

Group and Company statement of financial position as at 31 December 2024

KShs Millions	Group		Company	
	2024	2023	2024	2023
Assets				
Interests in subsidiaries	-	-	2 702	2 702
Intangible assets	1 447	1 481	-	-
Owner-occupied properties	1 216	1 216	-	-
Equipment	146	200	-	-
Right-of-use-assets	52	87	-	-
Deferred taxation	6	196	-	-
Financial investments	27 601	20 345	-	-
Staff loans receivable	542	635	-	-
Reinsurance contract assets	1 884	5 737	-	-
Intergroup balances with subsidiaries	-	-	11	28
Prepayments and other receivables	746	882	7	22
Assets classified as held for sale	5 334	-	-	-
Current taxation	66	125	-	-
Cash and cash equivalents	9 109	12 857	3	19
Total assets	48 149	43 761	2 723	2 771
Liabilities				
Lease liabilities	61	100	-	-
Insurance contract liabilities	18 937	23 863	-	-
Financial liabilities under investment contracts	11 021	7 088	-	-
Deferred taxation	1 007	927	-	-
Financial liabilities	225	180	-	-
Laibilities relating to assets held for sale	4 480	-	-	-
Intergroup balances with subsidiaries	-	-	11	4
Other payables	1 566	1 831	19	24
Employee benefits	207	195	25	-
Total liabilities	37 504	34 184	55	28
Equity				
Ordinary shareholders' equity	10 304	9 189	2 668	2 743
Share capital	536	536	536	536
Share premium	1 490	1 490	1 490	1 490
Retained surplus	6 473	5 394	642	717
Other reserves	1 805	1 769	-	-
Non-controlling interests	341	388	-	-
Total equity	10 645	9 577	2 668	2 743
Total equity and liabilities	48 149	43 761	2 723	2 771

Abridged Group and Company statement of cashflows

KShs Millions	Group		Company	
	2024	2023	2024	2023
Cashflows from operating activities	(1 795)	4 500	184	(12)
Cashflows from investing activities	(105)	(182)	-	-
Cashflows from financing activities	(299)	(41)	(200)	-
Net (decrease) increase in cash equivalents	(2 199)	4 277	(16)	(12)
Cash and cash equivalents at the beginning of the year	12 857	8 566	19	31
Classified as held for sale	(1 529)	-	-	-
Foreign currency translation	(20)	14	-	-
Cash and cash equivalents at the end of the year	9 109	12 857	3	19

Abridged Group and Company statement of changes in equity

KShs Millions	Group						Total equity
	Share capital	Share premium	FCTR <sup>(1)</sup>	Statutory reserve and Owner-occupied properties	Retained surplus	Non-controlling interests	
Balance at 1 January 2023	536	1 490	(111)	1 839	4 771	367	8 892
Total comprehensive income	-	-	8	-	656	21	685
Transfer between reserves	-	-	-	33	(33)	-	-
Balance at 31 December 2023	536	1 490	(103)	1 872	5 394	388	9 577
Total comprehensive income	-	-	(74)	-	1 389	(37)	1 278
Transfer between reserves	-	-	-	110	(110)	-	-
Dividend	-	-	-	-	(200)	(10)	(210)
Balance at 31 December 2024	536	1 490	(177)	1 982	6 473	341	10 645

(1) FCTR - Foreign currency translation reserve

Company				
KShs Millions	Share capital	Share premium	Retained surplus	Total equity
Balance at 1 January 2023	536	1 490	691	2 717
Total comprehensive income	-	-	26	26
Balance at 31 December 2023	536	1 490	717	2 743
Total comprehensive income	-	-	125	125
Dividends paid	-	-	(200)	(200)
Balance at 31 December 2024	536	1 490	642	2 668

Group and Company statement of comprehensive income for the year ended 31 December 2024

