

		Best Estimate Liability Shs'000	CSM Shs'000	Profit Before Tax Shs'000
Change in assumption				
Mortality rates	+6% increase	62,462,875	5,857	853,914
Longevity rates	-7% decrease of mortality rates	62,442,046	(14,972)	833,085
Morbidity / disability rates	+40% increase in the first year followed by +15% increase in subsequent years and -10% decrease	62,457,018	-	848,057
Expenses	+5% increase in expenses. +1% increase in expense inflation.	62,542,648	85,630	933,687
Lapses rates	15% increase for new business. +5% increase for in force business	62,444,705	(12,313)	835,744
Interest rate	10% decrease	62,023,310	566,292	1,414,349
Catastrophe	+1 .5 per mille increase in mortality rates	62,502,712	45,694	893,751

Claims development
The table below summarizes actual claims compared with previous estimates of the undiscounted amount of the claims. The Company presents information on the gross and net claims development for claims incurred 6 years before the reporting period. The Company reconciles the LIC presented in the table with the aggregate carrying amount of the groups of insurance contracts.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Claims development (Continued)

31 December 2023

Gross claims development				Claim year				
	2017	2018	2019	2020	2021	2022	2023	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At end of claim year	6,321,648	452,651	363,433	444,298	372,177	284,409	1,199,515	1,199,515
One year later	13,249,277	944,168	793,419	832,608	785,296	1,540,782	-	1,540,782
Two years later	18,383,764	1,183,308	880,385	998,170	1,521,601	-	-	1,521,601
Three years later	21,815,397	1,277,342	957,614	1,696,081	-	-	-	1,696,081
Four years later	22,885,071	1,349,478	1,257,594	-	-	-	-	1,257,594
Five years later	29,372,389	1,590,351	-	-	-	-	-	1,590,351
Six years later	29,463,119	-	-	-	-	-	-	29,463,119
Gross cumulative Ultimate claims liabilities - accident years from 2017 to 2023	**29,463,120**	**1,590,351**	**1,257,594**	**1,696,081**	**1,521,601**	**1,540,782**	**1,199,515**	**38,269,043**
Less: Cumulative payments to date	26,988,235	1,393,504	1,015,518	1,159,700	946,876	955,125	345,781	32,804,740
Total Outstanding Claim Reserve	1,748,722	111,615	135,126	317,137	312,813	332,327	515,206	3,472,946
Outstanding Claims Reserves (OCR)	726,163	85,232	106,951	219,244	261,911	253,330	338,528	1,991,358
Incurred But Not Reported (IBNR)	(427,042)	(49,879)	(67,298)	(135,052)	(154,313)	(152,609)	(180,947)	(1,167,139)
Effect of discounting	635,454	43,861	51,436	119,875	124,413	128,727	205,088	1,308,854
Effect of the risk adjustment margin for non-financial risk	2,683,296	190,829	226,215	521,204	544,824	561,775	877,876	5,606,019
Gross LIC for the contracts originated	**29,463,120**	**1,590,351**	**1,257,594**	**1,696,081**	**1,521,601**	**1,540,782**	**1,199,515**	**38,269,043**

31 December 2022

Gross claims development				Claim year			
	2017	2018	2019	2020	2021	2022	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At end of claim year	6,321,648	452,651	363,433	444,298	372,177	1,292,330	1,292,330
One year later	13,249,277	944,168	793,419	832,608	1,643,130	-	1,643,130
Two years later	18,383,764	1,183,308	880,385	1,783,484	-	-	1,783,484
Three years later	21,815,397	1,277,342	1,362,208	-	-	-	1,362,208
Four years later	22,885,071	1,629,898	-	-	-	-	1,629,898
Five years later	29,372,389	-	-	-	-	-	29,372,387
Gross cumulative Ultimate claims liabilities - accident years from 2017 to 2023	**29,372,387**	**1,629,898**	**1,362,208**	**1,783,484**	**1,643,130**	**1,292,330**	**37,083,436**
Less: Cumulative payments to date	26,889,789	1,349,478	957,614	998,170	785,296	284,409	31,264,756
Outstanding Claims Reserves (OCR)	1,839,326	185,650	282,466	523,037	584,274	670,537	4,085,290
Incurred But Not Reported (IBNR)	643,272	94,771	122,128	262,277	273,559	337,384	1,733,390
Effect of discounting	(385,593)	(66,096)	(93,330)	(191,003)	(209,281)	(194,012)	(1,139,316)
Effect of the risk adjustment margin for non-financial risk	471,138	48,077	69,830	133,295	145,457	182,738	1,050,536
Gross LIC for the contracts originated	**2,568,143**	**262,402**	**381,093**	**727,606**	**794,010**	**996,647**	**5,729,900**

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6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

A. Underwriting risk (Continued)

Claims development (Continued)

i) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents and fixed deposits held in banks, interest bearing investments with Government of Kenya and commercial paper and corporate bonds with various entities.

The Government of Kenya (GoK) has a long term rating of B+ (Stable) by Standard and Poor's and has not defaulted on debt obligation in the past.

The Company has appointed an investments manager who takes overall responsibility for carrying out a quarterly due diligence investigation on banks to determine those that qualify for deposits placement.

The criteria used in the due diligence process is rigorous and adopts parameters such as capital adequacy, liquidity, non-performing loan ratio and other non-financial ratios in determining qualified institutions. Based on the outcome of this investigation a maximum exposure is set for each financial institution. To invest in the corporate bond, the bond must in addition to Capital Markets Authority approval be guaranteed by an approved bank or by an international financial institution whose rating meets set requirements.

The Company classifies counterparties without an external credit rating as below:

- Group 1 - new customers/related parties.
- Group 2 - existing customers/related parties with no defaults in the past.
- Group 3 - existing customers/related parties with some defaults in the past Maximum exposure to credit risk before collateral held

Maximum exposure to credit risk before collateral held

	External credit rating*	Internal Credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 December 2023				Shs'000	Shs'000	Shs'000
Assets						
Mortgage loans receivable	None		Nil	4,239	-	4,239
Loans on life insurance policies within their surrender values	None	Group 2	Nil	79,552	-	79,552
Government Securities	B+		Life time	77,195,054	(12,660)	77,182,394
Other investments	B+ to A+		12	993,897	(19,442)	974,455
Reinsurance Contract Assets	BBB to AA		12	2,536,341	-	2,536,341
Other receivables	None	Group 2	12	309,431	-	309,431
Due from related parties	None	Group 2	Nil		-	
Cash and bank	B2 to AA	Group 3	Life time	230,895	-	230,895
Total				**81,349,409**	**(32,102)**	**81,317,307**

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

i) Credit risk (continued)

31 December 2022	External credit rating*	Internal Credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Shs'000	Shs'000	Shs'000
Assets						
Mortgage loans receivable	None		Nil	4,239	-	4,239
Loans on life insurance policies within their surrender values	None	Group 2	Nil	89,171	-	89,171
Government Securities	B+		Life time	65,593,081	(10,766)	65,582,315
Other investments	B+ to A+		12	1,096,272	(20,785)	1,075,487
Receivables arising from reinsurance arrangements	BBB to AA		12			
Reinsurance share of insurance liabilities	BBB to AA		12			
Other receivables	None	Group 2	12	302,601	-	302,601
Due from related parties	None	Group 2	Nil			
Cash and bank	B2 to AA	Group 3	Life time	202,707	-	202,707
Total				**67,288,071**	**(31,551)**	**67,256,520**

* The external credit ratings are as per rating agencies Moody's, Standard and Poor's, AM Best and Fitch.

Reconciliation of Loss Allowance Accounts

	Government Bonds at amortised cost	Other investments	Cash and bank balances	Other receivables	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
31 December 2023					
At 1 January 2023	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
(Increase)/decrease in loss allowance arising from new financial assets	(10,766)	(20,785)	-	(39,001)	(70,552)
(recognised)/ derecognised in the year	(1,894)	1,343	-	(57,545)	(58,096)
At 31 December 2023	(12,660)	(19,442)	-	(96,546)	(128,648)
31 December 2022					
At 1 January 2022	-	(16,050)	-	45,694	29,644
(Increase)/decrease in loss allowance arising from new financial assets (recognised)/ derecognised in the year	(10,766)	(4,735)	-	(84,695)	(100,196)
At 31 December 2022	(10,766)	(20,785)	-	(39,001)	(70,552)

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

ii) Market risk
Market risk is the risk that changes in market prices, which include currency exchange rates, interest rates and share prices (NSE index), will affect the value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control risk exposures within acceptable limits, while optimising return. Overall responsibility for the management of market risk rests with the Assets Manager. The Company through its Board of Directors defines investment mandates to be used by the Asset Manager.

a) Price risk
The Company is exposed to the equity markets, which present a risk of partial or total loss of capital. The price of the units is directly linked to the price of the underlying securities and any loss on the value of the underlying securities will result in a diminution of the unit price. The Investment Manager moderates this risk through a careful selection and diversification of securities and other financial instruments within specified limits.

The Investment manager conducts research on overall economic performance and determines probable sector performances and, therefore, asset allocation. Typically, the choice of investment involves the following steps tailored to minimize the level of exposure to asset classes and specific securities:

- **Strategic Asset Allocation (SAA)**

SAA is the first step in the selection process and sets the minimum and maximum for each asset class. During this process a long term guideline is developed taking into account the investment objectives, which include the asset and liability profile and the maturity profile of funds. All this is done under the guide of in-depth research by the asset manager's research department.

- **Tactical Asset Allocation (TAA)**

TAA sets the short term objectives (quarterly) in terms of ranges for each asset class allowing the manager to take advantage of prevailing market conditions. The manager then identifies actual assets invested within each investment class but within the overall strategic range. The selection of the specific securities invested in is reviewed monthly by an investment committee.
Each asset class is benchmarked against appropriate market indices with the primary objective of outperforming the indices over the medium to longer term.

Sensitivity analysis
As at 31 December 2023, if the prices at the Nairobi Securities Exchange had appreciated/ depreciated by 5% with all other factors held constant, the impact on profit as a result of the listed equity investments would have been an increase/decrease by KShs 10,049,050 (2022: 10,049,050).

a) Interest rate risk
The Company is exposed to various risks associated with the effects of fluctuations in prevailing levels of market interest rates on both fair values and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The individual life and employees benefits businesses have due regard to the nature of the liabilities and guarantees given to policyholders. The interest rate risk of such liabilities is managed by investing in assets of similar duration. The asset manager through the investment committee closely monitors interest rate trends to minimise the potential adverse impact of rate changes. However, the risk has a low impact on the performance of the Company.

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6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

ii) Market risk (Continued)

b) Interest rate risk (Continued)

The tables below set out the carrying amounts, by maturity, of the Company's financial instruments that are exposed to interest rate risk.

Participating profile of financial assets and liabilities (including insurance) exposed to interest rate risk

	Effective interest rate	3 months or less	4 – 12 months	1 – 2 years	More Than 2 years	Loss Allowance	Total
	%	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
31 December 2023							
Government securities	13	333,205	1,070,792	1,520,333	74,270,105	(12,660)	77,181,775
Loan secured by mortgages on real property	-	-	-	-	4,239	-	4,239
Deposits with banks	12	928,204	65,693	-	-	(19,442)	974,455
Corporate bonds		-	-	-			
Loans on life insurance policies	15	-	79,552	-	-	-	79,552
Total		**1,261,409**	**1,216,037**	**1,520,333**	**74,274,344**	**(32,102)**	**78,240,021**
31 December 2022							
Government securities	13	1,698,864	2,086,530	5,334,311	57,164,282	(10,766)	66,273,223
Loan secured by mortgages on real property	-	-	-	-	4,239	-	4,239
Deposits with banks	11	959,856	136,416	-	-	(20,785)	1,075,487
Corporate bonds	-	-	-	-	-	-	-
Loans on life insurance policies	15	-	89,171	-	-	-	89,171
Total		**2,658,720**	**2,312,118**	**5,334,311**	**57,168,521**	**(31,550)**	**67,442,120**

Sensitivity analysis

As at 31 December 2023, if interest rates had changed by 5% with all other variables remaining constant, the impact on profit and equity would have been an increase/decrease of KShs 60.297 million (2022: KShs 51.555 million).

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

ii) Market risk (Continued)

c) Foreign Exchange Risk

The Company operates within Kenya. The Company primarily transacts in the Kenya shilling and its assets and liabilities are denominated in the same currency. The Company's exposure to currency risk is minimal.

iii) Liquidity risk

Expected cash demands arise day-to-day to fund anticipated policyholder benefits, expenses and investment activities. Under stressed conditions, unexpected cash demands could arise primarily from an increase in the level of policyholders either terminating policies with material cash surrender values, or not renewing them when they mature, and from an increase in the level of borrowers renewing or extending their loans when they mature.

To manage this risk, liquidity management policies and procedures have been designed to ensure we have adequate liquidity available to cover financial obligations as they fall due, and to sustain and grow operations in both normal and stressed conditions. These take into account any legal, regulatory, tax, operational or economic impediments. Liquidity risk is reduced by having policy liabilities that are well- diversified by product, market, and policyholder.

We design insurance products to encourage policyholders to maintain their policies in-force, thereby generating a diversified and stable flow of recurring premium income. We establish and implement investment strategies that match the term profile of the assets to the liabilities they support, taking into account the potential for the unexpected. We forecast and monitor actual daily operating liquidity and cash movements in local operations as well as centrally, to ensure liquidity is available and cash is employed optimally.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

iii) Liquidity risk (Continued)

The table below analyses assets and liabilities into current and non-current categories based on the remaining period at the end of the reporting period to settlement date:

	Current	Non-current	Total
31 December 2023	KShs'000	KShs'000	KShs'000
Financial assets			
Deposits with banks	974,455	-	974,455
Government securities	1,403,997	75,777,778	77,181,775
Due from related parties	-	50,891	50,891
Loans secured by mortgages on real property	-	4,239	4,239
Loans on life insurance policies within their surrender values	79,552	-	79,552
Bank balances	230,895	-	230895
	2,688,899	**75,832,908**	**78,521,807**
Financial liabilities			
Amounts due to reinsurers	23,064	-	23,064
Due to related parties	295,327	-	295,327
Due to Tax	91,658	-	91,658
Other payables	154,318	-	154,318
Lease liabilities	36,309	-	36,309
	600,676	**-**	**600,676**
Net liquidity	**2,088,223**	**75,832,908**	**77,921,131**
31 December 2022	KShs'000	KShs'000	KShs'000
Financial assets			
Deposits with banks	1,075,487	-	1,075,487
Government securities	3,785,395	62,487,828	66,273,223
Due from related parties	67,840	-	67,840
Loans secured by mortgages on real property	-	4,239	4,239
Loans on life insurance policies within their surrender values	89,171	-	89,171
Bank balances	202,707	-	2027,07
	5,220,600	**62,492,067**	**67,712,667**
Financial liabilities			
Amounts due to reinsurers	199,581	-	199,581
Due to related parties	291,312	-	291,312
Due to Tax	83,791	-	83,791
Other payables	332,045	-	332,045
Lease liabilities	34,551	-	34,551
	941,280	**-**	**941,280**
Net liquidity	**4,279,320**	**62,492,067**	**67,712,667**

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

iv) Insurance risk management

Insurance risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. Insurance contracts may also transfer financial risk. Financial risk is the risk of a possible change in one or more of a specified rate of interest, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract.

By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments will 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 compared to the estimate established using statistical techniques.

The main risks that the Company is exposed to are as follows:
- Mortality risk – risk of loss arising due to policyholder death experience being different than expected;
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected;
- Longevity risk – risk of loss arising due to the annuitant living longer than expected;
- Investment return risk – risk of loss arising from actual returns being different than expected;
- Expense risk – risk of loss arising from expense experience being different than expected; and
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The Company 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.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

The following tables disclose the concentration of insurance risks by class of business and product in which the contract holder operates and by the maximum insured loss limit included in the terms of the policy. The amounts are the maximum insured loss limit of the insurance liabilities (gross of reinsurance) arising from insurance contracts.

Policy Type	Best Estimate reserves KShs '000	Risk Adjustment KShs '000	CSM KShs '000	Liability for Incurred Claims	Total Reserves KShs '000
December 31, 2023					
Group 1 - Indirect Participating features	1,792,046	215,962	211,034	56,919	2,275,961
Group 2- Direct Participating features	-	-	-	-	-
Group 3 Investment contract with DPF	66,365,913	21,728	-	21,702	66,409,343
Group 4 - Non Participating features	3,433,401	176,910	745,000	89,946	4,445,257
Group 5 – Short term business	323,362	1,308,854		4,297,164	5,929,381
Total Liabilities (Individual Life and Annuity)	**71,914,723**	**1,723,455**	**956,033**	**4,465,731**	**79,059,942**

iv) Insurance risk management (continued)

Policy Type	Best Estimate reserves KShs '000	Risk Adjustme nt KShs '000	CSM KShs '000	Liability for Incurred Claims	Total Reserves KShs '000
December 31, 2022					
Group 1 - Indirect Participating features	2,046,700	228,300	72,436	28,812	2,376,247
Group 3- Direct Participating features	-	-	-	-	-
Group 4- Investment contract with DPF	56,969,379	24,236	-	27,522	57,021,137
Group 5 - Non Participating features	2,531,085	131,075	350,757	46,717	3,059,634
	118,166	1,050,536		4,679,364	5,848,067
Total Liabilities (Individual Life and Annuity)	**61,665,331**	**1,434,146**	**423,192**	**4,782,415**	**68,305,085**

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

i) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets and liabilities are determined (in, valuation technique(s) and inputs used)

Financial assets	Fair values as at		Fair value hierarchy	Valuation techniques and key inputs
	2023	2022		
	Shs'000	Shs'000		
Financial assets at fair value through profit or loss				
- Listed investments	355,708	504,922	Level 1	Quoted bid prices in an active market
Financial assets at fair value through other comprehensive income	355,708	504,922		
- Unlisted investments			Level 3	Cost plus post acquisition changes in net asset value

ii)Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between level 1 and 2 during the current or prior year.

6. INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management strategy and policy (continued)

Operational Risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as the risks of mis-selling of products, modelling errors and non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective in managing operational risk is to balance the avoidance of financial losses and damage to the Company's reputation with overall cost-effectiveness and innovation. In all cases, Company policy requires compliance with all applicable legal and regulatory requirements.

The Company risk committee is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation oftransactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy ofcontrols and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- IT, data security and cyber risks; and
- risk mitigation, including insurance where this is cost-effective.

A programme of periodic reviews undertaken by internal audit supports compliance with Company standards. The results of internal audit reviews are discussed with the Company risk committee, with summaries submitted to the Company's audit committee and senior management.

I) Capital allocation
The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated, but is also subject to local minimum regulatory capital requirements. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by the Company's risk department and is subject to review by the Board.

Although maximisation of the return on capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. A Company-wide capital management standard sets out minimum standards and guidelines for capital management, including governance and requirements for management information. The capital management standard is reviewed regularly by the board of directors.

7. FAIR VALUE MEASUREMENT

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significanceof the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes unobservable inputs that have a significant effect on the valuation.
- Instrument's This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change occurs.

Valuation techniques include discounted cash flow models, comparison with similar instruments for which observable market prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, exchange rates, bond and equity prices and expected price volatilities and correlations.

The objective of the valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects the effect of non-performance risk.

B. Valuation framework

The Company has an established control framework for the measurement of fair values. This framework includes a valuation team, which reports to the Board Risk and Audit Committee, with overall responsibility for overseeing and independently verifying all significant fair value measurements. Specific controls include:

– verification of observable pricing;
– re-performance of model valuations;
– a review and approval process for new models and changes to models;
– biannual calibration and back-testing of models against observed market transactions;
– analysis and investigation of significant daily valuation movements; and
– review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month.

When third party information – e.g. broker quotes, pricing services or independent property valuations – is used to measure fair value, the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS Standards. This includes:

– verifying that the broker, pricing service or independent property valuer is approved by the Company for use in pricing the relevant type of asset or liability;
– understanding how the fair value has been arrived at, the extent to which it reflects actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
– when prices for similar assets or liabilities are used to measure fair value, understanding how these prices have been adjusted to reflect the characteristics of the asset or liability subject to measurement; and
– if a number of quotes for the same asset or liability have been obtained, then understanding how fair value has been determined using those quotes.

7. FAIR VALUE MEASUREMENT (Continued)

B. Valuation framework (Continued)

Significant valuation issues are reported to the Company audit committee.

The Company classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value through either OCI or through profit or loss, and
- Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the collateral terms of the cash flows

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

8. FINANCIAL INSTRUMENTS

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

i. Recognition and derecognition
Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company 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 Company has transferred substantially all risks and rewards of ownership.

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

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

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

FVTPL: Assets that do not meet the criteria for amortised cost are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss.

Equity instruments
The Company subsequently measures quoted equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable.

Generate investment returns- when this election is used, fair value gains and losses are recognised in OCI and are subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversals of impairment losses) are not reported separately from other changes in fair values. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.

Gains and losses on equity investments at FVPL are included in the "Net trading income" line in the statement of profit or loss.

8. FINANCIAL INSTRUMENTS (Continued)

iii) 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). The quoted market price used for financial assets held by the Company is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position. Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

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

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

9. ACCOUNTING STANDARDS AND POLICIES

A Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies 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 exchange rate at the reporting date. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency, including the CSM, 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 exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the 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 the following items are recognised in OCI:

- groups of insurance and reinsurance contracts to the extent that the foreign currency differences relate to changes in the carrying amount of the groups recognised in OCI (see 'Insurance finance income and expenses' under (E)(viii)). The amount included in OCI is the difference between
- the total foreign currency differences and the amount included in profit or loss. The amount included in profit or loss is the difference between the measurement of the group that is used to determine the insurance finance income and expenses in profit or loss in the year in the functional currency at the beginning of the year, adjusted for accreted interest and payments during the year, and the same measurement in the foreign currency translated at the exchange rate at the end of the year;
- equity investments designated as at FVOCI;
- available-for-sale equity investments that had been derecognised at 1 January 2023 (except on impairment, in which case foreign currency differences that had been recognised in OCI were reclassified to profit or loss); and

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9. ACCOUNTING STANDARDS AND POLICIES (Continued)

A Foreign currency (Continued)

The foreign currency gain or loss on debt investments at FVOCI, financial instruments at amortised cost and available-for-sale debt investments derecognised before 1 January 2023 is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the exchange rate at the end of the year.

B Insurance, reinsurance and investment contracts definitions and classifications

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

The Company does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to ‘insurance contracts’ and ‘reinsurance contracts’ include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Some contracts entered into by the Company have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified as financial liabilities and are referred to as ‘investment contracts’.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fairvalue returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to thepolicyholder to vary with the change in fair value of the underlying items.
- All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA.

C. Insurance and reinsurance contracts

i) Separating components from insurance and reinsurance contracts

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments.

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer to policyholders’ distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own orwith other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associatedwith the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good orservice with the insurance component.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

ii) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurancecontracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annualcohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

– any contracts that are onerous on initial recognition;
– any contracts that, on initial recognition, have no significant possibility of becoming oneroussubsequently; and
– any remaining contracts in the annual cohort.

Contracts within a portfolio that would fall into different groups only because law or regulationspecifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group. This applies to contracts issued in Europe that are required by regulation to be priced on a gender-neutral basis.

An insurance contract issued by the is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in
- respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual duedate, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognisedon the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contractsare added. Groups of contracts are established on initial recognition and their composition is notrevised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract.
Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the differentcovers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date.

- Reinsurance contracts initiated by the Company that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the: The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date (see 'Reinsurance of onerous underlying insurance contracts' under (v)). This applies to the Company excess of loss and stop loss reinsurance contracts.
- Reinsurance contracts acquired: The date of acquisition.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

iii) Insurance acquisition cash flows

- Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.
- If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non- refundable commissions paid on issuance of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts. The allocation to renewals only applies to non-life contracts and certain term assurance and critical illness contracts that have a one-year coverage period. The Company expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on the manner in which the Company expects to recover those cash flows.
- If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.
- Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is
- recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts (see (v)).

When the Company acquires insurance contracts in a transfer of contracts or a business combination,at the date of acquisition it recognizes an asset for insurance acquisition cash flows at fair value forthe rights to obtain:

- renewals of contracts recognised at the date of acquisition; and
- other future contracts after the date of acquisition without paying again insurance acquisition cash flows that the acquiree has already paid.

At each reporting date, the Company revises the amounts allocated to Company to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

Recoverability assessment
At each reporting date, if facts and circumstances indicate that an asset for insurance acquisitioncash flows may be impaired, then the Company:

- recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

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9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

iv) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when: - The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or - the Company 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 up to the reassessment date does not take into account risks that relate to periods after the reassessment date. The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.
Reinsurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: - has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or - has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

v) Measurement – Contracts not measured under the PAA

Insurance contracts – Initial measurement

On initial recognition, the Company measures a group of insurance contracts as the total of ;

a) thefulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
b) the CSM.The fulfilment cash flows of a group of insurance contracts do not reflect the Company'snon-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separatelyfrom the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of;

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

v. Measurement – Contracts not measured under the PAA(Continued

a. the fulfilment cash flows,
b. any cash flows arising at thatdate and
c. any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iv)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arisingon initial recognition.

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

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss, or as an adjustment to goodwill or a gain on a bargain purchase if the contracts are acquired in a business combination. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see (vii)).

Insurance contracts – Subsequent measurement
The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims.

The liability for remaining coverage comprises;
a. the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and
b. any remaining CSM at that date.

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of therisk adjustment for non- financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows.

Insurance contracts without direct participation features
The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:
- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discountrates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in whichcase the excess is recognised as a loss in profit or loss and creates a loss component.
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversinglosses previously recognised in profit or loss.
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:
- experience adjustments arising from premiums received in the year that relate to futureservices and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
- changes in the risk adjustment for non-financial risk that relate to future services.
- Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.

Direct participating contracts
Direct participating contracts are contracts under which the Companyobligation to thepolicyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided bythe contracts, being the amount of the Company's share of the fair value of the underlying items less fulfilment cash flows that do not varybased on the returns on underlying items. The Company provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Company adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equalto the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Company then adjusts any CSM for changes in the amount of the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of theyear, adjusted for:
- the CSM of any new contracts that are added to the Company in the year;
- the change in the amount of the Company's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
- the Company has applied the risk mitigation option to exclude from the CSM changes in the effect of financial risk on the amount of its share of the underlying items or fulfilment cashflows;
- a decrease in the amount of the Company's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carryingamount of the CSM,

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

v. Measurement – Contracts not measured under the PAA(Continued)

Direct participation contracts (Continued)
giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component or an increase in the amount of the Company's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the losscomponent,
reversing losses previously recognised in profit or loss (included in insuranceservice expenses);
– the effect of any currency exchange differences on the CSM; and
– the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks thatdo not arise from underlying items – e.g. the effect of financial guarantees.

Reinsurance contracts
To measure a group of reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications. The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims.

The asset for remaining coverage comprises;
a. the fulfilment cash flows that relate to services that will be received under the contracts in future periods and
b. any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or netgain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of;

a. the fulfilment cash flows,
b. anyamount arising fromthederecognition ofanyassets or liabilities previously recognised for cash flows related to the Company,
c. any cash flows arising at that date and
d. any income recognised in profit or loss because of onerous underlying contractsrecognised at that date

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense. The carrying amount of the CSM at each reporting date is the carrying amount at the start of theyear, adjusted for:
- the CSM of any new contracts that are added to the Company in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discountrates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

v. Measurement – Contracts not measured under the PAA(Continued)

Reinsurance contracts (Continued)

- determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss- recovery component.
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- the percentage of claims on the underlying contracts that the Company expects at the date of acquisition to recover from the reinsurance contracts.

For reinsurance contracts acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contractscovered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid ('Net expenses from reinsurance contracts'.

vi. Measurement – Contracts measured under the PAA

The Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- Insurance contracts: The coverage period of each contract in the group is one year or less. Some of these contracts provide compensation for the cost of rebuilding or repairing a property after a fire; for these contracts, the Company determines the insured event to be the occurrence of a fire and the coverage period to be the period in which a fire can occur for which a policyholder can make a valid claim.
- Loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.
- Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies in (v). When comparing the different possible measurements, the Company considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

However, certain groups of insurance contracts are acquired in their claims settlement period. Theclaims from some of these groups are expected to develop over more than one year.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

vi) Measurement – Contracts measured under the PAA (Continued)

Insurance contracts (Continued)

allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the Company (including assets for insurance acquisition cash flows.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortization of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Companyhas chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognizes a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is alsodiscounted (see below).

The Company recognizes the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims.The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the datethe claims are incurred.

Reinsurance contracts

The Company applies the same accounting policies to measure a group of reinsurance contracts,adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Company adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

vii. Derecognition and contract modification

The Company derecognizes a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognizes a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to therights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where suchchanges are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect thecoverage units derecognised from the group.
- If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.
- If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with thenew contract’s terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification,the Company received the premium that it would have charged less any additional premium charged for the modification.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

Viii) Presentation

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

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

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

The Company does not disaggregate changes in the risk adjustment for non-financial risk betweenthe insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.
Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows;

Insurance revenue – Contracts not measured under the PAA
The Company recognizes insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of thechanges in the liability for remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following items.
- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year.This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

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

Release of the CSM
The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided inthe year and expected to be provided in future years, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is thequantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

Viii) Presentation (Continued)

Release of the CSM (Continued)

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, life savings contracts may also provide investment services forgenerating an investment return for the policyholder, but only if:

- an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder's right to receive a surrender value on cancellation of a contract);
- the investment component or withdrawal amount is expected to include an investment return;and
- the Company expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expectedcoverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period.

Loss components

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

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the Company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excessover the amount allocated to the loss component creates a new CSM for the Company of contracts.

Insurance service expenses

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

- Incurred claims and other insurance service expenses: For some life risk contracts, incurredclaims also include premiums waived on detection of critical illness.
- Amortization of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company under insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

Viii) Presentation (Continued)

Insurance service expenses (Continued)

- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.
- Net expenses from reinsurance contracts.

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paidless amounts recovered from reinsurers.

The Company recognizes an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period representsthe total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration.

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

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

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

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

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

For life risk and life savings contracts, the Company has chosen to disaggregate insurance finance income or expenses between profit or loss and OCI The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the durationof the group of contracts.The systematic allocation is determined using the following rates:

– life riskcontracts: the discount rates determined on initial recognition of the group of contracts; and
• life savings contracts: for insurance finance income or expenses arising from the estimatesof future cash flows, a rate that allocates the remaining revised expected finance income orexpenses over the remaining duration of the group of contracts at a constant rate (i.e. the effective yield); and for insurance finance income or expenses arising from the CSM, the discount rates determined on initial recognition of the group of contracts.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

Viii) Presentation (Continued)

Insurance finance income and expenses (Continued)

Amounts presented in OCI are accumulated in the insurance finance reserve. If the Company derecognizes a contract without direct participation features as a result of a transfer to a third partyor a contract modification, then any remaining amounts of accumulated OCI for the contract are reclassified to profit or loss as a reclassification adjustment

For participating and non-life contracts, the Company presents insurance finance income or expensesin profit or loss.

ix) Transition

At 1 January 2022, the Company applied the following approaches to identify and measure certain groups of contracts in the life risk, life savings and participating segments on transition to IFRS 17.

Year of issue	Transition approach
On or before 2021	– Fair value approach
On or after 31.12.2021	– Full retrospective approach

In addition, the Company applied the modified retrospective approach or the fair value approach to identify and measure certain assets for insurance acquisition cash flows in the life risk segment.

Assessments at inception or on initial recognition
For groups of deferred fixed annuity the Company determined how to identify discretionary cash flows using information available at 1 January 2022.

Contracts without direct participation features
The Company applied the following modifications to certain groups of contracts.

– For groups of contracts issued, initiated or acquired between 2004 and 2015, the future cash flows on initial recognition were estimated by adjusting the amount at 1 January 2016 or an earlier date (determined retrospectively) for the cash flows that were known to have occurred before that date.The earliest date on which future cash flows could be determinedretrospectively for any group of contracts was 1 January 2012.
– For groups of contracts issued, initiated or acquired between 2004 and 2011 (except for some groups of immediate fixed annuity contracts issued before 2007; see above), the illiquidity premiums applied to the risk-free yield curves on initial recognition were estimatedby determining an average spread between the risk-free yield curves and the discount rates determined retrospectively for the period between 1 January 2012 and 1 January 2022.
– For some groups of contracts, the risk adjustment for non-financial risk on initial recognition was determined by adjusting the amount at 1 January 2022 for the expected release of risk before 1 January 2022. The expected release of risk was determined with reference to the release of risk for similar contracts that the Companyissued at 1 January 2022.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

C. Insurance and reinsurance contracts (Continued)

ix) Transition (Continued)

Contracts without direct participation features

When any of these modifications was used to determine the CSM (or the loss component) oninitial recognition:

- the amount of the CSM recognized in profit or loss before 1 January 2022 was determined by comparing the coverage units on initial recognition and the remaining coverage units at 1 January 2022; and
- the amount allocated to the loss component before 1 January 2022 was determined using the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk on initial recognition.

For all life savings contracts measured under the modified retrospective approach, the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January2022 was determined to be zero.

Direct participating contracts
Groups of contracts issued or acquired between 2004 and 2015, the Company determined the CSM (or the loss component) at 1 January 2022 by calculating a proxy for the total CSM for all services to be providedunder the group as follows.

- The fair value of the underlying items at 1 January 2022 minus the fulfilment cash flows at 1 January 2022, adjusted for:
- amounts charged to the policyholders (including charges deducted from the underlying items) before 1 January 2022;
- amounts paid before 1 January 2022 that would not have varied based on the underlying items;
- the change in the risk adjustment for non-financial risk caused by the release from risk before 1 January 2022, which was estimated based on an analysis of similar contracts that the Group issued at 1 January 2022; and
- Insurance acquisition cash flows arising before 1 January 2022 that were allocated to the Company

If the calculation resulted in a CSM, then the Company measured the CSM at 1 January 2022 by deducting the CSM related to services provided before 1 January 2022. The CSM related to services provided before 1 January 2022 was determined by comparing the coverage units oninitial recognition and the remaining coverage units at 1 January 2022.

If the calculation resulted in a loss component, then the Company adjusted the loss component to zero and increased the liability for remaining coverage excluding the loss component by the sameamount at 1 January 2022.

Reinsurance of onerous underlying contracts
For groups of reinsurance contracts covering onerous underlying contracts that were enteredinto before or at the same time as the onerous underlying contracts, the Company established a loss-recovery component at 1 January 2022. For some groups of contracts measured underthe modified retrospective approach, the Company determined the loss-recovery component by multiplying:

- the amount of the loss component that relates to the underlying contracts at 1 January 2022;and
- the percentage of claims on the underlying contracts that the Company expected to recover fromthe reinsurance contracts.

For reinsurance contracts initiated or acquired, the Company did not identifya loss-recovery component because it did not have reasonable and supportable information to do so.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

D. Investment contracts and collective investment schemes

Investment contracts comprise unit-linked and other investment-linked contracts that do not transfer significant insurance risk (see (C)). Such contracts are separated into two components: a financial liability (investment contract) and an investment management service contract. Recurring fees are conditional on the provision of investment management services and are attributed to the investment management service contract component. If an amount received from a customer exceeds the fair value of the investment contract issued, then the excess is attributed to the investment services component as an up-front fee.

Related parties also charge recurring fees for investment management services to a number of collective investment schemes. Interests in consolidated funds held by unrelated third parties areclassified as financial liabilities.

i) Financial liabilities

The Company recognizes a financial liability, representing its contractual obligation to pass on the return on the underlying investments after the deduction of investment management fees (see (ii)), when the Company becomes a party to the contractual provisions. It derecognizes the financial liability when the obligations specified in the contract expire or are discharged or cancelled.

Amounts collected and paid that are attributable to the financial instrument component areadjusted against the financial liability.

Financial liabilities arising from investment contracts and third party interests in consolidated funds are designated as at FVTPL on initial recognition.This is because these liabilities as well as the related assets are managed and their performance is evaluated on a fair value basis (see (F) (ii)).The fair value is the amount payable on demand because the holders can cancel their contracts at any time after contract inception.

ii) Investment management service contracts

Recurring fees are calculated and recognized as revenue on a daily basis. Non-refundable up-frontfees give rise to material rights for future investment management services and are recognized as revenue over the period for which a customer is expected to continue receiving investment management services.

Incremental contract costs

Commissions and fees paid to brokers for securing new customers are generally recognized as assets (‘contract costs’), unless the Company does not expect to recover these costs. Contract costs are amortized over the estimated duration of the contracts on a straight-line basis and are reviewed for impairment regularly.They are included in ‘other assets’ in the statement of financialposition and the amortization and any impairment losses thereon are included in ‘other operating expenses’ in profit or loss.

E. Financial assets and financial liabilities

i) Recognition and initial measurement

The Company recognizes 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 recognized on the trade date, which is the date on which the Company 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.

ii) Classification and subsequent measurement

Financial assets not derecognized before 1 January 2023

Classification

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

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

ii) Classification and subsequent measurement (Continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 amortized cost if it meets both of the following conditions and isnot 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 SPPI.

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 SPPI.

The Company elects to present changes in the fair value of certain equity investments that are not held for trading in OCI.The election is made on an instrument-by-instrument basis on initialrecognition and is irrevocable.

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

The Company has designated certain debt investments in the participating 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 recognized in profit or loss. The assets would otherwise be measured at FVOCI.

Business model assessment

The Company 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 realizing cash flows through the sale of assets;
– how the performance of the portfolio is evaluated and reported to the Company'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 realized.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

ii) Classification and subsequent measurement (Continued)

Business model assessment (Continued)

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 Company's continuing recognition of the assets

For a majority of debt investments, the objective of the Company's business model is to fund insurance contract liabilities. The Company's undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Company determines thatboth collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective.

Certain debt securities are held in separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Company considers that the securities are held within a business model whose objective is to hold assets to collect the cash flows.

Portfolios of financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and portfolios of 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.

Subsequent measurement and gains and losses

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognized in profit or loss.
Debt investments at FVOCI	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss
Equity investments at FVOCI	Measured at fair value. Dividends are recognized as income in profit or loss when the Company's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment
A Financial assets at amortized cost	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

ii) Classification and subsequent measurement (Continued)

Business model assessment (Continued)

Subsequent measurement and gains and losses (Continued)

Financial assets derecognized before 1 January 2023

Classification

The Company classified its financial assets into one of the following categories:
- financial assets at FVTPL, and within this category as:
  - held-for-trading;
  - derivative hedging instruments; or
- designated as at FVTPL;
- held-to-maturity investments;
- loans and receivables; and
- Available-for-sale financial assets.

Subsequent measurement and gains and losses

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, were recognized in profit or loss.
Held-to-maturity investments	Measured at amortized cost using the effective interest method
Loans and receivables	Measured at amortized cost using the effective interest method
Available-for-sale financial assets	Measured at fair value. Interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment were recognized in profit or loss. Other net gains and losses were recognized in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI were reclassified to profit or loss

Financial liabilities

Classification

The Company classifies its financial liabilities, into one of the following categories:
- Financial liabilities at FVTPL, and within this category as:
- Held-for-trading;
- designated as at FVTPL; and
- Financial liabilities at amortized cost.

The Company has designated investment contract liabilities and third party interests in consolidated funds as at FVTPL on initial recognition. This is because these liabilities as well as the related assets are managed and their performance is evaluated on a fair value basis.

All investment contract liabilities and third party interests in consolidated funds have a unit-linking feature whereby the amount due to contract holders is contractually determined on the basis of specified assets. The effect of the unit-linking feature on the fair value of the liability is asset- specific performance risk and not credit risk, and the liabilities are fully collateralized. The Company has determined that any residual credit risk is insignificant and has not had any impact on the fair value of the liabilities.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

ii) Classification and subsequent measurement (Continued)

Subsequent measurement and gains and losses (Continued)

Financial liabilities at FVTPL	Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognized in profit or loss.
Financial liabilities at amortized cost	Measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss

Interest on financial instruments

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating- rate instruments to reflect movements in market rates of interest.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition	If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the asset, but not ECL.
	If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortized cost of the asset. If the asset is no longer credit- impaired, then the calculation of interest income reverts to the gross basis. For information on when financial assets are credit-impaired see (iii)
Financial assets credit-impaired on initial recognition	Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves
Financial liabilities	Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the liability.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

ii) Classification and subsequent measurement (Continued)

Interest on financial instruments not derecognized before 1 January 2023

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortized cost and debt investments measured at FVOCI.

Interest income and expenses were recognized in profit or loss using the effective interest method. The effective interest rate was the rate that exactly discounted the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimated future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate included transaction costs and fees and points paid or received that were an integral part of the effective interest rate. Transaction costs were incremental costs that were directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss included interest on financial assets and financial liabilities measured at amortized cost and available-for-sale financial assets.

iii) Impairment

Financial assets not derecognized before 1 January 2023
The Company recognizes loss allowances for ECL on:
- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- lease receivables.

The Company measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognized is 12-month ECL:
- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial. 12- month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which lifetime ECL are recognised because of a significant increasein credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

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9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

iii) Impairment (Continued)

Financial assets not derecognised before 1 January 2023 (Continued)

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as ‘Stage 3 financial instruments.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Companyis exposed to credit risk.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Companyexpects to receive).

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets measured at amortised cost,debt investments at FVOCI and lease receivables are credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the debtor;
– a breach of contract such as a default or past-due event;
– the restructuring of an amount due to the Company on terms that the Company would not otherwise consider;
– the debtor entering bankruptcy or other financial reorganisation becoming probable; or
– the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors:
– the market’s assessment of credit worthiness as reflected in bond yields;
– the rating agencies’ assessments of credit worthiness;
– the country’s ability to access the capital markets for new debt issuance;
– the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
– the international support mechanisms in place to provide the necessary support as ‘lenderof last resort’ to that country, as well as the intention, reflected in public statements, of
– governments and agencies to use those mechanisms, including an assessment of the depth ofthose mechanisms and, irrespective of the political intent, whether there is the capacity to fulfilthe required criteria.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

iii) Impairment (Continued)

Presentation of loss allowances in the statement of financial position

Loss allowances for ECL are presented as follows:

– financial assets measured at amortized cost: the loss allowance is deducted from the gross carrying amount of the assets; and
– debt investments measured at FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value) but gives rise to an equal and opposite gain in OCI.

Write-off
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Although the Company expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

In addition, for an investment in an equity instrument, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment.

Impairment losses on financial assets were recognised as follows.

Financial assets at amortised cost	The Company considered evidence of impairment for these assets at both individual asset and collective levels. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.
	In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.
	An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss
Financial Assets at fair value through other comprehensive income	Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available- for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

iv) Derecognition and contract modification

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Companyneither transfers nor retains substantially all of the risks andrewards ofownership and it does not retain control of the financial asset.

On Derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI and financial assetsthat had already been derecognised at 1 January 2023, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

The Company enters into transactions whereby it transfers assets recognised in its statementof financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continuesto recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair valueplus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows.

– Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the newasset.
– Other fees are included in profit or loss as part of the gain or loss on derecognition.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

iv. Derecognition and contract modification (Continued)

Financial assets (Continued)

If cash flows are modified when the debtor is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual cash flows rather than tooriginate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see 'Write-off' under (iii)).

If a financial asset measured at amortized cost or FVOCI is modified but not substantially, then the financial asset is not derecognised. If the asset had not been derecognised at 1 January 2023, then the Company recalculates the gross carrying amount of the financial asset by discounting the modifiedcontractual cash flows at the original effective interest rate and recognizes the resulting adjustmentto the gross carrying amount as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. If such a modification is carried out because of financial difficulties of the borrower (see (iii)), then the gain or loss is presented togetherwith impairment losses; in other cases, it is presented as interest revenue Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset

The Company generally derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notwithstanding the above, when, and only when, the Companyrepurchases its financial liabilityand includes it as an underlying item of direct participating contracts, the Company may elect not to derecognize the financial liability. Instead, the Company may elect to continue to account for that instrument as a financial liability and to account for the repurchased instrument as if it were a financial asset and measure it at FVTPL. This election is irrevocable and is made on an instrument-by-instrument basis.

If a financial liability measured at amortized cost is modified but not substantially, then it is notderecognised.

– For financial liabilities that had not been derecognised at 1 January 2023, the Company recalculatesthe amortized cost of the financial liability by discounting the modified contractual cash flows at the original effective interest rate and recognizes any resulting adjustment to the amortized costas a modification gain or loss in 'other finance costs' in profit or loss. For floating-rate financialliabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred adjust the carrying amount of the modified financial liability and are amortized over the remaining term of the modified financial liability.
– For financial liabilities that had been derecognised at 1 January 2023, the Company recognised any difference in present value as an adjustment to the effective interest rate and amortized it over the remaining life of the modified financial liability, with no immediate gain or loss recognised.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

E. Financial assets and financial liabilities (Continued)

v) Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changesin their fair value, and are used by the Company in the management of its short-term commitments.

vi) Capital instruments

The Company classifies capital instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

vii) Financial guarantees issued

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make a paymentwhen it is due in accordance with the terms of a debt instrument

Financial guarantees issued by the Company are accounted for as insurance contracts and are under ‘insurance contract liabilities’

viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to setoff the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when it is required or permitted by a standard – e.g. gains and losses arising from a group of similar transactions such as the gains and losses on financial assets measured at FVTPL.

F. Revenues

Revenues comprise:

– insurance revenue
– rent income
– Commissions and fees
– 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 2022), dividends
– on equity investments, and lease income and fair value gains from investment and owner- occupied properties

G. Other finance costs

Other finance costs comprise:

– interest expenses and exchange differences on financial liabilities measured at amortized cost,including dividends on preference shares classified as financial liabilities and interest on lease liabilities
– unwinding of the discount on provisions.

H. Earnings per share

The Company 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 bythe 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.

I. Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

i) Long service award
Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date. The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual

ii) Termination benefits
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

iii) Short Term employees' benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

J Income tax expense

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

J Income tax expense (Continued)

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

Deferred income tax
Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit nor loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized.

K. Investment property

Investment property comprises land and buildings held to earn rentals and/or for capital appreciation. They are carried at fair value, determined at the reporting date by valuation experts with experience and knowledge of the locations where the properties are located. Fair value is based on active market prices as adjusted, if necessary, for any difference in the nature, condition or location of the specific asset.
Investment property is not subject to depreciation. Changes in their carrying amount between end of reporting periods are dealt with, through profit or loss for the year. Upon disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss for the year.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

L. Property and equipment

All equipment is initially recorded at cost less depreciation and any accumulated impairment losses. The depreciation rates used in determining depreciation charges are as follows:

Motor vehicles	years
Office machinery and equipment	7 years
Computer equipment	4 years
Office partitions, furniture, and fittings	8 years
Land and buildings	Not depreciated

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

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts.

M. Intangible assets

Computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their useful lives which are estimated to be 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the acquisition of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Intangible assets are derecognised on disposal or when no future benefits are expected from their use or disposal. 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.

N. Share capital

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

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

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

O. Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For any short term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

9. ACCOUNTING STANDARDS AND POLICIES (Continued)

O. Leases (Continued)

The Company as a lessee (Continued)
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease and variable lease payments
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of- use asset) whenever there are any changes in lease terms.

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

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

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

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

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

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

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

P. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Q. Statutory reserve

The statutory reserve represents accumulated life fund inclusive of surplus whose distribution is subject to restrictions imposed by the Kenyan Insurance Act. The Act restricts the amounts of surplus of the long-term business available for distribution to shareholders to 30% of actuarially determined valuation surplus of the life business.

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10. INSURANCE REVENUE

The following tables present an analysis of the insurance revenue recognised in the period.

Group 2023	Non-participating contracts Life Kshs '000	Indirect participating contracts Kshs '000	Investment contracts with DPF Kshs '000	Long term assurance business Kshs '000	Short term insurance business Kshs '000	TOTAL Kshs '000
Contracts not measured under the PAA						
Amounts relating to changes in liabilitiesfor remaining coverage						
Expected incurred claims and other expenses after loss component allocation	448,652	671,791	231,606	1,352,049	-	1,352,049
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	22,433	33,437	-	55,870	-	55,870
CSM recognised in profit or loss for the services provided	99,535	38,376	-	137,911	-	137,911
Premium (and other related cash flows) experience adjustments relating to current ser	(383)	(123,885)	(20,568)	(144,836)	-	(144,836)
Insurance acquisition cash flow recovery	81,101	185,440	186,988	453,529	-	453,529
Insurance revenue from contracts measured under the PAA	**651,338**	**805,159**	**398,026**	**1,854,523**	**-**	**1,854,523**
Insurance revenue from contracts measured under the PAA	**68,848**			**68,848**	**2,806,653**	**2,875,501**
Total insurance revenue	**720,186**	**805,159**	**398,026**	**1,923,371**	**2,806,653**	**4,730,024**

2022	Non-participating contracts Life Kshs '000	Indirect participating contracts Kshs '000	Investment contracts with DPF Kshs '000	Long term assurance businessl Kshs '000	Short term insurance business Kshs '000	TOTAL Kshs '000
Contracts not measured under the PAA						
Amounts relating to changes in liabilitiesfor remaining coverage						
Expected incurred claims and other expenses after loss component allocation	355,260	412,112	258,217	1,025,589	-	1,025,589
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	17,763	20,606	-	38,369	-	38,369
CSM recognised in profit or loss for the services provided	42,884	17,996	-	60,880	-	60,880
Premium (and other related cash flows) experience adjustments relating to current ser	4,302	(13,204)	(12,695)	(21,597)	-	(21,597)
Insurance acquisition cash flow recovery	29,848	463,648	161,551	655,047	-	655,047
Insurance revenue from contracts not measured under the PAA	**450,057**	**901,158**	**407,073**	**1,758,288**	**-**	**1,758,288**
Insurance revenue from contracts measured under the PAA	**41,974**		**-**	**41,974**	**3,267,444**	**3,309,418**
Total insurance revenue	**492,031**	**901,158**	**407,073**	**1,800,262**	**3,267,444**	**5,067,706**

10. INSURANCE REVENUE (continued)

Company

2023	**Non-participating contracts Life Kshs '000**	**Indirect participating contracts Kshs '000**	**Investment contracts with DPF Kshs '000**	**Long term assurance business Kshs '000**	**Short term insurance business Kshs '000**	**TOTAL Kshs '000**
Contracts not measured under the PAA						
Amounts relating to changes in liabilitiesfor remaining coverage						
Expected incurred claims and other expenses after loss component allocation	448,652	671,791	231,606	1,352,049	-	1,352,049
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	22,433	33,437	-	55,869	-	55,869
CSM recognised in profit or loss for the services provided	99,535	38,376	-	137,910	-	137,910
Premium (and other related cash flows) experience adjustments relating to current ser	(383)	(123,885)	(20,568)	(144,837)	-	(144,837)
Insurance acquisition cash flow recovery	81,102	185,440	186,988	453,530	-	453,530
Insurance revenue from contracts measured under the PAA	**651,337**	**805,159**	**398,026**	**1,854,522**	**-**	**1,854,522**
Insurance revenue from contracts measured under the PAA	**68,848**			**68,848**	**1,786,270**	**1,855,118**
				-		-
Total insurance revenue	**720,186**	**805,159**	**398,026**	**1,923,371**	**1,786,270**	**3,709,641**

2022	**Non-participating contracts Life Kshs '000**	**Indirect participating contracts Kshs '000**	**Investment contracts with DPF Kshs '000**	**Long term assurance businessl Kshs '000**	**Short term insurance business Kshs '000**	**TOTAL Kshs '000**
Contracts not measured under the PAA						
Amounts relating to changes in liabilitiesfor remaining coverage						
Expected incurred claims and other expenses after loss component allocation	355,260	412,112	258,217	1,025,589		1,025,589
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	17,763	20,606	-	38,369		38,369
CSM recognised in profit or loss for the services provided	42,884	17,996	-	60,880		60,880
Premium (and other related cash flows) experience adjustments relating to current ser	4,302	(13,204)	(12,695)	(21,597)		(21,597)
Insurance acquisition cash flow recovery	29,848	463,648	161,551	655,047		655,047
Insurance revenue from contracts not measured under the PAA	**450,057**	**901,158**	**407,073**	**1,758,288**		**1,758,288**
Insurance revenue from contracts measured under the PAA	**41,974**		**-**	**41,974**	**2,498,407**	**2,540,381**
Total insurance revenue	**492,032**	**901,158**	**407,073**	**1,800,262**	**2,498,407**	**4,298,669**

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11. INSURANCE SERVICE EXPENSES

The tables below show an analysis of insurance service expenses recognised in the period.

Group

2023	**Non-participating contracts Life**	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**		
Incurred claims and other directly attributable expenses	(742,938)	(565,285)	(171,920)	**(1,480,143)**	-3,670,081	-5,150,224
Changes that relate to past service - adjustments to the LIC	10,410		-	**10,410**	1,233,548	1,243,958
Losses on onerous contracts and reversal of those losses	(79,957)	(282,479)	(5,290)	**(367,726)**	-184,407	-552,133
Insurance acquisition cash flows amortisation	(86,526)	(185,440)	(186,988)	**(458,954)**	-452,052	-911,006
				-		
Total insurance expenses	**(899,011)**	**(1,033,204)**	**(364,199)**	**(2,296,414)**	**(3,072,992)**	**(5,369,406)**

2022	**Non-participating contracts Life**	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	Kshs '000	Kshs '000	**Kshs '000**		
Incurred claims and other directly attributable expenses	(454,467)	(477,612)	(275,229)	**(1,207,308)**	(3,218,986)	(4,426,294)
Changes that relate to past service - adjustments to the LIC	7,522	-	-	**7,522**	310,809	318,330
Losses on onerous contracts and reversal of those losses	(40,337)	(327,150)	(105,115)	**(472,601)**	(71,075)	(457,224)
Insurance acquisition cash flows amortisation	(31,827)	(463,648)	(161,551)	**(657,026)**	(532,471)	(1,189,497)
Total insurance expenses	**(519,109)**	**(1,268,409)**	**(541,895)**	**(2,329,414)**	**(3,511,723)**	**(5,841,137)**

11. INSURANCE SERVICE EXPENSES (continued)

Company

2023	Non-participating contracts Life	Indirect participating contracts	Investment contracts with DPF	Long term assurance business	Short term insurance business	TOTAL
	Kshs '000	Kshs '000	Kshs '000	Kshs '000		
Incurred claims and other directly attributable expenses	(742,938)	(565,285)	(171,920)	**(1,480,143)**	-2,442,500	-3,922,643
Changes that relate to past service - adjustments to the LIC	10,410	-	-	**10,410**	375,617	386,027
Losses on onerous contracts and reversal of those losses	(79,957)	(282,479)	(5,290)	**(367,726)**	-184,407	-552,133
Insurance acquisition cash flows amortisation	(86,526)	(185,440)	(186,988)	**(458,954)**	-258,201	-717,155
				-		
Total insurance expenses	**(899,011)**	**(1,033,204)**	**(364,199)**	**(2,296,414)**	**(2,509,491)**	**(4,805,905)**

2022	Non-participating contracts Life	Indirect participating contracts	Investment contracts with DPF	Long term assurance business	Short term insurance business	TOTAL
	Kshs '000	Kshs '000	Kshs '000	**Kshs '000**		
Incurred claims and other directly attributable expenses	(454,467)	(477,612)	(275,229)	**(1,207,308)**	(2,353,570)	(3,560,878)
Changes that relate to past service - adjustments to the LIC	7,522	-	-	**7,522**	310,809	318,330
Losses on onerous contracts and reversal of those losses	(40,337)	(327,150)	(105,115)	**(472,601)**	(71,075)	(543,676)
Insurance acquisition cash flows amortisation	(31,827)	(463,648)	(161,551)	**(657,026)**	(392,481)	(1,049,507)
Total insurance expenses	**(519,109)**	**(1,268,409)**	**(541,895)**	**(2,329,414)**	**(2,506,317)**	**(4,835,731)**

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12. Income or expenses from reinsurance contracts held

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers, are presented in the tables below:

Group

2023	**Reinsurance contracts held for:**					
	Non-participating contracts	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance service income for reinsurance contracts held	48,435	-	-	48,435	764,237	812,672
Insurance expenses for reinsurance contracts held	(37,654)	-	-	(37,654)	(1,036,619)	(1,074,273)
					-	
Net income/ (expense) from reinsurance contracts held	**10,781**	**-**	**-**	**10,781**	**(272,382)**	**(261,601)**

2022	**Reinsurance contracts held for:**					
	Non-participating contracts	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance service income for reinsurance contracts held	25,693			25,693	1,175,575	1,201,268
Insurance expenses for reinsurance contracts held	(23,199)			(23,199)	(1,063,272)	(1,086,471)
					-	
Net income/ (expense) from reinsurance contracts held	**2,494**	**-**	**-**	**2,494**	**112,303**	**114,797**

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12. Income or expenses from reinsurance contracts held (continued)

Company

2023

	Reinsurance contracts held for: Non-participating contracts	Indirect participating contracts	Investment contracts with DPF	Long term assurance business	Short term insurance business	TOTAL
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance service income for reinsurance contracts held	48,435	-	-	48,435	511,954	560,389
Insurance expenses for reinsurance contracts held	(37,654)	-	-	(37,654)	(387,905)	(425,559)
					-	
Net income/ (expense) from reinsurance contracts held	**10,781**	**-**	**-**	**10,781**	**124,049**	**134,830**

2022

	Reinsurance contracts held for: Non-participating contracts	Indirect participating contracts	Investment contracts with DPF	Long term assurance business	Short term insurance business	TOTAL
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance service income for reinsurance contracts held	25,693			25,693	477,479	503,172
Insurance expenses for reinsurance contracts held	(23,199)			(23,199)	(587,077)	(610,276)
					-	
Net income/ (expense) from reinsurance contracts held	**2,494**	**-**	**-**	**2,494**	**(109,598)**	**(107,104)**

13. Total investment income and insurance finance income/expenses

The tables below present an analysis of net investment income and net insurance finance income/expenses recognised in profit or loss and OCI in the period

Group

	Fixed annuities & Term policies		Unit-linked and variable annuities		DA	
2023	**Non-participating contracts Life Kshs '000**	**Indirect participating contracts Kshs '000**	**Investment contracts with DPF Kshs '000**	**Long term assurance business Kshs '000**	**Short term insurance business Kshs '000**	**TOTAL Kshs '000**
Insurance finance income/expenses from insurance contracts issued						
Interest accreted	-	-	-	-	-	-
Effect of changes in interest rates and other financial assumptions	(451,669)	75,178	(7,180,154)	(7,556,645)	62,562	(7,494,083)
Interest declared on DA fund	-	-	-	-	-	-
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate	-	-	-	-	-	-
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items	-	-	-	-	-	-
Foreign exchange income/expenses	-	-	-	-	-	-
Insurance finance income/expenses from insurance contracts issued	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
					-	-
Insurance finance income/expenses reclassified from OCI on derecognition of insurance contracts issued (1)					-	-
Insurance finance income/expenses reclassified from OCI due to a change in holding/not holding the underlying items					-	-
				-	**-**	**-**
Total insurance finance income/ expenses from insurance contracts issued recognised in P&L	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
Total insurance finance income/ expenses from insurance contracts issued recognised in OCI				**-**	**-**	**-**
Total insurance finance income/ expenses from insurance contracts issued	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
					-	**-**
Finance income/expenses from reinsurance contracts held					**-**	**-**
Interest accreted				-	-	-
Effect of changes in interest rates and other financial assumptions		-		-	(25,324)	(25,324)
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate				-	-	-
Foreign exchange income/expense				-	-	-
Total finance income/expenses from reinsurance contracts held recognised in P&L		**-**	**-**	**-**	**(25,324)**	**(25,324)**
Total finance income/expenses from reinsurance contracts held recognised in OCI				**-**	**-**	**-**
Total finance income/expenses from reinsurance contracts held		**-**	**-**	**-**	**(25,324)**	**(25,324)**
Net insurance finance income or expenses	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**37,238**	**(7,519,407)**

2022	**Non-participating contracts Life Kshs '000**	**Indirect participating contracts Kshs '000**	**Investment contracts with DPF Kshs '000**	**Long term assurance business Kshs '000**	**Short term insurance business Kshs '000**	**TOTAL Kshs '000**
Insurance finance income/expenses from insurance contracts issued				-	-	-
Interest accreted				-	-	-
Effect of changes in interest rates and other financial assumptions	(376,131)	93,639	(5,719,546)	(6,002,037)	(77,913)	(6,079,951)
Interest declared on DA fund				-	-	-
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate				-	-	-
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items				-	-	-
Foreign exchange income/expenses				-	-	-
Insurance finance income/expenses from insurance contracts issued	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
					-	-
Insurance finance income/expenses reclassified from OCI on derecognition of insurance contracts issued (1)					-	-
Insurance finance income/expenses reclassified from OCI due to a change in holding/not holding the underlying items					-	-
				-	-	-
Total insurance finance income/ expenses from insurance contracts issued recognised in P&L	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
Total insurance finance income/ expenses from insurance contracts issued recognised in OCI				**-**	**-**	**-**
Total insurance finance income/ expenses from insurance contracts issued	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
						-
Finance income/expenses from reinsurance contracts held					-	-
Interest accreted				-		-
Effect of changes in interest rates and other financial assumptions		-			12,402	12,402
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate						-
Foreign exchange income/expense						-
Total finance income/expenses from reinsurance contracts held recognised in P&L		**-**	**-**		**12,402**	**12,402**
Total finance income/expenses from reinsurance contracts held recognised in OCI						**-**
Total finance income/expenses from reinsurance contracts held		**-**	**-**		**12,402**	**12,402**
Net insurance finance income or expenses	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(65,511)**	**(6,067,548)**

13. Total investment income and insurance finance income/expenses (continued)

Company

	Fixed annuities & Term policies		Unit-linked and variable annuities		DA	
2023	**Non-participating contracts Life Kshs '000**	**Indirect participating contracts Kshs '000**	**Investment contracts with DPF Kshs '000**	**Long term assurance business Kshs '000**	**Short term insurance business Kshs '000**	**TOTAL Kshs '000**
Investment income/expenses on underlying assets						
Interest revenue from financial assets not measured at FVTPL				-	-	-
Net gains on FVTPL investments	662,645	308,884	7,750,512	8,722,042	553,545	9,426,589
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal				-		-
Net change in investment contract liabilities				-		-
Net gains from the derecognition of financial assets measured at AC						-
Net gains from fair value adjustments to investment properties				-		-
Net credit impairment losses				-		-
Total investment income/expenses on underlying assets recognised in P&L	**662,645**	**308,884**	**7,750,512**	**8,722,042**	**553,545**	**9,426,589**
Total investment income/expenses on underlying assets recognised in OCI						**-**
Total net investment income/expenses	**662,645**	**308,884**	**7,750,512**	**8,722,042**	**553,545**	**9,426,589**
						-
Insurance finance income/expenses from insurance contracts issued				**-**		**-**
Interest accreted				-		-
Effect of changes in interest rates and other financial assumptions	(451,669)	75,179	(7,180,154)	(7,556,645)	62,562	(7,494,083)
Interest declared on DA fund				-		-
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate				-		-
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items				-		-
Foreign exchange income/expenses				-		-
Insurance finance income/expenses from insurance contracts issued	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
						-
Insurance finance income/expenses reclassified from OCI on derecognition of insurance contracts issued (1)						-
Insurance finance income/expenses reclassified from OCI due to a change in holding/not holding the underlying items						-
				-		-
Total insurance finance income/ expenses from insurance contracts issued recognised in P&L	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
Total insurance finance income/ expenses from insurance contracts issued recognised in OCI				**-**		**-**
Total insurance finance income/ expenses from insurance contracts issued	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**62,562**	**(7,494,083)**
						-
Finance income/expenses from reinsurance contracts held						**-**
Interest accreted				-		-
Effect of changes in interest rates and other financial assumptions	-	-		-	(25,324)	(25,324)
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate				-		-
Foreign exchange income/expense				-		-
Total finance income/expenses from reinsurance contracts held recognised in P&L	**-**	**-**	**-**	**-**	**(25,324)**	**(25,324)**
Total finance income/expenses from reinsurance contracts held recognised in OCI				**-**		**-**
Total finance income/expenses from reinsurance contracts held	**-**	**-**	**-**	**-**	**(25,324)**	**(25,324)**
Net insurance finance income or expenses	**(451,669)**	**75,179**	**(7,180,154)**	**(7,556,645)**	**37,238**	**(7,519,407)**
2022	**Non-participating contracts Life**	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
Investment income/expenses on underlying assets						
Interest revenue from financial assets not measured at FVTPL				-	-	-
Net gains on FVTPL investments	491,669	297,577	6,588,053	7,377,299	610,578	8,017,130
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal				-		-
Net change in investment contract liabilities				-		-
Net gains from the derecognition of financial assets measured at AC				-		-
Net gains from fair value adjustments to investment properties				-		-
Net credit impairment losses				-		-
Total investment income/expenses on underlying assets recognised in P&L	**491,669**	**297,577**	**6,588,053**	**7,377,299**	**610,578**	**8,017,130**
Total investment income/expenses on underlying assets recognised in OCI						**-**
Total net investment income/expenses	**491,669**	**297,577**	**6,588,053**	**7,377,299**	**610,578**	**8,017,130**
						-
Insurance finance income/expenses from insurance contracts issued				**-**		**-**
Interest accreted				-		-
Effect of changes in interest rates and other financial assumptions	(376,131)	93,639	(5,719,546)	(6,002,037)	(77,913)	(6,079,951)
Interest declared on DA fund				-		-
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate				-		-
Changes in fulfilment cash flows and CSM of contracts measured applying VFA due to changes in fair value of underlying items				-		-
Foreign exchange income/expenses				-		-
Insurance finance income/expenses from insurance contracts issued	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
						-
Insurance finance income/expenses reclassified from OCI on derecognition of insurance contracts issued (1)						-
Insurance finance income/expenses reclassified from OCI due to a change in holding/not holding the underlying items						-
				-		-
Total insurance finance income/ expenses from insurance contracts issued recognised in P&L	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
Total insurance finance income/ expenses from insurance contracts issued recognised in OCI				**-**		**-**
Total insurance finance income/ expenses from insurance contracts issued	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(77,913)**	**(6,079,951)**
						-
Finance income/expenses from reinsurance contracts held						**-**
Interest accreted				-		-
Effect of changes in interest rates and other financial assumptions		-			12,402	12,402
Effect of changes in fulfilment cash flows at current rate when CSM is unlocked at locked-in rate						-
Foreign exchange income/expense						-
Total finance income/expenses from reinsurance contracts held recognised in P&L		**-**	**-**		**12,402**	**12,402**
Total finance income/expenses from reinsurance contracts held recognised in OCI						**-**
Total finance income/expenses from reinsurance contracts held		**-**	**-**		**12,402**	**12,402**
Net insurance finance income or expenses	**(376,131)**	**93,639**	**(5,719,546)**	**(6,002,037)**	**(65,511)**	**(6,067,548)**

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14. Portfolios of insurance and reinsurance contract assets and liabilities

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

Group

2023	**Non-participating contracts Life**	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance contract assets				**-**		
Insurance contract liabilities	2,275,961	4,449,567	66,405,034	**73,130,561**	7,374,357	80,504,918
Net Liability	**2,275,961**	**4,449,567**	**66,405,034**	**73,130,561**	**7,374,357**	**80,504,918**
Reinsurance contract assets	90,168	-	-	**90,168**	3,870,644	3,960,812
Reinsurance contract liabilities	22,803	260	-	**23,063**	-	23,063
Net Asset	**67,365**	**(260)**	**-**	**67,105**	**3,870,644**	**3,937,749**

2022	**Non-participating contracts Life**	**Indirect participating contracts**	**Investment contracts with DPF**	**Long term assurance business**	**Short term insurance business**	**TOTAL**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Insurance contract assets	-			**-**		
Insurance contract liabilities	2,376,247	3,057,010	57,023,761	**62,457,018**	7,358,787	69,815,805
Net Liability	**2,376,247**	**3,057,010**	**57,023,761**	**62,457,018**	**7,358,787**	**69,815,805**
Reinsurance contract assets	40,975	42	-	**41,017**	3,564,346	3,605,363
Reinsurance contract liabilities	25,663	-	-	**25,663**	173,918	199,581
Net Asset	**15,312**	**42**	**-**	**15,354**	**3,390,428**	**3,405,782**

14. Portfolios of insurance and reinsurance contract assets and liabilities (continued)

Company

2023	Non-participating contracts Life Kshs '000	Indirect participating contracts Kshs '000	Investment contracts with DPF Kshs '000	Long term assurance business Kshs '000	Short term insurance business Kshs '000	TOTAL Kshs '000
Insurance contract assets				-		
Insurance contract liabilities	2,275,961	4,449,567	66,405,034	**73,130,561**	6,002,163	79,132,724
Net Liability	**2,275,961**	**4,449,567**	**66,405,034**	**73,130,561**	**6,002,163**	**79,132,724**
Reinsurance contract assets	90,168	-	-	**90,168**	2,561,697	2,651,865
Reinsurance contract liabilities	22,803	260	-	**23,063**		23,063
Net Asset	**67,365**	**(260)**	**-**	**67,105**	**2,561,697**	**2,628,802**

2022	Non-participating contracts Life Kshs '000	Indirect participating contracts Kshs '000	Investment contracts with DPF Kshs '000	Long term assurance business Kshs '000	Short term insurance business Kshs '000	TOTAL Kshs '000
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	2,376,247	3,057,010	57,023,761	**62,457,018**	5,986,593	68,443,611
Net Liability	**2,376,247**	**3,057,010**	**57,023,761**	**62,457,018**	**5,986,593**	**68,443,611**
Reinsurance contract assets	40,975	42	-	**41,017**	2,377,071	2,418,088
Reinsurance contract liabilities	25,663	-	-	**25,663**	173,918	199,581
Net Asset	**15,312**	**42**	**-**	**15,354**	**2,203,153**	**2,218,507**

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15. Insurance contract assets and liabilities

A. Indirect participating contracts

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for indirect participating contracts.