KShs Millions	Group		Company	
	2024	2023 (Restated) <sup>(1)</sup>	2024	2023
Revenue				
Insurance revenue	10 950	10 828	-	-
Insurance service expense	(8 528)	(8 624)	-	-
Net insurance service result before reinsurance contracts held	2 422	2 204	-	-
Net expense from reinsurance contracts held	(1 418)	(1 253)	-	-
Insurance service result	1 004	951	-	-
Investment income	(24)	149	315	140
Interest income on financial assets held at amortised cost	1 395	1 243	-	-
Investment gains	5 736	590	-	-
Fair value adjustment to financial liabilities under investment contracts	(2 154)	(412)	-	-
Fair value adjustment to financial liabilities	(212)	(146)	-	-
Net investment income	4 741	1 424	315	140
Finance expenses from insurance contracts issued	(2 806)	(427)	-	-
Finance income from reinsurance contracts held	55	(1)	-	-
Net insurance finance expenses	(2 751)	(428)	-	-
Net insurance and investment result	2 994	1 947	315	140
Revenue from contracts with customers	456	149	-	-
Other operating expenses	(1 351)	(1 074)	(190)	(114)
Finance costs	(8)	(2)	-	-
Profit before taxation from continuing operations	2 091	1 020	125	26
Taxation	(721)	(389)	-	-
Total earnings from continuing operations	1 370	631	125	26
Total earnings from discontinued operations	32	41	-	-
Total earnings	1 402	672	125	26
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss	(124)	13	-	-
Foreign currency translation	(124)	13	-	-
Total comprehensive income	1 278	685	125	26
Total earnings attributable to:				
Shareholders' equity	1 389	656	125	26
Non-controlling interests	13	16	-	-
	1 402	672	125	26
Total comprehensive income attributable to:				
Shareholders' equity	1 315	663	125	26
Non-controlling interests	(37)	22	-	-
	1 278	685	125	26
Basic earnings per share			-	-
Basic and diluted earnings per share (KShs)	2.59	1.22	-	-

(1) The restatement of 2023 references the reclassification of certain amounts contained in finance expenses from insurance contracts and net insurance service result. This is to align to the industry interpretation of IFRS 17. In addition, the classification of the subsidiary Heritage Insurance Tanzania (HIT) as a disposal group and discontinued operation, requires applicable 2023 income statement items related to HIT to be aggregated as a comparative to total earnings from discontinued operations.

Message from the directors

The directors are pleased to present extracts of the Group and Company audited financial statements for the year ended 31 December 2024. These are extracts from the financial statements audited by PricewaterhouseCoopers LLP, which received an unmodified opinion.

The global landscape continues to evolve, influenced by various ongoing conflicts, the expanding BRICS alliance, climate-related challenges, and shifts in U.S. policy. These factors are impacting economic stability worldwide, with direct implications for Kenya.

The Kenyan Shilling strengthened against major currencies, reducing import costs and easing inflationary pressures. Inflation remained within the Central Bank of Kenya's target range. Interest rate yields remained elevated for most of the year before easing significantly towards the end of 2024. Climate change continues to pose significant risks, with extreme weather events becoming more frequent. In April and May 2024, heavy rainfall led to severe flooding, causing substantial property damage.

Results

The Group achieved strong financial results, with earnings per share increasing 112% to Kshs 2.59, driven by improved profitability in the Kenya operating companies:

- Claims ratios remaining within target levels.
- Solid investment performance.
- Disciplined expense management.

Operating companies are rated AA+(Ke) by Global Credit Rating (GCR) and were above required regulatory capital levels, ensuring financial stability.

Strategic developments

The sale of the group's 60% ownership in Heritage Insurance Tanzania is progressing well. Under IFRS guidance it has been classified as a discontinued operation in this year's results. The sale is expected to be concluded within the first half of 2025 after all pending regulatory approvals are received.

Outlook

The exceptional investment performance experienced during 2024 is unlikely to be replicated in 2025. LKH Group, however, remains well-positioned for sustainable and improving operating profitability through prudent risk management, operational efficiencies, and strategic investments. The disposal of the Tanzanian subsidiary is not expected to have material impact on the Group's earnings.

Dividend

Due to the Group's improved financial performance, the Directors are pleased to recommend to the shareholders, for approval at the Annual General Meeting, a normal dividend per ordinary share of KShs 0.5 (2023 : KShs 0.373) and a special dividend per share of KShs 0.5, totaling to a final dividend for the year of KShs 1. Further details will be provided in the Notice of the Company's Annual General Meeting.

Annual general meeting

The Annual General Meeting will be held on **23 May 2025**. The annual financial statements and reports are available on [www.libertykenya.co.ke](http://www.libertykenya.co.ke) and were approved by the board on **25 March 2025** and signed on its behalf by:

**P Odera**  
Chairman

**K Godden**  
Chief Executive Officer