2023	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims Best estimate liability	Risk adjustment	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets	-	-	-	-	-
Opening liabilities	2,064,506	282,929	28,812	-	2,376,247
Net opening balance	**2,064,506**	**282,929**	**28,812**	**-**	**2,376,247**
Changes in the statement of profit or loss					
Insurance revenue					
Contracts measured under the fair value approach at transition	(701,834)				(701,834)
Contracts measured under the modified retrospective approach at transition					-
New contracts and contracts measured under the full retrospective approach at transition	(103,325)				(103,325)
Insurance revenue	**(805,159)**	-	-	-	**(805,159)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(102,660)			
Changes that relate to past service - adjustments to the LIC					
Changes adjusting the CSM					
Losses on onerous contracts and reversal of those losses		282,479			
Insurance acquisition cash flows amortisation	185,440				
Insurance service expenses	**185,440**	**179,819**	**667,945**		**1,033,204**
Insurance service result	**(619,719)**	**179,819**	**667,945**		**228,045**
Finance income/(expenses) from insurance contracts issued Effect of movements in exchange rates	(127,129)	51,951			(75,178)
Investment return					-
Other operating expenses					-
Total changes in the statement of profit or loss	**(746,848)**	**231,770**	**667,945**		**152,867**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					
Cash flows					**-**
Premiums received	636,625				636,625
Claims and other directly attributable expenses paid			(639,838)		(639,838)
Insurance acquisition cash flows paid	(249,940)				(249,940)
Total cash flows	**386,685**	**-**	**(639,838)**	**-**	**(253,153)**
Net closing balance	**1,704,343**	**514,699**	**56,919**	**-**	**2,275,961**
Closing assets					
Closing liabilities	1,704,343	514,699	56,919	-	2,275,961
Net closing balance	**1,704,343**	**514,699**	**56,919**	**-**	**2,275,961**

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15. Insurance contract assets and liabilities (continued)

A. Indirect participating contracts (continued)

2022	Liability for remaining coverage Excluding loss component Kshs '000	Loss component Kshs '000	Liability for incurred claims Best estimate liability Kshs '000	Risk adjustment Kshs '000	Total Kshs '000
Opening assets	-	-	-	-	-
Opening liabilities	2,263,016	-	22,851	-	2,285,867
Net opening balance	**2,263,016**	-	**22,851**	**-**	**2,285,867**
Changes in the statement of profit or loss					
Insurance revenue					
Contracts measured under the fair value approach at transition	(687,669)				(687,669)
Contracts measured under the modified retrospective approach at transition	-				-
New contracts and contracts measured under the full retrospective approach at transition	(213,489)				(213,489)
Insurance revenue	**(901,158)**	-	-	-	**(901,158)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(72,811)	550,423		477,612
Changes that relate to past service - adjustments to the LIC					-
Changes adjusting the CSM					327,150
Losses on onerous contracts and reversal of those losses		327,150			463,648
Insurance acquisition cash flows amortisation	463,648				-
Insurance service expenses	**463,648**	**254,339**	**550,423**	**-**	**1,268,410**
Insurance service result	**(437,510)**	**254,339**	**550,423**	**-**	**367,252**
Finance income/(expenses) from insurance contracts issued Effect of movements in exchange rates	(122,230)	28,590			(93,640)
Investment return					-
Other operating expenses					-
Total changes in the statement of profit or loss	**(559,740)**	**282,929**	**550,423**	**-**	**273,612**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					
Cash flows					**-**
Premiums received	587,936				587,936
Claims and other directly attributable expenses paid			(544,462)		(544,462)
Insurance acquisition cash flows paid	(226,706)				(226,706)
Total cash flows	**361,230**	**-**	**(544,462)**	**-**	**(183,232)**
Net closing balance	**2,064,506**	**282,929**	**28,812**	**-**	**2,376,247**
Closing assets					-
Closing liabilities	2,064,506	282,929	28,812	-	2,376,247
Net closing balance	**2,064,506**	**282,929**	**28,812**	**-**	**2,376,247**

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15. Insurance contract assets and liabilities (continued)

A. Indirect participating contracts (continued)

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components:

2023	Estimates of present value of future cash flows Kshs '000	Risk adjustment for non financial risk Kshs '000	Contracts under modified retrospective approach Kshs '000	CSM Contracts under fair value approach Kshs '000	New contracts and contracts measured under the full retrospective approach at transition Kshs '000	Total Kshs '000
Opening assets						
Opening liabilities	2,075,512	228,299	-	-	72,436	2,376,247
Net opening balance	**2,075,512**	**228,299**	**-**	**-**	**72,436**	**2,376,247**
Changes in the statement of profit or loss						
Changes that relate to current service						-
CSM recognised in profit or loss for the services provided					(38,376)	(38,376)
Change in the risk adjustment for nonfinancial risk for the risk expired		(33,437)				(33,437)
Premium (and other related cash flows) experience adjustments relating to current service	123,885					123,885
Insurance revenue from contracts measured under the PAA						-
Experience adjustments	(101,473)	(5,033)				(106,506)
	22,412	**(38,470)**			**(38,376)**	**(54,434)**
Changes that relate to future service						
Changes in estimates that adjust the CSM	(39,975)	(15,789)	-	-	55,764	-
Changes in estimates that result in onerous contract losses or reversal of losses	29,002	1,723	-	-	-	30,725
Contracts initially recognised in the period	118,892	28,692	-	-	104,170	251,754
	107,919	**14,626**	**-**	**-**	**159,934**	**282,479**
Changes that relate to past service						
Adjustments to liabilities for incurred claims						
Insurance service result	**130,331**	**(23,844)**	**-**	**-**	**121,558**	**228,045**
Finance income/(expenses) from insurance contracts issued	(103,726)	11,507	-	-	17,041	(75,178)
Effect of movements in exchange rates						-
Total changes in the statement of profit or loss	**26,605**	**(12,337)**	**-**	**-**	**138,599**	**152,867**
Allocation of IACF to related group of contracts						
Cash flows						
Premiums received	636,625					636,625
Claims and other directly attributable expenses paid	(639,838)					(639,838)
Insurance acquisition cash flows paid	(249,940)					(249,940)
Total cash flows	**(253,153)**	**-**	**-**	**-**	**-**	**(253,153)**
Net closing balance	**1,848,964**	**215,962**	**-**	**-**	**211,035**	**2,275,961**

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15. Insurance contract assets and liabilities (continued)

A. Indirect participating contracts (continued)

2022	Estimates of present value of future cash flows Kshs '000	Risk adjustment for non financial risk Kshs '000	Contracts under modified retrospective approach Kshs '000	CSM Contracts under fair value approach Kshs '000	New contracts and contracts measured under the full retrospective approach at transition Kshs '000	Total Kshs '000
Opening assets						
Opening liabilities	1,723,694	187,255	-	374,918	-	2,285,867
Net opening balance	**1,723,694**	**187,255**	**-**	**374,918**	**-**	**2,285,867**
Changes in the statement of profit or loss						
Changes that relate to current service						**-**
CSM recognised in profit or loss for the services provided					(17,996)	(17,996)
Change in the risk adjustment for nonfinancial risk for the risk expired		(20,606)				(20,606)
Premium (and other related cash flows) experience adjustments relating to current service	13,204					13,204
Insurance revenue from contracts measured under the PAA						-
Experience adjustments	68,967	(3,467)				65,500
	82,171	**(24,073)**	**-**	**-**	**(17,996)**	**40,102**
Changes that relate to future service						
Changes in estimates that adjust the CSM	284,453	163,629		(392,406)	(55,676)	-
Changes in estimates that result in onerous contract losses or reversal of losses	20,402	1,515				21,917
Impact of modification premiums received						-
Impact of notional modification premium outflows						-
Contracts initially recognised in the period	143,644	27,994			133,595	305,233
	448,499	**193,138**	**-**	**(392,406)**	**77,919**	**327,150**
Changes that relate to past service						
Adjustments to liabilities for incurred claims						
Insurance service result	**530,670**	**169,065**	**-**	**(392,406)**	**59,923**	**367,252**
Finance income/(expenses) from insurance contracts issued	4,380	(128,021)	-	17,488	12,513	(93,640)
Effect of movements in exchange rates			-			-
Total changes in the statement of profit or loss	**535,050**	**41,044**	**-**	**(374,918)**	**72,436**	**273,612**
Allocation of IACF to related group of contracts						
Cash flows						
Premiums received	587,936					587,936
Claims and other directly attributable expenses paid	(544,462)					(544,462)
Insurance acquisition cash flows paid	(226,706)					(226,706)
Total cash flows	**(183,232)**	**-**	**-**	**-**	**-**	**(183,232)**
Net closing balance	**2,075,512**	**228,299**	**-**	**-**	**72,436**	**2,376,247**

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15. Insurance contract assets and liabilities (continued)

A. Indirect participating contracts (continued)

The following table provides an analysis of insurance contracts initially recognised in the period.

	2023 Profitable contracts Kshs '000	2023 Contracts issued Onerous contracts Kshs '000	2023 Total Kshs '000	2022 Profitable contracts Kshs '000	2022 Contracts issued Onerous contracts Kshs '000	2022 Total Kshs '000
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	49,333	51,235	**100,568**	60,745	142,674	**203,419**
Claims and other directly attributable expenses	171,087	402,738	**573,825**	110,294	449,584	**559,878**
Estimates of the present value of future cash inflows	(333,144)	(222,357)	**(555,501)**	(310,148)	(309,505)	**(619,653)**
Risk adjustment for non-financial risk	8,554	20,138	**28,692**	5,515	22,480	**27,995**
Premium that would have been charged on modification for new contracts recognised in grou	-	-	**-**	-	-	**-**
CSM	104,170	-	**104,170**	133,594	-	**133,594**
Increase in insurance contract liabilities from contracts recognised in the period	**-**	**251,754**	**251,754**	**-**	**305,233**	**305,233**

B. Life business – non-participating contracts

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for non-participating contracts.

2023	Liability for remaining coverage Excluding loss component Kshs '000	Loss component Kshs '000	Liability for incurred claims Best estimate liability Kshs '000	Liability for incurred claims Risk adjustment Kshs '000	Total Kshs '000
Opening assets					-
Opening liabilities	2,950,341	58,870	52,583	(4,784)	**3,057,010**
Net opening balance	**2,950,341**	**58,870**	**52,583**	**(4,784)**	**3,057,010**
Changes in the statement of profit or loss					
Insurance revenue					
Contracts measured under the fair value approach at transition	(36,336)				**(36,336)**
Contracts measured under the modified retrospective approach at transition					**-**
New contracts and contracts measured under the full retrospective approach at transition	(683,849)				**(683,849)**
Insurance revenue	**(720,185)**	**-**	**-**	**-**	**(720,185)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(27,762)	770,700		**742,938**
Changes that relate to past service - adjustments to the LIC				(10,410)	**(10,410)**
Changes adjusting the CSM			-		
Losses on onerous contracts and reversal of those losses		79,957			**79,957**
Insurance acquisition cash flows amortisation	86,526				**86,526**
Insurance service expenses	**86,526**	**52,195**	**770,700**	**(10,410)**	**899,011**
Insurance service result	**(633,659)**	**52,195**	**770,700**	**(10,410)**	**178,826**
Finance income/(expenses) from insurance contracts issued	444,210	7,459			**451,669**
Effect of movements in exchange rates					**-**
Investment return					**-**
Other operating expenses					**-**
Total changes in the statement of profit or loss	**(189,449)**	**59,654**	**770,700**	**(10,410)**	**630,495**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					**-**
Cash flows					**-**
Premiums received	1,522,764				**1,522,764**
Claims and other directly attributable expenses paid			(707,550)		**(707,550)**
Insurance acquisition cash flows paid	(49,325)				**(49,325)**
Total cash flows	**1,473,439**		**(707,550)**		**765,889**
Net closing balance	**4,234,331**	**118,524**	**115,733**	**(15,194)**	**4,453,394**

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15. Insurance contract assets and liabilities (continued)
B. Life business – non-participating contracts (continued)

2022	Liability for remaining coverage Excluding loss component Kshs '000	Loss component Kshs '000	Best estimate liability Kshs '000	Liability for incurred claims Risk adjustment Kshs '000	Total Kshs '000
Opening assets					-
Opening liabilities	2,694,775	25,151	35,209	2,738	2,757,873
Net opening balance	**2,694,775**	**25,151**	**35,209**	**2,738**	**2,757,873**
Changes in the statement of profit or loss					
Insurance revenue					
Contracts measured under the fair value approach at transition	(11,394)				(11,394)
Contracts measured under the modified retrospective approach at transition	-				-
New contracts and contracts measured under the full retrospective approach at transition	(480,637)				(480,637)
Insurance revenue	**(492,031)**	**-**	**-**	**-**	**(492,031)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(12,454)	466,921		454,467
Changes that relate to past service - adjustments to the LIC			-	(7,522)	(7,522)
Changes adjusting the CSM					-
Losses on onerous contracts and reversal of those losses		40,337			40,337
Insurance acquisition cash flows amortisation	31,827				31,827
Insurance service expenses	**31,827**	**27,883**	**466,921**	**(7,522)**	**519,109**
Insurance service result	**(460,204)**	**27,883**	**466,921**	**(7,522)**	**27,078**
Finance income/(expenses) from insurance contracts issued	370,295	5,836			376,131
Total changes in the statement of profit or loss	**(89,909)**	**33,719**	**466,921**	**(7,522)**	**403,209**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					-
Cash flows					-
Premiums received	377,030				377,030
Claims and other directly attributable expenses paid			(449,547)		(449,547)
Insurance acquisition cash flows paid	(31,555)				(31,555)
Total cash flows	**345,475**	**-**	**(449,547)**	**-**	**(104,072)**
Net closing balance	**2,950,341**	**58,870**	**52,583**	**(4,784)**	**3,057,010**

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15. Insurance contract assets and liabilities (continued)

B. Life business – non-participating contracts (continued)

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components:

2023	Estimates of present value of future cash flows	Risk adjustment for non financial risk	CSM: Contracts under modified retrospective approach	CSM: Contracts under fair value approach	CSM: New contracts and contracts measured under the full retrospective approach at transition	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets				-		-
Opening liabilities	2,583,667	123,062	-	-	350,060	**3,056,789**
Net opening balance	**2,583,667**	**123,062**	**-**	**-**	**350,060**	**3,056,789**
Changes that relate to current service						-
CSM recognised in profit or loss for the services provided					(99,461)	**(99,461)**
Change in the risk adjustment for nonfinancial risk for the risk expired		(22,433)				**(22,433)**
Premium (and other related cash flows) experience adjustments relating to current service	383					**383**
Insurance revenue from contracts measured under the PAA	(68,848)					**(68,848)**
Experience adjustments	301,032	(1,322)				**299,710**
	232,567	**(23,755)**	**-**	**-**	**(99,461)**	**109,351**
Changes that relate to future service						
Changes in estimates that adjust the CSM	(176,305)	(19,835)		-	196,959	**819**
Changes in estimates that result in onerous contract losses or reversal of losses	60,337	3,015				**63,352**
Impact of modification premiums received						**-**
Impact of notional modification premium outflows						**-**
Contracts initially recognised in the period	(277,851)	54,418			239,568	**16,135**
	(393,819)	**37,598**	**-**	**-**	**436,527**	**80,306**
Changes that relate to past service						
Adjustments to liabilities for incurred claims	-	(10,410)				**(10,410)**
		(10,410)		**-**	**-**	**(10,410)**
Insurance service result	**(161,252)**	**3,433**	**-**	**-**	**337,066**	**179,247**
Finance income/(expenses) from insurance contracts issued	364,806	29,264		-	57,485	**451,555**
Effect of movements in exchange rates						**-**
Total changes in the statement of profit or loss	**203,554**	**32,697**	**-**	**-**	**394,551**	**630,802**
Allocation of IACF to related group of contracts						
Cash flows						
Premiums received	1,522,764					**1,522,764**
Claims and other directly attributable expenses paid	(707,550)					**(707,550)**
Insurance acquisition cash flows paid	(49,325)					**(49,325)**
Total cash flows	**765,889**	**-**	**-**	**-**	**-**	**765,889**
Net closing balance	**3,553,110**	**155,759**		**-**	**744,611**	**4,453,480**

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15. Insurance contract assets and liabilities (continued)

B. Life business – non-participating contracts (continued)

2022	Estimates of present value of future cash flows	Risk adjustment for non financial risk	CSM Contracts under fair value approach	CSM Contracts unde value approach	CSM New contracts and contracts measured under the full retrospective approach at transition	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets						
Opening liabilities	2,453,444	124,583	-	-	180,322	2,758,349
Net opening balance	2,453,444	124,583	-	-	180,322	2,758,349
Changes in the statement of profit or loss						
Changes that relate to current service						-
CSM recognised in profit or loss for the services provided					(42,752)	(42,752)
Change in the risk adjustment for nonfinancial risk for the risk expired		(17,763)				(17,763)
Premium (and other related cash flows) experience adjustments relating to current service	(4,302)					(4,302)
Insurance revenue from contracts measured under the PAA	(41,974)					(41,974)
Experience adjustments	101,779	(593)				101,186
	55,503	(18,356)	-	-	(42,752)	(5,605)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(99,726)	(9,154)		-	108,832	(48)
Changes in estimates that result in onerous contract losses or reversal of losses	6,050	302				6,352
Impact of modification premiums received						-
Impact of notional modification premium outflows						-
Contracts initially recognised in the period	(58,179)	12,035			79,415	33,271
	(151,855)	3,183	-	-	188,247	39,575
Changes that relate to past service						
Adjustments to liabilities for incurred claims	-	(7,522)				(7,522)
	-	(7,522)	-	-	-	(7,522)
Insurance service result	(96,352)	(22,695)	-	-	145,495	26,448
Finance income/(expenses) from insurance contracts issued	330,647	21,174		-	24,242	376,063
Effect of movements in exchange rates						-
Total changes in the statement of profit or loss	234,295	(1,521)	-	-	169,738	402,512
Allocation of IACF to related group of contracts						
Cash flows						
Premiums received	377,030					377,030
Claims and other directly attributable expenses paid	(449,547)					(449,547)
Insurance acquisition cash flows paid	(31,555)					(31,555)
Total cash flows	(104,072)	-	-	-	-	(104,072)
Net closing balance	2,583,667	123,062		-	350,060	3,056,789

The following table provides an analysis of insurance contracts initially recognised in the period.

	2023 Profitable contracts	2023 Contracts issued Onerous contra	2023 Total	2022 Profitable contracts	2022 Contracts issued Onerous contra	2022 Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	28,463	11,515	**39,978**	7,163	21,534	**28,697**
Claims and other directly attributable expenses	1,081,100	7,269	**1,088,369**	223,313	17,384	**240,697**
Estimates of the present value of future cash inflows	(1,403,656)	(2,542)	**(1,406,198)**	(321,770)	(5,803)	**(327,573)**
Risk adjustment for non-financial risk	54,055	363	**54,418**	11,165	870	**12,035**
Premium that would have been charged on modification for new contracts recognised in grou	-	-	**-**	-	-	**-**
CSM	240,038	-	**240,038**	80,129	-	**80,129**
Increase in insurance contract liabilities from contracts recognised in the period	-	16,605	16,605	-	33,985	33,985

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15. Insurance contract assets and liabilities (continued)

C. Investment contracts with DPF

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for investment contracts with DPF.

2023	Liability for remaining coverage Excluding loss component	Loss component	Liability for incurred claims: Best estimate liability	Liability for incurred claims: Risk adjustment	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets					
Opening liabilities	56,483,748	539,681	27,522	-	**57,050,951**
Net opening balance	**56,483,748**	**539,681**	**27,522**	**-**	**57,050,951**
Changes in the statement of profit or loss					**-**
Insurance revenue					
Contracts measured under the fair value approach at transition	(33,573)				**(33,573)**
Contracts measured under the modified retrospective approach at transition					**-**
New contracts and contracts measured under the full retrospective approach at transition	(364,453)				**(364,453)**
Insurance revenue	**(398,026)**	**-**	**-**	**-**	**(398,026)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(87,791)	259,711	-	**171,920**
Changes that relate to past service - adjustments to the LIC			-		**-**
Changes adjusting the CSM					**-**
Losses on onerous contracts and reversal of those losses		5,290			**5,290**
Insurance acquisition cash flows amortisation	186,989				**186,989**
Insurance service expenses	**186,989**	**(82,501)**	**259,711**	**-**	**364,199**
Insurance service result	**(211,037)**	**(82,501)**	**259,711**	**-**	**(33,827)**
Finance income/(expenses) from insurance contracts issued	7,185,568	-	(5,414)	-	**7,180,154**
Effect of movements in exchange rates					**-**
Investment return					**-**
Other operating expenses					**-**
Total changes in the statement of profit or loss	**6,974,531**	**(82,501)**	**254,297**	**-**	**7,146,327**
Investment components excluded from insurance revenue and insurance service expenses	(6,398,214)		6,398,214		**-**
Allocation of IACF to related group of contracts					**-**
Cash flows					**-**
Premiums received	9,086,474				**9,086,474**
Claims and other directly attributable expenses paid			(6,658,330)		**(6,658,330)**
Insurance acquisition cash flows paid	(216,079)				**(216,079)**
Total cash flows	**8,870,395**	**-**	**(6,658,330)**	**-**	**2,212,065**
Net closing balance	65,930,460	457,180	21,703	-	**66,409,343**
Closing assets					**-**
Closing liabilities	65,930,460	457,180	21,703	-	**66,409,343**
Net closing balance	**65,930,460**	**457,180**	**21,703**	**-**	**66,409,343**

15. Insurance contract assets and liabilities (continued)

C. Investment contracts with DPF (continued)

2022	Liability for remaining coverage Excluding loss component Kshs '000	Liability for incurred claims: Loss component Kshs '000	Liability for incurred claims: Best estimate liability Kshs '000	Liability for incurred claims: Risk adjustment Kshs '000	Total Kshs '000
Opening assets					
Opening liabilities	47,846,203	421,664	9,328	-	**48,277,195**
Net opening balance	**47,846,203**	**421,664**	**9,328**	**-**	**48,277,195**
Changes in the statement of profit or loss					**-**
Insurance revenue					
Contracts measured under the fair value approach at transition	(19,624)				**(19,624)**
Contracts measured under the modified retrospective approach at transition					**-**
New contracts and contracts measured under the full retrospective approach at transition	(387,449)				**(387,449)**
Insurance revenue	**(407,073)**	**-**	**-**	**-**	**(407,073)**
Insurance service expenses					
Incurred claims and other directly attributable expenses		(16,912)	38,501	-	**21,589**
Changes that relate to past service - adjustments to the LIC			-		**-**
Changes adjusting the CSM					**-**
Losses on onerous contracts and reversal of those losses		105,115			**105,115**
Insurance acquisition cash flows amortisation	161,551				**161,551**
Insurance service expenses	**161,551**	**88,203**	**38,501**	**-**	**288,255**
Insurance service result	**(568,624)**	**(88,203)**	**(38,501)**	**-**	**(695,328)**
Finance income/(expenses) from insurance contracts issued	5,695,513	-	24,033		**5,719,546**
Effect of movements in exchange rates					**-**
Investment return					**-**
Other operating expenses					**-**
Total changes in the statement of profit or loss	**5,126,889**	**(88,203)**	**(14,468)**	**-**	**5,024,218**
Investment components excluded from insurance revenue and insurance service expenses	(4,406,343)		4,406,343		**-**
Allocation of IACF to related group of contracts					**-**
Cash flows					**-**
Premiums received	7,796,388				**7,796,388**
Claims and other directly attributable expenses paid			(4,704,323)		**(4,704,323)**
Insurance acquisition cash flows paid	(202,491)				**(202,491)**
Total cash flows	**7,593,897**	**-**	**(4,704,323)**	**-**	**2,889,574**
Net closing balance	**56,483,749**	**539,681**	**27,522**	**-**	**57,050,951**
Closing assets					-
Closing liabilities	56,483,749	539,681	27,522	-	57,050,951
Net closing balance	**56,483,749**	**539,681**	**27,522**	**-**	**57,050,951**

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15. Insurance contract assets and liabilities (continued)

C. Investment contracts with DPF (continued)

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability analysed by components:

2023	Estimates of present value of future cash flows	Risk adjustment for non financial risk	CSM: Contracts under modified retrospective approach	CSM: Contracts under fair value approach	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets					
Opening liabilities	56,999,525	24,236	-	-	**57,023,761**
Net opening balance	**56,999,525**	**24,236**	**-**	**-**	**57,023,761**
Changes in the statement of profit or loss					
Changes that relate to current service					
CSM recognised in profit or loss for the services provided					**-**
Change in the risk adjustment for nonfinancial risk for the risk expired					**-**
Premium (and other related cash flows) experience adjustments relating to current service		20,568			**20,568**
Insurance revenue from contracts measured under the PAA					
Experience adjustments	(240,440)	(5,467)			**(245,907)**
	(219,872)	**(5,467)**	**-**	**-**	**(225,339)**
Changes that relate to future service					
Changes in estimates that adjust the CSM	-	-	-	-	**-**
Changes in estimates that result in onerous contract losses or reversal of losses	(34,282)	(6,359)			**(40,641)**
Impact of modification premiums received					
Impact of notional modification premium outflows					
Contracts initially recognised in the period	36,613	9,318			**45,931**
	2,331	**2,959**			**5,290**
Changes that relate to past service					
Adjustments to liabilities for incurred claims					
Insurance service result	**(217,541)**	**(2,508)**	**-**	**-**	**(220,049)**
Finance income/(expenses) from insurance contracts issued	7,180,154	-		-	**7,180,154**
Effect of movements in exchange rates					
Total changes in the statement of profit or loss	**6,962,613**	**(2,508)**	**-**	**-**	**6,960,105**
Allocation of IACF to related group of contracts					
Cash flows					
Premiums received	9,162,530				**9,162,530**
Claims and other directly attributable expenses paid	(6,529,111)				**(6,529,111)**
Insurance acquisition cash flows paid	(216,079)				**(216,079)**
Total cash flows	**2,417,340**	**-**			**2,417,340**
Net closing balance	**66,379,478**	**21,728**			**66,401,206**

15. Insurance contract assets and liabilities (continued)

C. Investment contracts with DPF (continued)

2022	Estimates of present value of future cash flows	Risk adjustment for non financial risk	CSM: CSM Contracts under modified retrospective approach	CSM: Contracts under fair value approach	CSM: New contracts and contracts measured under the full retrospective approach at transition	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000		Kshs '000
Opening assets					-	-
Opening liabilities	48,290,256	21,691	-	-	-	48,311,947
Net opening balance	**48,290,256**	**21,691**	**-**	**-**	**-**	**48,311,947**
Changes in the statement of profit or loss						
Changes that relate to current service						
CSM recognised in profit or loss for the services provided						-
Change in the risk adjustment for nonfinancial risk for the risk expired						-
Premium (and other related cash flows) experience adjustments relating to current service	12,695	-			-	12,695
Insurance revenue from contracts measured under the PAA	-				-	
Experience adjustments	23,429	(6,417)			-	17,012
	36,124	**(6,417)**	**-**	**-**	**-**	**29,707**
Changes that relate to future service						
Changes in estimates that adjust the CSM	-	-	-	-	-	-
Changes in estimates that result in onerous contract losses or reversal of losses	39,265	(112)				39,153
Impact of modification premiums received						
Impact of notional modification premium outflows						
Contracts initially recognised in the period	56,888	9,074				65,962
	96,153	**8,962**				**105,115**
Changes that relate to past service						
Adjustments to liabilities for incurred claims						
Insurance service result	**132,277**	**2,545**	**-**	**-**	-	**134,822**
Finance income/(expenses) from insurance contracts issued	5,719,546	-		-	-	5,719,546
Effect of movements in exchange rates					-	-
Total changes in the statement of profit or loss	**5,851,823**	**2,545**	**-**	**-**	-	**5,854,368**
Allocation of IACF to related group of contracts						
Cash flows						
Premiums received	7,761,636					7,761,636
Claims and other directly attributable expenses paid	(4,701,699)					(4,701,699)
Insurance acquisition cash flows paid	(202,491)					(202,491)
Total cash flows	**2,857,446**	**-**				**2,857,446**
Net closing balance	**56,999,525**	**24,236**				**57,023,761**

The following table provides an analysis of insurance contracts initially recognised in the period.

	2023 Contracts issued: Profitable contracts	2023 Contracts issued: Onerous contra	2023 Contracts issued: Total	2022 Contracts issued: Profitable contr	2022 Contracts issued: Onerous contra	2022 Contracts issued: Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Estimates of the present value of future cash outflows						
Insurance acquisition cash flows	-	189,705	**189,705**	-	96,095	**96,095**
Claims and other directly attributable expenses	-	8,698,899	**8,698,899**	-	1,559,552	**1,559,552**
Estimates of the present value of future cash inflows	-	(8,938,408)	**(8,858,524)**	-	(1,598,544)	**(1,598,544)**
Risk adjustment for non-financial risk	-	95,735	**95,735**	-	8,859	**8,859**
Premium that would have been charged on modification for new contracts recognised in grou	-	-	**-**	-	-	**-**
CSM	-	-	**-**	-	-	**-**
			-			
Increase in insurance contract liabilities from contracts recognised in the period	**-**	**45,931**	**125,815**	**-**	**65,962**	**65,962**

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15. Insurance contract assets and liabilities (continued)

D. Short term business

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for short-term business contracts.

2023	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss	Loss component	Best estimate liability	Risk adjustment	
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets					
Opening liabilities	49,374	207,313	4,679,370	1,050,536	**5,986,593**
Net opening balance	49,374	207,313	4,679,370	1,050,536	**5,986,593**
Changes in the statement of profit or loss					
Insurance revenue	**(1,786,270)**	**-**	**-**	**-**	**(1,786,270)**
Insurance service expenses					
Incurred claims and other directly attributable expenses			2,073,354	369,146	**2,442,500**
Changes that relate to past service - adjustments to the LIC			(321,676)	(53,941)	**(375,617)**
Changes adjusting the CSM					**-**
Losses on onerous contracts and reversal of those losses		45,882			**45,882**
Insurance acquisition cash flows amortisation	258,201				**258,201**
Insurance service expenses	**258,201**	**45,882**	**1,751,678**	**315,205**	**2,370,966**
Insurance service result	**(1,528,069)**	**45,882**	**1,751,678**	**315,205**	**584,696**
Finance income/(expenses) from insurance contracts issued			(62,562)		**(62,562)**
Effect of movements in exchange rates					
Investment return					
Other operating expenses					
Total changes in the statement of profit or loss	**(1,528,069)**	**45,882**	**1,689,116**	**315,205**	**522,134**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					
Cash flows					
Premiums received	2,615,000		-	-	**2,615,000**
Claims and other directly attributable expenses paid	-		(2,501,048)	(167,043)	**(2,668,091)**
Insurance acquisition cash flows paid	(453,473)		-	-	**(453,473)**
Total cash flows	**2,161,527**	**-**	**(2,501,048)**	**(167,043)**	**(506,564)**
Net closing balance	**682,832**	**253,195**	**3,867,438**	**1,198,698**	**6,002,163**

15. Insurance contract assets and liabilities (continued)

D. Short term business (continued)

2022	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss	Loss component	Best estimate liability	Risk adjustment	
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets					
Opening liabilities	85,612	(2,287)	4,332,584	1,088,612	**5,504,521**
Net opening balance	85,612	(2,287)	4,332,584	1,088,612	**5,504,521**
Changes in the statement of profit or loss					
Insurance revenue	**(2,498,407)**	**-**	**-**	**-**	**(2,498,407)**
Insurance service expenses					
Incurred claims and other directly attributable expenses			2,093,082	260,488	**2,353,570**
Changes that relate to past service - adjustments to the LIC			(12,245)	(298,564)	**(310,809)**
Changes adjusting the CSM					**-**
Losses on onerous contracts and reversal of those losses		71,075			**71,075**
Insurance acquisition cash flows amortisation	392,481				**392,481**
Insurance service expenses	**392,481**	**71,075**	**2,080,837**	**(38,076)**	**2,506,317**
Insurance service result	**(2,105,926)**	**71,075**	**2,080,837**	**(38,076)**	**7,910**
Finance income/(expenses) from insurance contracts issued			77,913		**77,913**
Effect of movements in exchange rates					**-**
Investment return					**-**
Other operating expenses					**-**
Total changes in the statement of profit or loss	**(2,105,926)**	**71,075**	**2,158,750**	**(38,076)**	**85,823**
Investment components excluded from insurance revenue and insurance service expenses					
Allocation of IACF to related group of contracts					
Cash flows					
Premiums received	2,451,000		-	-	**2,451,000**
Claims and other directly attributable expenses paid	-		(1,811,964)		**(1,811,964)**
Insurance acquisition cash flows paid	(381,312)			-	**(381,312)**
Total cash flows	**2,069,688**	**-**	**(1,811,964)**		**257,724**
Net closing balance	**49,374**	**68,788**	**4,679,370**	**1,050,536**	**5,848,068**

16. Reinsurance contract assets and liabilities

A. Reinsurance contracts held – life business

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	2023					2022				
	Remaining coverage component Excluding loss recovery component	**Loss recovery component**	**Incurred claims component**	**Risk adjustment**	**Total**	**Remaining coverage component Excluding loss recovery component**	**Loss recovery component**	**Incurred claims Present value of component**	**Risk adjustment**	**Total**
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Opening assets	9,716	(753)	(13,240)	4,161	**(116)**	(30,083)	-	-	-	**(30,083)**
Opening liabilities	**-**			**-**	**-**	**14,845**	**-**	**-**	**-**	**14,845**
Net opening balance	**9,716**	**(753)**	**(13,240)**	**4,161**	**(116)**	**(15,238)**	**-**	**-**	**-**	**(15,238)**
Changes in the statement of profit or loss and OCI										
Allocation of reinsurance premiums paid	37,447				**37,447**	22,824				
Amounts recovered from reinsurers										
Recoveries on incurred claims and other incurred reinsurance service expenses	5,647	(3,208)	(50,695)		**(48,256)**		(753)	(29,101)		**(29,854)**
Changes in the loss recovery component					**-**					**-**
Changes in expected recoveries on past claims			(5,855)	5,883	**28**	375			4,161	**4,536**
Net expenses from reinsurance contracts held	**43,094**	**(3,208)**	**(56,550)**	**5,883**	**(10,781)**	**23,199**	**(753)**	**(29,101)**	**4,161**	**(2,494)**
Insurance finance income or expenses from reinsurance contracts recognised in profit or loss	-	-			**-**	-				**-**
Insurance finance income or expenses from reinsurance contracts recognised in OCI	**-**	-			**-**	-	-			**-**
Other operating expenses										
Total changes in the statement of profit or loss and OCI	**43,094**	**(3,208)**	**(56,550)**	**5,883**	**(10,781)**	**23,199**	**(753)**	**(29,101)**	**4,161**	**(2,494)**
Investment components excluded from reinsurance service expenses										
Cash flows										
Premiums paid	(62,420)				**(62,420)**	(13,483)				**(13,483)**
Amounts received from reinsurers relating to incurred claims			6,213		**6,213**			15,861		**15,861**
Total cash flows	**(62,420)**	**-**	**6,213**	**-**	**(56,207)**	**(13,483)**	**-**	**15,861**	**-**	**2,378**
Total changes	**(19,326)**	**(3,208)**	**(50,337)**	**5,883**	**(66,988)**	**9,716**	**(753)**	**(13,240)**	**4,161**	**(116)**
Net closing balance	(9,610)	(3,961)	(63,577)	10,044	**(67,104)**	(5,522)	(753)	(13,240)	4,161	**(15,354)**

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16. Reinsurance contract assets and liabilities (continued)

B. Reinsurance contracts held – short term business

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the assets for incurred claims recoverable from reinsurance.

	2023					2022				
	Remaining coverage component Excluding loss recovery component	Loss recovery component	Incurred Present value of component	Risk adjustment	Total	Remaining coverage component Excluding loss recovery component	Loss recovery component	Incurred claims Present value of component	Risk adjustment	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Opening assets	-	(152,629)	(1,823,275)	(401,167)	**(2,377,071)**	-	(39,372)	(1,664,505)	(398,971)	**(2,102,848)**
Opening liabilities	**173,918**	**-**	**-**	**-**	**173,918**	**167,990**	**-**	**-**	**-**	**167,990**
Net opening balance	**173,918**	**(152,629)**	**(1,823,275)**	**(401,167)**	**(2,203,153)**	**167,990**	**(39,372)**	**(1,664,505)**	**(398,971)**	**(1,934,858)**
Net (income)/expenses from reinsurance contracts held Reinsurance expenses	386,341				**386,341**	584,699				**584,699**
Other incurred directly attributable expenses			1,564	-	**1,564**			2,378	-	**2,378**
Incurred claims recovery			(633,563)	(119,142)	**(752,705)**			(582,107)	(98,762)	**(680,869)**
Changes that relate to past service - changes in the FCF relating to incurred claims recovery		(15,957)	235,789	20,919	**240,751**		(113,257)	220,081	96,566	**203,390**
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts					**-**					**-**
Net (income)/expenses from reinsurance contracts held	386,341	(15,957)	(396,210)	(98,223)	**(124,049)**	584,699	(113,257)	(359,648)	(2,196)	**109,598**
Finance (income)/expenses from reinsurance contracts held			25,324		**25,324**			(12,402)		**(12,402)**
Total amounts recognised in comprehensive income	386,341	(15,957)	(370,886)	(98,223)	**(98,725)**	584,699	(113,257)	(372,050)	(2,196)	**97,196**
Cash flows										
Premiums paid net of ceding commissions and other directly attr	(765,395)				**(765,395)**	(578,771)				**(578,771)**
Recoveries from reinsurance			507,140		**507,140**			215,658		**215,658**
Directly attributable expenses paid			(1,564)		**(1,564)**			(2,378)		**(2,378)**
Total cash flows	(765,395)	-	505,576	-	**(259,819)**	(578,771)	-	213,280	-	**(365,491)**
Total changes	(379,054)	(15,957)	134,690	(98,223)	**(358,544)**	5,928	(113,257)	(158,770)	(2,196)	**(268,295)**
Closing assets	(205,136)	(168,586)	(1,688,585)	(499,390)	**(2,561,697)**		(152,629)	(1,823,275)	(401,167)	**(2,377,071)**
Closing liabilities			-			173,918				**173,918**
Net closing balance	(205,136)	(168,586)	(1,688,585)	(499,390)	**(2,561,697)**	173,918	(152,629)	(1,823,275)	(401,167)	**(2,203,153)**

17. Contractual service margin

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss.

2023	Less than 1year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance contracts					
Non-participating contracts					
Life	21,497	76,211	232,370	161,050	**491,128**
Direct participating contracts	0.00	0.00	0.00	0.00	**-**
Indirect participating contracts	56,946	381,166	755,786	623,513	**1,817,411**
Investment contracts with DPF	0.00	0.00	0.00	0.00	**-**
Total CSM for insurance contracts	**78,443**	**457,377**	**988,156**	**784,563**	**2,308,539**

2022	Less than 1year	In 1 to 3 years	In 4 to 5 years	> 5 years	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Insurance contracts					
Non-participating contracts					
Life	5,404	18,310	60,430	42,343	**126,487**
Direct participating contracts	-	-	-	-	**-**
Indirect participating contracts	26,227	190,697	361,615	319,314	**897,853**
Investment contracts with DPF	-	-	-	-	**-**
Total CSM for insurance contracts	**31,631**	**209,007**	**422,045**	**361,657**	**1,024,340**

18. Investment income

(a) Group 2023

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	Total Ksh'000
Interest income determined using the efffective interest rate method			
Interest from government securities carried at amortised cost)	8,630,164	413,835	9,043,999
Interest on deposits with financial institutions	78,674	49,316	127,990
Interest on loans receivables	13,790	322	14,112
Sub-total	8,722,628	463,473	9,186,101
Other investment income			
Interest from government securities carried at at fair value through other comprehensive income	-	90,488	90,488
Operating lease income/rent from investment properties	82,177	42,851	125,028
Dividends receivable from equity investments	29,015	38,599	67,614
Other investment income	38,571	-	38,571
	149,763	171,938	321,701
Other gains/(losses)			
Fair value gains on valuation of investment properties (Note 16)	12,356	5,160	17,516
Fair value (loss)/gain on quoted equity investments	-143,502	100,708	-42,794
Other investment charges/operating expenses on investment properties	-17,556	-36,731	-54,287
	-148,702	69,137	-79,565
	8,723,689	704,548	9,428,237

(a) Group 2022

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	Total Ksh'000
Interest income determined using the efffective interest rate method			
Interest from government securities at amortised cost	7,309,717	442,508	7,752,225
Interest on deposits with financial institutions	26,705	48,628	75,333
Interest on loans receivables	10,858	217	11,075
	7,347,280	491,353	7,838,633
Other investment income			
Interest from government securities at fair value through other comprehensive income	-	92,887	92,887
Operating lease income/rent from investment properties	96,351	42,923	139,274
Dividends receivable from equity investments	30,264	34,446	64,710
	126,615	170,256	296,871
Other gains/(losses)			
Gains on valuation of investment properties (Note 16)	18,566	11,260	29,826
Loss on valuation of quoted equity investments	-122,062	-10,282	-132,344
Other investment income	31,578	10,454	42,032
Other investment charges/operating expenses on investment properties	-17,205	-33,211	-50,416
	-89,123	-21,779	-110,902
	7,384,772	639,831	8,024,603

18. Investment income

(b) Company 2023

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000
Interest income determined using the efffective interest rate method			
Interest from government securities (At amortised cost)	8,630,164	402,618	9,032,783
Interest on deposits with financial institutions	78,674	21,485	100,159
Interest on loans receivables	13,790	322	14,112
	8,722,628	424,425	9,147,054
Other investment income			
Interest from government securities (At fair value through other comprehensive income)	-	90,488	90,488
Dividends receivable from quoted equity investments	29,015	34,102	63,118
Other investment income	38,571	-	38,571
Operating lease income/rent from investment properties	82,177	42,251	124,428
	149,763	166,842	316,605
Other gains and (losses)			
Gains on valuation of investment properties (Note 16)	12,356	4,660	17,016
Fair value loss on quoted equity investments	(143,502)	(5,697)	-149,199
Other investment charges/operating expenses on investment properties	(17,556)	-36,686	-54,242
	(148,702)	(37,723)	(186,425)
	8,723,689	**553,545**	**9,277,234**

(b) Company 2022

Interest income determined using the efffective interest rate method			
Interest on government securities at amortised cost	7,309,717	434,880	7,744,597
Interest on deposits with financial institutions	26,705	28,918	55,623
Interest on loans receivables	10,858	217	11,075
	7,347,280	464,015	7,811,295
Other investment income			
Interest from government securities at fair value through other comprehensive income)	-	90,488	90,488
Other investment income	31,578	-	31,578
Dividends receivable from quoted equity investments	30,264	30,752	61,016
Operating lease income/rent from investment properties	96,351	42,323	138,674
	158,193	163,563	321,756
Other gains and (losses)			
Gains on valuation of investment properties (Note 16)	18,566	9,994	28,560
Gain/loss on valuation of quoted investments	-122,062	-2,781	-124,843
Other investment charges/operating expenses on investment properties	-17,205	-24,212	-41,417
	-120,701	-16,999	-137,700
	7,384,772	**610,579**	**7,995,351**

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18. Investment income

(c) Other income

	Long term assurance business Ksh'000			Short term insurance business Ksh'000			2023 Total Ksh'000		Long term assurance business Ksh'000			Short term insurance business Ksh'000			2022 Total Ksh'000	
	Attributable Ksh'000	Non attributable Ksh'000	Total Ksh'000	Attributable Ksh'000	Non attributable Ksh'000	Total Ksh'000	Attributable Ksh'000	Non attributable Ksh'000	Attributable Ksh'000	Non attributable Ksh'000	Total Ksh'000	Attributable Ksh'000	Non attributable Ksh'000	Total Ksh'000	Attributable Ksh'000	Non attributable Ksh'000
Group																
Gain/(loss) on disposal of property and equipment							-	-							-	-
	(1,049)	-	(1,049)	-	(13,757)	(13,757)	(1,049)	(13,757)	(87)	-	(87)	-	81	81	(87)	81
Exchange gain	-	-	-	-	49,598	49,598	-	49,598	-	-	-	-	745	745	-	745
Administration fees	-	-	-	-	58	58	-	58	-	-	-	-	560	560	-	560
Miscellaneous income	38,507	-	38,507	-	-	-	38,507	-	24,192	-	24,192	-	1,281	1,281	24,192	1,281
	37,458	-	37,458	-	35,899	35,899	37,458	35,899	24,105	-	24,105	-	2,667	2,667	24,105	2,667
Company																
Gain/(loss) on disposal of property and equipment							-	-							-	-
	(1,049)	-	(1,049)	-	(13,757)	(13,757)	(1,049)	(13,757)	(87)	-	(87)	-	81	81	(87)	81
Exchange gain/(loss)	-	-	-	-	18,724	18,724	-	18,724	-	-	-	-	(3)	(3)	-	(3)
Administration fees	-	-	-	-	58	58	-	58	-	-	-	-	560	560	-	560
Miscellaneous income	38,507	-	38,507	-	-	-	38,507	-	24,192	-	24,192	-	1,281	1,281	24,192	1,281
	37,458	-	37,458	-	5,025	5,025	37,458	5,025	24,105	-	24,105	-	1,919	1,919	24,105	1,919

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19.(a) Operating expenses

Group	Long term assurance business Ksh'000 Attributable	Long term Non attributable	Long term Total	Short term assurance business Ksh'000 Attributable	Short term Non attributable	Short term Total	2023 Total Ksh'000 Attributable	2023 Non attributable	2023 Total
Staff costs	247,560	-	247,560	449,933	10,588.61	460,521	697,493	10,589	708,082
Property expenses	7,424	-	7,424	32,184	2,222.56	34,406	39,607	2,223	41,830
Printing and stationery	7,029	-	7,029	9,580	270.57	9,850	16,608	271	16,879
Telephone expenses	5,323	-	5,323	2,609	177.34	2,786	7,931	177	8,109
Travelling expenses	24,111	-	24,111	24,981	938.62	25,920	49,092	939	50,031
Repairs and maintenance expenditure	16,314	-	16,314	50,566	1,090.26	51,656	66,880	1,090	67,970
Advertisement expenses	4,405	-	4,405	11,605	1,212.04	12,818	16,010	1,212	17,222
Entertainment expenses	1,807	-	1,807	1,983	-	1,983	3,790	-	3,790
Bank charges	3,776	-	3,776	8,020	1,025.82	9,045	11,795	1,026	12,821
Interest expense on lease liabilities	1,842	-	1,842	2,658	-	2,658	4,500	-	4,500
Training expenses	2,699	-	2,699	11,187	693.12	11,880	13,886	693	14,579
General office expenses	199,679	-	199,679	241,494	3,674.93	245,168	441,173	3,675	444,848
		-	-	-	-	-		-	-
Depreciation	-	-	-	-	23,714	23,714	-	23,714	23,714
Expenses not charged to Revenue	-	-	-	-	12,388	12,388	-	12,388	12,388
Amortisation - Leasehold Land	-	-	-	-	119	119	-	119	119
Bad Debts	-	66,224	-	-	49,363	49,363	-	49,363	49,363
Secretarial Charges	-	-	-	-	65	65	-	65	65
Provision for Credit Losses on Deposits	-	-	-	-	7	7	-	7	7
Net impairment loss of financial assets	-	-	-		2,633	2,633	-	2,633	2,633
						-	-	-	-
	521,968	**66,224**	**521,968**	**846,798**	**110,183**	**908,029**	**1,368,766**	**110,183**	**1,429,996**
Staff costs include the following:									
- Salaries and wages	190,463		190,463	422,449	9,317	431,766	612,912	9,317	622,229
- Social security benefit costs	821		821	1,573	886	2,459	2,395	886	3,280
- Retirement benefit costs	9,962		9,962	26,306	-	26,306	36,267	-	36,267
			-			-	-	-	-
	201,247	**-**	**201,247**	**450,328**	**10,203**	**460,530**	**651,575**	**10,203**	**661,777**

Group	Long term assurance business Ksh'000 Attributable	Long term Non attributable	Long term Total	Short term assurance business Ksh'000 Attributable	Short term Non attributable	Short term Total	2022 Total Ksh'000 Attributable	2022 Non attributable	2022 Total
Staff costs	248,211		248,211	451,378		451,378	699,589	-	699,589
Property expenses	7,616		7,616	22,376		22,376	29,992	-	29,992
Printing and stationery	7,307		7,307	8,879		8,879	16,186	-	16,186
Telephone expenses	5,451		5,451	2,929		2,929	8,381	-	8,381
Travelling expenses	17,505		17,505	19,081		19,081	36,586	-	36,586
Repairs and maintenance expenditure	8,991		8,991	26,847		26,847	35,838	-	35,838
Advertisement expenses	9,080		9,080	3,670		3,670	12,750	-	12,750
Entertainment expenses	1,556		1,556	1,017		1,017	2,573	-	2,573
Bank charges	3,452		3,452	6,971		6,971	10,423	-	10,423
Interest expense on lease liabilities	1,736		1,736	3,407		3,407	5,143	-	5,143
Training expenses	2,574		2,574	3,436		3,436	6,010	-	6,010
General office expenses	157,869		157,869	189,694		189,694	347,563	-	347,563
			-			-	-	-	-
	471,348		**471,348**	**739,687**	**-**	**739,687**	**1,211,035**	**0**	**1,211,035**
Staff costs include the following:									
- Salaries and wages	187,760		187,760	324,968		324,968	512,728	-	512,728
- Social security benefit costs	155		155	704		704	859	-	859
- Retirement benefit costs	9,938		9,938	34,161		34,161	44,099	-	44,099
			-			-	-	-	-
	197,852		**197,852**	**359,833**		**359,833**	**557,685**		**557,685**

The number of persons employed by the Group at year end was 231 (2022: 225). At company level, the employees as at year end were 194 (2022: 192).

The number of persons employed by the Group and Company at year end, by category, were:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Executive wing and marketing	12	12	9	9
Operations	81	79	66	63
Life	59	57	59	57
Support	79	77	60	63
	231	**225**	**194**	**192**

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19.(b) Operating expenses

Company	Long term assurance business Ksh'000 Attributable	Long term Non attributable	Long term Total	Short term assurance business Ksh'000 Attributable	Short term Non attributable	Short term Total	2023 Total Ksh'000 Attributable	2023 Non attributable	2023 Total
Staff costs	247,560	-	247,560	354,635	-	354,635	602,196	-	602,196
Property expenses	7,424	-	7,424	13,820	-	13,820	21,243	-	21,243
Printing and stationery	7,029	-	7,029	7,144	-	7,144	14,173	-	14,173
Telephone expenses	5,323	-	5,323	1,013	-	1,013	6,335	-	6,335
Travelling expenses	24,111	-	24,111	16,533	-	16,533	40,645	-	40,645
Repairs and maintenance expenditure	16,314	-	16,314	40,753	-	40,753	57,067	-	57,067
Advertisement expenses	4,405	-	4,405	697	-	697	5,102	-	5,102
Entertainment expenses	1,807	-	1,807	1,983	-	1,983	3,790	-	3,790
Bank charges	3,776	-	3,776	3,544	-	3,544	7,320	-	7,320
Interest expense on lease liabilities	1,842	-	1,842	2,658	-	2,658	4,500	-	4,500
Training expenses	2,699	-	2,699	4,949	-	4,949	7,648	-	7,648
General office expenses	199,679	-	199,679	185,849	-	185,849	385,528	-	385,528
		-			-	-		-	-
Depreciation	-	-			23,303	23,303		23,303	23,303
Expenses not charged to Revenue	-	-			10,581	10,581		10,581	10,581
Amortisation - Leasehold Land	-	-			117	117		117	117
Bad Debts	-	66,224			49,363	49,363		49,363	49,363
	521,968	66,224	521,968	633,580	83,364	716,944	1,155,547	83,364	1,238,911

Company	Long term assurance business Ksh'000 Attributable	Long term Non attributable	Long term Total	Short term assurance business Ksh'000 Attributable	Short term Non attributable	Short term Total	2022 Total Ksh'000 Attributable	2022 Non attributable	2022 Total
Staff costs	248,211		248,211	363562		363,562	611,773	-	611,773
Property expenses	7,616		7,616	10033		10,033	17,649	-	17,649
Printing and stationery	7,307		7,307	7995		7,995	15,302	-	15,302
Telephone expenses	5,451		5,451	1032		1,032	6,483	-	6,483
Travelling expenses	17,505		17,505	8608		8,608	26,113	-	26,113
Repairs and maintenance expenditure	8,991		8,991	24061		24,061	33,052	-	33,052
Advertisement expenses	9,080		9,080	1098		1,098	10,178	-	10,178
Entertainment expenses	1,556		1,556	1017		1,017	2,573	-	2,573
Bank charges	3,452		3,452	3406		3,406	6,858	-	6,858
Interest expense on lease liabilities	1,736		1,736	3329		3,329	5,065	-	5,065
Training expenses	2,574		2,574	3436		3,436	6,010	-	6,010
General office expenses	157,869		157,869	155022		155,022	312,891	-	312,891
Depreciation									
Expenses not charged to Revenue									
Amortisation - Leasehold Land									
Bad Debts			-			-	-	-	-
	471,348	-	471,348	582,599	-	582,599	1,053,947	-	1,053,947

The number of persons employed by the Group at year end was 231 (2022: 225). At company level, the employees as at year end were 194 (2022: 192).

The number of persons employed by the Group and Company at year end, by category, were:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Executive wing and marketing	12	12	9	9
Operations	81	79	66	63
Life	59	57	59	57
Support	79	77	60	63
	231	**225**	**194**	**192**

20. Income tax

Taxation payable/(recoverable)	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
(a) Group						
Taxation recoverable						
Balance brought forward	-	(78,095)	(78,095)	-	(71,765)	(71,765)
Charge for the year	-	5,081	5,081	-	7,106	7,106
Tax recoverable offset against tax	-	127	127	-	-	-
Exchange gain	-	743	743	-	-	-
Paid during the year	-	(3,789)	(3,789)	-	(13,436)	(13,436)
Balance carried forward	**-**	**(75,933)**	**(75,933)**	**-**	**(78,095)**	**(78,095)**
Taxation payable						
Balance brought forward	83,791	17,335	101,126	148,811	17,367	166,178
Charge for the year	195,900	16,610	212,510	150,900	22,767	173,667
Tax recoverable offset against tax	-	(127)	(127)	-	-	-
Paid during the year	(188,034)	(16,649)	(204,683)	(215,920)	(22,799)	(238,719)
Balance carried forward	**91,657**	**17,169**	**108,826**	**83,791**	**17,335**	**101,126**
(b) Company						
Balance brought forward	83,791	(52,390)	31,401	148,811	(47,595)	101,216
Charge for the year	195,900	5,081	200,981	150,900	5,433	156,333
Paid during the year	(188,034)	(3,789)	(191,823)	(215,920)	(10,228)	(226,148)
Balance carried forward	**91,657**	**(51,098)**	**40,559**	**83,791**	**(52,390)**	**31,401**
Income tax charge/(credit)						
(c) Group						
Current income tax charge	195,900	19,857	215,757	150,900	20,007	170,907
Deferred tax charge/(credit)		(109,343)	(109,343)	3	(138,464)	(138,461)
Income tax charge/(credit)	**195,900**	**(89,486)**	**106,414**	**150,903**	**(118,457)**	**32,446**

The Group's current tax charge is computed in accordance with the income tax rules applicable to composite Kenyan Insurance companies. A reconciliation of the tax charge is shown below:

Group	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Profit before taxation	653,000	53,974	706,974	503,000	179,527	682,527
Tax calculated at a statutory tax rate of 30% (2022:30%)	195,900	19,857	215,757	150,900	53,858	204,758
Tax effect of income not subject to tax	-	-	-	-	-87,494	-87,494
Tax effect of expenses not deductible for tax purposes	-	-	-	-	53,644	53,644
Deferred tax charge/(credit)	-	(109,343)	(109,343)	3	(138,464)	(138,461)
Income tax charge/(credit)	**195,900**	**(89,486)**	**106,414**	**150,903**	**(118,456)**	**32,447**
Profit for the year	**457,100**			**352,097**		

20. Income tax (continued)

Income tax charge/(credit)	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
(d) Company						
Current income tax charge	195,900	5,081	200,981	150,900	5,433	156,333
Deferred tax charge/(credit)	-	(161,215)	(161,215)	3	(138,464)	(138,461)
Income tax charge/(credit)	**195,900**	**(156,134)**	**39,766**	**150,903**	**(133,031)**	**17,872**
Company						
Profit before taxation	653,000	16,937	669,937	503,000	135,199	638,199
Tax calculated at a statutory tax rate of 30% (2022:30%)	195,900	5,081	200,981	150,900	40,560	191,460
Tax effect of income not subject to tax	-	-	-	-	-83,109	(83,109)
Tax effect of expenses not deductible for tax purposes	-	-	-	-	47,982	47,982
Deferred tax charge/(credit)	-	(161,215)	(161,215)	3	(138,464)	(138,461)
Income tax charge/(credit)	**195,900**	**(156,134)**	**39,766**	**150,903**	**(133,031)**	**17,872**
Profit for the year	**457,100**			**352,097**		

21. (a) Share capital

	Number of shares		Share capital	
	2023	**2022**	**2023**	**2022**
	Ksh'000	**Ksh'000**	**Ksh'000**	**Ksh'000**
Authorised				
Ordinary shares of Ksh 100 each (Short-term business)	6,000,000	6,000,000	600,000	600,000
Ordinary shares of Ksh 100 each (Long-term business)	4,000,000	4,000,000	400,000	400,000
Total	**10,000,000**	**10,000,000**	**1,000,000**	**1,000,000**
Ordinary shares: Issued and fully paid				
At start of year/ End of year (Short-term business)	6,000,000	6,000,000	600,000	600,000
At start of year/ end of the year (Long-term business)	4,000,000	4,000,000	400,000	400,000
Total	**10,000,000**	**10,000,000**	**1,000,000**	**1,000,000**

All ordinary shares are fully paid.

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21) (b) Share premium

Share premium arose during the year 2011 as a result of some bonus shares issues and purchased at a price higher than the par value.

(c) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent by the number of shares outstanding at the reporting date.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding during the year plus the number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Basic and diluted earnings per share are the same. Group earnings reported for 2023 and 2022 were net profit of Ksh 664,005,660 and Ksh 1,130,628,002 respectively. Company earnings reported for 2023 and 2022 were net profit of Ksh 539,648,000 and Ksh 1,148,989,000 respectively.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group		Company	
	2023	2022	2023	2022
	Ksh'000	Ksh'000	Ksh'000	Ksh'000
Net profit attributable to ordinary shareholders for basic and diluted earnings	832,296	1,283,889	817,475	1,238,544
Number of ordinary shares for basic and diluted earnings per share	10,000,000	10,000,000	10,000,000	10,000,000
Basic earnings per share (Ksh)	**83**	**128**	**82**	**124**
Diluted earnings per share (Ksh)	**83**	**128**	**82**	**124**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

(d) Dividend per share

Dividend per share is calculated by dividing dividends for the year by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
	Ksh' 000	Ksh' 000
Dividend proposed	**Ksh 75,000**	**Ksh 50,000**
Dividend per share	**Ksh 7.50**	**Ksh 5.00**

In respect of the current year, the Directors propose the payment of a dividend of Ksh 7.50 (2022: Ksh 5.00) per share equivalent to total sum of Ksh 75 million (2022: Ksh 50 million) be paid to the shareholders.

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 20% for non-residents. For resident shareholders, withholding tax is only deductible where the shareholding is below 12.5%.

22) Reserves

(a) Fair value reserve

The fair value reserve represents fair value gains/(losses) arising from the revaluation of financial assets classified at fair value through other comprehensive income and is not distributable as dividends. The movement in the fair value reserve for the Group and Company is shown below and in the statement of other comprehensive income on pages 9 and 11 respectively.

	Group				Company			
	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022 Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022 Ksh'000
At 1 January	**(447)**	**538,880**	**538,433**	**538,428**	**(447)**	**538,987**	**498,782**	**539,392**
Gain on unquoted shares	339	219,430	219,769	29,377	339	99,097	99,436	28,874
Deferred tax	-	(65,829)	(65,829)	(8,814)	(102)	(29,729)	(29,831)	(8,663)
	(108)	**692,481**	**692,373**	**558,991**	**(209)**	**608,355**	**568,388**	**559,603**
Net gain/(loss) on investments at fair value through other comprehensive income:								
Government securities	-	(45,708)	(45,708)	(12,698)	-	(45,708)	(45,708)	(12,483)
Adjustment for losses included in income statement on disposal of investments	-		-	-	-	-	-	-
Net gain/(loss) (Note 25)	-	(45,708)	(45,708)	(12,698)	-	(45,708)	(45,708)	(12,483)
Gain/(loss) on equity investments	339	219,430	219,769	(182,797)	339	99,097	99,436	(74,977)
	339	219,430	219,769	-182,797	339	99,097	99,436	(74,977)
Total movement in investments at fair value through other comprehensive income	339	173,722	174,061	-195,495	339	53,389	53,728	-87,460
Deferred tax on fair value reserve		(65,829)	(65,829)	131,202	-	-29,729	-29,729	26,639
Exchange differences on deferred tax	-		-	-	-	-	-	-
At 31 December	**(108)**	**646,773**	**800,605**	**494,698**	**(108)**	**562,647**	**562,539**	**498,782**

(b) Foreign currency translation reserve (Group)

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations.

	Group		Company	
	2023 Ksh'000	2022 Ksh'000	2023 Ksh'000	2022 Ksh'000
At 1 January	11,098	3,744	-	-
Exchange difference on translation	18,241	7,354	-	-
At 31 December	**29,339**	**11,098**	**-**	**-**

(c) Revaluation reserve (Group and Company)

	2023 Ksh'000	2022 Ksh'000
At 1 January	498,487	475,635
Depreciation released on revaluation	20,444	19,639
Total revaluation	20,444	19,639
Deferred tax on revaluation	(19,754)	(1,377)
	690	18,262
Transfer of excess depreciation	1,250	4,590
At 31 December	**500,427**	**498,487**

22) Reserves (continued)

(d) General reserve-Group and Company

	2023 Ksh'000	2022 Ksh'000
At 1 January	1,023,283	723,683
Reclassification to retained earnings	(1,023,283)	299,600
At 31 December	**-**	**1,023,283**

General reserves represents surpluses transferred from the life fund, as recommended by the actuary.

(e) Non-controlling interests-Group

	2023 Ksh'000	2022 Ksh'000
At 1 January	108,861	107,218
Share of profit for the year	52,616	6,920
Restated profit for the year		(5,277)
Other comprehensive income	-	-
At 31 December	**161,477**	**108,861**
The non-controlling interests consist of:		
Equity interests held by individual shareholders	**161,477**	**108,861**

23) Retained earnings

Included within retained earnings are gains arising from the revaluation of investment properties whose distribution is subject to restrictions imposed by The movement for the year is shown below.

	Group		Company	
	2023	2022 restated	2023	2022 restated
Retained earnings	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
At 1 January	**3,305,136**	**2,395,126**	**3,101,489**	**2,227,798**
IFRS 17 adjustment	-	180,523	-	180,523
As restated	**3,305,136**	**2,575,649**	**3,101,489**	**2,408,321**
Profit for the year-short term business	149,816	433,471	43,735	397,152
Profit for the year-long term business	-	-	-	-
Transfer of excess depreciation	-	-	-	-
Dividends paid	(50,000)	(75,000)	(50,000)	(75,000)
Transfer to retained earnings	1,435,310	-	1,435,179	-
Transfer from statutory reserve		318,516	-	318,516
Transfer to general reserve	-	52,500	-	52,500
At 31 December	**4,840,262**	**3,305,136**	**4,530,403**	**3,101,489**

Included in the retained earnings is gain on transfer of one part of the properties (Kenindia Business Park) from General Business to Life Business. The gain which arose in 2015 and amounting to Ksh 976,837,000 is not distributable to shareholders.

24) Statutory reserve

The statutory reserve represents profits 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 life business.

Movement in the statutory reserve for the Group and Company is shown below and in the statement of changes in equity on pages 17, 18, 19 and 20 respectively.

	Group		Company	
	2023	2022	2023	2022
Statutory reserve	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
At 1 January	1,541,183	318,516	1,541,183	318,516
IFRS 17 adjustment	-	507,843	-	507,843
As restated	**1,541,183**	**826,359**	**1,541,183**	**826,359**
Reclassification of actuarial reserves from liabilities	-	-	-	-
Reclassification to general reserve	-	(352,100)	-	(352,100)
Profit for the year	538,655	697,154	538,655	697,154
Transfer of actuarial surplus to statutory reserve	-	688,286	-	688,286
Transfer to retained earnings	(403,306)	(318,516)	(403,306)	(318,516)
At 31 December	**1,676,532**	**1,541,183**	**1,676,532**	**1,541,183**

25) (a) Property and equipment (Group)

At 31 December 2023	Buildings	Motor vehicles	Computer equipment	Fittings and equipment	2023 Total
Cost / Valuation	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
At 1 January 2023	790,160	84,521	201,228	216,209	1,292,118
Additions	1,940	7,000	6,274	14,840	30,054
Disposals	-	(6,242)	(590)	(10,581)	(17,413)
Exchange differences	-	1,827	4,148	2,911	8,886
At 31 December 2023	**792,100**	**87,106**	**211,060**	**223,379**	**1,313,645**
Accumulated depreciation					
At 1 January 2023	-	49,687	190,046	172,995	412,728
Charge for the year	19,754	9,987	5,158	7,183	42,082
Eliminated on revaluation	(19,754)				(19,754)
Eliminated on disposal	-	(3,725)	(445)	(5,642)	(9,812)
Exchange differences	-	1,197	3,433	2,074	6,704
At 31 December 2023	**-**	**57,146**	**198,192**	**176,610**	**431,948**
Carrying amount					
At 31 December 2023	**792,100**	**29,960**	**12,868**	**46,769**	**881,697**

At 31 December 2022	Buildings	Motor vehicles	Computer equipment	Fittings and equipment	2022 Total
Cost	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
At 1 January 2022	785,571	86,452	198,656	212,047	1,282,726
Additions	4,589	11,620	967	3,471	20,647
Disposals	-	(14,288)	-	(297)	(14,585)
Exchange differences	-	737	1,605	988	3,330
At 31 December 2022	**790,160**	**84,521**	**201,228**	**216,209**	**1,292,118**
Accumulated depreciation					
At 1 January 2022	-	48,748	184,311	165,884	398,943
Charge for the year	19,639	11,611	4,448	6,541	42,239
Eliminated on revaluation	(19,639)	-	-	-	(19,639)
Eliminated on disposal	-	(11,071)	-	(195)	(11,266)
Exchange differences	-	399	1,287	765	2,451
At 31 December 2022	**-**	**49,687**	**190,046**	**172,995**	**412,728**
Carrying amount					
At 31 December 2022	**790,160**	**34,834**	**11,182**	**43,214**	**879,390**

In 2023, buildings were valued by City Valuers, independent valuers, on the basis of open market value. The carrying amount of the asset was restated to the revalued amount of the asset, and the resulting surplus arising on revaluation net of deferred income tax was recognised in other comprehensive income and credited to the revaluation surplus in equity.

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25) (b) Property and equipment (Company)

At 31 December 2023

	Buildings Ksh'000	Motor vehicles Ksh'000	Computer equipment Ksh'000	Fittings and Equipment Ksh'000	2023 Total Ksh'000
Cost					
At 1 January 2023	790,160	74,194	177,484	199,752	1,241,590
Additions	1,940	7,000	4,405	13,878	27,223
Disposals		(6,242)	(590)	(10,581)	(17,413)
At 31 December 2023	**792,100**	**74,952**	**181,299**	**203,049**	**1,251,400**
Depreciation					
At 1 January 2023	-	42,917	170,347	161,271	374,535
Charge for the year	19,754	8,940	3,419	5,967	38,080
Eliminated on revaluation	(19,754)	-	-	-	(19,754)
Eliminated on disposal	-	(3,725)	(445)	(5,642)	(9,812)
At 31 December 2023	**-**	**48,132**	**173,321**	**161,596**	**383,049**
Carrying Amount	**792,100**	**26,820**	**7,978**	**41,453**	**868,351**

At 31 December 2022

	Buildings Ksh'000	Motor vehicles Ksh'000	Computer equipment Ksh'000	Fittings and equipment Ksh'000	2022 Total Ksh'000
Cost					
At 1 January 2022	785,571	76,862	177,484	199,186	1,239,103
Additions	4589	11,620	-	863	17,072
Disposals	-	(14,288)	-	(297)	(14,585)
At 31 December 2022	**790,160**	**74,194**	**177,484**	**199,752**	**1,241,590**
Depreciation					
At 1 January 2022	-	43,563	167,288	155,932	366,783
Charge for the year	19,639	10,425	3,059	5,534	38,657
Eliminated on revaluation	(19,639)	-	-	-	(19,639)
Eliminated on disposal	-	(11,071)	-	(195)	(11,266)
At 31 December 2022	**-**	**42,917**	**170,347**	**161,271**	**374,535**
Net book value					
At 31 December 2022	**790,160**	**31,277**	**7,137**	**38,481**	**867,055**

No property and equipment are held as security against any liabilities.
In the opinion of the directors, there is no impairment of property and equipment as at 31 December 2023 and 2022.

26) (a) Intangible assets (Group)

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Cost						
At 1 January	26,150	115,507	141,657	25,971	115,507	141,478
Additions	1,458	-	1,458	179	-	179
Exchange differences	-	2,620	2,620	-	-	-
At 31 December	**27,608**	**118,127**	**145,735**	**26,150**	**115,507**	**141,657**
Accumulated amortisation						
At 1 January	22,962	103,909	126,871	21,596	99,055	120,651
Charge for the year	1,394	3,539	4,933	1,366	4,970	6,336
Exchange differences	-	2,418	2,418	-	(116)	(116)
At 31 December	**24,356**	**109,866**	**134,222**	**22,962**	**103,909**	**126,871**
Net book value						
At 31 December	**3,252**	**8,260**	**11,512**	**3,188**	**11,597**	**14,785**

(b) Intangible assets (Company)

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Cost						
At 1 January	26,150	102,315	128,465	25,971	102,315	128,286
Additions	1,458	-	1,458	179	-	179
At 31 December	**27,608**	**102,315**	**129,923**	**26,150**	**102,315**	**128,465**
Accumulated amortisation						
At 1 January	22,962	91,866	114,828	21,596	87,388	108,984
Charge for the year	1,394	3,134	4,528	1,366	4,478	5,844
At 31 December	**24,356**	**95,000**	**119,356**	**22,962**	**91,866**	**114,828**
Carrying Amount						
At 31 December	**3,252**	**7,315**	**10,567**	**3,188**	**10,449**	**13,637**

Intangible assets relate to the cost of purchase and installation of computer software (Genisys and Elife).

27) Prepaid operating lease rentals

(a) Group

Cost	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At 1 January	1,248,431	9,976	1,258,407	1,248,431	9,976	1,258,407
At 31 December	**1,248,431**	**9,976**	**1,258,407**	**1,248,431**	**9,976**	**1,258,407**
Accumulated Amortisation						
At 1 January	319,379	3,050	322,429	280,657	2,931	283,588
Charge for the year	36,272	118	36,390	38,722	119	38,841
At 31 December	**355,651**	**3,168**	**358,819**	**319,379**	**3,050**	**322,429**
Carrying Amount						
At 31 December	**892,780**	**6,808**	**899,588**	**929,052**	**6,926**	**935,978**

(b) Company

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Cost						
At 1 January	1,248,431	9,830	1,258,261	1,248,431	9,830	1,258,261
At 31 December	**1,248,431**	**9,830**	**1,258,261**	**1,248,431**	**9,830**	**1,258,261**
Accumulated Amortisation						
At 1 January	319,379	3,026	322,405	280,657	2,909	283,566
Charge for the year	36,272	116	36,388	38,722	117	38,839
At 31 December	**355,651**	**3,142**	**358,793**	**319,379**	**3,026**	**322,405**
Carrying Amount						
At 31 December	**892,780**	**6,688**	**899,468**	**929,052**	**6,804**	**935,856**

28) Investment properties

(a) Group

Cost	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At 1 January	2,044,800	1,308,740	3,353,540	2,025,707	1,297,480	3,323,187
Fair value gain	12,356	5,160	17,516	19,093	11,260	30,353
At 31 December	**2,057,156**	**1,313,900**	**3,371,056**	**2,044,800**	**1,308,740**	**3,353,540**

(b) Company

Cost	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At 1 January	2,044,800	1,287,740	3,332,540	2,025,707	1,277,746	3,303,453
Fair value gain	12,356	4,660	17,016	19,093	9,994	29,087
At 31 December	**2,057,156**	**1,292,400**	**3,349,556**	**2,044,800**	**1,287,740**	**3,332,540**

28) Investment properties (continued)

Investment properties are stated at fair value, which has been determined based on valuation (open market value for existing use) performed by City Valuers Limited as at 31 December 2023. City Valuers Limited are industry specialists in valuing these types on investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanges between a knowledgeable, willing buyer and a knowledgeable willing seller, in an arm's length transaction at the date of valuation in accordance with the standards issued by the International Valuation Standards Committee. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Valuations are performed on an annual basis using recent transaction prices for similar use assets and the fair value gains and losses are dealt with in the statement of profit or loss.

The Group enters into operating leases for all its investment properties. The rental income arising during the year amounted to Ksh 125,028,000 (2022: Ksh 139,274,000) which is included in investment income (Note 18).
Direct operating expenses (included in note 18) attributable to the rental of these properties during the year were Ksh 54,287,000 (2022: Ksh 50,416,000).

Disclosures regarding minimum lease payments have been provided in Note 41(d).

29) Investment in subsidiaries

	Percentage (%) of shareholding	**2023 Ksh'000**	**2022 Ksh'000**
Kenya Pravack Limited	100	3,640	3,640
Kenindia Asset Management Company Limited	100	10,000	10,000
Tanzindia Assurance Company Limited	65	91,972	91,972
At 31 December		**105,612**	**105,612**

Investment in subsidiaries is stated at cost.

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29) Investment in subsidiaries (continued)

Kenya Pravack Limited
The principal activity of Kenya Pravack Limited is to carry out investments for Kenindia Assurance Company Limited. All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Kenindia Asset Management Company Limited
The principle activity of Kenindia Asset Management Company Limited is that the company manages and administers retirement benefit schemes. All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Tanzindia Assurance Company limited
The principal activity of Tanzindia Assurance Company Limited is the transaction of general insurance business. All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest for the period is Ksh 102,213,000 (2021: Ksh 124,035,000) which is wholly attributed to Tanzindia Assurance Company Limited.

Set out below are the summarised financial information for the subsidiary whose non-controlling interest are material to the group;

Summarised statement of financial position	**2023 Ksh'000**	**2022 Ksh'000**
Total assets	1,941,936	1,344,327
Total liabilities	1,456,607	(1,037,990)
Net assets	**3,398,542**	**306,337**
Summarised statement of profit or loss		
Insurance service revenue	893,332	769,039
Insurance service result	52,891	(14,468)
Profit/(loss) before income tax	189,742	(504)
Income tax (expense)/credit	(58,128)	(14,574)
	131,614	(15,078)
Other comprehensive income	-	-
Total comprehensive income	**131,614**	**(15,078)**
Total comprehensive income allocated to non-controlling interest	**46,065**	**(5,277)**
Summarised statement of cash flows		
Net cash generated from/(used in) operating activities	73,854	(703,897)
Net cash (used in)/ generated from investing activities	(118,657)	70,412
Net cash (used in)/generated from financing activities	(39,304)	53,973
Net decrease in cash and cash equivalents	**(84,107)**	**(579,511)**
Cash and cash equivalents at beginning of year	**137,472**	**37,492**
Exchange gains on cash and cash equivalents	36,689	689,150
Cash and cash equivalents at the end of the year	**90,054**	**147,131**

30) Unquoted equity investments at fair value through other comprehensive income

(a) Group

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
1 January	20	934,122	934,142	12	849,316	849,328
Additions	-	1,645	1,645	-	-	-
Transfer of Kenya Motor pool	-	(1,088)	(1,088)	-	50,657	50,657
Fair value gain	339	219,430	219,769	8	29,368	29,377
Exchange gain	-	11,933	11,933	-	4,780	4,780
31 December	**359**	**1,166,041**	**1,166,400**	**20**	**934,122**	**934,142**

(b) Company

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business restated Ksh'000	Short term insurance business restated Ksh'000	2022 Total restated Ksh'000
1 January	20	866,663	866,683	12	787,140	787,152
Transfer of Kenya Motor pool	-	(1,088)	(1,088)	-	50,657	50,657
Fair value gain	339	99,097	99,436	8	28,866	28,874
31 December	**359**	**964,671**	**965,031**	**20**	**866,663**	**866,683**

Unquoted equity investments comprise investments in shares of unquoted companies, which the Group intends to hold for long term. Although there is no market for these investments, during the year, an independent valuation of the investments was undertaken. The valuation was carried out under the International Valuation Standards' three main approaches; market approach, income approach and cost approach. Valuation was done using the market approach and a conservation view adopted.

31) Financial assets at fair value through profit or loss

(a) Group

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
1 January	473,751	45,660	519,411	595,812	56,394	652,206
Exchange gain	-	67	67	-	25	25
Fair value loss	(143,502)	(11,566)	(155,068)	(122,061)	(10,759)	(132,820)
31 December	**330,249**	**34,161**	**364,410**	**473,751**	**45,660**	**519,411**

31) Financial assets at fair value through profit or loss (continued)

(b) Company

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At start of year	473,751	31,171	504,922	595,812	33,953	629,765
Fair value gain / (loss)	(143,502)	(5,697)	(149,199)	(122,061)	(2,782)	(124,843)
At the end of year	**330,249**	**25,474**	**355,723**	**473,751**	**31,171**	**504,922**

32) Loans receivable (Group and Company)

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Mortgage loans						
At start of year	4,239	-	4,239	4,239	-	4,813
Loan repayments	-	-	-	-	-	-
Impairment of loan receivable	(4,239)	-	-	-	-	-
At end of year	**-**	**-**	**4,239**	**4,239**	**-**	**4,239**
Maturity profile of mortgage loans maturing						
In 1-5 years	3,290	-	3,290	3,290	-	3,290
In over 5 years	949	-	949	949	-	949
At end of year	**4,239**	**-**	**4,239**	**4,239**	**-**	**4,239**
Policy loans						
At start of year	89,171	-	89,171	73,135	-	73,135
Loan advanced	38,493	-	38,493	47,177	-	47,177
Loan repayments	(48,112)	-	(48,112)	(31,141)	-	(31,141)
At end of year	**79,552**	**-**	**79,552**	**89,171**	**-**	**89,171**
Maturity profile of policy loans maturing						
Within 1 year	38,493	-	38,493	6,010	-	6,010
In 1-5 years	15,603	-	15,603	26,499	-	26,499
In over 5 years	25,456	-	25,456	56,662	-	56,662
At end of year	**79,552**	**-**	**79,552**	**89,171**	**-**	**89,171**

32) Loans and receivables (continued) Group

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Motor vehicle loans (Maturing between 1-5 years)						
At start of year	4,396	3,752	8,148	5,343	2409	7,752
Loan advanced	-	6,996	6,996	1,000	2,500	3,500
Loan repayments	(1,546)	(1,680)	(3,226)	(1,947)	(1,157)	(3,104)
Provision for Expected Credit Losses	-	(3)	-	-	-	-
At end of year	**2,850**	**9,065**	**11,918**	**4,396**	**3,752**	**8,148**
Book amount						
Mortage loans	4,239	-	4,239	4,239	-	4,239
Policy loans	79,552	-	79,552	89,171	-	89,171
Motor vehicles	2,850	0	2,850	4,396	3,752	8,148
Impairment of loan receivable	(4,239)	-	-	-	-	-
At end of year	**82,402**	**0**	**86,641**	**97,806**	**3,752**	**101,558**

Loans and receivables Company

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Motor vehicle loans (Maturing between 1-5 years)						
At start of year	4,396	3,752	8,148	5,343	2409	7,752
Loan advanced	-	1,500	1,500	1,000	2,500	3,500
Loan repayments	(1,546)	(1,683)	(3,229)	(1,947)	(1,157)	(3,104)
Provision for Expected Credit Losses	-	-	-	-	-	-
At end of year	**2,850**	**3,569**	**6,419**	**4,396**	**3,752**	**8,148**
Book amount						
Mortage loans	4,239	-	4,239	4,239	-	4,239
Policy loans	79,552	-	79,552	89,171	-	89,171
Motor vehicles	2,850	-	2,850	4,396	3,752	8,148
Impairment of loan receivable	(4,239)	-	-	-	-	-
At end of year	**82,402**		**86,641**	**97,806**	**3,752**	**101,558**

Collateral

The group holds collateral against loans to loanees (staff and non-staff) in the form of mortgage interests over property and motor vehicle. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. The Group can liquidate the collateral in case of default. The Group holds in its custody the title deeds and log books for the assets attributable to the mortgage loans and motor vehicle loans respectively on behalf of the loanees. The title documents are released to the loanees upon full settlement of the respective loans. The collateral for the policy loans is the cash surrender value of the underlying policy. In the opinion of the directors, the collateral in place is adequate to cover the debt amount. In case of default, the policy loan is written off against the cash surrender value. None of these loans have had their terms renegotiated.

33) Other receivables

(a) Group	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Due from related companies	-	16,651	16,651	-	16,797	16,797
Prepayments	4,843	1,636	6,480	-	1,069	1,069
Interdepartmental balance	-	92,716	92,716	62	58,765	58,827
Deposits, outstanding rental income and others	104,922	115,309	220,231	160,400	143,637	304,037
Provision for expected credit losses rental receivables	-	(1,885)	(1,885)	-	(1,812)	(1,812)
Provision for expected credit losses on other receivables	(37,109)	(57,832)	(94,941)	(28,590)	(8,808)	(37,398)
31 December	**72,656**	**166,595**	**239,251**	**131,872**	**209,648**	**341,520**

(b) Company						
Amount due from related companies	-	16,651	16,651	-	16,797	16,797
Interdepartmental balances	-	92,716	92,716	62	1,069	1,131
Prepayments	4,843	1,636	6,480		58,765	58,765
Deposits, outstanding rental income and others	104,922	97,554	202,476	160,400	102,617	263,017
Provision for expected credit losses rental receivables	-	(1,885)	(1,885)	-	(1,812)	(1,812)
Provision for expected credit losses on other receivables	(37,109)	(57,552)	(94,661)	(28,590)	(8,599)	(37,189)
31 December	**72,656**	**149,120**	**221,776**	**131,872**	**168,837**	**300,709**

Other receivables category is made up of amounts due from related companies, inter-departmental balance, pre-payments, deposits, outstanding rental income and miscellaneous receivables. For terms and conditions relating to related party receivables refer to note 39. Other receivables are non-interest bearing and are generally on 30-90 days terms.

(b) Kenya Motor Insurance Pool (Group and company)

The amount due from Kenya Motor Insurance Pool relates to the Group's share of net assets in a motor insurance pool where underwriters/insurance companies in Kenya were required to cede a portion of their premiums to a pool in order to cushion themselves from excessive claims arising from public vehicles incidences. The Kenya Motor Insurance Pool is able to settle claims as and when they fall due. In the opinion of the directors, the amount due from Kenya Motor Insurance Pool is recoverable.

	2023 Ksh'000	2022 Ksh'000
At 1 January	50,657	51,759
Tranfer to unquoted equity investment		
Net (decrease)/increase in group share of net assets of the pool	(1,088)	(1,102)
31 December	**49,569**	**50,657**

Summarised financial information in respect of the Kenya Motor Pool is as follows;

	2023 Ksh'000	2022 Ksh'000
Total assets new/old pool	571,917	566,434
Total liabilities new/old pool	(79,524)	(62,683)
Total net assets	492,393	503,751
Group's share of net assets	**46,471**	**46,201**
Surplus for the year new/old pool	(11,358)	(11,325)
Group's share of the loss for the year	(1,088)	(1,102)

34) Government securities

(a) Group	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At amortised cost						
1 January	62,398,509	3,309,933	65,708,442	52,740,264	2,995,045	55,735,309
Additions	11,706,397	384,109	12,090,506	12,397,249	647,137	13,044,386
Maturity of bonds	(870,285)	(294,438)	(1,164,723)	(3,078,850)	(329,505)	(3,408,355)
Provision for expected credit losses	(1,808)	(791)	(2,599)	(10,235)	(533)	(10,768)
Exchange differences	-	10,755	10,755	-	4,351	4,351
Accrued interest	185,530	12,172	197,702	350,081	(6,563)	343,518
At end of year	**73,418,343**	**3,421,740**	**76,840,083**	**62,398,509**	**3,309,933**	**65,708,442**
Treasury bonds maturity analysis						
-Within 1 year	2,645,849	238,183	2,884,032	831,751	294,743	1,126,494
-In 1-5 years	14,337,195	1,581,817	15,919,012	6,574,155	1,306,051	7,880,206
-After 5 years	56,435,299	1,601,740	58,037,039	54,992,603	1,709,139	56,701,742
At end of year	**73,418,343**	**3,421,740**	**76,840,083**	**62,398,509**	**3,309,933**	**65,708,442**

(b) Company	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
At amortised cost						
1 January	62,398,509	3,249,142	65,647,651	52,740,264	2,938,451	55,678,715
Additions	11,706,397	364,320	12,070,717	12,397,249	647,137	13,044,386
Maturity of bonds	(870,285)	(293,087)	(1,163,372)	(3,078,850)	(329,350)	(3,408,200)
Provision for expected credit losses	(1,808)	619	(1,189)	(10,235)	(533)	(10,768)
Accrued interest	185,530	12,165	197,695	350,081	(6,563)	343,518
31 December	**73,418,343**	**3,333,159**	**76,751,502**	**62,398,509**	**3,249,142**	**65,647,651**
Treasury bills and bonds maturity analysis						
-Within 1 year	2,645,849	238,183	2,884,032	831,751	233,952	1,065,703
-In 1-5 years	14,337,195	1,493,236	15,830,431	6,574,155	1,306,051	7,880,206
-After 5 years	56,435,299	1,601,740	58,037,039	54,992,603	1,709,139	56,701,742
At end of year	**73,418,343**	**3,333,159**	**76,751,502**	**62,398,509**	**3,249,142**	**65,647,651**

34) Government securities (continued)

At fair value through other comprehensive income	Short term insurance business Ksh'000	Short term insurance business Ksh'000	Short term insurance business Ksh'000	Short term insurance business Ksh'000
	Group		Company	
	2023	2022	2023	2022
1 January	644,769	784,901	625,572	764,718
Maturity of bonds	(110,931)	(106,179)	(110,931)	(106,179)
Disposals during the year	(50,000)	-	(50,000)	-
Fair value loss (Note 9a)	(45,708)	(31,081)	(45,708)	(30,088)
Accrued interest	(7,240)	(2,872)	(7,240)	(2,879
31 December	**430,890**	**644,769**	**430,890**	**625,572**
Maturity Analysis				
-Within 1 year	-	96,200	-	96,200
-In 1-5 years	-	7,658	-	-
-After 5 years	430,890	540,911	430,890	529,372
At end of year	**430,890**	**644,769**	**430,890**	**625,572**

At amortised cost government securities are in long term business and short term business and are carried at amortised costs (i.e. cost plus accrued discount or interest) and any premium or discount is amortised through profit or loss during the tenancy of the bond or securities. At fair value through other comprehensive income government securities are in short term business, and are carried at fair value. Gains and losses on valuation of fair value on investments at fair through other comprehensive income are dealt with in the statement of other comprehensive income.

Included in at amortised cost government securities in both long term business and short term business are treasury bonds amounting to KShs 3.9025 billion (2021: KShs 3.9025 billion) relating to securities held under lien by the Central Bank of Kenya in compliance with the requirements of Section 31 of the Insurance Act (CAP 487). These securities cannot be transferred or sold by the Company without the approval of Commissioner of Insurance.

35) Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2020: 30%). The deferred tax assets and liabilities are made up of the following:

Deferred tax asset/(liability)	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000	Movement for the year: Long term assurance business Ksh'000	Movement for the year: Short term insurance business Ksh'000	Movement for the year: Movement Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000
Deferred tax liability									
Group									
Financial assets at fair value on through other comprehensive income	-	(3,957)	(3,957)	-	-	-	-	(3,957)	(3,957)
Accelerated capital allowances	-	-	-	-	-	-	-	-	-
Other temporary differences		(6,408)	(6,408)	-	(56,874)	(56,874)	-	(63,282)	(63,282)
Actuarial surplus			-	-	-	-	-	-	-
Investment property revaluation gain		(2,998)	(2,998)	-	-	-		(2,998)	(2,998)
Other temporary differences				-	-	-			-
Unquoted shares gain on revaluation	207	(8,660)	(8,663)	-	(29,728)	(29,728)	207	(38,388)	(38,181)
PPE timing differences				-	(3,226)	(3,226)		(3,226)	(3,226)
ROU/ lease liability timing differences				-	(847)	(847)		(847)	(847)
Non PPE timimg differences				-	(1,114)	(1,114)		(1,114)	(1,114)
Transfer to other reserves	(660,507)		(660,507)	(38,634)	-	(38,634)	(699,141)		(699,141)
Deferred tax on fixed assets revaluation	-	(1,777)	(1,777)	-	-	-	-	(1,777)	(1,777)
At end of year	**(660,300)**	**(23,800)**	**(684,310)**	**(38,634)**	**(91,790)**	**(130,424)**	**(698,934)**	**(115,590)**	**(814,524)**
Deferred tax asset									
Accelerated capital allowances	-	5,758	5,758	-	-	-	-	5,758	5,758
Financial assets at fair value on through other comprehensive income		571	571	-	(2)	(2)		569	569
Temporary differences arising from accrued leave	-	14,284	14,284	-	145	145	-	14,429	14,429
Other temporary differences		81,317	81,527	-	-	-	-	81,317	81,317
PPE timing differences				-	2,723	2,723		2,723	2,723
ROU/ lease liability timing differences				-	967	967		967	967
Non PPE timimg differences				-	22,442	22,442		22,442	22,442
Tax losses carried forward	-	600,337	600,337	-	140,125	140,125	-	740,462	740,462
At end of year	**0**	**702,267**	**702,267**	**-**	**166,401**	**166,401**	**-**	**868,668**	**868,668**
Net deferred tax (liability)/ Asset	**(660,300)**	**678,467**	**18,167**	**(38,634)**	**74,611**	**35,977**	**(698,934)**	**753,078**	**54,144**
Company									
Deferred tax liability									
Financial assets at fair value on through other comprehensive income	-	(3,957)	(3,957)	-	0	0	-	(3,957)	(3,957)
	-	(3,957)	(3,957)	-	0	-	-	(3,957)	(3,957)
Actuarial surplus	-	-	-	-	-	-	-	-	-
Investment property revaluation gain		(2,998)	(2,998)	-	-	-		(2,998)	(2,998)
Unquoted shares gain on revaluation	207	(8,660)	(8,663)	-	(29,729)	(29,729)	207	(38,389)	(38,182)
PPE timing differences				-	(3,226)	(3,226)		(3,226)	(3,226)
ROU/ lease liability timing differences				-	(847)	(847)		(847)	(847)
Non PPE timimg differences				-	(1,113)	(1,113)		(1,113)	(1,113)
Transfer to other reserves	(660,507)		(660,507)	(38,634)	-	(38,634)	(699,141)		(699,141)
Deferred tax on fixed assets revaluation		(1,777)	(1,777)	-	-	-		(1,777)	(1,777)
At end of year	**(660,300)**	**(17,392)**	**(677,902)**	**(38,634)**	**(34,915)**	**(73,549)**	**(698,934)**	**(52,307)**	**(751,241)**
Deferred tax asset									
Accelerated capital allowances	-	5,758	5,758	-	-	-	-	5,758	5,758
Temporary differences arising from accrued leave	-	14,284	14,284	-	145	145	-	14,429	14,429
Other temporary differences		81,317	81,317	-	-	-		81,317	81,317
PPE timing differences				-	2,722	2,722		2,722	2,722
ROU/ lease liability timing differences				-	967	967		967	967
Non PPE timimg differences				-	22,442	22,442		22,442	22,442
Tax losses carried forward	-	600,337	600,337	-	140,125	140,125	-	740,462	740,462
At end of year	**-**	**701,696**	**701,696**	**-**	**166,401**	**166,401**	**-**	**868,097**	**868,097**
Net deferred tax liability	**(660,300)**	**684,304**	**23,794**	**(38,634)**	**131,486**	**92,852**	**(698,934)**	**815,790**	**116,856**

The Group offsets tax assets and liabilities if and only if it has legally enforceable right to set off current tax assets and current tax liabilities which the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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35) Deferred tax asset/(liability) (continued)

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
Deferred tax liability movement						
(a) Group						
At 01 January	(660,300)	678,468	18,168	211	547,423	547,634
Prior year adjustment	-	-	-	(1)	(1)	(-2)
As restated	(660,300)	678,468	18,168	210	547,422	547,632
(Charged)/credited to statement of changes in equity	(38,634)	(29,729)	(68,363)	(660,507)	-	(660,507)
(Charged)/credited to profit or loss	-	161,215	161,215	-	132,056	132,056
(Charged)/credited to other comprehensive income-prior year adjustment (unquoted shares)	-	-	-	-	-	-
Charged to other comprehensive income	-	(2)	(2)	(3)	(1,010)	(1,013)
At end of year	**(698,934)**	**809,952**	**111,018**	**(660,300)**	**678,468**	**18,168**
Deferred tax liability						
(b) Company						
At 01 January	(660,300)	684,305	24,005	211	546,851	547,062
Prior year adjustment	-	-	-	(1)		(1)
As restated	(660,300)	684,305	24,005	210	546,851	547,061
(Charged)/credited to statement of changes in equity	(38,634)	(29,729)	(68,363)	(660,507)	-	(660,507)
(Charged)/credited to profit or loss	-	161,215	161,215	-	138,464	138,464
(Charged)/credited to other comprehensive income-prior year adjustment (unquoted shares)		-	-		-	-
(Charged)/credited to other comprehensive income-prior year adjustment (revaluation of buildings)	-	-	-	-	-	-
(Charged)/credited to other comprehensive income	-	-	-	(3)	(1,010)	(1,013)
At end of year	**(698,934)**	**815,791**	**116,857**	**(660,300)**	**684,305**	**24,005**

36) Other payables

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
(a) Group						
Inter- departmental balance	30,946	-	30,946	58,765	-	58,765
Accrued leave	9,232	26,096	35,328	8,790	25,049	33,839
Accrued expenses	92,716	35,266	127,982	26,522	13,528	40,050
Other liabilities	185,602	309,908	495,510	414,358	158,871	573,229
At end of year	**318,496**	**371,270**	**689,767**	**508,435**	**197,448**	**705,883**
(b) Company						
Accrued expenses	30,946	35,266	66,212	58,765	13,528	72,293
Accrued leave	9,232	26,096	35,328	8,790	25,049	33,839
Inter-departmental balance	92,716	-	92,716	26,522	-	26,522
Other liabilities	185,602	68,138	253,740	414,358	76,345	490,703
At end of year	**318,496**	**129,500**	**447,997**	**508,435**	**114,922**	**623,357**

For terms and conditions relating to related party payables, refer to Note 42.

Other payables are non-interest bearing and are generally on 30-90 day terms. Other payables are carried at amortised cost.

37) Cash and cash equivalents

For the purpose of cashflow, cash and cash equivalents comprise the following:

	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
(a) Group						
Bank and cash balances	212,496	145,109	357,605	145,089	224,762	224,762
Deposits with financial institutions maturing within 90 days of the date of acquisition	909,091	609,675	1,518,766	776,631	154,719	931,350
	1,121,587	754,784	1,876,371	921,720	379,481	1,301,201
Bank overdraft	-	(81,631)	(81,631)	-	(90,957)	(90,957)
	1,121,587	**673,153**	**1,794,740**	**921,720**	**288,524**	**1,210,244**
(b) Company						
Bank and cash balances	212,496	18,399	230,895	145,089	57,619	202,708
Deposits with financial institutions maturing within 90 days of the date of acquisition	909,091	65,358	974,449	776,631	143,762	920,393
	1,121,587	83,757	1,205,344	921,720	201,381	1,123,101
Bank overdraft	-	(42,924)	(42,924)	-	(17,167)	(17,167)
	1,121,587	**40,833**	**1,162,420**	**921,720**	**184,214**	**1,105,934**

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group. All bank balances are subject to an average variable interest rate of 0.57% (2022: 0.33%).

The carrying amounts disclosed above reasonably approximate fair value at the reporting date. Bank overdraft is secured by fixed deposits held with the bank.

38) Financial instruments

(a) Summary per category

(i) Group

The Group's financial instruments are summarised by categories as follows:

Financial assets	Financial assets at amortised cost (Note 34a) Ksh'000	Financial assets at fair value through other comprehensive income (Note 34b) Ksh'000	Financial assets at fair value through profit or loss (Note 19,33) Ksh'000	Total Ksh'000
31 December 2023				
Investment in quoted equity investments	-	-	364,410	364,410
Investment in unquoted equity investments	-	1,166,400	-	1,166,400
Investment in government securities	76,840,083	430,890	-	77,270,973
Loans receivable	91,467		-	91,467
Other receivables	239,250	-	-	239,250
Deposits with financial institutions	1,518,766	-	-	1,518,766
Bank and cash balances	357,605	-	-	357,605
Carrying value	**79,047,171**	**1,597,291**	**364,410**	**81,008,872**

Financial liabilities	2023 Liabilities Ksh'000	2022 Liabilities Ksh'000
Financial liabilities	-	705,883
Insurance contract liabilities	80,432,135	69,714,952
Bank overdraft	81,631	6,299
Carrying value	**80,513,766**	**70,427,134**

38) Financial instruments (continued)

(a) Summary per category (continued)

(i) Group

The Group's financial instruments are summarised by categories as follows:

Financial assets	Financial assets at amortised cost (Note 20,24,25,32) Ksh'000	Financial assets at fair value through other comprehensive income (Note 25) Ksh'000	Financial assets at fair value through profit or loss (Note 19,33) Ksh'000	Total Ksh'000
31 December 2022				
Investment in quoted equity investments	-	-	59,411	59,411
Investment in unquoted equity investments	-	883,485	-	883,485
Investment in government securities	65,708,442	644,769	-	66,353,211
Loans receivable	106,341	-	-	106,341
Other receivables	341,520	-	-	341,520
Deposits with financial institutions	931,350	-	484,176	1,415,527
Bank and cash balances	369,851	-	-	369,851
Carrying value	**67,457,505**	**1,528,255**	**543,588**	**69,529,348**

38) Financial instruments (continued)

(a) Summary per category (continued)

(ii) Company

The Company's financial instruments are summarised by categories as follows:

Financial assets	Financial assets at amortised cost (Note 20,24,25,32) Ksh'000	Financial assets at fair value through other comprehensive income Ksh'000	Financial assets at fair value through profit or loss Ksh'000	Total Ksh'000
31 December 2023				
Quoted equity investments	-	-	355,723	355,723
Unquoted equity investments	-	965,031	-	965,031
Investment in government securities	76,751,502	430,890	-	77,182,392
Loans receivable	85,971	-	-	85,971
Other receivables	221,776	-	-	221,776
Deposits with financial institutions	974,449	-	-	974,449
Bank and cash balances	230,895	-	-	230,895
Carrying value	**78,264,593**	**1,395,921**	**355,723**	**80,016,238**

Financial liabilities	2023 Liabilities Ksh'000	2022 Liabilities Ksh'000
Financial liabilities	447,997	-
Insurance contract liabilities	79,132,724	68,443,611
Bank overdraft	42,924	17,167
Carrying value	**79,623,644**	**68,460,778**

38) Financial instruments (continued)

(a) Summary per category (continued)

(ii) Company

The Company's financial instruments are summarised by categories as follows:

	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	
	(Note20,24,25, 32)	(Note 25)	(Note 19,33)	Total
Financial assets	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
31 December 2022				
Quoted equity investment	-	-	629,765	629,765
Unquoted equity investments	-	787,152	-	787,152
Investment in government securities	55,678,715	764,718	-	56,443,433
Loans receivable	85,126	-	-	85,126
Other receivables	282,429	-	-	282,429
Deposits with financial institutions	597,059	-	171,285	768,344
Bank and cash balances	106,847	-	-	106,847
Carrying value	**56,750,176**	**1,551,870**	**801,050**	**59,103,096**

(b) Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements (i.e., held to maturity and loans and receivables).

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity. For other variable rate instruments an adjustment is also made to reflect the change in required credit spread since the instrument was first recognised.

Fixed rate financial instruments
The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For quoted debt issued the fair values are determined based on quoted market prices.

39) Fair value measurement

(a) Determination of fair value and fair value hierarchy

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosure only cover instruments measured at fair value.

Level 1

Included in level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. 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 group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in level 2 category are financial assets and liabilities measured using significant inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Financial assets and liabilities measured using significant inputs that are not based on observable market data are categorised as level 3. Non market observable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments and limited partnerships. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations for which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data. However, significant portion of the unquoted shares have been valued at cost and variation in inputs would not have significant fair value change.

39) Fair value measurement (continued)

(a) Determination of fair value and fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Group	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
As at 31 December 2023	**Ksh'000**	**Ksh'000**	**Ksh'000**	**Ksh'000**
Assets:				
At fair value through profit or loss				
Quoted equity investments	364,410	-	-	364,410
Investment properties	-	-	3,371,056	3,371,056
	364,410	0	3,371,056	3,735,466
At fair value through other comprehensive income				
Investment in government securities	430,890	-	-	430,890
Investment in unquoted equity investments	-	-	1,166,400	1,166,400
	430,890	-	1,166,400	1,597,291
	795,301	**-**	**4,537,456**	**5,332,757**
Group				
As at 31 December 2022				
At fair value through profit and loss				
Investment in quoted equity investments	519,411		-	519,411
Investment properties		-	3,353,540	3,353,540
At fair value through other comprehensive income				
Investment in government securities	644,769	-	-	644,769
Unquoted equity investments	-	-	883,485	883,485
	644,769		883,485	1,528,254
	1,164,180	**0**	**883,485**	**5,401,205**

39) Fair value measurement (continued)

(a) Determination of fair value and fair value hierarchy (continued)

Company As at 31 December 2023	Level 1 Ksh'000	Level 2 Ksh'000	Level 3 Ksh'000	Total fair value Ksh'000
Assets				
At fair value through profit and loss				
Investment in quoted shares	355,723	-	-	355,723
Investment properties		-	3,349,556	3,349,556
	355,723	-	3,349,556	3,705,279
Financial assets at fair value through other comprehensive income				
Investment in government securities	430,890	-	-	430,890
Unquoted equity invesments	-	-	965,031	965,031
	430,890	-	965,031	1,395,921
	786,614	**-**	**4,314,587**	**5,101,201**

Company As at 31 December 2022	Level 1	Level 2	Level 3	Total fair value
Assets:				
At fair value through profit and loss				
Quoted equity investments	504,922	-	-	504,922
Investment properties	-	-	3,332,540	3,332,540
	504,922	-	3,332,540	3,837,462
Financial assets at fair value through other comprehensive income				
Investment in government securities	625,572	-	-	625,572
Investment in unquoted shares	-	-	816,025	816,025
	625,572	-	816,025	1,441,597
	1,130,494	**-**	**4,148,565**	**5,279,059**
Financial liabilities:				
Deposit administration and annuities	**-**	**39,803,885**	**-**	**39,803,885**

40) Contingent liabilities

Legal Proceedings and Regulations
The Group operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position. The Group is also subject to insurance solvency regulations in all the territories where it operates and has complied with all these solvency regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

The above contingent liabilities are supported by deposits in the joint accounts of the advocates under instruction of the courts to the tune of KShs 48.953 million as at 31 December 2023.

Contingent liabilities for custom bonds, at the year-end were Ksh 1.582 billion (2022: Ksh 1.579 billion).

Material Damage Claim
The company was in discussion with its reinsurers on a matter relating to a claim by one of its clients, relating to material damage as at 31 December 2012. The lead reinsurer on the matter, had contended that the company over ceded on the surplus treaty in respect of material damage portion of the policy. The company subsequently contested this assertion by the reinsurer, and reinsurers paid off their portion of the liability.

The company then settled the claim and issued a discharge voucher which was not signed and returned as expected From management assessment, any additional liability arising from the litigation process, will be borne by the reinsurers and the company will only suffer to the extent of the retention limit.

Capital commitments
There was no capital expenditure contracted for at the reporting date but not recognised in the financial statements (2022: Ksh Nil).

41) Lease liabilities

b) Operating lease commitments
The group has entered into commercial property leases in respect of its investment property portfolio. Leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The group has lease contracts for various office space used in its operations. Leases generally have lease terms of between 2 years and 5 years,3 months.
The group did not have leases of office space with lease terms of 12 months or less or leases with low value. Therefore, the group did not apply the short term lease and lease of low-value-assets recogntion exemptions as it did not have such leases.

The future minimum lease payments under non-cancellable operating lease are as follows:

Group	**2023**	**2022**
Payable (as a lessee)	**Ksh'000**	**Ksh'000**
Not later than 1 year	2,436	2,924
Later than 1 year and not later than 5 years	33,872	45,750
At end of year	**36,308**	**48,674**

Group	**2023**	**2022**
Receivable (as a lessor)	**Ksh'000**	**Ksh'000**
Not later than 1 year	16,369	18,552
Later than 1 year and not later than 5 years	559,031	130,143
At end of year	**575,400**	**148,696**

41) Lease liabilities (continued)

c) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022 Ksh'000
Balance brought forward	9,951	29,166	29,872	44,042
Additions	8,696	4,168	12,864	-
Depreciation charge	(4,497)	(7,392)	(11,889)	(14,170)
At end of year	**14,150**	**25,942**	**30,847**	**29,872**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Group	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022 Ksh'000
Lease liabilities				
1 January	11,515	23,035	34,551	45,056
Additions	8,696	4,168	12,864	-
Accretion of interest	1,842	2,658	4,500	5,064
Payments	(5,957)	(9,649)	(15,606)	(15,569)
31 December	**16,096**	**20,212**	**36,309**	**34,551**

The maturity analysis of lease liabilities are disclosed in Note 41.B19

The group had nil non-cash additions to right-of-use assets and lease liabilities in 2023 (2022: Ksh Nil).

41) Lease liabilities (continued)

d) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Company	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022
Lease rentals				
1 January	9,951	19,921	29,872	42,354
Additions	8,696	4,168	12,864	-
Depreciation charge	(4,497)	(7,392)	(11,889)	(12,482)
31 December	**14,150**	**16,697**	**30,847**	**29,872**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Company	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2023 Ksh'000	2022
Balance brought forward	11,515	23,035	34,550	45,014
Additions /(Write Backs)	8,696	4,168	12,864	-
Accretion of interest	1,842	2,658	4,500	5,064
Payments	(5,957)	(9,649)	(15,606)	(15,528)
At end of year	**16,096**	**20,212**	**36,308**	**34,550**

The maturity analysis of lease liabilities are disclosed in Note 41.

The company had nil non-cash additions to right-of-use assets and lease liabilities in 2023 (2022: nil).

42) Related party disclosures

There are several companies which are related to the company through common shareholdings or common directorship. General Insurance Corporation, New India Assurance Company Limited and Life Insurance Corporation of India are major shareholders of Kenindia Assurance Company Limited. United Insurance Company Limited, National Insurance Company Limited and Oriental Insurance Company Limited are related to Kenindia Assurance Company Limited through common directorship.

Kenindia Asset Management Company Limited and Kenya Pravack Limited are wholly owned subsidiaries of Kenindia Assurance Company Limited. Tanzindia Assurance Company Limited is partially owned (65%) by Kenindia Assurance Company Limited.

In the normal course of business, insurance policies are sold to related parties at terms and conditions similar to those offered to major clients.

The following transactions were carried out with related parties

	Long term asssurance business Ksh'000	Short term insurance business Ksh'000	2023 Total Ksh'000	Long term assurance business Ksh'000	Short term insurance business Ksh'000	2022 Total Ksh'000
(i) Transactions with related parties						
Insurance revenue						
General insurance corporation	-	72,849	72,849	-	64,019	64,019
Other related parties	-	110,814	110,814	-	176,372	176,372
Insurance Expenses						
General insurance corporation	-	350,933	350,933	-	8,532	8,532
Other related parties	-	5,265	5,265	-	109,406	109,406
(ii) Outstanding balances with related parties						
Receivable from related parties relating to insurance revenue						
General Insurance Corporation	-	10,313	10,313	-	20,927	20,927
Life Insurance Corporation of India	(3,049)	-	(3,049)	(3,049)	-	(3,049)
New India Assurance Company Limited	-	(292,278)	(292,278)	-	(288,263)	(288,263)
United Insurance Company Limited	-	-	-	-	618	-
National Insurance Company Limited	-	23,127	23,127	-	23,127	23,127
Oriental Insurance Company Limited	-	18,282	18,282	-	18,282	18,282
Tanzindia Assurance Company Limited	-	-	-	-	1,702	1,702
East Africa Re Limited	-	2,218	2,218	-	3,184	3,184

There were no provisions made or amounts written off on related party balances during the year (2022: Ksh Nil).

42) Related party disclosures (continues)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	Ksh'000	**Ksh'000**	**Ksh'000**	**Ksh'000**
(iii) Deposits with financial institutions				
Credit Bank	-	64,776	64,776	64,776
(iv) Directors' remuneration				
Directors' fees (Note 6)	1,580	3,456	1,575	2,250
Other expenses	8,570	16,432	8,567	14,687
As executives	36,193	29,802	36,193	29,802
	46,343	**49,690**	**46,335**	**46,739**
Directors' loans	**-**	**-**	**-**	**-**
(v) Key management compensation				
Salaries and benefits	108,105	145,843	108,079	125,349
Social security benefit costs	99	24	99	23
Retirement benefit costs	6,540	9,395	6,537	7,346
	114,744	**155,262**	**114,715**	**132,718**

Key management includes personnel at both top and middle level management (general managers and assistant general managers).

43) Capital management

Externally imposed capital requirements are set and regulated by the Insurance Regulatory Authority (IRA). 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 Ksh 400 million in the long term business which meets the minimum (Ksh 400 million) requirement as per the Insurance Act. In the short term business, the company's paid up capital should not be less than 10% of the total gross premium written in the short term business during the year or Kshs. 600,000,000.00. The paid up capital is Ksh 600,000,000 (2022: Ksh 600,000,000) while 10% of gross premium written is Ksh 2,372 million (2022: Ksh 2,372 million).

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

44) Prior year adjustments

Prior year adjustments relate to reclassification of insurance insurance revenue, insurance service expenses , insurance contract assets, insurance contract liabilities, as a result of adoption of IFRS 17 Insurance Contracts.

45) Company solvency margins and capital adequacy Capital adequacy

As per the new Insurance Act requirements, capital adequacy ratios are as follows:

	Short term business	
	2023	**2022**
	Ksh'000	**Ksh'000**
Minimum required capital	1,581,042	1,576,944
Total capital available	3,344,006	3,418,643
Capital adequacy ratio	**212%**	**217%**
Capital adequacy ratio minimum	**100%**	**100%**

	Long term business	
	2023	**2022**
	Ksh'000	**Ksh'000**
Minimum required capital	3,657,681	3,124,134
Total capital available	3,731,491	3,172,778
Capital adequacy ratio	**102%**	**102%**
Capital adequacy ratio minimum	**100%**	**100%**

46) Incorporation and registered office

The company is incorporated in Kenya under the Companies Act. The address of the registered office is given on page 1.

KENINDIA

notes to the financial statements

For The Year Ended 31 December 2023

proxy form

KENINDIA

I/We ____

of____

being a member/members of **KENINDIA ASSURANCE COMPANY LIMITED** hereby appoint ________________

____

of____

or failing him____

of____

or failing him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the hybrid Annual General Meeting of the Company to be held at the Registered office of the Company, Kenindia House, 12th Floor, Loita Street, Nairobi and via videoconference on Friday, 27 September 2024 and at any adjournment thereof.

Please indicate how you wish to cast your vote.

		FOR	AGAINST
1	To adopt the audited financial statements		
2	To declare a dividend		
3	To approve Directors' fees		
4	To re-elect Mr L N Nyachae		
5	To re-elect Ms E M Musyoka		
6	To re-elect Mr H R Khatau		
7	To appoint auditors		

Dated this________________________ day of ____________________________ 2024

Name: ________________________

Signature: ________________________

Notes

1. *A proxy need not be a member of the Company.*
2. *Unless otherwise instructed the proxy will vote or abstain as he thinks fit in respect of the member's total shareholding.*
3. *In case of a corporation this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf.*
4. *Proxies must be emailed to Ms Phoebe Macharia of Adili Corporate Services Kenya, the Company Secretary or lodged at the Registered Office, Kenindia House, Loita Street, PO Box 44372 - 00100, Nairobi, not less than 24 hours before the time for holding the meeting or adjourned meeting.*

FOLD 2

STAMP

Kenindia Assurance Company Limited
Registered Office
Kenindia House, Loita Street
P.O. Box 44372, 00100 - GPO
Nairobi, Kenya

FOLD 1